

12. FINANCIAL INFORMATION

12.1 Historical audited combined financial information

All references to Maxis' financial condition and results of operations within Section 12.1 and Section 12.2 herein refer to the Subsidiaries' financial condition and results of operations.

The following selected historical audited combined financial information as at or for the years ended 31 December 2006, 31 December 2007 and 31 December 2008, and as at or for the 6 months ended 30 June 2009, has been derived from the audited combined financial statements of the Subsidiaries. As the Company was incorporated on 7 August 2009, it does not have any financial records as at 30 June 2009. Additionally, the following selected unaudited historical combined financial information for the 6 months ended 30 June 2008 has been prepared from the Subsidiaries' financial records. Prospective investors should note that Maxis' results for the 6 months ended 30 June 2009 are not necessarily indicative of the results that it will achieve for the year ending 31 December 2009. The selected historical audited and unaudited combined financial information should be read in conjunction with, the Accountants' Report in Section 13 of this Prospectus, including the Subsidiaries' audited combined financial statements and related notes, and with Section 12.2 of this Prospectus. The financial information included in this document does not reflect the Subsidiaries' results of operations, financial position and cash flows in the future, and the Subsidiaries' past operating results are not indicative of the Subsidiaries' future operating performance.

The audited and unaudited combined financial statements incorporate the combined income statements, the combined balance sheets and the combined cash flow statements of the Subsidiaries, aggregated to show the results for the financial years or periods under review as they have been operated as a single economic entity. The assets and liabilities have been brought into the combined balance sheets at the carrying amounts as at the balance sheets dates. All significant intra-group transactions and balances have been eliminated on combination.

The combined financial statements do not incorporate the effects of the Pre-Listing Restructuring, which is accounted for using the purchase method of accounting under FRS 3 "Business Combination", IPO, Listing and ESOS. Therefore, they are not reflective of the financial position, results and cash flows that would have occurred if the Pre-Listing Restructuring, IPO, Listing and ESOS had been effected on 1 January 2006 or of the future financial position, results and cash flows of Maxis. See Section 12.4 of the Prospectus for further information on the proforma consolidated balance sheets of Maxis.

As part of the Pre-Listing Restructuring, the Company acquired the Subsidiaries and the acquisition was accounted for using the purchase method of accounting in accordance with FRS 3 "Business Combination". Maxis Mobile Services has been identified as the acquirer and therefore the acquisition of Maxis Mobile Services by the Company was accounted for as a reverse acquisition. Acquisition of the Subsidiaries other than Maxis Mobile Services was accounted for using the purchase method of accounting. Further, there is an amount due to MCB of RM4,992.0 million resulting from the Pre-Listing Restructuring in respect of which interest is chargeable until full settlement. These combined financial statements do not reflect the impact of the Pre-Listing Restructuring including the interest charge on the amount due to MCB. See Sections 6.2 and 12.3 of this Prospectus.

Under FRS 2 "Share-Based Payment", Maxis will be required to recognise the cost arising from the fair value of the Options granted and the difference between the Institutional Price and the Final IPO Price and the difference between the Institutional Price and the price payable by the Cornerstone Investors for the Offer Shares (if any). However, the combined income statements do not reflect the potential cost relating to the Options nor the impact from the difference between the Institutional Price and the Final IPO Price and the difference between the Institutional Price and the price payable by the Cornerstone Investors for the Offer Shares (if any) as no Option was granted during the period under review and the Pre-Listing Restructuring, IPO and Listing were only effected after the period under review.

12. FINANCIAL INFORMATION (cont'd)

As the Subsidiaries were part of the MCB group of companies, they did not operate independently as a group. The combined financial statements are, therefore, not necessarily indicative of the financial position, results of operations and cash flows that would have occurred if the Subsidiaries had been an independent stand-alone group during the financial years or periods under review. The combined financial statements are also not necessarily indicative of the future financial position, results of operations and cash flows of Maxis' business.

The audited combined financial statements of the Subsidiaries were not subject to any audit qualification for the years ended 31 December 2006, 31 December 2007 and 31 December 2008, or for the 6 months ended 30 June 2009.

	For the year ended 31 December			For the 6 months ended 30 June	
	2006 (audited)	2007 (audited)	2008 (audited)	2008 (unaudited)	2009 (audited)
(RM million, except percentages and per share data)					
Income Statement Data:					
Revenue	6,957.1	7,689.6	8,449.8	4,068.1	4,243.8
Interconnect expenses, USP contributions and other direct cost of sales	(2,032.3)	(2,358.3)	(2,650.9)	(1,255.3)	(1,378.2)
Gross profit	4,924.9	5,331.3	5,798.8	2,812.8	2,865.6
Other income	2.0	3.6	2.7	1.4	1.9
Administrative expenses	(1,139.1)	(1,706.0)	(1,330.6)	(603.1)	(719.5)
Network operation costs	(893.2)	(888.5)	(1,223.2)	(468.2)	(592.1)
Other expenses	(29.2)	(44.1)	(38.0)	(22.0)	(22.1)
Profit from operations	2,865.4	2,696.3	3,209.8	1,720.8	1,533.7
Finance income	40.6	37.0	56.8	21.6	20.0
Finance costs	(32.4)	(45.6)	(38.9)	(21.3)	(22.0)
PBT	2,873.5	2,687.7	3,227.7	1,721.0	1,531.8
Taxation	(768.1)	(707.5)	(827.3)	(460.6)	(390.8)
PAT	2,105.4	1,980.2	2,400.4	1,260.4	1,141.0
PAT attributable to:					
Equity holders	2,105.4	1,980.2	2,400.4	1,260.4	1,141.0
Minority interest	-	-	-	-	-
	2,105.4	1,980.2	2,400.4	1,260.4	1,141.0
Profit From Operations Includes:					
Depreciation of telecommunications assets	814.0	813.3	1,092.9	434.9	554.1
Depreciation of non- telecommunications assets	54.6	59.1	56.5	28.4	30.0
Total depreciation	868.6	872.4	1,149.4	463.3	584.1
Amortisation of intangible assets and prepaid lease payments	9.0	21.4	42.8	19.4	27.9
Total depreciation and amortisation	877.6	893.8	1,192.2	482.7	612.0
Total depreciation and amortisation included in:					
Administrative expenses	84.1	105.0	130.8	61.0	76.8
Network operation costs	793.5	788.8	1,061.4	421.7	535.2
Other Selected Financial Data:					
Cash flow data:					
Cash flow from operating activities	2,517.6	3,368.3	3,221.5	1,270.6	1,080.0
Cash flow used in investing activities	(986.1)	(1,121.7)	(802.8)	(198.0)	(352.0)
Cash flow used in financing activities	(1,384.5)	(3,242.9)	(1,453.5)	(104.7)	(538.7)
Dividends declared	1,448.5	2,709.9	720.0	100.0	600.0
Gross profit margin (%) ⁽¹⁾	70.8	69.3	68.6	69.1	67.5
PBT margin (%) ⁽²⁾	41.3	35.0	38.2	42.3	36.1
PAT margin (%) ⁽³⁾	30.3	25.8	28.4	31.0	26.9
Gross earnings per ordinary share (sen) ⁽⁴⁾	38.3	35.8	43.0	45.9 ⁽⁶⁾	40.8 ⁽⁶⁾
Net earnings per ordinary share (sen) ⁽⁵⁾	28.1	26.4	32.0	33.6 ⁽⁶⁾	30.4 ⁽⁶⁾
NTA per ordinary share (sen) ⁽⁷⁾	44.1	33.4	55.9	48.9	62.9

12. FINANCIAL INFORMATION (cont'd)

Notes:

- (1) Computed based on the gross profit over total revenue of the Subsidiaries.
- (2) Computed based on the PBT over total revenue of the Subsidiaries.
- (3) Computed based on the PAT over total revenue of the Subsidiaries.
- (4) Computed based on the PBT of the Subsidiaries divided by 7,500.0 million Shares.
- (5) Computed based on the PAT of the Subsidiaries divided by 7,500.0 million Shares.
- (6) Annualised.
- (7) Computed based on the net assets of the Subsidiaries less total intangible assets of the Subsidiaries divided by 7,500.0 million Shares. The computation does not include the goodwill or intangible assets as highlighted in Section 5.1.28 of this Prospectus.

	For the year ended 31 December			For the 6 months ended 30 June	
	2006	2007	2008	2008	2009
	(RM million)				
EBITDA⁽¹⁾					
PAT	2,105.4	1,980.2	2,400.4	1,260.4	1,141.0
Taxation	768.1	707.5	827.3	460.6	390.8
PBT	2,873.5	2,687.7	3,227.7	1,721.0	1,531.8
Finance income	(40.6)	(37.0)	(56.8)	(21.6)	(20.0)
Finance cost	32.4	45.6	38.9	21.3	22.0
Depreciation	868.6	872.4	1,149.4	463.3	584.1
Amortisation ⁽²⁾	9.0	21.4	42.8	19.4	27.9
EBITDA	3,743.0	3,590.1	4,402.1	2,203.5	2,145.8

Notes:

- (1) EBITDA and the related ratios in this Prospectus are supplemental measures of Maxis' performance and liquidity and are not required by, or represented in accordance with, Malaysian GAAP. Furthermore, EBITDA is not a measure of Maxis' financial performance or liquidity under Malaysian GAAP and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with Malaysian GAAP or as alternatives to cash flow from operating activities or as measures of Maxis' liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison between companies using such a term may not be possible. Other companies may calculate EBITDA differently to Maxis, limiting its usefulness as a comparative measure. The table above sets forth a reconciliation of Maxis' profit after tax to EBITDA.
- (2) Includes intangible assets and prepaid lease payments.

12.2 Management's discussion and analysis of financial condition and results of operations

The following discussion and analysis with respect to the 3 years ended 31 December 2006, 2007 and 2008 and the 6 months ended 30 June 2008 and 2009 are based on, and should be read in conjunction with, the Accountants' Report as set out in Section 13 of this Prospectus.

Except as otherwise indicated, the statistical and certain other information relating to the Malaysian mobile telecommunications industry contained in this section are based on or are derived from data prepared by Frost & Sullivan. The information has not been independently verified by Maxis or any other person.

Maxis' combined financial statements as at and for the 3 years ended 31 December 2006, 2007 and 2008 and the 6 months ended 30 June 2008 and 2009, have been prepared and presented on a combined basis in accordance with Malaysian GAAP.

12. FINANCIAL INFORMATION (cont'd)

12.2.1 Introduction

Maxis is the leading mobile telecommunications provider in Malaysia with 11.4 million mobile subscriptions, representing 40.0% of the estimated 28.5 million total mobile subscriptions in Malaysia as at 30 June 2009.

Between 2006 and 2008, Maxis' revenue grew by 21.5% from RM6,957.1 million in 2006 to RM8,449.8 million in 2008, primarily driven by mobile subscriber growth. Maxis' mobile customer base grew from 8.1 million as at 31 December 2006 to 11.2 million as at 31 December 2008, reflecting a compound annual growth rate of 18.0%. Correspondingly, revenue from mobile services, which contributed over 90.0% of Maxis' revenue in all years, grew from RM6,535.2 million in 2006 to RM7,866.1 million in 2008, an increase of 20.4%.

Maxis also operates a fixed line network and an international gateway, which offers voice and data services using fibre optic, microwave and satellite technology. The fixed line services and international gateway services generated revenue of RM170.5 million and RM251.4 million respectively for 2006 and RM203.7 million and RM380.0 million respectively for 2008. Revenue from fixed line services and international gateway services constituted 2.4% and 4.5% respectively of Maxis' revenue for 2008.

The table below shows Maxis' revenue by principal services for the periods indicated.

	For the year ended 31 December				For the 6 months ended 30 June					
	2006		2007		2008		2009			
	(audited)	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)		
Revenue	(RM million, except percentages)									
Mobile	6,535.2	93.9%	7,173.1	93.3%	7,866.1	93.1%	3,816.5	93.8%	3,915.5	92.3%
Fixed line	170.5	2.5%	204.4	2.7%	203.7	2.4%	95.5	2.3%	103.7	2.4%
International gateway	251.4	3.6%	312.2	4.0%	380.0	4.5%	156.1	3.8%	224.6	5.3%
	6,957.1	100%	7,689.6	100%	8,449.8	100%	4,068.1	100%	4,243.8	100%

12. FINANCIAL INFORMATION (cont'd)

12.2.2 Factors affecting Maxis' financial condition and results of operations

Maxis' financial condition and results of operations have been, and are expected to continue to be, affected by the competitive and regulatory environment, as well as the performance of the Malaysian economy. The results of Maxis' operations, like those of other telecommunications operators, are dependent on the number of subscribers, the level of subscriber usage, the churn rate of subscribers, ARPU levels, product offerings and pricing, the amount of capital expenditure, financing costs, interconnection arrangements and lease of transmission capacity.

(i) Industry trends

According to Frost & Sullivan, mobile market penetration in Malaysia was 97.9% as at 31 December 2008 and is expected to reach 107.0% by 31 December 2009. The market for mobile subscribers is increasingly competitive and customer growth is expected to be driven by the introduction of new products and services. Maxis expects to see increased adoption of multiple SIMs and continued take-up of non-usage services or 'time-targeted' rate plans and availability of devices supporting dual SIMs. In addition, Maxis expects the entry of new players to further increase competition as new entrants will leverage on pricing tactics, while incumbents introduce innovative offers, bundled incentives and customer experience differentiation via service levels or network quality.

On the regulatory front, various initiatives have been implemented by the Commission, which include the introduction of MNP, which allows subscribers to freely move across operators without changing their mobile number, as well as MVNOs, to foster a stronger competitive environment. Maxis expects that the Commission will be conducting an access price review with all telecommunications operators, which may adversely affect product pricing.

With increasing penetration rates and slowing voice revenue growth, mobile operators are expected to shift their focus towards the provision of non-voice services to support future revenue growth. The anticipated growth in non-voice services is expected to be driven mainly by higher mobile internet adoption, falling 3G device prices, increasing adoption of smartphones such as the Apple iPhone™ and growing broadband penetration.

According to Frost & Sullivan, Malaysia's fixed line broadband household penetration rate as at 31 December 2008 stood at 21.4%. The Government has targeted a national broadband household penetration rate of 50.0% by 2010 and has awarded TM a RM11.3 billion contract to deploy a HSBB network to support the broadband initiatives. The rise in the popularity of multimedia content-sharing and social networking services, increasing PC penetration rate and the entry of new wireless broadband providers are expected to drive demand for broadband access. According to Frost & Sullivan, the growth of mobile broadband in Malaysia has been very strong with total mobile subscriptions reaching 412,000 at the end of 2008, representing a growth of 266.0% over 2007.

12. FINANCIAL INFORMATION (cont'd)

(ii) Competition

Increasing competition in the telecommunications industry has had, and is expected to continue to have, an impact on Maxis' financial condition and results of operations. Mobile service providers compete for customers in a number of different areas including the services and features offered, the technical quality of the wireless system, network coverage and capacity, customer service and price. Furthermore, continued technological changes, evolving industry standards, liberalisation and changes in customers' preferences have further increased the competitive environment. More recent changes in competitive approach include the launch of greater focus on the youth segment with discounted offers, promotional activity, and from some competitors, ultra-long validity prepaid SIM cards allowing customers to stay "active" for many years without top up. At the high end residential and business market, there is increased marketing in smartphones and data services normally on a postpaid plan.

The competitive pressures in the Malaysian telecommunications industry have increased with the introduction of new mobile players such as U Mobile and MVNOs, launch of 3G services by DiGi and the entrance of WiMAX service providers offering wireless broadband services. New entrants have yet to make a significant impact on the market (in terms of revenue and subscriber market share) and the 3 leading mobile operators, namely Maxis, Celcom and DiGi, have maintained their strong market positions on the back of strong brand and network presence.

Wireless broadband services are experiencing an increase in demand resulting in operators offering lower prices, higher data speeds and wider coverage as competition intensifies. New broadband players in the form of WiMAX-licensed operators have launched their services in selected areas and are currently rolling out their broadband network. For the fixed line services, TM continues to be the dominant player due to its existing fixed network footprint.

(iii) Products and pricing

Pricing of retail mobile services was fully liberalised in Malaysia in August 2000, and as a result, mobile operators are currently free to set any prices for their products and services. The liberalisation has led to a more competitive pricing environment, with operators offering bundled product and service packages for both postpaid and prepaid customers, and moving to fixed monthly commitment plans for postpaid. This has generally resulted in a higher churn rate, lower ARPU and increased customer acquisition costs.

The increased competition from both existing and new operators has resulted in, and is expected to continue to result in, greater price competition, with operators lowering tariffs and focusing on fixed monthly commitment plans. In addition, operators are now providing substantial handset subsidies and offering more innovative product and service packages. Maxis' direct participation in any price competition could have a material adverse effect on Maxis' financial position and results of operations.

12. FINANCIAL INFORMATION (cont'd)

As a result of competitive pressure on the pricing for voice services, monthly ARPU from Maxis' postpaid customers have declined from RM140.2 in the year ended 31 December 2006 to RM102.9 in the 6 months ended 30 June 2009. To compensate for the drop in voice revenue, Maxis and other operators have focused on providing mobile data services such as SMS and mobile internet browsing to their customers. In addition, to minimise churn, Maxis introduced product promotions and retention programmes which reward rebates to customers based on loyalty, usage and prompt payment of bills. While Maxis' average monthly blended churn rate decreased from 5.4% in 2006 to 3.6% in 2008, increasing competition and the impact of the unfavourable economic environment have resulted in an increase in the average monthly blended churn rate to 4.2% in the 6 months ended 30 June 2009. Maxis anticipates that its churn rate will continue to be under pressure with the entrance of MVNOs and intensifying competition.

In order to minimise the impact of increased competition on Maxis' financial position and results of operations, Maxis' key strategies have been, and will continue to be, the management of mobile customer churn, maintenance of a conservative operating cost structure, continued focus on high value customers through branding and marketing strategies, maintenance of a loyal customer base through superior customer service and loyalty programmes, as well as providing high quality mobile service and extensive network coverage. While Maxis believes that these strategies will continue to be effective, there can be no assurance that these or other strategies will prove effective in avoiding the adverse effects of greater competition.

(iv) Interconnection arrangements and USP obligations

Since July 1998, interconnection charges between telecommunications operators in Malaysia have been charged on a cost-based arrangement. Following 2 previous costing studies culminating in 2 sets of access pricing determination in 2003 and 2005 respectively, Maxis expects that the Commission will be conducting another industry-wide costing study and will be seeking industry feedback in establishing new access prices for some of the regulated services to replace the current prices expiring in June 2010. Maxis presently is a net receiver of interconnection fees for mobile termination services.

In September 2001, the Commission implemented the principle of "pay or play" for USP. This policy provides for funding from a USP Fund managed by the Commission either for operating for capital expenditures on a no-gain no-loss basis or solely for capital expenses in certain instances. Operators whose net revenue derived from designated services exceed a minimum threshold established by the Commission, are required to contribute to the USP Fund. Maxis is currently required to contribute 6.0% of its weighted net revenue from designated services to the USP Fund. The Commission may, by written notification, decide to reduce the contribution based on the Commission's assessment from time to time based on several factors, among others, the funds required to fulfil the universal service targets, the ability of the licensees to meet the obligation, the amount of moneys available in the USP Fund and such other matters as may be deemed relevant by the Commission. For the year ended 31 December 2008, Maxis' contribution to the USP Fund amounted to RM379.8 million.

12. FINANCIAL INFORMATION (cont'd)

(v) Funding

Prior to the Pre-Listing Restructuring, Maxis had RM634.4 million of debt facilities and deposits, cash and bank balances of RM1,881.0 million as at 30 June 2009. Based on the proforma consolidated balance sheets as at 30 June 2009, Maxis' cash and bank balances after the Pre-Listing Restructuring were illustrated as RM75.3 million. For information on the proforma consolidated balance sheets of Maxis, refer to Section 12.4 of this Prospectus.

As a result of the Pre-Listing Restructuring, Maxis owes MCB RM4,992.0 million and this amount owed to MCB is required to be repaid by Maxis on the Payment Due Date. In the event that Maxis shall raise any external financing prior to the Payment Due Date, it is required to pay the amount due to MCB from the receipt of the proceeds from the financing.

Maxis is seeking long-term external debt financing of RM5,000.0 million. In addition, the Company has obtained, subject to the execution of definitive agreements and to the terms of the letter of offer for the same, a revolving credit facility of RM1,000.0 million from CIMB Bank Berhad for working capital and liquidity purposes should the need arise. This will increase Maxis' leverage and result in higher interest expense going forward and may lead to higher future cost of borrowings for Maxis. For information on the Pre-Listing Restructuring and Maxis' capitalisation and indebtedness, refer to Sections 6.2 and 12.3 of this Prospectus respectively.

(vi) Capital expenditure

Maxis' businesses are capital intensive in nature. In order to continue to be competitive and to provide services and technologies compatible with the more advanced telecommunications providers, Maxis will continue to expand and modernise its telecommunications network, which will require substantial capital expenditures.

During the years ended 31 December 2006, 2007 and 2008 and 6 months ended 30 June 2008 and 30 June 2009, Maxis incurred capital expenditure of RM997.1 million, RM1,141.8 million, RM791.6 million, RM192.1 million and RM357.2 million, respectively. Such expenditure was incurred on projects related to the expansion and improvement of Maxis' telecommunications networks and supporting systems infrastructure. As at 30 June 2009, Maxis had approved and committed capital expenditure of RM338.8 million and approved but not committed capital expenditure of RM726.2 million. This capital expenditure is largely aimed at expansion of the 2G, 3G and wireless broadband footprint and capacity, and fiberisation of the metropolitan areas primarily to enable Maxis to roll-out enhanced data application services.

Maxis may need additional capital resources to develop its infrastructure and update the technology to remain competitive in the markets. While Maxis believes that it will be able to obtain additional financing as required, there is no assurance that additional financing will be available on commercially acceptable terms, or at all. For information on Maxis' liquidity and capital resources and capital expenditure, refer to Sections 12.2.8 and 12.2.9 of this Prospectus respectively.

12. FINANCIAL INFORMATION (cont'd)

(vii) Utilisation of taxation benefits

The Ministry of Finance granted Maxis Approved Service Projects (“ASP”) status for its mobile, fixed line and international gateway services. ASP status is granted to projects that are undertaken by resident companies in the communications, utilities and transportation services sub-sectors. The incentives granted include an investment allowance of 60.0% of qualifying capital expenditure incurred for purposes of the ASP within a period of 5 years and these investment allowances can be used to shelter up to 70.0% of statutory income. Any unabsorbed allowances can be carried forward to be utilised against future taxable profits from the approved project. The ASP incentive period for Maxis’ mobile, fixed line and international gateway services expired in June 2000, December 2000 and June 2001 respectively. As at 31 December 2008, Maxis had unabsorbed investment allowances of RM537.8 million for the fixed line services to be utilised against future taxable profits from its fixed line services.

In September 2007, the Government introduced an incentive for companies investing in “last mile” broadband infrastructure. The incentive is in the form of an allowance of 100.0% of qualifying capital expenditure incurred for “last mile” broadband infrastructure within a period of 5 years and these allowances can be used to shelter up to 70.0% of statutory income. Maxis is currently in the process of submitting the necessary applications for its broadband infrastructure investments, pending clarification of the meaning of “last mile” from the Ministry of Finance.

(viii) Performance of the Malaysian economy

Almost all of Maxis’ revenue is derived from operations undertaken in Malaysia, the principal exception to this being its revenue from outbound roaming which constitutes a small proportion of its revenue.

According to Bank Negara Malaysia, the Malaysian economy registered a GDP growth of 4.6% in 2008, amidst the international financial turmoil and rapid deterioration in the global economic environment. Domestic demand, in particular, sustained private consumption and public spending, supported growth during the year. While external demand was strong in the first half of 2008, the sharp deterioration in the global economic conditions and correction in commodity prices led to significant decline in external demand in the second half of 2008.

The year 2009 is expected to be a challenging year for the Malaysian economy as it is projected to experience the full impact of the global downturn this year. According to a report published by Bank Negara Malaysia on 27 May 2009, the Malaysian economy contracted by 6.2% for first quarter of 2009 amidst falling global external demand resulting from the deepening recession in advanced economies. In response, several policy measures have been put in place with a primary focus on supporting domestic demand as well as mitigating the impact of the global slowdown on the Malaysian economy. Malaysia has to date announced 2 economic stimulus packages totaling RM67 billion aimed at supporting the private sector demand, creating employment and training opportunities, easing the burden of the affected economic sectors and building long-term capacity of the economy.

12. FINANCIAL INFORMATION (cont'd)

According to Bank Negara Malaysia Annual Report 2008 published on 25 March 2009, the GDP growth of the Malaysian economy is projected to be in the range of -1.0% to 1.0% in 2009, taking into account the impact of the global downturn and the support from the government policy measures.

The current downturn in the Malaysian economy has adversely affected the spending on telecommunication services by certain segments of the economy. Furthermore, the downturn in the local and global economy has also adversely affected tourism, business and social travel in and out of the country. Maxis, like other operators in the industry, is affected by these factors.

12.2.3 Significant accounting policies

The following is an extract of Maxis' significant accounting policies and the explanations thereof.

Revenue recognition

Maxis recognises revenue when the amount of revenue can be reliably measured at the time of the provision of the products or services. Revenue is recognised net of service tax, returns, rebates, discounts and content revenue share.

Revenue from mobile postpaid services, fixed line services and international gateway services is recognised when such services are rendered. Any unutilised amount for certain commitment plans is rolled over for a period of 1 month from the billing date, after which such amounts are recognised as revenue.

Revenue from mobile prepaid services comprises sales of starter packs and prepaid top-up tickets. Revenue from the sale of starter packs is recognised, in the case of sale to distributors, at the time of such sale and net of commission paid to distributors, and in the case of a sale at Maxis' own centres, at the time of sale to customers. Revenue from sale of prepaid top-up tickets is recognised when services are rendered. Credits on prepaid top-up tickets are deferred up to the point of customer churn, after which such amounts are recognised as revenue.

Unutilised credits of prepaid top-up tickets sold to customers and distributors, and unutilised airtime on postpaid rate plans which have been deferred as described above are recognised as deferred revenue.

Receivables

Trade receivables are carried at the invoiced amount less an allowance for doubtful debts. The allowance for doubtful debts is determined based on a review of the current status of existing receivables and historical collections experience. Such allowance is adjusted periodically to reflect the actual payment experiences, anticipated future customer payments and the ageing of trade receivables balances. Bad debts are written off once it has been determined that the receivables cannot be recovered.

12. FINANCIAL INFORMATION (cont'd)

Depreciation

All property, plant and equipment are depreciated over their estimated useful life to residual value on a straight line basis. Estimated useful life of network and telecommunications equipment is 4 to 25 years. Estimated useful life of property, plant and equipment is reviewed annually on factors such as business plan and strategies, expected level of usage and technological developments. In the year ended 31 December 2008, there was an acceleration of depreciation on certain telecommunications equipment of RM244.0 million resulting from a write down of the life of these assets as part of the network modernisation strategy.

Income and deferred taxation

Maxis is subject to income taxes in numerous jurisdictions. Significant judgment is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Maxis recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred taxation is recognised in full on temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements at the relevant balance sheet date.

Deferred tax assets are recognised at the legal entity level and only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised. All deferred tax assets have been recognised as at 30 June 2009.

Impairment of goodwill and intangible assets on acquisition of subsidiaries

The Company recognised intangible assets (including goodwill) of RM11,136.0 million when it acquired certain subsidiaries as part of the Pre-Listing Restructuring. The intangible assets (including goodwill) will be adjusted following the completion of purchase price allocation exercise within 12 months of the acquisition date as required by Malaysian GAAP and contingent liabilities may be recognised arising from the adjustment.

Goodwill arises on the acquisition of subsidiaries and it represents the excess of the cost of the acquisition over Maxis' share in the fair value of the net identifiable assets, liabilities and contingent liabilities of the target at the date of the acquisition. Goodwill is measured at cost less any accumulated impairment losses. Negative goodwill is recognised immediately in the income statement.

Goodwill is an asset with an indefinite useful life and is not subjected to amortisation and is tested annually for impairment or if events indicate an earlier review is necessary. For the purpose of impairment, goodwill is allocated to its cash generating units/divisions within each business. The recoverable amounts of cash generating units are based on the calculations of the present value of the future cash flows expected to be derived from an asset or cash generating unit.

12. FINANCIAL INFORMATION (cont'd)

Intangible assets identified with a finite life will be subject to amortisation over its estimated economic useful life. It will be tested for impairment where there are indicators of impairment. Intangible assets with an indefinite useful life are subject to annual impairment review. Any reduction in or impairment of the value of the intangible assets and amortisation of finite life intangible assets will be charged to the income statement.

Segment results

Maxis operates in 3 key segments, namely, mobile services, fixed line services and international gateway services. Maxis will provide other services such as management services which will be included as other services.

Certain inter-segment transactions are transacted at normal commercial terms that are no more favourable than that available to other third parties while the rest are allocated based on an equitable allocation basis. Unallocated items comprise mainly finance leases, current taxes and deferred taxes.

Share-based compensation

The ESOS, when implemented, may give rise to a charge to the income statement when Maxis pays for the services rendered in exchange for the grant of the Options. The Options are recognised as an expense in the income statement over the vesting periods of the grants with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the Options at the date of the grant and the number of Options to be vested by the vesting date. The fair value of Options will be measured using the modified Black Scholes option valuation model.

For a further discussion of these and other significant accounting policies, see Section 13 of this Prospectus.

12. FINANCIAL INFORMATION (cont'd)

12.2.4 Information on legal entities

The following table sets forth the revenue and PBT by entities within Maxis and also such revenue expressed as a percentage of total revenue and PBT respectively, for the periods indicated.

	For the year ended 31 December				For the 6 months ended 30 June				
	2006	2007	2008	2008	2008	2009	2009	2009	
	(RM million, except percentages)								
Revenue									
Maxis Mobile Services	5,952.8 ⁽¹⁾	6,548.5 ⁽¹⁾	7,184.4 ⁽¹⁾	85.0%	3,480.8	3,566.7	85.6%	3,566.7	84.0%
Maxis Broadband	4,245.3 ⁽¹⁾	4,712.9 ⁽¹⁾	5,858.7 ⁽¹⁾	61.3%	2,910.3	2,909.9	71.5%	2,909.9	68.6%
Maxis International	471.8 ⁽¹⁾	534.2 ⁽¹⁾	634.8 ⁽¹⁾	6.9%	273.9	345.9	6.7%	345.9	8.2%
Others ⁽³⁾	215.0	282.8	283.7	3.7%	132.1	161.4	3.2%	161.4	3.8%
Elimination	(3,927.8)	(4,388.8)	(5,511.8)	(57.1%)	(2,729.0)	(2,740.1)	(67.0%)	(2,740.1)	(64.6%)
	6,957.1 ⁽²⁾	7,689.6 ⁽²⁾	8,449.8 ⁽²⁾	100.0%	4,068.1	4,243.8 ⁽²⁾	100.0%	4,243.8 ⁽²⁾	100.0%
PBT									
Maxis Mobile Services	772.7 ⁽¹⁾	1,267.8 ⁽¹⁾	393.3 ^{(1),(4)}	47.2%	141.2	160.6	8.2%	160.6	10.5%
Maxis Broadband	2,073.5 ⁽¹⁾	1,940.2 ⁽¹⁾	2,838.2 ^{(1),(4)}	72.2%	1,574.0	1,359.4	91.5%	1,359.4	88.7%
Maxis International	17.3 ⁽¹⁾	14.4 ⁽¹⁾	28.3 ⁽¹⁾	0.5%	7.6	8.3	0.4%	8.3	0.5%
Others ⁽³⁾	(67.2)	16.1	169.6	0.6%	(4.5)	66.3	(0.3%)	66.3	4.3%
Elimination	77.2	(550.8)	(201.7)	(20.5%)	2.7	(62.8)	0.2%	(62.8)	(4.0%)
	2,873.5 ⁽²⁾	2,687.7 ⁽²⁾	3,227.7 ⁽²⁾	100.0%	1,721.0	1,531.8 ⁽²⁾	100.0%	1,531.8 ⁽²⁾	100.0%

Notes:

- (1) Extracted from the audited financial statements of the respective entities.
- (2) Extracted from the audited combined financial statements of the Subsidiaries.
- (3) Includes Maxis Mobile, Advanced Wireless Technologies, Maxis Collections, Maxis Multimedia, Maxis Mobile (L), Maxis Online, Maxis Asia Access and UMTS.
- (4) The decrease in PBT of Maxis Mobile Services and the increase in PBT of Maxis Broadband for the year ended 31 December 2008 was mainly due to an increase in intercompany wholesale costs charged by Maxis Broadband to Maxis Mobile Services of RM1,088.1 million as a result of an increase in traffic and tariff. The intercompany wholesale costs were eliminated in arriving at the combined figures.

12. FINANCIAL INFORMATION (cont'd)

12.2.5 Components of revenue

Maxis' revenue increased from RM6,957.1 million in 2006 to RM8,449.8 million in 2008, an increase of 21.5%. Mobile services continued to be the principal contributor to Maxis' revenue, in comparison to the relatively small contributions to revenue by the fixed line services and international gateway services.

The principal components of Maxis' revenue for the 3 years ended 31 December 2006, 2007 and 2008 and the 6 months ended 30 June 2008 and 2009 are discussed below.

Mobile services

Mobile services revenue includes revenue derived from voice usage fees, roaming partners and interconnect revenue, non-voice revenue, and other revenue.

Voice usage fees include charges for outgoing calls usage (including roaming Maxis customers) for both postpaid and prepaid customers net of service discounts and incentives to customers when granted.

Revenue from roaming partners and interconnection includes amounts received from other operators for calls made by their customers using Maxis' networks and for calls from their networks terminating through Maxis' networks.

Non-voice revenue represents revenue from SMS, ADS (comprising revenue from services such as mobile internet, music, messaging and content services, MMS, location-based services, and m-commerce), wireless broadband and other non-voice revenue including voice mail, CLIR, call waiting, call forwarding and itemised billing.

Other revenue includes revenue from sale of devices, network income from lease lines, monthly access fees and sale of prepaid starter packs.

The following table sets forth the principal components of Maxis' mobile services revenue, its postpaid and prepaid revenue and such revenue expressed as a percentage of total mobile services revenue, for the periods indicated.

Mobile services revenue

	For the year ended 31 December						For the 6 months ended 30 June			
	2006		2007		2008		2008		2009	
	(RM million, except percentages)									
Voice usage fees	4,036.2	61.8%	4,296.9	59.9%	4,496.8	57.2%	2,211.8	58.0%	2,169.2	55.4%
Roaming partners and interconnect revenue	783.6	12.0%	858.7	12.0%	922.8	11.7%	455.2	11.9%	458.6	11.7%
Non-voice revenue	1,510.6	23.1%	1,846.9	25.7%	2,284.2	29.0%	1,073.6	28.1%	1,216.0	31.1%
Other revenue	204.8	3.1%	170.5	2.4%	162.4	2.1%	75.8	2.0%	71.7	1.8%
	<u>6,535.2⁽¹⁾</u>	<u>100%</u>	<u>7,173.1⁽¹⁾</u>	<u>100%</u>	<u>7,866.1⁽¹⁾</u>	<u>100%</u>	<u>3,816.5</u>	<u>100%</u>	<u>3,915.5⁽¹⁾</u>	<u>100%</u>
Postpaid	2,657.2	40.7%	2,815.8	39.3%	3,185.8	40.5%	1,525.3	40.0%	1,772.6	45.3%
Prepaid	3,878.0	59.3%	4,357.2	60.7%	4,680.3	59.5%	2,291.2	60.0%	2,142.9	54.7%
	<u>6,535.2⁽¹⁾</u>	<u>100%</u>	<u>7,173.1⁽¹⁾</u>	<u>100%</u>	<u>7,866.1⁽¹⁾</u>	<u>100%</u>	<u>3,816.5</u>	<u>100%</u>	<u>3,915.5⁽¹⁾</u>	<u>100%</u>

Note:

⁽¹⁾ Audited.

12. FINANCIAL INFORMATION (cont'd)

Mobile services revenue increased from RM6,535.2 million in 2006 to RM7,866.1 million in 2008 at a compound annual growth rate of 9.7%. The increase in mobile services revenue was driven by an increase in voice usage fees, roaming partners and interconnect revenue and non-voice revenue, which in total was more than the decrease in other revenue.

Voice usage fees increased between 2006 and 2008 primarily due to an increase in the number of postpaid and prepaid subscriptions, and an overall increase in usage from Maxis' own customers, partially offset by a decline in the price for such services. Maxis' mobile customer base increased from 8.1 million subscriptions in 2006 to 11.2 million subscriptions in 2008. The share of voice revenue in total mobile services revenue declined from 61.8% in 2006 to 57.2% in 2008 as the growth in voice revenue was lower than other components of mobile services revenue, particularly non-voice revenue.

Roaming partners and interconnect revenue increased from RM783.6 million in 2006 to RM922.8 million in 2008 as a result of increases in interconnect revenue from RM581.6 million in 2006 to RM670.2 million in 2008 and roaming partners revenue from RM202.0 million in 2006 to RM252.6 million in 2008. With an enlarged customer base, incoming calls terminating on Maxis' network increased, improving Maxis' interconnect revenue.

Non-voice revenue increased from RM1,510.6 million in 2006 to RM2,284.2 million in 2008 at a compound annual growth rate of 23.0%. The share of non-voice revenue as a percentage of total mobile services revenue increased from 23.1% in 2006 to 29.0% in 2008. The increase in non-voice revenue was primarily due to increased usage of SMS, ADS and wireless broadband. ADS, in particular, increased with growing penetration of mobile phones capable of handling advanced data services and a wider range of such service offerings from Maxis. Wireless broadband revenue grew from RM2.8 million in 2006 to RM127.5 million in 2008 due to an increase in the number of wireless broadband subscriptions from 4,000 as at 31 December 2006 to 140,000 as at 31 December 2008. The subscriber growth was attributable to the increase in the deployment of the wireless broadband network and greater product range offering by Maxis.

The following table sets forth the components of Maxis' mobile non-voice revenue and such revenue expressed as a percentage of total mobile services revenue, for the periods indicated.

Non-voice revenue

	For the year ended 31 December						For the 6 months ended 30 June			
	2006		2007		2008		2008		2009	
	(RM million, except percentages)									
SMS	1,117.7	17.1%	1,346.1	18.8%	1,527.3	19.4%	749.8	19.6%	734.3	18.8%
ADS	271.6	4.2%	357.2	5.0%	501.8	6.4%	217.5	5.7%	310.6	7.9%
Wireless broadband	2.8	0.0%	24.3	0.3%	127.5	1.6%	45.2	1.2%	89.6	2.3%
Others – Non-voice	118.5	1.8%	119.3	1.7%	127.6	1.6%	61.2	1.6%	81.4	2.1%
	<u>1,510.6</u>	<u>23.1%</u>	<u>1,846.9</u>	<u>25.7%</u>	<u>2,284.2</u>	<u>29.0%</u>	<u>1,073.6</u>	<u>28.1%</u>	<u>1,216.0</u>	<u>31.1%</u>

Other revenue decreased from RM204.8 million in 2006 to RM162.4 million in 2008 primarily due to a decline in monthly access fees.

12. FINANCIAL INFORMATION (cont'd)

The table below sets out selected unaudited operating data with respect to Maxis' mobile services, including the number of Maxis' prepaid, postpaid and wireless broadband subscriptions, monthly ARPU levels, average monthly MOU per subscription and average monthly churn rates for the periods indicated.

Selected unaudited operating data (mobile services)

	For the year ended 31 December			For the 6 months ended 30 June	
	2006	2007	2008	2008	2009
Number of mobile subscriptions (in thousands)					
Postpaid	1,623.1	1,907.3	2,503.8	2,115.0	2,727.7
Prepaid	6,440.2	7,811.6	8,590.1	8,419.1	8,523.9
Wireless broadband	4.5	46.3	140.2	101.3	171.2
Total	8,067.8	9,765.2	11,234.1	10,635.5	11,422.8
Monthly ARPU (RM)					
Postpaid	140.2	125.3	112.3	115.5	102.9
Prepaid	46.4	51.0	46.6	47.0	41.6
Wireless broadband	99.1	75.4	95.5	88.2	101.6
Blended	61.2	64.0	58.6	59.1	54.2
Average monthly MOU per subscription (minutes)⁽¹⁾					
Postpaid	465.4	406.2	396.1	399.7	369.2
Prepaid	92.0	124.6	131.5	136.3	112.8
Blended	156.1	178.7	184.0	186.6	171.6
Average monthly churn rate⁽²⁾					
Postpaid	1.1%	1.2%	1.2%	1.2%	1.8%
Prepaid	6.8%	4.3%	4.3%	3.9%	4.9%
Wireless broadband	7.0%	11.9%	3.9%	3.4%	4.5%
Blended	5.4%	3.7%	3.6%	3.3%	4.2%

Notes:

⁽¹⁾ Average monthly MOU per subscription excludes roaming partner minutes but includes free minutes effective June 2007.

⁽²⁾ Average monthly churn rates for postpaid, prepaid and wireless broadband subscribers exclude migration of Maxis' subscribers from one product to another.

The increase in Maxis' mobile customer base contributed to the drop of blended ARPU from RM61.2 to RM58.6 between 2006 and 2008, which declined at a compound annual rate of 2.1%. For the postpaid market, the decline in ARPU was largely driven by increased competition, declining tariffs, higher penetration into lower usage customer segments in a matured market and migration of lower ARPU prepaid customers to postpaid plans. ARPU levels in the prepaid market have been relatively flat with lower priced packages, offering value with increased usage through reward programmes.

12. FINANCIAL INFORMATION (cont'd)

Maxis' average monthly blended MOU per subscription increased from 156.1 minutes in 2006 to 184.0 minutes in 2008 as a result of an increase from the prepaid segment that was partially offset by a decline in the postpaid segment. Average prepaid MOU per subscription increased from 92.0 minutes in 2006 to 131.5 minutes in 2008, a result of lower priced offerings. However, average postpaid MOU per subscription decreased from 465.4 minutes in 2006 to 396.1 minutes in 2008 primarily due to migration of prepaid customers, who traditionally have lower usage levels, to postpaid plans.

Average monthly blended churn rates have declined from 5.4% in 2006 to 3.6% in 2008, primarily due to the requirement of prepaid registration by the Commission in December 2006, the focus on customer retention through building communities and the offering of attractive on-net packages, product innovation and rewards.

The table below sets out selected unaudited financial and operating data with respect to Maxis and its mobile services for the periods indicated.

Selected unaudited financial and operating data (Maxis and its mobile services)

	For the three months ended							
	30 September 2007	31 December 2007	31 March 2008	30 June 2008	30 September 2008	31 December 2008	31 March 2009	30 June 2009
	(RM million)							
Revenue	1,943.0	2,077.0	2,010.9	2,057.2	2,118.9	2,262.8	2,128.0	2,115.8
EBITDA	506.8	1,100.2	1,106.1	1,097.4	1,054.5	1,144.1	1,072.4	1,073.4
	For the three months ended							
	30 September 2007	31 December 2007	31 March 2008	30 June 2008	30 September 2008	31 December 2008	31 March 2009	30 June 2009
Number of mobile subscriptions (in thousands)								
Postpaid	1,830.3	1,907.3	1,974.7	2,115.0	2,311.0	2,503.8	2,654.6	2,727.7
Prepaid	7,385.2	7,811.6	8,137.7	8,419.1	8,608.0	8,590.1	8,460.2	8,523.9
Wireless broadband	21.1	46.3	76.5	101.3	122.3	140.2	150.7	171.2
Total	9,236.6	9,765.2	10,189.0	10,635.5	11,041.3	11,234.1	11,265.6	11,422.8
Monthly ARPU (RM)								
Postpaid	127.4	111.3	116.3	114.8	110.0	108.1	102.3	103.5
Prepaid	48.9	54.5	48.0	46.0	45.5	46.8	42.1	41.0
Wireless broadband	61.7	89.4	85.0	91.3	101.5	104.4	96.6	106.6
Blended	62.9	64.2	60.0	58.2	57.6	58.7	54.3	54.0
Average monthly MOU per subscription (minutes)⁽¹⁾								
Postpaid	408.6	427.2	398.9	400.5	402.7	382.4	365.4	373.1
Prepaid	126.4	142.7	141.7	131.0	131.4	122.0	111.0	114.5
Blended	180.8	197.0	190.5	182.6	185.7	177.1	168.3	174.8

12. FINANCIAL INFORMATION (cont'd)

Selected unaudited financial and operating data (Maxis and its mobile services)

	For the three months ended							
	30 September 2007	31 December 2007	31 March 2008	30 June 2008	30 September 2008	31 December 2008	31 March 2009	30 June 2009
	(RM million)							
Average monthly churn rate⁽²⁾								
Postpaid	1.2%	1.1%	1.3%	1.1%	1.0%	1.4%	1.5%	2.0%
Prepaid	4.2%	4.1%	3.7%	4.0%	4.4%	4.9%	4.9%	5.1%
Wireless broadband	5.2%	4.9%	2.6%	4.1%	4.3%	4.5%	5.2%	3.9%
Blended	3.6%	3.5%	3.2%	3.4%	3.7%	4.2%	4.1%	4.3%

Notes:

(1) Average monthly MOU per subscription excludes roaming partner minutes but includes free minutes effective June 2007.

(2) Average monthly churn rates for postpaid, prepaid and wireless broadband exclude migration of Maxis' subscribers from one product to another.

Fixed line services

Revenue from fixed line services consists of revenue from voice services, data, VSAT services and IP and managed services provided to consumer and business customers.

Voice services are local, domestic long distance and IDD, ISDN and single PSTN line services provided by Maxis to business and residential customers, which revenue takes the form of airtime usage, monthly access fees, interconnect revenue and connection fees.

Data services include DPLC, IPLC, Metro-E services as well as various internet access through DIA and xDSL.

VSAT services are satellite based multimedia services, including voice, data, digital video broadcast and IP services over the MEASAT satellites.

IP services refer to IP platforms or network architecture such as MPLS. Managed services relate to the design, supply, commission and management of network and communication services (voice, video and data) of large businesses.

12. FINANCIAL INFORMATION (cont'd)

The following table sets forth the principal components of fixed line services revenue and such revenue expressed as a percentage of total fixed line services revenue, for the periods indicated.

Fixed line services revenue

	For the year ended 31 December						For the 6 months ended 30 June			
	2006		2007		2008		2008		2009	
	(RM million, except percentages)									
Voice	101.0	59.2%	91.6	44.8%	73.6	36.1%	40.2	42.1%	36.1	34.8%
Data	50.1	29.4%	52.7	25.8%	66.9	32.9%	33.6	35.2%	32.9	31.7%
VSAT	16.6	9.8%	19.6	9.6%	24.5	12.0%	10.5	11.0%	14.9	14.4%
IP and managed services	2.8	1.6%	40.5	19.8%	38.7	19.0%	11.2	11.7%	19.8	19.1%
	<u>170.5⁽¹⁾</u>	<u>100%</u>	<u>204.4⁽¹⁾</u>	<u>100%</u>	<u>203.7⁽¹⁾</u>	<u>100%</u>	<u>95.5</u>	<u>100%</u>	<u>103.7⁽¹⁾</u>	<u>100%</u>

Note:

⁽¹⁾ Audited.

Maxis' fixed line services revenue increased at a compound annual growth rate of 9.3% from RM170.5 million in 2006 to RM203.7 million in 2008 as a result of increased revenue from data services, VSAT services and IP and managed services, which were partially offset by decreased revenue from voice services.

Revenue from voice services decreased from RM101.0 million in 2006 to RM73.6 million in 2008 primarily due to a decrease in the number of subscribers, voice tariffs and interconnect revenue from other fixed line local operators as customers switched to mobile and internet-based communication.

Revenue from data products increased from RM50.1 million in 2006 to RM66.9 million in 2008 at a compound annual growth rate of 15.6% in line with the increase in demand for more bandwidth. VSAT increased from RM16.6 million in 2006 to RM24.5 million in 2008 at a compound annual growth rate of 21.5% due to an increase in demand from Maxis' corporate customers.

Revenue from IP and managed services grew from RM2.8 million in 2006 to RM38.7 million in 2008 through the delivery of managed services by Maxis to the corporate and government sector.

International gateway services

International gateway services generate revenue from interconnect services provided for the transmission of outgoing international calls, interconnect revenue from foreign operators for the transmission of incoming international calls and wholesale hubbing revenue from foreign operators for the transmission of non-Malaysia terminating traffic.

Maxis' international gateway services were set up to support both the mobile and fixed line services. Maxis' wholesale hubbing business combines organic and hubbing traffic to derive cost advantages in settlement rates, to allow for competitive IDD rates to be provided to Maxis' customers as well as for securing a higher volume of inbound Malaysian terminating traffic.

Revenue from Maxis' international gateway services increased from RM251.4 million in 2006 to RM380.0 million in 2008, at a compound annual growth rate of 22.9%, primarily as a result of an increase in wholesale hubbing revenue.

12. FINANCIAL INFORMATION (cont'd)

12.2.6 Components of operating costs

Maxis' operating costs have increased from RM4,093.8 million in 2006 to RM5,242.7 million in 2008 primarily due to increases in interconnect expenses, USP and other direct costs of sales, network operation costs and administrative expenses.

The following table sets forth the principal components of Maxis' operating costs and such costs expressed as a percentage of total operating costs, for the periods indicated.

Operating costs	For the year ended 31 December				For the 6 months ended 30 June					
	2006		2007		2008		2009			
	(audited)	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)		
	(RM million, except percentages)									
Interconnect expenses, USP and other direct cost of sales	2,032.3	49.6%	2,358.3	47.2%	2,650.9	50.6%	1,255.3	53.4%	1,378.2	50.8%
Administrative expenses	1,139.1	27.8%	1,706.0	34.1%	1,330.6	25.4%	603.1	25.7%	719.5	26.5%
Network operation costs	893.2	21.8%	888.5	17.8%	1,223.2	23.3%	468.2	19.9%	592.1	21.8%
Other expenses	29.2	0.7%	44.1	0.9%	38.0	0.7%	22.0	0.9%	22.1	0.8%
	<u>4,093.8</u>	<u>100%</u>	<u>4,996.9</u>	<u>100%</u>	<u>5,242.7</u>	<u>100%</u>	<u>2,348.6</u>	<u>100%</u>	<u>2,711.9</u>	<u>100%</u>

12. FINANCIAL INFORMATION (cont'd)

The principal components of Maxis' operating costs are discussed below.

Interconnect expenses, USP and other direct cost of sales

Interconnect expenses represent amounts paid to other operators for calls from Maxis' network to their networks made by Maxis' customers.

USP Fund is a fund set up by the Commission to enable telecommunications companies to make provision for Universal Services required under the Communications and Multimedia (Universal Service Provider) Regulations. USP Fund contributions are calculated based on 6.0% of the weighted net revenue for designated services in the preceding year.

Other direct costs of sales include leased line charges, roaming charges paid to overseas mobile telecommunications operators for calls made by Maxis' customers using their network and other direct expenses. Other direct expenses include rental and utilities charges for base stations, commission for top-up tickets paid to distributors, services tax for sale of top-up tickets, cost of starter packs and top-up tickets sold to prepaid customers, licence fees charges, cost of prepaid SIM cards and content cost for internet data services.

Administrative expenses

Administrative expenses include sales and marketing expenses, net allowance for doubtful debts, staff related costs, contract services, depreciation of non-telecommunications plant, property and equipment, professional fees, office rentals, contract services, software maintenance and licence fees, repairs and maintenance of non-telecommunications network assets, equipment, materials and supplies consumed, utilities, insurance and public relation expenses.

Sales and marketing expenses consist primarily of marketing, advertising and promotional expenses as well as dealers or sales commission paid in respect of new product registration, sales of prepaid and postpaid product packages, handset subsidies and market research expenses.

Staff-related costs consist of salaries and wages, bonuses, allowances, benefits, contributions to the Employees' Provident Fund and a one-off ECC cost of RM505.2 million arising from the privatisation and delisting of MCB.

Network operation costs

Network operation costs primarily comprise repairs and maintenance of telecommunications network assets, allowance for stock obsolescence and depreciation of telecommunications equipment. Telecommunications network repairs and maintenance costs mainly comprise operational spares and extended warranty charges paid to extend warranty coverage of telecommunications equipment whose warranty periods have expired.

Other expenses

Other expenses consist of MEPs dealers' expenses, overdue debt and subscriber collection fees, foreign exchange losses on translation of trade payables, corporate membership, road tax and other sundry expenses.

12. FINANCIAL INFORMATION (cont'd)

12.2.7 Results of operations**(i) 6 months ended 30 June 2009 compared to 6 months ended 30 June 2008****Revenue**

Revenue increased by 4.3% from RM4,068.1 million for the 6 months ended 30 June 2008 to RM4,243.8 million for the 6 months ended 30 June 2009. The growth in revenue was primarily due to increased revenue generated from Maxis' mobile services, which accounted for 93.8% and 92.3% of Maxis' revenue for the 6 months ended 30 June 2008 and 30 June 2009, respectively.

Mobile services

Revenue from mobile services increased from RM3,816.5 million for the 6 months ended 30 June 2008 to RM3,915.5 million for the 6 months ended 30 June 2009, representing an increase of 2.6%. The increase in mobile service revenue was primarily due to increases in revenue from roaming partners and interconnection and non-voice services, partially offset by decreases in voice usage fees and other revenue.

Voice usage fees declined from RM2,211.8 million for the 6 months ended 30 June 2008 to RM2,169.2 million for the 6 months ended 30 June 2009. The decrease in the voice usage fees was primarily due to lower prices for the customers arising from increased competition and decrease in monthly blended MOU per subscription from 186.6 minutes for the 6 months ended 30 June 2008 to 171.6 minutes for the 6 months ended 30 June 2009. This was partially offset by an increase in the number of subscribers. The decrease in voice usage fees was due to the loss in market share in the prepaid segment at the beginning of the first half of the year 2009. This loss was due to the introduction by Maxis of 60-second charging blocks in place of the 30-second charging blocks. This block change was selectively reversed in the second quarter of 2009 with a new range of target offerings. Maxis believes that the new offers, together with other initiatives has resulted in an improvement in Maxis' market share of gross activations, although the MOU for the first half of the year 2009 remained lower in comparison to the first half of the year 2008.

Roaming partners and interconnect revenue increased from RM455.2 million for the 6 months ended 30 June 2008 to RM458.6 million for the 6 months ended 30 June 2009 primarily as a result of an increase in interconnect revenue from RM322.6 million for the 6 months ended 30 June 2008 to RM344.0 million for the 6 months ended 30 June 2009, partially offset by a decrease in revenue from roaming partners from RM132.7 million for the 6 months ended 30 June 2008 to RM114.6 million for the 6 months ended 30 June 2009 due to the adverse impact of the global economic crisis.

12. FINANCIAL INFORMATION (cont'd)

Revenue from non-voice services increased from RM1,073.6 million for the 6 months ended 30 June 2008 to RM1,216.0 million for the 6 months ended 30 June 2009, representing an increase of 13.3%. The growth in non-voice revenue was primarily driven by an increase in revenue from ADS and wireless broadband services, partially offset by a decline in revenue from SMS. This decline was primarily due to the loss of market share among ultra-high SMS usage customers in the teenage band on *HOTLiNK*. More recently, *HOTLiNK* has started new special SMS supersaver offers and deployed targeted promotions to increase engagement with this group. ADS revenue increased by 42.8% from the 6 months ended 30 June 2008 to the 6 months ended 30 June 2009 with the continued growth in mobile internet usage, the additional products and services launched by Maxis and the introduction of devices such as BlackBerry™ and the Apple iPhone™. Wireless broadband revenue grew from RM45.2 million for the 6 months ended 30 June 2008 to RM89.6 million for the 6 months ended 30 June 2009 due to an increase in the number of subscriptions from 101,000 as at 30 June 2008 to 171,000 as at 30 June 2009.

Other revenue declined from RM75.8 million for the 6 months ended 30 June 2008 to RM71.7 million for the 6 months ended 30 June 2009.

Fixed line services

Revenue from Maxis' fixed line services increased by 8.6%, from RM95.5 million for the 6 months ended 30 June 2008 to RM103.7 million for the 6 months ended 30 June 2009. The increase in revenue was mainly due to higher project revenue recognition from IP and managed services for work completion.

International gateway services

Revenue from Maxis' international gateway services increased by 43.9%, from RM156.1 million for the 6 months ended 30 June 2008 to RM224.6 million for the 6 months ended 30 June 2009, mainly attributable to the increase in hubbing revenue.

Operating costs

Maxis recorded operating costs of RM2,711.9 million for the 6 months ended 30 June 2009 compared to RM2,348.6 million for the 6 months ended 30 June 2008, representing an increase of 15.5%.

Interconnect expenses, USP and other direct cost of sales

Interconnect costs increased by 23.8%, from RM430.9 million for the 6 months ended 30 June 2008 to RM533.6 million for the 6 months ended 30 June 2009. The increase was mainly due to the increase in the volume of outgoing traffic from Maxis to other operators as a result of increased number of subscribers.

USP and other direct cost of sales increased by 2.5%, from RM824.4 million for the 6 months ended 30 June 2008 to RM844.6 million for the 6 months ended 30 June 2009. The increase was mainly due to provision for USP Fund and special project costs offset by a decrease in leased line costs and roaming charges.

12. FINANCIAL INFORMATION (cont'd)

Administrative expenses

Administrative expenses increased by 19.3% from RM603.1 million for the 6 months ended 30 June 2008 to RM719.5 million for the 6 months ended 30 June 2009. This was mainly due to increases in the net allowance for doubtful debts, sales and marketing expenses and contract services on account of IT service costs.

Net allowance for doubtful debts increased from RM21.8 million for the 6 months ended 30 June 2008 to RM76.2 million for the 6 months ended 30 June 2009. This was primarily due to the combined effects of the unfavourable economic conditions resulting in the delayed payments or non-payments by customers, and the effects of an increase in customers who migrated from using prepaid services to postpaid services.

Sales and marketing expenses increased by 11.6%, from RM174.0 million for the 6 months ended 30 June 2008 to RM194.2 million for the 6 months ended 30 June 2009. This was mainly due to higher expenses incurred for the launch of the Apple iPhone™, *HOTLiNK EXtra Plan* and *HOTLiNK Basic Plan*.

Network operation costs

Network operation costs increased by 26.5%, from RM468.2 million for the 6 months ended 30 June 2008 to RM592.1 million for the 6 months ended 30 June 2009. The primary cause of the increase was the acceleration of depreciation on certain telecommunications equipment in order to write down the life of these assets as part of the network modernisation programme.

Other expenses

Other expenses increased slightly from RM22.0 million for the 6 months ended 30 June 2008 to RM22.1 million for the 6 months ended 30 June 2009.

EBITDA and EBITDA margin

EBITDA declined by 2.6% from RM2,203.5 million for the 6 months ended 30 June 2008 to RM2,145.8 million for the 6 months ended 30 June 2009. EBITDA margins decreased from 54.2% for the 6 months ended 30 June 2008 to 50.6% for the 6 months ended 30 June 2009.

Profit from operations

As a result of the foregoing factors, profit from operations decreased by 10.9% from RM1,720.8 million for the 6 months ended 30 June 2008 to RM1,533.7 million for the 6 months ended 30 June 2009.

Finance income

Maxis' finance income decreased by 7.4% from RM21.6 million for the 6 months ended 30 June 2008 to RM20.0 million for the 6 months ended 30 June 2009 mainly due to a decrease in interest income from the placements of funds in fixed term deposits, which was partially offset by lower foreign exchange losses on fixed term deposits.

12. FINANCIAL INFORMATION (cont'd)

Finance costs

Maxis' finance costs increased by 3.3% from RM21.3 million for the 6 months ended 30 June 2008 to RM22.0 million for the 6 months ended 30 June 2009. The increase in finance costs was mainly due to the increase in time value adjustments arising from the discounting of the provisions for asset retirement obligations, partially offset by a decrease in interest expense on internal and external borrowings.

Profit before taxation

As a result of the foregoing factors, PBT decreased by 11.0% from RM1,721.0 million for the 6 months ended 30 June 2008 to RM1,531.8 million for the 6 months ended 30 June 2009.

Taxation

Taxation decreased by 15.2% from RM460.6 million for the 6 months ended 30 June 2008 to RM390.8 million for the 6 months ended 30 June 2009 in line with the lower profit before tax. Maxis' effective tax rates for the 6 months ended 30 June 2008 and 2009 were 26.8% and 25.5% respectively, higher than the statutory tax rates of 26.0% and 25.0% in each period, mainly due to expenses not available for deduction for tax purposes.

Profit after taxation

As a result of the foregoing factors, PAT decreased from RM1,260.4 million for the 6 months ended 30 June 2008 to RM1,141.0 million for the 6 months ended 30 June 2009.

(ii) Year ended 31 December 2008 compared to year ended 31 December 2007

Revenue

Maxis' revenue increased by 9.9%, from RM7,689.6 million in 2007 to RM8,449.8 million in 2008. The increase in revenue was mainly due to increases in mobile services revenue and international gateway services revenue.

Mobile services

Revenue from mobile services increased from RM7,173.1 million in 2007 to RM7,866.1 million in 2008, representing an increase of 9.7%. The increase in mobile services revenue was mainly driven by the growth in the postpaid, prepaid and wireless broadband subscriptions. Postpaid, prepaid and wireless broadband subscriptions increased from 1,907,000, 7,812,000 and 46,000 as at 31 December 2007 to 2,504,000, 8,590,000 and 140,000 respectively as at 31 December 2008, representing an increase of 31.3%, 10.0% and 204.3% respectively.

Voice usage fees increased by 4.7% from RM4,296.9 million in 2007 to RM4,496.8 million in 2008, primarily due to increases in the subscriptions and average monthly blended MOU per subscription from 178.7 minutes in 2007 to 184.0 minutes in 2008, partially offset by a decrease in the pricing for voice services due to an increase in competition.

12. FINANCIAL INFORMATION (cont'd)

Roaming partners and interconnect revenue increased by 7.5% from RM858.7 million in 2007 to RM922.8 million in 2008. The increase was primarily due to increases in interconnect revenue from RM618.1 million in 2007 to RM670.2 million in 2008 and roaming partners revenue from RM240.7 million in 2007 to RM252.6 million in 2008, as a result of an increase in subscriber base, number of travellers and roaming countries.

Revenue from non-voice services increased by 23.7% from RM1,846.9 million in 2007 to RM2,284.2 million in 2008 primarily due to an increase in revenue from SMS, ADS and wireless broadband driven by an increase in customer base, increasing adoption of data and mobile internet, and the launch of additional ADS products and content.

Other revenue declined from RM170.5 million in 2007 to RM162.4 million in 2008.

Fixed line services

Revenue from Maxis' fixed line services decreased by 0.3%, from RM204.4 million in 2007 to RM203.7 million in 2008.

International gateway services

Revenue from Maxis' international gateway services increased by 21.7% from RM312.2 million in 2007 to RM380.0 million in 2008, mainly due to an increase in hubbing revenue.

Operating costs

Maxis recorded operating costs of RM5,242.7 million in 2008 compared to RM4,996.9 million in 2007, representing an increase of 4.9%.

Interconnect expenses, USP and other direct cost of sales

Interconnect expenses increased by 19.6% from RM803.2 million in 2007 to RM960.5 million in 2008. The increase was mainly due to the increase in volume of outgoing traffic from Maxis to other operators as a result of increased number of subscribers.

USP and other direct cost of sales increased by 8.7% from RM1,555.1 million in 2007 to RM1,690.5 million in 2008. The increase was mainly due to an increase in provision for USP Fund, leased line and other direct expenses, special project costs and roaming charges.

Administrative expenses

Administrative expenses decreased by 22.0%, from RM1,706.0 million in 2007 to RM1,330.6 million in 2008. In 2007, Maxis had a one-off staff cost arising from the privatisation of MCB. This was partially offset by higher sales and marketing expenses and professional fees paid mainly for the call centre outsourcing services and radio network optimisation services in 2008.

Staff-related costs decreased 55.3%, from RM874.7 million in 2007 to RM390.8 million in 2008. This was mainly due to the one-off ECC cost of RM505.2 million in 2007, partially offset by the increase in the number of staff and annual increment in salaries.

12. FINANCIAL INFORMATION (cont'd)

Sales and marketing expenses increased by 24.8%, from RM321.2 million in 2007 to RM400.9 million in 2008. This was mainly due to an increase in dealers' incentives and sales commissions, with higher sponsorship costs for the Beijing Olympic Games and the Barclays' Premier League.

Network operation costs

Network operation costs increased by 37.7%, from RM888.5 million in 2007 to RM1,223.2 million in 2008. The primary cause of the increase was higher depreciation, repair and maintenance costs, write off of unutilised rebates from equipment vendor and allowance for stock obsolescence. The higher depreciation expense was a result of increased capital expenditure incurred during the year to build and enhance the telecommunications network infrastructure to support the growing customer base and the acceleration of depreciation on certain telecommunications equipment in order to write down the life of these assets as part of the network modernisation programme.

Other expenses

Other expenses decreased by 13.8%, from RM44.1 million in 2007 to RM38.0 million in 2008. The decrease was mainly due to the higher foreign exchange losses on translation of foreign trade payables incurred in 2007.

EBITDA and EBITDA margin

EBITDA improved by 22.6%, from RM3,590.1 million in 2007 to RM4,402.1 million in 2008 mainly as a result of the increase in revenue which was partially offset by operating costs as explained above. EBITDA margin increased from 46.7% to 52.1%.

Profit from operations

As a result of the foregoing factors, profit from operations increased by 19.0%, from RM2,696.3 million in 2007 to RM3,209.8 million in 2008.

Finance income

Maxis' finance income increased by 53.5%, from RM37.0 million in 2007 to RM56.8 million in 2008. This was mainly due to an increase in foreign exchange gain and interest income from the placement of funds in fixed term deposits.

Finance costs

Maxis' finance costs decreased by 14.7% from RM45.6 million in 2007 to RM38.9 million in 2008. The decrease in finance costs was mainly due to the decrease in time value adjustments arising from the discounting of the provisions for asset retirement obligations.

Profit before taxation

As a result of the foregoing factors, PBT increased by 20.1%, from RM2,687.7 million in 2007 to RM3,227.7 million in 2008.

12. FINANCIAL INFORMATION (cont'd)

Taxation

Taxation increased by 16.9%, from RM707.5 million in 2007 to RM827.3 million in 2008. This was in line with the higher profits in 2008. Maxis' effective tax rates for 2007 and 2008 were 26.3% and 25.6%, respectively. In 2007 and 2008, the effective tax rates were lower than the statutory rate of 27.0% and 26.0% respectively, mainly due to write backs of over provision of tax in prior years and recognition of deferred tax assets.

Profit after taxation

As a result of the foregoing factors, PAT increased from RM1,980.2 million in 2007 to RM2,400.4 million in 2008.

(iii) Year ended 31 December 2007 compared to year ended 31 December 2006

Revenue

Maxis' revenue for 2007 increased by 10.5%, from RM6,957.1 million in 2006 to RM7,689.6 million in 2007. The increase in revenue was mainly due to increased revenue generated from Maxis' mobile services and international gateway services.

Mobile services

Revenue from mobile services increased from RM6,535.2 million in 2006 to RM7,173.1 million in 2007. The increase in mobile services revenue was mainly driven by the growth in postpaid, prepaid and wireless broadband subscriptions. Postpaid, prepaid and wireless broadband subscriptions increased from 1,623,000, 6,440,000 and 4,000 as at 31 December 2006 to 1,907,000, 7,812,000 and 46,000 respectively as at 31 December 2007, representing an increase of 17.5%, 21.3% and 1,050.0% respectively.

Voice usage fee increased by 6.5% from RM4,036.2 million in 2006 to RM4,296.9 million in 2007, primarily due to an increase in the number of subscribers and increase in monthly blended MOU per subscription from 156.1 minutes in 2006 to 178.7 minutes in 2007, partially offset by a decline in prices for voice services.

Roaming partners and interconnect revenue increased by 9.6% from RM783.6 million in 2006 to RM858.7 million in 2007 primarily due to increases in interconnect revenue from RM581.6 million in 2006 to RM618.1 million in 2007 and roaming partners revenue from RM202.0 million in 2006 to RM240.7 million in 2007 from an increase in subscribers, number of travellers and roaming countries.

Revenue from non-voice services increased by 22.3% from RM1,510.6 million in 2006 to RM1,846.9 million in 2007 primarily from SMS, ADS and wireless broadband due to subscriber growth and increase in data adoption.

Other revenue declined by 16.7% from RM204.8 million in 2006 to RM170.5 million in 2007 mainly due to a decline in monthly access fees of RM49.3 million.

12. FINANCIAL INFORMATION (cont'd)

Fixed line services

Revenue from Maxis' fixed line services increased by 19.9%, from RM170.5 million in 2006 to RM204.4 million in 2007. The increase in revenue was mainly due to higher revenue from IP and managed services.

International gateway services

Revenue from Maxis' international gateway services increased by 24.2% from RM251.4 million in 2006 to RM312.2 million in 2007. This was attributable mainly to the increase in hubbing revenue.

Operating costs

Maxis recorded operating costs of RM4,996.9 million in 2007 compared to RM4,093.8 million in 2006. There was an increase of 22.1% in operating costs, primarily arising from a one-off staff expense in relation to the privatisation of MCB in 2007.

Interconnect expenses, USP and other direct cost of sales

Interconnect costs increased by RM105.2 million or 15.1%, from RM698.0 million in 2006 to RM803.2 million in 2007. The increase was mainly due to the increase in volume of outgoing traffic from Maxis to other operators as a result of increased number of subscribers.

USP and other direct cost of sales increased by RM220.8 million or 16.5%, from RM1,334.3 million in 2006 to RM1,555.1 million in 2007. The increase was mainly due to increases in provision for USP Fund, roaming charge, internet services expenses, base station rentals and utilities including higher special project expenses and write back of overaccrual of annual apparatus assignment fee in 2006.

Administrative expenses

Administrative expenses increased by RM566.9 million or 49.8%, from RM1,139.1 million in 2006 to RM1,706.0 million in 2007 primarily from higher staff costs.

Staff related costs increased from RM330.6 million in 2006 to RM874.7 million in 2007. This was mainly due to a one-off ECC cost of RM505.2 million arising from the privatisation and delisting of MCB in 2007, increase in the number of staff and annual increment in salaries.

Network operation costs

Network operation costs decreased by 0.5%, from RM893.2 million in 2006 to RM888.5 million in 2007.

Other expenses

Other expenses increased by RM14.9 million or 51.0%, from RM29.2 million in 2006 to RM44.1 million in 2007. The increase was mainly due to an increase in MEPs dealers' expenses, overdue debt collection fee and higher foreign exchange losses on translation of trade payables incurred in 2007.

12. FINANCIAL INFORMATION (cont'd)

EBITDA and EBITDA margin

EBITDA decreased by 4.1% from RM3,743.0 million in 2006 to RM3,590.1 million in 2007 while EBITDA margin decreased from 53.8 % to 46.7% for the same periods. The 2007 EBITDA included a one-off ECC cost of RM505.2 million.

Profit from operations

As a result of the foregoing factors, profit from operations decreased by 5.9%, from RM2,865.4 million in 2006 to RM2,696.3 million in 2007.

Finance income

Maxis' finance income decreased by 8.9%, from RM40.6 million in 2006 to RM37.0 million in 2007. This was mainly due to an increase in foreign exchange losses for USD denominated fixed deposits placements offset by interest income from the placements of funds in fixed term deposits.

Finance costs

Maxis' finance costs increased by 40.7%, from RM32.4 million in 2006 to RM45.6 million in 2007. The increase in finance costs was mainly due to the increase in time value adjustments arising from the discounting of provisions for asset retirement obligations.

Profit before taxation

As a result of the foregoing factors, PBT decreased by 6.5%, from RM2,873.5 million in 2006 to RM2,687.7 million in 2007. The 2007 PBT included a one-off ECC cost of RM505.2 million.

Taxation

Taxation decreased by 7.9%, from RM768.1 million in 2006 to RM707.5 million in 2007 in line with the lower profits in 2007, reduction in the statutory tax rates from 28.0% in 2006 to 27.0% in 2007 and write back of over provision of tax in prior year. Maxis' effective tax rates for 2006 and 2007 were 26.7% and 26.3% respectively, lower than the statutory tax rates of 28.0% and 27.0%, respectively in each year, mainly due to write back of over provision of tax in prior year.

Profit after taxation

As a result of the foregoing factors, PAT decreased from RM2,105.4 million in 2006 to RM1,980.2 million in 2007.

12. FINANCIAL INFORMATION (cont'd)

12.2.8 Liquidity and capital resources

(i) Working capital

Maxis' principal source of liquidity is through cash generated from operations, borrowings and suppliers' credit. Based on the proforma consolidated balance sheet as at 30 June 2009, after the Pre-Listing Restructuring, Maxis will be in a net current liability position, which was illustrated as RM1,529.5 million which includes current liabilities comprising customers' deposits, advance payments and deferred income totalling RM419.6 million.

After taking into consideration the existing level of cash and cash equivalents, the equipment and service suppliers' credit, the banking facilities available and the expected funds to be generated from cash flows from operations, the Board is of the opinion that Maxis will have adequate working capital for a period of 12 months from the date of this Prospectus.

(ii) Cash flows

The following table sets forth the combined cash flow statements of Maxis for the periods indicated.

	For the year ended 31 December			For the 6 months ended 30 June	
	2006 (audited)	2007 (audited)	2008 (audited)	2008 (unaudited)	2009 (audited)
	(RM million)				
Net cash flow from operating activities	2,517.6	3,368.3	3,221.5	1,270.6	1,080.0
Net cash flow used in investing activities	(986.1)	(1,121.7)	(802.8)	(198.0)	(352.0)
Net cash flow used in financing activities	(1,384.5)	(3,242.9)	(1,453.5)	(104.7)	(538.7)
Net increase / (decrease) in cash and cash equivalents	146.9	(996.3)	965.2	967.9	189.3
Effect of exchange rate changes	3.8	(7.8)	5.4	(2.6)	-
Cash and cash equivalents at the beginning of the year/period	1,574.5	1,725.2	721.1	721.1	1,691.7
Cash and cash equivalents at the end of the year/period	1,725.2	721.1	1,691.7	1,686.4	1,881.0

Save as disclosed in Section 12.6 of this Prospectus, there are no legal, financial or economic restrictions on the ability of the Subsidiaries to transfer funds to the Company in the form of cash dividends, loans or advances to meet the cash obligations of the Company.

12. FINANCIAL INFORMATION (cont'd)

Net cash flow from operating activities

Maxis had positive cash flows from operating activities between the year ended 31 December 2006 and the year ended 31 December 2008 and for the 6 months ended 30 June 2009.

Net cash flow before working capital changes increased from RM3,825.6 million in 2006 to RM4,243.9 million in 2008 mainly attributable to higher revenue from subscriber growth and increased data usage. Net cash flow from operating activities were RM2,517.6 million, RM3,368.3 million and RM3,221.5 million in 2006, 2007 and 2008 respectively. Higher net cash flow from operating activities in 2007 was mainly contributed by higher operating profit for the year and increased suppliers' credit.

For the 6 months ended 30 June 2009, Maxis generated net cash flow before working capital changes of RM2,133.7 million. After accounting for increases in trade and other receivables of RM123.7 million, decrease in payables of RM203.4 million, amount due to MCB of RM409.4 million and related parties balance of RM22.3 million, increase in inventories of RM22.0 million, income tax paid of RM294.1 million and net interest received of RM21.2 million, the net cash generated from operating activities for the 6 months ended 30 June 2009 was RM1,080.0 million.

Net cash flow from investing activities

The cash outflow from investing activities for years 2006, 2007, 2008 and 6 months ended 30 June 2008 and June 2009 were RM986.1 million, RM1,121.7 million, RM802.8 million, RM198.0 million and RM352.0 million respectively. The cash outflows were primarily for capital expenditure projects related to expansion and improvement of telecommunications network and supporting systems infrastructure.

Net cash flow from financing activities

The cash outflow from financing activities comprises primarily dividend payments and movement in inter-company balance with MCB.

Dividend payments amounted to RM1,108.6 million in 2006, RM3,474.2 million in 2007 and RM720.0 million in 2008. For the 6 months ended 30 June 2008 and 2009, the dividend payments were RM100.0 million and RM600.0 million respectively.

The movement in the inter-company balance with MCB was mainly due to the transfer of investment in ABV and the novation of certain balances with related parties to MCB.

12. FINANCIAL INFORMATION (cont'd)

(iii) Borrowings

Maxis' total outstanding borrowings (interest-bearing) immediately upon completion of the acquisition of the Subsidiaries by the Company on 1 October 2009 is as follows:

<u>Statement of total outstanding borrowings</u>	<u>RM million</u>
<u>Short-term borrowings (interest bearing):</u>	
- Finance lease	3.6
<u>Long-term borrowings (interest-bearing):</u>	
- Finance lease	1.3
- Loan from a related party	31.1
- Loan from MCB	4,992.0
Total borrowings	5,028.0

For information on Maxis' indebtedness, refer to Section 12.3 of this Prospectus.

Maxis has not defaulted on payments of either interest and/or principal sums on any of its borrowings throughout the financial year ended 31 December 2008 and the 6 months ended 30 June 2009 and up to the date of this Prospectus.

Maxis is not in breach of any term and condition or covenant associated with the credit arrangements or bank loans which can materially affect Maxis' financial position and results or business operations, or the investment by holders of securities in Maxis.

12.2.9 Capital expenditure

Maxis has invested in aggregate RM997.1 million, RM1,141.8 million, RM791.6 million, RM192.1 million and RM357.2 million in capital expenditure for the years ended 31 December 2006, 2007 and 2008 and for the 6 months ended 30 June 2008 and 2009, respectively, primarily to expand its telecommunications network and upgrade to new mobile technologies. Maxis funded its capital expenditure primarily through cash flow from operations, additional debt and equipment and service suppliers' credit.

The capital expenditure in 2006 was mainly to expand the 2G network coverage nationwide and the 3G network infrastructure throughout Klang Valley and all major town centres. In the same year, Maxis launched its wireless residential broadband services using HSDPA technology in Klang Valley and Penang with new capital expenditure to support this launch. Fixed line and international gateway network architecture were modernised by replacing legacy switching equipment with soft switching equipment.

Maxis' capital expenditure in 2007 was primarily related to the continued expansion of the coverage and capacity of its 2G, 3G and HSDPA network services. The packet switched core network was upgraded to support increased data traffic. Investment was also made on network and IT infrastructure to ensure system readiness to support number portability implementation.

Maxis embarked on a 2-year network modernisation programme in 2008 by introducing next generation network equipment such as soft switching equipment, IP enabled Node Bs and IP capable transport systems. The network modernisation programme has resulted in lower network investment in 3G and HSDPA in 2008 to accommodate feasibility studies and network evaluation. Maxis continued to invest in the expansion of its network capacity to support growing demand in voice and data traffic.

12. FINANCIAL INFORMATION (cont'd)

During the 6 months ended 30 June 2009, as part of the 2-year network modernisation programme, Maxis upgraded its 3G radio access equipment to IP enabled Node Bs in the Klang Valley and northern region of Peninsular Malaysia and commenced work on the fiberisation of the major metropolitan areas.

The following table sets out the composition of Maxis' aggregate capital expenditure over the periods indicated.

	For the year ended 31 December			For the 6 months ended 30 June	
	2006	2007	2008	2008	2009
	(RM million)				
Telecommunications network	905.9	1,091.1	772.4	183.2	356.1
Others	91.2	50.7	19.2	8.9	1.1
Total capital expenditure	997.1	1,141.8	791.6	192.1	357.2

There has not been any material divestitures undertaken by Maxis in respect of telecommunications network assets for the 3 years ended 31 December 2006, 2007 and 2008 and the 6 months ended 30 June 2009.

Maxis' general policy with respect to investments in new services and technologies is driven primarily by the degree and timing of technological changes in the industry, overall performance of the economy, changes in the regulatory environment and the competitive dynamics of the various lines of business. Maxis expects that its future capital expenditure in the coming years will be dependent to a large extent on these factors.

12.2.10 Material commitments

Material commitments approved and not provided for in the financial statements as at 30 June 2009 are as follows:

Material commitments	RM million
Property, plant and equipment:	
Commitments approved and contracted for	338.8
Commitments approved and not contracted for	726.2
Total capital commitments	1,065.0
Other commitments approved and contracted for:	
IT services ⁽¹⁾	608.6
Procurement of devices ⁽²⁾	450.3
Total material commitments	2,123.9

Notes:

⁽¹⁾ The amount to be incurred in the second half of 2009 in respect of the strategic partnership with IBM is RM115.1 million, of which RM68.1 million has been included in the capital commitment. The balance of RM561.6 million is expected to be incurred over the period from 2010 to 2014. See Section 7.10.2 of this Prospectus.

⁽²⁾ The unfulfilled commitment for the procurement of devices is USD128.3 million (equivalent to RM450.3 million, based on exchange rate of RM3.51:USD1.00) as at 30 June 2009.

12. FINANCIAL INFORMATION (cont'd)

Maxis' future capital expenditure with respect to property, plant and equipment is expected to relate largely to the expansion of the 2G, 3G and wireless broadband footprint and capacity and fiberisation of the metropolitan areas to enable Maxis to primarily roll-out enhanced data application services.

Maxis expects to fund its material commitments primarily through cash flow from operations, additional debt and equipment and service suppliers' credits.

12.2.11 Contingent liabilities and material litigation

Details of the contingent liabilities of Maxis as at 30 September 2009, for which no provision has been made in its financial statements are set out below:

Contingent liabilities	RM million
Indemnity given to financial institutions in respect of bank guarantee issued – unsecured	
- Royal Malaysian Customs	14.3
- Commission	50.0
- Others ⁽¹⁾	32.0
Total contingent liabilities	<u>96.3</u>

Note:

⁽¹⁾ Consists of bank guarantees issued mainly to local councils or authorities of RM23.9 million, utility companies of RM2.5 million for the purpose of infrastructure works and RM4.0 million for the provision of managed communication services.

As at the Latest Practicable Date, neither the Company nor the Subsidiaries are involved in any litigation or arbitration, either as plaintiff or defendant, which may have a material adverse effect on the business or financial position of Maxis, and Maxis is not aware of any legal proceeding, pending or threatened, or of any fact likely to give rise to any legal proceeding which may have a material adverse effect on the business or financial position of Maxis.

12.2.12 Key financial ratios

The following table sets forth certain key financial ratios of Maxis based on the combined financial statements for the periods indicated.

	For the year ended 31 December			For the 6 months ended 30 June	
	2006	2007	2008	2008	2009
Trade receivables turnover days ⁽¹⁾	32.4	31.1	30.7	28.9	33.1
Payables turnover days ⁽²⁾	154.5	131.5	139.1	137.9	125.3
Current ratio (%) ⁽³⁾	80.4	49.1	101.3	89.0	124.7

Notes:

⁽¹⁾ Trade receivables before allowances for doubtful debts as at year end/period end over total revenue.

⁽²⁾ Payables over total costs. Payables reflect outstanding amount payable to vendors for purchase of goods and services including fixed assets. Total costs are operating cost and capital expenditure for the year/period less non cash items such as depreciation and provision for doubtful debts.

12. FINANCIAL INFORMATION (cont'd)

⁽³⁾ The decrease in the current ratio as at 31 December 2007 was mainly due to the decrease in current assets arising from the settlement of intercompany balance by MCB, payment of dividends to MCB and utilisation of cash for capital expenditure. The increase in current ratio as at 31 December 2008 was mainly due to the increase in current assets arising from an increase in the amounts due from MCB and in cash and cash equivalents. The increase in current ratio as at 30 June 2009 in comparison to the current ratio as at 30 June 2008 was mainly due to an increase in current assets arising from an increase in amounts due from MCB.

The aging analysis for trade receivables as at 30 June 2009 is as follows:

	0 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 150 days	151 - 180 days	181 days - 1 year	Over 1 year	Total
	(RM million)								
Receivables	573.5	38.6	31.5	26.3	20.2	15.2	47.2	17.5	770.0

The aging analysis for payables as at 30 June 2009 is as follows:

	0 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	Over 120 days	Total
	(RM million)					
Payables ⁽¹⁾	482.6	87.2	109.9	143.5	417.3	1,240.5

Note:

⁽¹⁾ Payables consist of trade payables, trade accruals, other payables and other accruals.

As at 30 June 2009, 74.5% of the receivables are due within Maxis' 30 days credit period for trade receivables. Allowance for doubtful debts is made for receivables in all other categories based on historical collection experience. All overdue trade receivables in respect of postpaid customers are subject to the collection process described in Section 7.7 of this Prospectus.

As at 30 June 2009, 66.4% of Maxis' payables are due within 120 days. The remaining 33.6% aged above 120 days are pending final acceptance certificate from equipment vendors.

12.2.13 Financial risk management

Treasury policies and objectives

Maxis finances its operations through cash flows from operations and external sources of funds. External sources of funds comprise trade credits offered by suppliers and other borrowings. The normal credit terms granted to Maxis by suppliers carry credit periods of up to 150 days.

Maxis' transactions are mainly in RM and its non-RM transactions are mainly in USD. As such, Maxis maintains cash accounts in RM and USD.

Imports of capital goods and roaming expenses are primarily denominated in USD. Domestic revenue is all in RM, while roaming revenue from customers of Maxis roaming partners is mainly settled in USD. To the extent possible, Maxis seeks to utilise USD proceeds from roaming revenue to pay the amounts owing to creditors which are denominated in USD. If necessary, Maxis also enters into forward contracts with a bank by purchasing forward to minimise the foreign exchange risk.

12. FINANCIAL INFORMATION (cont'd)

The significant financial risks which Maxis is exposed to arising from its business activities are mainly currency, credit and interest rate risks. Conventional derivative financial instruments are utilised by Maxis to achieve greater certainty of future costs. Maxis does not enter into derivative financial instruments for speculative purposes.

(i) Currency risk management

The objectives of Maxis' currency risk management policies are to allow Maxis to effectively manage exposures that may arise from operating activities within a framework of controls that minimise the impact of foreign currency fluctuations. Foreign currency forward contracts are used to manage foreign exchange exposures arising from all known material foreign currency denominated commitments as and when they arise.

Maxis enters into foreign currency forward contracts to minimise the foreign exchange risk. Gains and losses on foreign currency forward contracts entered into as hedges of foreign currency monetary items are recognised in the financial statements when the exchange differences of the hedged monetary items are recognised in the financial statements.

(ii) Credit risk management

Maxis has no significant concentration of credit risk. Credit risks of trade receivables are controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via limiting Maxis' dealings with creditworthy business partners. For further information, refer to Section 7.7 of this Prospectus.

Trade receivables are monitored on an on-going basis via Maxis' management reporting procedures.

Maxis places its cash and cash equivalents with a number of creditworthy financial institutions. Maxis' policy limits the concentration of financial exposure to any single financial institution.

(iii) Interest rate risk management

As at the date of this Prospectus, Maxis' exposure to interest rate risk arises predominantly from liabilities bearing variable interest rates. Interest rate swaps are used by Maxis to manage interest rate risk arising from its borrowings when required.

The net exposure of financial assets and financial liabilities of Maxis to interest rate risk and the periods in which the instruments mature or reprice (whichever is earlier) immediately upon completion of the acquisition of the Subsidiaries by the Company on 1 October 2009 are as follows:

	Total carrying amount (unaudited)	Maturity profile		
		< 1 year (unaudited)	1-2 years (unaudited)	2 - 5 years (unaudited)
(RM million)				
Fixed interest rate				
Deposits with licensed banks ⁽¹⁾	351.0	351.0	-	-
Loan from related party	(31.1)	-	(31.1)	-
Finance lease liabilities	(4.9)	(3.6)	(1.1)	(0.2)
	<u>315.0</u>	<u>347.4</u>	<u>(32.2)</u>	<u>(0.2)</u>

12. FINANCIAL INFORMATION (cont'd)

	Total carrying amount (unaudited)	Maturity profile		
		< 1 year (unaudited)	1-2 years (unaudited)	2 - 5 years (unaudited)
(RM million)				
Variable interest rate				
Loan from MCB	(4,992.0)	-	-	(4,992.0)
	(4,677.0)	347.4	(32.2)	(4,992.2)

Note:

⁽¹⁾ For illustration of cash movements relating to the Pre-Listing Restructuring, IPO and Listing, please refer to Section 12.4 of this Prospectus.

12.2.14 Seasonality

Maxis experiences fluctuations in its business due to seasonal factors. Its overall usage has generally increased slightly during major holiday periods in Malaysia as a result of higher demand for mobile services.

12.2.15 Inflation

Maxis does not believe that inflation has had a material impact on its business, financial condition or results of operations. Should the inflation rate be higher than the levels experienced in the past, Maxis may not be able to fully offset such higher costs through rate increases. Maxis' failure or inability to do so could adversely affect its business, financial condition and results of operations.

12.2.16 Government / Economic / Fiscal / Monetary policies

Risks relating to government, economic, fiscal or monetary policies or factors which may materially affect Maxis' operations, are set out in Section 5 of this Prospectus.

12.2.17 Prospects

The results of Maxis' operations for the financial year ending 31 December 2009 have been and are expected to be primarily influenced by the following factors:

- Maxis' ability to maintain its market share and grow its customer base;
- the impact of the debt arising from the Pre-Listing Restructuring in, particular any change in interest charges on the debt;
- global and Malaysian economy and expectations on recovery;
- performance of the Malaysian telecommunications services industry;
- continued adoption of non-voice services and maturing of voice services; and
- management of operating costs

Save as disclosed in Section 12.2.2 and "Risk Factors" as set out in Section 5 of this Prospectus and to the best of the Directors' knowledge and belief, there are no other known trends, factors, demands, commitments, events or uncertainties that are reasonably likely to have a material effect on the financial condition and results of operations of Maxis. However, the factors and trends affecting Maxis' financial position and operations as set out above and in "Risk Factors" as set out in Section 5 of this Prospectus are not exhaustive.

Subject to the factors described in this Section 12.2.17 of this Prospectus, the Directors expect the results of Maxis' operations for the financial year ending 31 December 2009 to be satisfactory.

12. FINANCIAL INFORMATION (cont'd)

12.3 Capitalisation and indebtedness

The following information should be read in conjunction with the Reporting Accountants' Letter and the Proforma Consolidated Balance Sheets as at 30 June 2009 and the notes thereon of Maxis Berhad and Accountants' Report set out in Sections 12.5 and 13 of this Prospectus respectively.

The table below sets out the cash and cash equivalents as well as capitalisation and indebtedness of the Subsidiaries based on the audited combined financial statements and of Maxis based on the proforma consolidated balance sheets as at 30 June 2009, on the assumption that the Pre-Listing Restructuring and IPO had occurred on 30 June 2009. There are no new Shares to be issued by Maxis or proceeds to be received by Maxis pursuant to the IPO. The proforma financial information below does not represent Maxis' actual capitalisation and indebtedness as at 30 June 2009 and is provided for information purposes only. The total indebtedness of Maxis is not guaranteed by any third party.

	As at 30 June 2009 (audited)	Proforma ⁽¹⁾ After Pre- Listing Restructuring (unaudited)
	(RM million)	
Deposits with licensed banks, cash and bank balances	1,881.0	75.3
Current financial receivable		
- Amounts due from MCB ⁽²⁾	1,011.4	-
Indebtedness		
Short term debt		
Secured		
- Finance lease	3.4	3.4
Unsecured		
- Amounts due to MCB ⁽²⁾	526.2	-
Total short term debt	529.6	3.4
Long term debt		
Secured		
- Finance lease	1.6	1.6
Unsecured		
- Loan from MCB ⁽²⁾	72.5	4,992.0 ⁽³⁾
- Loan from a related party	30.7	30.7
Total long term debt	104.8	5,024.3
Total debt	634.4	5,027.7
Contingent liabilities	93.1	93.1
Total indebtedness ⁽⁴⁾	727.5	5,120.8
Total shareholders' equity / capitalisation	N/A	8,461.5
Total capitalisation and indebtedness	N/A	13,582.3
Gearing ratio (times) ⁽⁵⁾	N/A	0.6

Notes:

N/A Not applicable.

12. FINANCIAL INFORMATION (cont'd)

- (1) Refer to the proforma consolidated balance sheet as at 30 June 2009 as set out in Section 12.4 of this Prospectus.
- (2) All intercompany balances with MCB (other than RM4,992.0 million arising from the Pre-Listing Restructuring) were fully settled upon completion of the Pre-Listing Restructuring.
- (3) The loan from MCB of RM4,992.0 million comprises the Maxis Amount Payable of RM3,807.8 million and MB Amount Payable of RM1,184.2 million as set out in Section 6.2 of this Prospectus. The amounts due to MCB arising from the Pre-Listing Restructuring incur an interest rate of 1.5% per annum plus 3-month Kuala Lumpur Inter-bank Offered Rate. Refer to Section 6.2 of this Prospectus. Based on the 3-month Kuala Lumpur Inter-bank Offered Rate of 2.15% as published by Bank Negara Malaysia on 1 October 2009, the interest rate is 3.65% per annum. Accordingly, the expected interest charge on the amount due to MCB of RM4,992.0 million for the 3 months ending 31 December 2009 shall be RM45.6 million, based on the interest rate of 3.65% per annum.
- (4) Total indebtedness includes short term debts, long term debts and contingent liabilities.
- (5) Computed based on total debt (interest-bearing) over shareholders' equity of Maxis.

As a result of the Pre-Listing Restructuring, dividends and settlement of intercompany balances, Maxis owes MCB RM4,992.0 million, comprising Maxis Amount Payable of RM3,807.8 million and MB Amount Payable of RM1,184.2 million. This amount owed to MCB shall be repaid by Maxis on the Payment Due Date, provided that if the Company raises external debt prior to the Payment Due Date, the Company is required to pay the Maxis Amount Payable and MB Amount Payable within 5 business days upon receipt of the proceeds raised from such financing or such other date as MCB and the Company may agree in writing.

Maxis is seeking to obtain long-term external debt financing of RM5,000.0 million. In addition, the Company has obtained, subject to the execution of definitive agreements and to the terms of the letter of offer for the same, a revolving credit facility of RM1,000.0 million from CIMB Bank Berhad for working capital and liquidity purposes should the need arise. As at the date of this Prospectus, no amount has been drawn down from the revolving credit facility of RM1,000.0 million. This will increase Maxis' leverage and result in higher interest expense when the facility is utilised in the future and may lead to higher future cost of borrowings for Maxis.

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12. FINANCIAL INFORMATION (cont'd)

12.4 Proforma consolidated balance sheets of Maxis

Maxis has prepared the proforma consolidated balance sheets below for illustrative purposes only, to show effects of the Pre-Listing Restructuring, IPO and Listing on the assumption that the events had been effected on 30 June 2009. The proforma consolidated balance sheets have been prepared on the basis set out in the notes in Section 12.5 of this Prospectus, using financial statements prepared in accordance with Malaysian GAAP and in a manner consistent with both the format of the financial statements and the accounting policies of the Subsidiaries except as disclosed in Section 12.5 of this Prospectus.

The proforma consolidated balance sheets should be read in conjunction with the Reporting Accountants' Letter and the Proforma Consolidated Balance Sheets as at 30 June 2009 and the notes thereon of Maxis Berhad as set out in Section 12.5 of this Prospectus.

	Incorporation of the Company (unaudited)	Proforma I After Pre- Listing Restructuring (unaudited) (RM million)	Proforma II After Proforma I and IPO (unaudited)
NON CURRENT ASSETS			
Property, plant and equipment	-	4,221.9	4,221.9
Intangible assets ⁽¹⁾	-	11,136.0	11,136.0
Prepaid lease payments	-	9.5	9.5
Deferred tax assets	-	97.5	97.5
Total non current assets	-	15,464.9	15,464.9
CURRENT ASSETS			
Inventories	-	129.5	129.5
Receivables, deposits and prepayments	-	790.7	790.7
Tax recoverable	-	36.8	36.8
Amounts due from related parties	-	11.7	11.7
Cash and cash equivalents	*	75.3	75.3
Total current assets	*	1,044.0	1,044.0
LESS : CURRENT LIABILITIES			
Provisions for liabilities and charges	-	56.4	56.4
Payables and accruals	-	2,063.4	2,113.4
Amounts due to related parties	-	24.9	24.9
Borrowings	-	3.4	3.4
Taxation	-	425.4	425.4
Total current liabilities⁽²⁾	-	2,573.5	2,623.5
NET CURRENT ASSETS / (LIABILITIES)⁽³⁾	*	(1,529.5)	(1,579.5)
LESS : NON CURRENT LIABILITIES			
Loan from MCB	-	4,992.0	4,992.0
Provisions for liabilities and charges	-	135.8	135.8
Borrowings	-	1.6	1.6
Loan from a related party	-	30.7	30.7
Deferred tax liabilities	-	313.8	313.8
Total non current liabilities	-	5,473.9	5,473.9
NET ASSETS	*	8,461.5	8,411.5

12. FINANCIAL INFORMATION (cont'd)

	Incorporation of the Company (unaudited)	Proforma I	Proforma II
		After Pre- Listing Restructuring (unaudited) (RM million)	After Proforma I and IPO (unaudited)
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital	*	750.0	750.0
Accumulated losses	-	-	(276.3)
Merger relief ⁽⁴⁾	-	30,440.4	30,440.4
Reserve arising from reverse acquisition ⁽⁵⁾	-	(22,728.9)	(22,728.9)
Other reserve	-	-	226.3
SHAREHOLDERS' EQUITY	*	8,461.5	8,411.5
Net asset per Share (RM)	0.10	1.13	1.12
NTA / (NTL) (RM million)	*	(2,674.5)	(2,724.5) ⁽⁶⁾
NTA / (NTL) per Share (RM)	0.10	(0.36)	(0.36)
<u>Number of Shares (million)</u>			
RM0.10 nominal value	*	7,500.0	7,500.0

Notes:

- * The Company was incorporated on 7 August 2009. For illustrative purposes only, the Company is assumed to be incorporated on 30 June 2009 with an issued and paid-up share capital of RM0.20.
- ⁽¹⁾ Comprises goodwill arising from the acquisition of the Subsidiaries other than Maxis Mobile Services ("Other Subsidiaries") of RM11,029.0 million, spectrum rights of RM51.3 million and handset subsidies of RM55.7 million. Spectrum rights enable Maxis to provide mobile services whilst handset subsidies are to facilitate the acquisition and retention of customers.
- ⁽²⁾ Included in current liabilities are the customers' deposits, advance payments and deferred income of RM419.6 million.
- ⁽³⁾ In comparison to the Subsidiaries' combined net current assets as at 30 June 2009 of RM767.3 million as set out in Section 13 of this Prospectus, the proforma consolidated net current liabilities as at 30 June 2009 of RM1,579.5 million comprises the following:

	<u>(RM million)</u>
Subsidiaries' combined net current assets as at 30 June 2009	767.3
Add: Adjustments as set out in Section II (Note 3) of Section 13 of this Prospectus and amounts due to related companies of Maxis	<u>(491.1)</u>
	276.2
Pre-Listing Restructuring	
Movement in cash balances	
- Cash settlement of intercompany balances as at 30 June 2009 after adjustments for Pre-Listing Restructuring as set out in Note 1.2(b) of Section 12.5 of this Prospectus	(1,514.7)
- Payment of RPS Dividends	(290.0)
- Redemption of RPS of Maxis Broadband held by BGSM	<u>(1.0)</u>
Net Current Liabilities as per Proforma I	(1,529.5)
IPO expenses	<u>(50.0)</u>
Net Current Liabilities as per Proforma II	<u>(1,579.5)</u>

12. FINANCIAL INFORMATION (cont'd)

- (4) Merger relief taken on premium on issuance of 7,500.0 million new Shares at approximately RM4.06 per Share for acquisition of the Subsidiaries.
- (5) Represents the difference between the issued equity of accounting acquirer, Maxis Mobile Services, and legal acquirer, the Company.
- (6) Represents the difference between the total liabilities and total tangible assets. While Maxis is in a NTL position which is presently illustrated as RM2,724.5 million (which is derived after deducting the intangible assets of RM11,136.0 million from the total net assets of RM8,411.5 million) after the IPO, more than half of its total liabilities are non-current, including loan from MCB of RM4,992.0 million. Notwithstanding that Maxis is in a proforma NTL position, Maxis has positive proforma net assets of RM8,411.5 million. In addition, the intangible assets mainly comprise goodwill of RM11,029.0 million which represents the aggregate of the net liabilities and the fair values of the Other Subsidiaries, which in turn were determined after taking into consideration, among others, the competitive strengths, business strategies and future plans of Maxis, the financial performance, operating history and proforma consolidated net assets of each of the Other Subsidiaries. The goodwill may be adjusted subject to the purchase price allocation exercise (which will occur within 1 year from the completion of the Pre-Listing Restructuring). Further, in accordance with Malaysian GAAP, Maxis will have to assess the carrying value of its intangible assets (including goodwill) at least annually for impairment and whenever there is an indication of impairment. Events that may give rise to the potential impairment of intangible assets (including goodwill) include the cessation of Maxis' mobile services business, suspension or cancellation of Maxis' licences by the Minister or obsolescence or physical damage of Maxis' operating assets. As at the Latest Practicable Date, such events have not arisen.

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12. FINANCIAL INFORMATION (cont'd)

12.5 Reporting Accountants' letter on the proforma consolidated balance sheets



Board of Directors
Maxis Berhad
Level 18, Menara Maxis
Kuala Lumpur City Centre
50088 Kuala Lumpur

PricewaterhouseCoopers
(AF 1146)
Chartered Accountants
Level 10, 1 Sentral
Jalan Travers, Kuala Lumpur
Sentral
P O Box 10192
50706 Kuala Lumpur, Malaysia
Telephone: 603 – 2173 1188
Facsimile: 603 – 2173 1288

21 October 2009

Dear Sirs,

Proforma Consolidated Balance Sheets for inclusion into the Prospectus in connection with the listing of Maxis Berhad

- 1 We report on the Proforma Consolidated Balance Sheets as at 30 June 2009 together with the Notes thereon (collectively known as "Proforma Consolidated Balance Sheet") of Maxis Berhad ("the Company"), enclosed as an Appendix, for which the Directors of the Company are solely responsible.
- 2 The Proforma Consolidated Balance Sheet has been prepared for illustrative purposes only, for inclusion in the Prospectus issued in connection with the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad with an Initial Public Offering ("IPO") by Maxis Communications Berhad of 2,250 million ordinary shares of RM0.10 each in the Company. No new shares will be issued by the Company under the IPO.

Responsibilities

- 3 It is the responsibility solely of the directors of the Company to prepare the Proforma Consolidated Balance Sheet for the Company and its subsidiaries ("Maxis Group") in accordance with the requirements of the Prospectus Guidelines in respect of Initial Public Offerings issued by the Securities Commission ("Prospectus Guidelines").
- 4 It is our responsibility to form an opinion as required by the Prospectus Guidelines on the Proforma Consolidated Balance Sheet and our report is given to you solely for this and no other purpose.
- 5 In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information in the Appendix used in the compilation of the Proforma Consolidated Balance Sheet, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

12. FINANCIAL INFORMATION (cont'd)



Board of Directors
Maxis Berhad
21 October 2009

Basis of our opinion

- 6 Our work, which involved no independent examination of any of the underlying financial information, consisted of comparing the evidence supporting the adjustments and discussing the Proforma Consolidated Balance Sheet with the directors of the Company.
- 7 As the Proforma Consolidated Balance Sheet is prepared for illustrative purposes only, such information because of their nature, does not give a true picture of the effects of the Pre-Listing Restructuring, IPO and Listing on the financial position of Maxis Group had the transaction or event occurred at the balance sheet date. Further, such information does not purport to predict Maxis Group's future financial position.

Our Opinion

- 8 In our opinion,
- (a) the Proforma Consolidated Balance Sheet has been properly prepared on the basis set out in the notes, using financial statements prepared in accordance with Financial Reporting Standards, the MASB Approved Accounting Standards in Malaysia for Entities other than Private Entities and in a manner consistent with both the format of the financial statements and the accounting policies of the audited combined financial statements of the Subsidiaries except as disclosed in Note 2.1 of the Appendix; and
- (b) Each material adjustment, as set out in Notes 2.2 and 2.3 of the Appendix, is appropriate for the preparation of the Proforma Consolidated Balance Sheet.

Yours faithfully,

A handwritten signature in cursive script, appearing to read 'PriceWaterhouseCoopers'.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

A handwritten signature in cursive script, appearing to read 'Uthaya Kumar'.

UTHAYA KUMAR S/O K.VIVEKANANDA
(No. 1455/06/10 (J))
Chartered Accountant

12. FINANCIAL INFORMATION (cont'd)

Appendix

PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2009 AND THE NOTES THEREON OF MAXIS BERHAD**1 Introduction**

The Proforma Consolidated Balance Sheets as at 30 June 2009 together with the notes thereon (collectively known as "Proforma Consolidated Balance Sheet") of Maxis Berhad ("the Company"), for which the Directors of the Company are solely responsible, has been prepared for illustrative purposes only, for the purpose of inclusion in this Prospectus issued in connection with the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad ("the Listing"). The Proforma Consolidated Balance Sheet shows the effects of the Initial Public Offering ("IPO"), Listing and the Pre-Listing Restructuring referred to in Notes 1.1 and 1.2 below undertaken by the Company and its subsidiaries ("Maxis Group") and may not, because of its nature, reflect the actual financial position of Maxis Group. The Proforma Consolidated Balance Sheet did not illustrate the Employee Share Option Scheme ("ESOS") described in Note 1.3 as the shares under the ESOS have not been granted yet.

1.1 Initial Public Offering ("IPO") and Listing

IPO of 2,250,000,000 ordinary shares of RM0.10 each in the Company ("Share") comprising: (a) the institutional offering of 2,037,705,000 Shares ("Institutional Offering"); and (b) the retail offering of 212,295,000 Shares ("Retail Offering") at the price of RM5.20 per Share ("IPO Price"), payable in full upon application and subject to a refund of the difference in the event that the final IPO Price is less than the IPO Price. The final IPO Price will equal the lower of (i) the IPO Price of RM5.20 per Share; and (ii) 95% of the institutional price to be determined by way of bookbuilding ("Institutional Price"). No new Shares will be issued by the Company under the IPO.

Prior to the IPO, Maxis Communications Berhad ("MCB") had entered into placing agreements with the cornerstone investors whereby the cornerstone investors have agreed to acquire from MCB, subject to the terms of the cornerstone placing agreements, a total of 626,080,000 Shares ("Cornerstone Shares") at a price of RM5.20 per Share or the Institutional Price, whichever is lower. The Cornerstone Shares form part of the Institutional Offering.

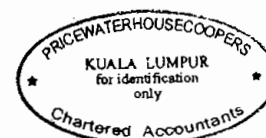
The expenses of the IPO to be borne by the Company are estimated to be RM50.0 million, which are expected to comprise estimated professional fees of RM32.8 million and estimated miscellaneous expenses (such as printing, advertising and traveling expenses) of RM17.2 million. The Selling Shareholder will be bearing its own professional fees and miscellaneous expenses in respect of the IPO estimated to amount to RM5.6 million, as well as the brokerage, underwriting commission and placement fee. The IPO expenses of RM50.0 million to be absorbed by the Company will be charged to the income statement.

Listing of and quotation for 7,500,000,000 Shares representing the entire existing issued and paid-up share capital of the Company on the Main Market.

1.2 Pre-Listing Restructuring

Prior to the Listing, Maxis Group undertook a restructuring scheme ("Pre-Listing Restructuring"). Details of the Pre-Listing Restructuring are as follows:

- (a) Business combination with Maxis Mobile Services Sdn Bhd ("Maxis Mobile Services"), Maxis Broadband Sdn Bhd ("Maxis Broadband"), Maxis International Sdn Bhd ("Maxis International"), Maxis Collections Sdn Bhd ("Maxis Collections"), Maxis Mobile Sdn Bhd ("Maxis Mobile"), Maxis Multimedia Sdn Bhd and Advanced Wireless Technologies Sdn Bhd ("Advanced Wireless Technologies"), UMTS (Malaysia) Sdn Bhd, Maxis Online Sdn Bhd, Maxis Asia Access Pte Ltd and Maxis Mobile (L) Ltd (collectively known as the "Subsidiaries") whereby the Company acquired the entire issued and paid-up ordinary share capital of the Subsidiaries (other than Advanced Wireless Technologies) and 75% issued and paid-up ordinary share capital of Advanced Wireless Technologies from Maxis Communication Berhad ("MCB") for a consideration of RM34,998.2 million which was satisfied by the issuance of 7,500 million of new Shares of the Company valued at RM31,190.4 million and cash amounting to RM3,807.8 million. The Pre-Listing Restructuring was completed on 1 October 2009.



(i)

12. FINANCIAL INFORMATION (cont'd)

Appendix

PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2009 AND THE NOTES THEREON OF MAXIS BERHAD

1.2 Pre-Listing Restructuring (continued)

(b) Prior to the business combination detailed in Note 1.2(a), the Subsidiaries undertook the following transactions:

- declaration of dividends by Maxis Mobile, Maxis Mobile Services, Maxis Broadband and Maxis International as follows:

Entities	Preference Dividend to Binariang GSM Sdn Bhd RM million	Ordinary Dividend to MCB RM million	Total RM million
Maxis Mobile	-	598.6	598.6
Maxis Mobile Services	-	958.2	958.2
Maxis Broadband	290.0	2,402.9	2,692.9
Maxis International	-	65.9	65.9
Total	290.0	4,025.6	4,315.6

- Redemption of 100,000 Redeemable Preference Shares issued to Binariang GSM Sdn Bhd by Maxis Broadband for cash consideration of RM1.0 million.
- Maxis Mobile Services disposed of Althem B.V. ("ABV"), which holds 44% of the equity interest in PT Natrindo Telepon Seluler, to MCB for a total cash consideration of RM1,018.9 million, which was equivalent to Maxis Mobile Services' cost of investment in ABV as at 30 June 2009.
- Cash settlement of intercompany balances between the Subsidiaries and MCB amounting to RM1,514.7 million as follows:

	RM'000
Net settlement of intercompany balances	307,884
Part payment of cash dividends	(2,841,456)
ABV disposal consideration	1,018,853
	<u>(1,514,719)</u>

(c) As a result of the Pre-Listing Restructuring, dividends and settlement of intercompany balances, the Maxis Group owes the MCB Group Post-Restructuring RM4,992.0 million, comprising RM3,807.8 million of the cash portion of the purchase consideration owed by the Company to MCB and RM1,184.2 million intercompany balances owed by Maxis Broadband to MCB Group Post-Restructuring. Pursuant to the Pre-Listing Restructuring agreements, such amount owed to MCB shall be repaid by Maxis Group on the second anniversary of the completion date of the Pre-Listing Restructuring ("Payment Date") provided that if the Company raises financing through external financing prior to the Payment Date, the Company shall pay MCB such amount due by Maxis Group to MCB within 5 business days upon the receipt of the proceeds from the external financing.



(ii)

12. FINANCIAL INFORMATION (cont'd)

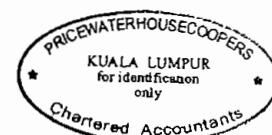
Appendix

PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2009 AND THE NOTES THEREON OF MAXIS BERHAD

1.3 ESOS

In conjunction with the Listing, the Board proposes to implement an ESOS for eligible employees of Maxis Group and Director(s) of the Company. The total number of Shares which may be issued under options granted pursuant to ESOS ("Options") will not exceed in aggregate 250,000,000 Shares. The option price is to be determined. As the number of Options to be granted under the Maxis ESOS is uncertain and not determinable due to, amongst others, different vesting period of the Options, the impact of the ESOS has not been reflected in the Proforma Consolidated Balance Sheet.

The ESOS is expected to have an impact on Maxis Group's Proforma Consolidated Balance Sheet in accordance with Financial Reporting Standard 2 ("FRS 2") "Share-Based Payment". In accordance with FRS 2, the cost arising from the issuance of Options will be measured by the fair value of the Options at the date of the written offer thereof to an eligible employee ("Offer Date"), thereby reducing Maxis Group's consolidated earnings with a corresponding charge to ESOS reserve. The fair value is dependent on, amongst others, the market price of Share and the implied volatility thereof, the exercise price of Options, the remaining tenure of the Options as at the Offer Date and the projected dividend yield of the Company. The charge will be recognised over the vesting period of the Options. Upon exercise of the Options, there will be an increase in share capital, share premium and reversal of ESOS reserve.



(iii)

12. FINANCIAL INFORMATION (cont'd)

Appendix

PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2009 AND THE NOTES THEREON OF MAXIS BERHAD

2 PROFORMA CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2009

The Proforma Consolidated Balance Sheet has been prepared for illustrative purposes only to show the effects on the balance sheet of the Company as at 30 June 2009 on the assumption that events as set forth in Notes 1.1 and 1.2 had been effected on that date and should be read in conjunction with the notes in this Section.

In RM'000	Note	Incorporation of the Company*	Proforma I After Pre-Listing Restructuring	Proforma II After Proforma I and Initial Public Offering
NON CURRENT ASSETS				
Property, plant and equipment		-	4,221,938	4,221,938
Intangible assets	2.4	-	11,136,028	11,136,028
Prepaid lease payments		-	9,468	9,468
Deferred tax assets		-	97,486	97,486
Total non current assets		-	15,464,920	15,464,920
CURRENT ASSETS				
Inventories		-	129,485	129,485
Receivables, deposits and prepayments		-	790,686	790,686
Tax recoverable		-	36,841	36,841
Amounts due from related parties		-	11,745	11,745
Cash and cash equivalents	2.5	*	75,303	75,303
Total current assets		*	1,044,060	1,044,060
LESS: CURRENT LIABILITIES				
Provisions for liabilities and charges		-	56,401	56,401
Payables and accruals		-	2,063,394	2,113,394
Amounts due to related parties		-	24,931	24,931
Borrowings		-	3,377	3,377
Taxation		-	425,432	425,432
Total current liabilities		-	2,573,535	2,623,535
NET CURRENT ASSETS / (LIABILITIES)		*	(1,529,475)	(1,579,475)
LESS: NON CURRENT LIABILITIES				
Loan from MCB		-	4,992,009	4,992,009
Provisions for liabilities and charges		-	135,828	135,828
Borrowings		-	1,622	1,622
Loan from a related party		-	30,694	30,694
Deferred tax liabilities		-	313,792	313,792
Total non current liabilities		-	5,473,945	5,473,945
NET ASSETS		*	8,461,500	8,411,500



(iv)

12. FINANCIAL INFORMATION (cont'd)

Appendix

PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2009 AND THE NOTES THEREON OF MAXIS BERHAD

2 PROFORMA CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2009 (continued)

In RM'000	Note	Incorporation of the Company*	Proforma I After Pre-Listing Restructuring	Proforma II After Proforma I and Initial Public Offering
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY				
Share capital	2.6	*	750,000	750,000
Accumulated losses	2.7	-	-	(276,362)
Merger relief	2.8	-	30,440,400	30,440,400
Reserve arising from reverse acquisition	2.9	-	(22,728,900)	(22,728,900)
Other reserve	2.10	-	-	226,362
SHAREHOLDERS' EQUITY		*	8,461,500	8,411,500
Net asset per ordinary share (RM)		0.10	1.13	1.12
Net tangible assets/(liabilities) (RM'000)		*	(2,674,528)	(2,724,528)
Net tangible assets/(liabilities) per ordinary share (RM)		0.10	(0.36)	(0.36)
<u>Number of ordinary shares ('000)</u>				
RM0.10 nominal value		*	7,500,000	7,500,000

* The Company was incorporated on 7 August 2009. The incorporation of the Company is assumed on 30 June 2009 with an issued and paid up share capital of RM0.20, representing 2 ordinary shares of RM0.10 each.

2.1 Basis of preparation

The Proforma Consolidated Balance Sheet has been prepared solely for illustrative purposes to show the effects of the Pre-Listing Restructuring, IPO and Listing on the balance sheet of the Company at the date of incorporation using the audited combined financial statements of the Subsidiaries as at 30 June 2009. The Proforma Consolidated Balance Sheet has been properly prepared on the basis set out in the notes, using financial statements prepared under MASB Approved Accounting Standards in Malaysia for Entities other than Private Entities and in the manner consistent with both the format of the financial statements and the accounting policies of the Subsidiaries except for the following:

- (a) The Balance Sheet of the entities comprising the Subsidiaries has not been aggregated as the Company will be applying FRS 3 "Business Combination" ("FRS 3") for the purpose of accounting for the acquisition of the Subsidiaries.

The structure of the Pre-Listing Restructuring is such that the Company was incorporated to issue equity instruments in order to effect a business combination. FRS 3 has been applied and the transaction has been treated as a reverse acquisition. Maxis Mobile Services has been identified as the accounting acquirer.

- (b) Share based expense is recognised for the difference between (i) the Institutional Price and the final IPO Price to reflect the discount on Shares offered for sale under the Retail Offering; and (ii) the Institutional Price and the price to be paid by the cornerstone investors to reflect the discount on the Cornerstone Shares. For the purpose of the preparation of the Proforma Consolidated Balance Sheet, it is assumed that the final IPO Price is RM5.20 per Share and represents 95% of the Institutional Price, and the price of the Cornerstone Shares is RM5.20 per Share.



(v)

12. FINANCIAL INFORMATION (cont'd)

Appendix

PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2009 AND THE NOTES THEREON OF MAXIS BERHAD

2 PROFORMA CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2009 (continued)

2.2 Effects on the Proforma Consolidated Balance Sheet I

The Proforma Consolidated Balance Sheet I ("Proforma I") has been presented to include the effects of the Pre-Listing Restructuring as detailed in Note 1.2.

The accounting for the combination has been affected as follows:

- Reverse acquisition accounting has been adopted and Maxis Mobile Services has been identified as the acquirer.
- The business combination cost deemed to have been incurred by Maxis Mobile Services for the acquisition of the subsidiaries other than Maxis Mobile Services ("Other Subsidiaries") amounted to RM10,909.3 million. The difference between the business combination cost and the carrying value of assets and liabilities of Other Subsidiaries is recorded as goodwill and disclosed as intangible assets amounting to RM11,029.0 million pending purchase price allocation. Under FRS 3, a one year window to complete the purchase price allocation is allowed.
- The difference between the issued equity of Maxis Mobile Services together with the deemed business combination cost and the issued equity of the Company is a reserve arising from reverse acquisition of RM22,728.9 million.

2.3 Effects on the Proforma Consolidated Balance Sheet II

The Proforma Consolidated Balance Sheet II ("Proforma II") has been presented to include the effects of the IPO and Listing as detailed in Note 1.1 on Proforma I.

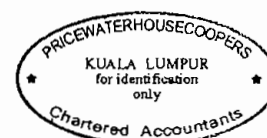
2.4 Intangible assets

The effects of the Pre-Listing Restructuring, IPO and Listing on the intangible assets of Maxis Group are as follows:

	RM'000	RM'000
On incorporation of the Company		-
Intangible assets movements relating to Pre-Listing Restructuring:		
- As per audited combined balance sheet of the Subsidiaries as at 30 June 2009	107,033	
- Goodwill arising from acquisition of Other Subsidiaries*	11,028,995	11,136,028
Per Proforma I and II		11,136,028

* Goodwill arising from the acquisition of Other Subsidiaries is computed as follows:

Description	RM'000
Fair value of Other Subsidiaries	10,909,250
Add: Net Liabilities of Other Subsidiaries	119,745
Goodwill	11,028,995



(vi)

12. FINANCIAL INFORMATION (cont'd)

Appendix

PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2009 AND THE NOTES THEREON OF MAXIS BERHAD

2 PROFORMA CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2009 (continued)

2.5 Cash and cash equivalents

The effects of the Pre-Listing Restructuring, IPO and Listing on the cash and cash equivalents of Maxis Group are as follows:

	RM'000	RM'000
On incorporation of the Company		*
Cash movements relating to Pre-Listing Restructuring:		
- As per audited combined balance sheet of the Subsidiaries as at 30 June 2009	1,881,022	
- Settlement of intercompany balances (refer Note 1.2(b))	(1,514,719)	
- Dividend payment on Redeemable Preference Shares	(290,000)	
- Redemption of Redeemable Preference Shares	(1,000)	75,303
Per Proforma I and II		75,303

* RM0.20 being 2 Shares of RM0.10 per share of the Company.

2.6 Share capital

The effects of the Pre-Listing Restructuring, IPO and Listing on the share capital of the Company are as follows:

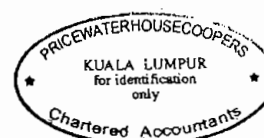
	RM'000
On incorporation of the Company	*
Issuance of 7,500 million of new Shares	750,000
Per Proforma I and II	750,000

* RM0.20 being 2 Shares of RM0.10 per share of the Company.

2.7 Accumulated losses

The effects of the Pre-Listing Restructuring, IPO and Listing on the accumulated losses of the Company are as follows:

	RM'000
On incorporation of the Company and Proforma I	-
IPO expenses	(50,000)
Discount on Shares offered for sale under the Retail Offering and the Cornerstone Shares	(226,362)
Per Proforma II	(276,362)



(vii)

12. FINANCIAL INFORMATION (cont'd)

Appendix

PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2009 AND THE NOTES THEREON OF MAXIS BERHAD

2 PROFORMA CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2009 (continued)

2.8 Merger relief

The effects of the Pre-Listing Restructuring, IPO and Listing on the merger relief of the Company are as follows:

	RM'000
On incorporation of the Company and Per Proforma I	-
Merger relief on issuance of 7,500 million new Shares at a premium of approximately RM4.06 per Share for acquisition of the Subsidiaries	30,440,400
Per Proforma I and II	30,440,400

2.9 Reserve arising from reverse acquisition

The effects of the Pre-Listing Restructuring, IPO and Listing on the reserve arising from reverse acquisition of the Company are as follows:

	RM'000
On incorporation of the Company	-
Issued equity (share capital and share premium of the accounting acquirer, Maxis Mobile Services)	1,360,100
Cost of business combination	10,909,250
Maxis Mobile Services after incorporating the Other Subsidiaries	12,269,350
Share capital and merger relief arising from Shares issued by the Company, the legal acquirer	(31,190,400)
Difference between issued equity of accounting acquirer and legal acquirer	(18,921,050)
Cash distribution represented by cash consideration to MCB	(3,807,850)
Per Proforma I and II	(22,728,900)

2.10 Other reserve

The effects of the Pre-Listing Restructuring, IPO and Listing on the other reserve of the Company are as follows:

	RM'000
On incorporation of the Company and Proforma I	-
Discount on Shares offered for sale under the Retail Offering and the Cornerstone Shares	226,362
Per Proforma II	226,362



(viii)

12. FINANCIAL INFORMATION *(cont'd)*

12.6 Dividend policy

The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of the Board and any final dividend for the year is subject to shareholders' approval. It is the Company's intention to pay dividends to shareholders in the future. However, such payments will depend upon a number of factors, including Maxis' earnings, capital requirements, general financial condition, the Company's distributable reserves and other factors considered relevant by the Board.

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

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

13. ACCOUNTANTS' REPORT



The Board of Directors
 Maxis Berhad
 Level 18, Menara Maxis
 Kuala Lumpur City Centre
 Off Jalan Ampang
 50088 Kuala Lumpur

PricewaterhouseCoopers
(AF 1146)
Chartered Accountants
 Level 10, 1 Sentral
 Jalan Travers, Kuala Lumpur Sentral
 P O Box 10192
 50706 Kuala Lumpur, Malaysia
 Telephone +60 3 2173 1188
 Facsimile +60 3 2173 1288
www.pwc.com/my

16 October 2009

PwC/VUK/PH/WYL/lh/1879J

Dear Sirs,

Introduction

This Accountants' Report ('the Report') on Maxis Berhad ('Maxis' or the 'Company') and on the Malaysian businesses of Maxis Communications Berhad ('MCB') by Maxis has been prepared by an approved company auditor for the purpose of inclusion in the Prospectus in connection with the listing of Maxis on the Main Market of Bursa Malaysia Securities Berhad ('Bursa Securities') ('the Prospectus'). Maxis was incorporated on 7 August 2009.

The Malaysian businesses of MCB comprise the following (collectively known as the 'Subsidiaries'):

- (i) Maxis Mobile Services Sdn Bhd ('MMSSB')
- (ii) Maxis Broadband Sdn Bhd ('MBSB')
- (iii) Maxis International Sdn Bhd ('MISB')
- (iv) Maxis Mobile Sdn Bhd ('MMSB')
- (v) Maxis Collections Sdn Bhd ('MCSB')
- (vi) Maxis Multimedia Sdn Bhd ('Maxis Multimedia')
- (vii) Advanced Wireless Technologies Sdn Bhd ('AWT')
- (viii) Maxis Mobile (L) Ltd ('MML') (100% owned subsidiary of Maxis Mobile Sdn Bhd)
- (ix) Maxis Online Sdn Bhd ('MOSB') (100% owned subsidiary of Maxis Broadband Sdn Bhd)
- (x) Maxis Asia Access Pte. Ltd. ('MAAPL') (100% owned subsidiary of Maxis International Sdn Bhd)
- (xi) UMTS (Malaysia) Sdn Bhd ('UMTS') (100% owned subsidiary of Advanced Wireless Technologies Sdn Bhd)

For the purpose of this Report, the financial results, financial position and cash flows of the Subsidiaries have been aggregated as they have operated as a single economic entity throughout the financial years ended 31 December 2006, 31 December 2007, 31 December 2008 and the six months ended 30 June 2009. The assets and liabilities of the Subsidiaries have been aggregated in the combined balance sheets at the existing carrying amounts on those balance sheet dates.

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
Maxis Berhad
PwC/VUK/PH/WYL/lh/1879J
16 October 2009

Introduction (continued)

These combined financial statements do not incorporate the effects of the Pre-Listing Restructuring (Section 6.2 of the Prospectus) which is accounted for using purchase method of accounting under FRS 3 "Business Combination", the Listing (Section 4.3 of the Prospectus) and the Employee Share Option Scheme ('ESOS') (Section 15.11 of the Prospectus). Therefore, they are not indicative of the financial results, financial position and cash flows that would have occurred if the Pre-Listing Restructuring, Listing and ESOS had been effected on 1 January 2006 or of the future financial position, results and cash flows of Maxis and its Subsidiaries.

As the Subsidiaries were part of the MCB group of companies, they did not operate independently as a stand alone group. The combined financial statements are, therefore, not necessarily indicative of the financial position, results and cash flows that would have occurred if the Subsidiaries had been an independent stand alone group during the financial years or periods under review. The combined financial statements are also not necessarily indicative of the future financial position, results and cash flows of Maxis' business.

This Accountants' Report includes the following sections:

- I Maxis Berhad
- II Subsidiaries
- III Historical Financial Information of the Subsidiaries

13. ACCOUNTANTS' REPORT *(cont'd)*

SECTION I – MAXIS BERHAD

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
 Maxis Berhad
 PwC/VUK/PH/WYL/lh/1879J
 16 October 2009

I MAXIS BERHAD

1 Background information and principal activities

Maxis Berhad ('Maxis' or the 'Company') was incorporated in Malaysia under the Malaysian Companies Act, 1965 on 7 August 2009 as a public limited company. The Company has not commenced operations since its incorporation.

The address of the registered office of Maxis is at Level 18, Menara Maxis, Kuala Lumpur City Centre, Off Jalan Ampang, 50088 Kuala Lumpur.

As at the date of this Report, the authorised and issued share capital of Maxis is as follows:

Share capital

	RM'000
Authorised:	
12,000,000,000 ordinary shares of RM0.10 each	1,200,000
Issued and paid up:	
2 ordinary shares of RM0.10 each	*

* Issued and paid up share capital is at RM0.20.

The movement in the authorised share capital since incorporation is as follows:

	RM'000
At date of incorporation on 7 August 2009	
12,000,000,000 ordinary shares of RM0.10 each	1,200,000

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
Maxis Berhad
PwC/VUK/PH/WYL/lh/1879J
16 October 2009

I MAXIS BERHAD (CONTINUED)

1 Background information and principal activities (continued)

Share capital (continued)

The movement in issued and paid up share capital since incorporation is as follows:

	RM'000
At date of incorporation on 7 August 2009	
2 ordinary shares of RM0.10 each at par for cash	*
Issuance of 7,499,999,998 ordinary shares of RM0.10 each at par	750,000
	<hr/>
At 16 October 2009	750,000
	<hr/> <hr/>

* Issued and paid up share capital is at RM0.20.

As part of the Pre-Listing Restructuring, on 1 October 2009 Maxis acquired the entire issued and paid up share capital of MMSSB, MBSB, MISB, MMSB, MCSB and Maxis Multimedia, and 75% of the issued and paid up share capital of AWT for a total purchase consideration of RM34,998 million, of which RM31,190 million was satisfied by the issuance of 7,499,999,998 ordinary shares to Maxis Communications Berhad ('MCB') and RM3,808 million constituted an amount payable by Maxis to MCB.

13. ACCOUNTANTS' REPORT (cont'd)

SECTION II – SUBSIDIARIES

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
 Maxis Berhad
 PwC/VUK/PH/WYL/lh/1879J
 16 October 2009

II SUBSIDIARIES

1 Background information and principal activities

The principal activities of the Subsidiaries are that of telecommunications provider of mobile, fixed and international gateway services. Refer to Note 28 of Section III for further details by entity.

The addresses of the registered office of the Subsidiaries are as follows:

Subsidiaries other than MML and MAAPL

Level 18, Menara Maxis
 Kuala Lumpur City Centre
 Off Jalan Ampang
 50088 Kuala Lumpur

MML

Level 1, Lot 7
 Block F, Saguking Commercial Building
 Jalan Patau-Patau
 87000 Federal Territory of Labuan

MAAPL

8 Cross St. #11-00 PwC Building
 Singapore 048424

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

Subsidiaries other than MAAPL

Level 8, 10 – 23, Menara Maxis
 Kuala Lumpur City Centre
 Off Jalan Ampang
 50088 Kuala Lumpur

MAAPL

20 Ayer Rajah Crescent #05-05/08
 Singapore 139964

2 Auditors

We are the auditors of the Subsidiaries for the three financial years ended 31 December 2006, 31 December 2007 and 31 December 2008 and the six months ended 30 June 2009 except for the following entity which is audited by a firm other than PricewaterhouseCoopers:

Entity's name	Auditors
Maxis Asia Access Pte. Ltd.	K. C. Lau & Co 207A Thomson Road Goldhill Centre Singapore 307640

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13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
 Maxis Berhad
 PwC/VUK/PH/WYL/lh/1879J
 16 October 2009

II SUBSIDIARIES (CONTINUED)

3 Basis of preparation of historical financial information in this Report

The historical financial information of the Subsidiaries included in this Report has been prepared from the following sources:

- (i) The audited combined financial statements of the Subsidiaries for the financial years ended 31 December 2006, 31 December 2007, 31 December 2008 and the six months ended 30 June 2009 which have been reported on by us without qualification to the shareholders, for purposes of inclusion in the Prospectus and for no other purpose; and
- (ii) The unaudited combined management accounts of the Subsidiaries for the six months ended 30 June 2008.

The audited combined financial statements and the unaudited combined management accounts for the six months ended 30 June 2008 are the responsibilities of MCB's and the Company's Directors.

No audited combined financial statements have been prepared in respect of any period subsequent to 30 June 2009.

The combined financial statements of the Subsidiaries have been prepared using the accounting policies that are in accordance with Financial Reporting Standards, the Malaysian Accounting Standard Board ('MASB') Approved Accounting Standards for Entities Other than Private Entities.

The combined financial statements for the financial years ended 31 December 2006, 31 December 2007, 31 December 2008, six months ended 30 June 2008 and 30 June 2009 have been prepared by aggregation of the audited and unaudited financial information relating to the individual Subsidiaries for the respective years/periods and effecting the following adjustments:

- Elimination of inter-entity transactions and balances amongst the Subsidiaries;
- Transfer of the following to MCB as they relate to operations and funding outside the Malaysian businesses:
 - Transfer of investment in Althem B.V. ('Althem') and Teleglobal Investments B.V. ('TG') from the Subsidiaries to MCB at the carrying values of the investments;
 - Novation of US Dollar interest free and interest bearing loans extended to TG, PT Natrindo Telepon Sellular ('NTS'), Althem and Global Communication Services Holdings Ltd from the Subsidiaries to MCB and the reversal of interest income, interest expense, foreign exchange translation differences and released hedging gain recognised by the Subsidiaries as these loans were not used to fund the Malaysian businesses; and
- Allocation of finance expense to the Subsidiaries relating to external funding obtained by MCB that were on-lent to the Subsidiaries as interest free loans for working capital purposes.

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13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
 Maxis Berhad
 PwC/VUK/PH/WYL/ih/1879J
 16 October 2009

II SUBSIDIARIES (CONTINUED)

3 Basis of preparation of historical financial information in this Report (continued)

The preparation of the combined financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the combined financial statements, and the reported amounts of the revenue and expenses during the reported financial years/periods. It also requires the Directors to exercise their judgment in the process of applying the Subsidiaries' accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of the then current events and actions, actual results thereafter may have been different.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the combined financial statements of the Subsidiaries are disclosed in Note 1 of Section III of this Report.

(i) Standards and Interpretation Committee ('IC') interpretations to existing standards that are applicable to the Subsidiaries but not yet effective

The new standard and IC interpretations that are applicable to the Subsidiaries, but which the Subsidiaries have not early adopted are as follows:

- FRS 8 "Operating Segments" (effective for annual period beginning on or after 1 July 2009). FRS 8 replaces FRS 114₂₀₀₄ Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The expected impact is still being assessed in detail by management, but the number of reportable segments and the manner in which the segments are reported will be consistent with the internal management reporting.
- IC Interpretation 9 "Reassessment of Embedded Derivatives" (effective for accounting periods beginning on or after 1 January 2010). IC Interpretation 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.
- IC Interpretation 13 "Customer Loyalty Programmes" clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the revenue in respect of the consideration receivable from the customer is allocated between the components of the arrangement using fair values. The Subsidiaries do not anticipate a significant impact to the financial results and position arising from application of this IC interpretation.

The Subsidiaries will apply this standard and IC Interpretations from financial year beginning on 1 January 2010.

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13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
 Maxis Berhad
 PwC/VUK/PH/WYL/Ih/1879J
 16 October 2009

II SUBSIDIARIES (CONTINUED)

3 Basis of preparation of historical financial information in this Report (continued)

(i) Standards and Interpretation Committee ('IC') interpretations to existing standards that are applicable to the Subsidiaries but not yet effective (continued)

The following standards will be effective for annual period beginning on or after 1 January 2010. The Subsidiaries will apply these standards from financial year beginning on 1 January 2010. The Subsidiaries has applied the transitional provision in the respective standards which exempts entities from disclosing the possible impact arising from the initial application of the standards on the financial statements of the Subsidiaries.

- FRS 7 "Financial Instruments: Disclosures"
- FRS 139 "Financial Instruments: Recognition and Measurement"

(ii) Standards, amendments to published standards and IC interpretations to existing standards that are not yet effective and not relevant to the Subsidiaries

The following standards, amendments to published standards and IC interpretations are not yet effective and not relevant to the Subsidiaries. These standards and IC interpretations are effective for accounting period beginning on or after 1 January 2010.

- FRS 123 "Borrowing Costs" which replaces FRS 123₂₀₀₄ "Borrowing Costs", requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed.
- Amendments to FRS 2 "Share-based Payment: Vesting Conditions and Cancellations" clarify that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment.
- Amendments to FRS 1 "First-time Adoption of Financial Reporting Standards" and FRS 127 "Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate" allow first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from FRS 127 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor.

(8)

13. ACCOUNTANTS' REPORT (cont'd)



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II SUBSIDIARIES (CONTINUED)**3 Basis of preparation of historical financial information in this Report (continued)****(ii) Standards, amendments to published standards and IC interpretations to existing standards that are not yet effective and not relevant to the Subsidiaries (continued)**

- IC Interpretation 10 "Interim Financial Reporting and Impairment" prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date.
- IC Interpretation 11 "FRS 2 Group and Treasury Share Transactions" provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies.
- IC Interpretation 14 "FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" provides guidance on assessing the limit in FRS 119 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement.
- FRS 4 "Insurance Contracts" sets out the requirements for the financial reporting for insurance contracts by any entity that issues such contracts.

13. ACCOUNTANTS' REPORT (cont'd)



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II SUBSIDIARIES (CONTINUED)

4 Summary of significant accounting policies

The following accounting policies have been used consistently in dealing with items that are considered material in relation to the combined financial statements of the Subsidiaries, and have been consistently applied to the combined financial statements for all the financial years/periods presented, unless otherwise stated.

(a) Basis of combination

The Subsidiaries combined financial statements include the financial statements of the entities as listed in the Introduction of this report for the financial years ended 31 December 2006, 31 December 2007, 31 December 2008, the six months ended 30 June 2008 and the six months ended 30 June 2009.

Subsidiaries

Subsidiaries are those corporations or entities in which the Subsidiaries have power to exercise control over the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Subsidiaries control another entity. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the results of subsidiaries acquired or disposed during the financial year/period are included in the combined income statement from the date of acquisition or the date on which control is transferred to the Subsidiaries, up to the date of their disposal or the date on which control ceases.

At the date of acquisition, the fair values of the subsidiaries' identifiable assets, liabilities and contingent liabilities are determined and these values are reflected in the combined financial statements. At the same time, the cost of an acquisition is measured as fair value of the assets given and liabilities incurred or assumed, plus costs directly attributable to the acquisition.

Minority interest at the balance sheet date, being the portion of the net assets of subsidiaries attributable to equity interest that is not owned by the Subsidiaries, whether directly or indirectly through subsidiaries, are presented in the combined balance sheet. Minority interest in the results of the Subsidiaries is presented on the face of the combined income statement as an allocation of the total profit or loss for the financial year/period between minority interest and the equity holder of the Subsidiaries.

13. ACCOUNTANTS' REPORT (cont'd)



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II SUBSIDIARIES (CONTINUED)

4 Summary of significant accounting policies (continued)

(a) Basis of combination (continued)

Subsidiaries (continued)

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Subsidiaries' interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Subsidiaries' interest is allocated all such profits until the minority's share of losses previously absorbed by the Subsidiaries has been recovered.

All intragroup transactions, balances and unrealised gains on transactions between Subsidiaries are eliminated on combination. Unrealised losses are also eliminated unless the transactions provide evidences of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Subsidiaries.

Gain or loss on disposal of a subsidiary is determined by comparing the net disposal proceeds and the Subsidiaries' share of its net assets at the date of disposal. The difference is included in the combined income statement.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of property, plant and equipment. The cost of certain property, plant and equipment items include the costs of dismantling and removing the item and restoring the sites on which these items are located. These costs are due to obligations incurred either when the items were installed or as a consequence of having used these items during a particular period.

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

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

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

Leasehold buildings held for own use are classified as operating or finance leases in the same way as leases of other assets.

13. ACCOUNTANTS' REPORT (cont'd)



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II SUBSIDIARIES (CONTINUED)

4 Summary of significant accounting policies (continued)

(b) Property, plant and equipment (continued)

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

Buildings	42 – 50 years
Telecommunications equipment	4 – 10 years
Submarine cables (included within telecommunications equipment)	10 – 25 years
Site rectification and decommissioning works (included within telecommunications equipment)	15 years
Motor vehicles	5 years
Office furniture, fittings and equipment	3 – 7 years

Capital work-in-progress comprising mainly telecommunications equipment, submarine cables and renovations, are not depreciated until they are ready for their intended use.

Residual values and useful lives are reassessed and adjusted, if appropriate at each balance sheet date.

At each balance sheet date, the Subsidiaries assess whether there is any impairment. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note (s) on impairment of assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the income statement.

(c) Prepaid lease payments

Leasehold land is treated as an operating lease as the title is not expected to pass to the Subsidiaries by the end of the lease term. The payment made on entering into or acquiring leasehold land is accounted for as prepaid lease payments that are amortised over the lease term on a straight line method, summarised as follows:

Long term leasehold land	77 – 90 years
Short term leasehold land	50 years

Long term leasehold land is land with a remaining lease period exceeding fifty years.

13. ACCOUNTANTS' REPORT (cont'd)



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II SUBSIDIARIES (CONTINUED)

4 Summary of significant accounting policies (continued)

(d) Income taxes

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Subsidiaries operate and include all taxes based upon the taxable profits (including withholding taxes payable by a foreign entity on distribution of retained earnings to companies in the Subsidiaries), and real property gains taxes payable on disposal of properties.

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

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

Deferred tax is recognised on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

(e) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). These financial statements are presented in Ringgit Malaysia ('RM'), which is the Subsidiaries' functional and presentation currency.

When there is a change in an entity's functional currency, the entity shall apply the translation procedures applicable to the new functional currency prospectively from the date of the change.

13. ACCOUNTANTS' REPORT (cont'd)



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II SUBSIDIARIES (CONTINUED)

4 Summary of significant accounting policies (continued)

(e) Foreign currencies (continued)

(ii) Transactions and balances

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

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

Exchange differences arising from the settlement of foreign currency transactions and the translation of monetary assets and liabilities denominated in foreign currencies at year end are recognised in the income statement.

(iii) Entities within the Subsidiaries

The results and financial position of all the Subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

(f) Inventories

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

13. ACCOUNTANTS' REPORT (cont'd)



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II SUBSIDIARIES (CONTINUED)

4 Summary of significant accounting policies (continued)

(g) Finance leases and hire purchase agreements

Leases and hire purchases of property, plant and equipment where the Subsidiaries assume substantially all benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments. Each lease payment is allocated as liability and finance charges so as to achieve a constant rate of interest on the finance lease balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The finance charge is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases or hire purchase agreements are depreciated over the estimated useful life of the asset.

(h) Operating leases

Leases of assets where a significant portion of risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the lease period.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with licensed banks, other short term, highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet. For the purposes of the cash flow statements, cash and cash equivalents are presented net of pledged deposits.

(j) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Subsidiaries' activities. Revenue is shown net of service tax, returns, rebates, discounts and content revenue share and after eliminating sales within the Subsidiaries.

The Subsidiaries recognise revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Subsidiaries' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Subsidiaries base their estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

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13. ACCOUNTANTS' REPORT (cont'd)



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II SUBSIDIARIES (CONTINUED)

4 Summary of significant accounting policies (continued)

(j) Revenue recognition (continued)

(i) Telecommunications revenue

Revenues of mobile postpaid services and fixed line services are recognised at the time of customer usage and when services are rendered. Service discounts and incentives are accounted as a reduction of revenue when granted. Unutilised amounts on certain mobile postpaid rate plans are deferred up to one month. Unutilised amounts exceeding one month are recognised as breakage revenue.

Revenue of mobile prepaid services comprises sales of starter packs and prepaid top-up-tickets. Revenue from sales of starter packs is recognised at the point of sale to third parties. Revenue from sales of prepaid top-up-tickets is recognised when services are rendered. The credits on prepaid top-up tickets can be deferred up to the point of customer churn, after which such amounts are recognised as revenue. Unutilised credits of prepaid top-up-tickets sold to customers and distributors and unutilised airtime on certain postpaid rate plans which have been deferred are recognised as deferred revenue.

Revenue for the provision of network facilities, public switched services, internet services and internet application services are recognised at the time of customer usage and when services are rendered. Service discounts and incentives are accounted as a reduction of revenue when granted.

Revenue earned from carriers for international gateway services is recognised at the time the calls occur and when services are rendered.

(ii) Dividend income

Dividend income is recognised when the Subsidiaries' right to receive payment is established.

(iii) Interest income

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

13. ACCOUNTANTS' REPORT (cont'd)



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II SUBSIDIARIES (CONTINUED)

4 Summary of significant accounting policies (continued)

(k) Receivables

Receivables are carried at invoiced amount and/or income earned less an allowance for doubtful debts. The allowance is established when there is objective evidence that the Subsidiaries will not be able to collect all amounts due according to the original terms of receivables. Bad debts are written off once it has been determined that the receivables cannot be recovered.

(l) Provisions for liabilities and charges

Provisions are recognised when the Subsidiaries have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(i) Site rectification and decommissioning works

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

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

(ii) Network construction costs and settlements

Provisions for network construction costs and settlements are made in respect of network construction projects which are under notices of termination, legal claims, negotiations for settlements and costs in respect of obligations under network construction contracts.

(iii) Staff incentive scheme

Provision for staff incentive scheme is based on management's best estimate of the amount payable as at balance sheet date based on the performance of individual employees and financial performance of the Subsidiaries.

13. ACCOUNTANTS' REPORT (cont'd)



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II SUBSIDIARIES (CONTINUED)

4 Summary of significant accounting policies (continued)

(m) Financial instruments

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

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

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

(i) Financial instruments recognised on the balance sheet

The particular recognition method adopted for financial instruments recognised on the balance sheet are disclosed in the individual accounting policy statements associated with each item.

(ii) Fair value estimation for disclosure purposes

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

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

(n) Payables

Payables, including accruals, represent liabilities for goods received and services rendered to the Subsidiaries prior to the end of the financial year/period and which remain unpaid.

Non-current payables include amounts due to a vendor for capital expenditure under deferred payment scheme.

13. ACCOUNTANTS' REPORT (cont'd)



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II SUBSIDIARIES (CONTINUED)

4 Summary of significant accounting policies (continued)

(o) Borrowings

Borrowings are initially recognised based on proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

Interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the income statement.

Borrowings are classified as current liabilities unless the Subsidiaries have an unconditional right to defer settlement of the liability for at least 12 months from the balance sheet date.

(p) Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leaves, bonuses and non-monetary benefits are accrued in the financial year in which the associated services are rendered by employees including full-time Executive Directors. The Subsidiaries recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(ii) Post-employment benefits

Defined contribution plans

A defined contribution plan is a pension plan under which the Subsidiaries pay fixed contributions into a separate entity ('the fund') and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The Subsidiaries' contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Subsidiaries have no further payment obligations.

13. ACCOUNTANTS' REPORT (cont'd)



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II SUBSIDIARIES (CONTINUED)

4 Summary of significant accounting policies (continued)

(p) Employee benefits (continued)

(iii) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Subsidiaries recognise termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

(iv) Share-based compensation

In prior years, Maxis Communications Berhad ('MCB') operated an equity-settled, share-based compensation plan for the eligible employees and full-time Executive Directors of MCB and its subsidiaries ('MCB Group'), which include the Subsidiaries pursuant to the MCB Employee Share Option Scheme ('ESOS'). ESOS options are granted in respect of services provided to the Subsidiaries. The amount of share-based compensation recognised by the Subsidiaries was proportionate to the estimated time spent by the employees on the Subsidiaries. The fair value of the employee services rendered in exchange for the grant of the ESOS option was recognised as an expense in the income statement over the vesting periods of the grants, with a corresponding increase in equity.

The total amount expensed over the vesting period was determined by reference to the fair value of the ESOS option at the date of the grant and the number of ESOS options vested by vesting date. At balance sheet date, the Subsidiaries revised its estimate of the number of ESOS options that were expected to vest by the vesting date. Any revision of this estimate was included in the income statement and a corresponding adjustment to equity over the remaining vesting period. The change in accounting policy was applied retrospectively only for those ESOS options granted after 31 December 2004 which had not vested as of 1 January 2006 as provided in the transitional provision of FRS 2 "Share-based Payments".

13. ACCOUNTANTS' REPORT (cont'd)



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II SUBSIDIARIES (CONTINUED)

4 Summary of significant accounting policies (continued)

(p) Employee benefits (continued)

(iv) Share-based compensation (continued)

The fair value of ESOS options was measured using a modified Black Scholes model. Measurement inputs included share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historical volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends and the risk-free interest rate (based on government securities). Non-market vesting conditions attached to the ESOS options were not taken into account in determining fair value.

Upon surrendering of the ESOS options for cancellation in consideration of the payment of the cash equivalent, the outstanding and cancelled options were accounted for as an acceleration of vesting and the amount was recognised immediately to the income statement.

(q) Intangible assets

(i) Spectrum rights

Expenditures incurred in acquiring spectrum rights are capitalised as intangible assets and are amortised using the straight line method over the shorter of their estimated useful life or spectrum assignment period, commencing from the launch of commercial services on the related networks. The spectrum rights are assessed at each reporting date whether there is any indication that spectrum rights may be impaired. See accounting policy Note (s) on impairment of assets.

(ii) Handset subsidies

Expenditures incurred in providing the customer a free or subsidised handset, provided the customer signs a non-cancellable contract for a predetermined contractual period, are capitalised as intangible assets and amortised over the contractual period on a straight line method. Handset subsidies are assessed at each reporting date whether there is any indication that the handset subsidies may be impaired. See accounting policy Note (s) on impairment of assets.

13. ACCOUNTANTS' REPORT (cont'd)



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II SUBSIDIARIES (CONTINUED)

4 Summary of significant accounting policies (continued)

(r) Government grants

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

Government grants relating to costs are deferred and recognised in the income statement over the financial period necessary to match them with the costs they are intended to compensate.

Government grants relating to the purchase of assets are included as deferred income and are credited to the income statement on the straight line basis over the expected useful lives of the related assets.

(s) Impairment of assets

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

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

(t) Contingent liabilities

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

13. ACCOUNTANTS' REPORT (cont'd)



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II SUBSIDIARIES (CONTINUED)**4 Summary of significant accounting policies (continued)****(u) Segment reporting**

Segment reporting is presented for assessment of the Subsidiaries' risks and returns. A business segment provides services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the combination process, except to the extent that such intragroup balances and transactions are between Subsidiaries within a single segment.

(v) Equity

The Subsidiaries have not in the past formed a separate legal group and therefore it is not possible to show the share capital or an analysis of reserves for the Subsidiaries. The net assets are represented by the cumulative equity investment of Maxis Communications Berhad in the Subsidiaries and presented as 'Equity' on the Combined Balance Sheets.

13. ACCOUNTANTS' REPORT *(cont'd)*

**SECTION III – HISTORICAL FINANCIAL INFORMATION
OF THE SUBSIDIARIES**

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES

(a) Combined Financial Statements

Combined Income Statements

The following combined income statements are based on the audited combined financial statements of the Subsidiaries for the financial years ended 31 December 2006, 31 December 2007, 31 December 2008 and the six months ended 30 June 2009, and unaudited combined management accounts for the six months ended 30 June 2008.

	Note	Financial year ended			Unaudited	6 months
		31.12.2006	31.12.2007	31.12.2008	6 months ended	6 months ended
		RM'000	RM'000	RM'000	30.6.2008	30.6.2009
					RM'000	RM'000
Revenue	3	6,957,136	7,689,604	8,449,776	4,068,095	4,243,789
Interconnect expenses, Universal Service Provision contributions and other direct cost of sales		(2,032,277)	(2,358,287)	(2,650,948)	(1,255,298)	(1,378,201)
Gross profit		4,924,859	5,331,317	5,798,828	2,812,797	2,865,588
Other income		1,974	3,588	2,689	1,381	1,900
Administrative expenses		(1,139,054)	(1,705,955)	(1,330,586)	(603,137)	(719,490)
Network operation costs		(893,152)	(888,544)	(1,223,153)	(468,228)	(592,101)
Other expenses		(29,213)	(44,115)	(37,983)	(22,019)	(22,149)
Profit from operations	4	2,865,414	2,696,291	3,209,795	1,720,794	1,533,748
Finance income	8	40,555	36,975	56,769	21,559	20,034
Finance costs	8	(32,441)	(45,562)	(38,903)	(21,335)	(22,022)
Profit before tax		2,873,528	2,687,704	3,227,661	1,721,018	1,531,760
Tax expenses	9	(768,113)	(707,544)	(827,278)	(460,609)	(390,763)
Profit for the financial year/period		2,105,415	1,980,160	2,400,383	1,260,409	1,140,997
Attributable to:						
Equity holder		2,105,415	1,980,160	2,400,383	1,260,409	1,140,997
Minority interest		-	-	-	-	-
		2,105,415	1,980,160	2,400,383	1,260,409	1,140,997

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13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(a) Combined Financial Statements (continued)

Combined Balance Sheets

The following combined balance sheets are based on the audited combined financial statements of the Subsidiaries for the financial years ended 31 December 2006, 31 December 2007, 31 December 2008 and the six months ended 30 June 2009, and unaudited combined management accounts for the six months ended 30 June 2008.

		As at				
	Note	31.12.2006	31.12.2007	31.12.2008	Unaudited 30.6.2008	30.6.2009
		RM'000	RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS						
Property, plant and equipment	10	4,579,368	4,833,689	4,455,926	4,561,051	4,221,938
Intangible assets	11	73,425	101,052	90,187	98,270	107,033
Prepaid lease payments	12	11,508	10,303	9,791	10,236	9,469
Loan to Maxis Communications Berhad	13	-	-	173,500	-	176,373
Deferred tax assets	14	129,773	138,907	100,721	119,573	97,487
TOTAL NON-CURRENT ASSETS		4,794,074	5,083,951	4,830,125	4,789,130	4,612,300
CURRENT ASSETS						
Amounts due from Maxis Communications Berhad	13	1,030,002	232,548	1,012,082	522,779	1,011,352
Inventories	15	62,063	54,573	107,719	60,693	129,485
Receivables, deposits and prepayments	16	648,967	690,281	744,339	724,854	790,685
Tax recoverable		28,930	30,410	37,653	52,036	36,841
Amounts due from related parties	17	38,461	15,036	14,585	15,656	18,582
Cash and cash equivalents	18	1,725,214	721,110	1,691,689	1,686,438	1,881,022
TOTAL CURRENT ASSETS		3,533,637	1,743,958	3,608,067	3,062,456	3,867,967

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(a) Combined Financial Statements (continued)

Combined Balance Sheets (continued)

		As at				
	Note	31.12.2006	31.12.2007	31.12.2008	Unaudited 30.6.2008	30.6.2009
		RM'000	RM'000	RM'000	RM'000	RM'000
LESS: CURRENT LIABILITIES						
Loan from Maxis						
Communications Berhad	13	152,000	-	-	-	-
Provisions for liabilities and charges	19	73,380	72,932	71,156	55,704	56,401
Payables and accruals	20	2,172,367	2,308,819	2,267,336	1,977,515	2,063,394
Amounts due to related parties	17	21,290	32,722	45,057	19,458	25,838
Amounts due to Maxis						
Communications Berhad	13	993,825	1,097,323	885,282	1,161,665	526,222
Finance lease liabilities	21	2,013	2,312	2,694	2,532	3,377
Taxation		141,083	39,692	291,358	222,750	425,432
Dividend payable to Maxis						
Communications Berhad		836,642	-	-	-	-
TOTAL CURRENT LIABILITIES		4,392,600	3,553,800	3,562,883	3,439,624	3,100,664
NET CURRENT (LIABILITIES)/ASSETS		(858,963)	(1,809,842)	45,184	(377,168)	767,303
		3,935,111	3,274,109	4,875,309	4,411,962	5,379,603

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(a) Combined Financial Statements (continued)

Combined Balance Sheets (continued)

		As at				
	Note	31.12.2006	31.12.2007	31.12.2008	Unaudited 30.6.2008	30.6.2009
		RM'000	RM'000	RM'000	RM'000	RM'000
EQUITY		3,381,325	2,602,912	4,284,170	3,764,265	4,825,167
NON-CURRENT LIABILITIES						
Provisions for liabilities and charges	19	88,365	129,241	130,402	135,457	135,828
Payables and accruals	20	8,000	49,193	-	-	-
Finance lease liabilities	21	8,140	5,817	3,123	4,470	1,622
Loan from Maxis						
Communications Berhad	13	72,500	72,500	72,500	72,500	72,500
Loan from a related party	17	26,101	27,974	29,852	28,908	30,694
Deferred tax liabilities	14	350,680	386,472	355,262	406,362	313,792
TOTAL NON-CURRENT LIABILITIES		553,786	671,197	591,139	647,697	554,436
TOTAL EQUITY AND NON-CURRENT LIABILITIES		3,935,111	3,274,109	4,875,309	4,411,962	5,379,603

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(a) Combined Financial Statements (continued)

Combined Statements of Recognised Income and Expense

The following combined statements of recognised income and expense are based on the audited combined financial statements of the Subsidiaries for the financial years ended 31 December 2006, 31 December 2007, 31 December 2008 and the six months ended 30 June 2009, and unaudited combined management accounts for the six months ended 30 June 2008.

Note	Financial year ended			Unaudited	6 months
	31.12.2006	31.12.2007	31.12.2008	6 months	6 months
	RM'000	RM'000	RM'000	ended	ended
				30.6.2008	30.6.2009
				RM'000	RM'000
Currency translation differences	2,956	4,264	(125)	(56)	-
ESOS					
- options granted by Maxis Communications Berhad to the Subsidiaries' employees	22	35,250	25,657	-	-
- payment to Maxis Communications Berhad		-	(78,606)	-	-
Net income/(expenses) recognised directly in equity	38,206	(48,685)	(125)	(56)	-
Net income recognised in income statement	2,105,415	1,980,160	2,400,383	1,260,409	1,140,997
Total recognised income and expense	2,143,621	1,931,475	2,400,258	1,260,353	1,140,997
Attributable to:					
Equity holder	2,143,621	1,931,475	2,400,258	1,260,353	1,140,997
Minority interests	-	-	-	-	-
	2,143,621	1,931,475	2,400,258	1,260,353	1,140,997

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(a) Combined Financial Statements (continued)

Reconciliation of Movement in Equity

The following reconciliations of movement in equity are based on the audited combined financial statements of the Subsidiaries for the financial years ended 31 December 2006, 31 December 2007, 31 December 2008 and the six months ended 30 June 2009, and unaudited combined management accounts for the six months ended 30 June 2008.

	Financial year ended			Unaudited	Unaudited
	31.12.2006	31.12.2007	31.12.2008	6 months ended	6 months ended
	RM'000	RM'000	RM'000	30.6.2008	30.6.2009
				RM'000	RM'000
Total recognised income and expense	2,143,621	1,931,475	2,400,258	1,260,353	1,140,997
Dividends declared	(1,448,520)	(2,709,888)	(720,000)	(100,000)	(600,000)
Issuance of redeemable preference shares	-	-	1,000	1,000	-
Opening equity	2,686,224	3,381,325	2,602,912	2,602,912	4,284,170
Closing equity	3,381,325	2,602,912	4,284,170	3,764,265	4,825,167

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(a) Combined Financial Statements (continued)

Combined Cash Flow Statements

The following combined cash flows statements are based on the audited combined financial statements of the Subsidiaries for the financial years ended 31 December 2006, 31 December 2007, 31 December 2008 and the six months ended 30 June 2009, and unaudited combined management accounts for the six months ended 30 June 2008.

	Note	Financial year ended			Unaudited	6 months
		31.12.2006	31.12.2007	31.12.2008	6 months ended	6 months ended
		RM'000	RM'000	RM'000	30.6.2008	30.6.2009
					RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit for the financial year/period		2,105,415	1,980,160	2,400,383	1,260,409	1,140,997
Adjustments for:						
Allowance for:						
- doubtful debts		47,817	30,171	37,048	13,910	71,600
- inventories obsolescence		8,535	2,807	6,206	1,295	411
Amortisation of intangible assets		8,858	21,226	42,688	19,326	27,844
Amortisation of prepaid lease payments		125	159	132	67	60
Bad debts written off		17,665	46,573	56,626	26,197	9,207
Property, plant and equipment						
- Depreciation		868,609	872,419	1,149,440	463,328	584,114
- (Gain)/loss on disposal		(3,347)	133	165	-	(248)
- Write off		21,764	13,742	18,833	1,418	6,540
ESOS options		35,250	25,657	-	-	-
ESOS – Equivalent Cash Consideration		-	505,184	3,373	(5,033)	3,804
Finance costs		32,441	45,562	38,903	21,335	22,022
Finance income		(40,555)	(36,975)	(56,769)	(21,559)	(20,034)
Loss/(gain) on disposal of prepaid lease payments		-	108	93	-	(50)
Provision/(write back of provision) (net) for:						
- network construction cost and settlements		4,472	4,390	-	-	359
- staff incentive scheme		22,896	35,307	48,283	25,218	15,877
- site rectification and decommissioning works		1,261	(2,771)	(1,281)	(71)	422
Reversal of allowance for:						
- doubtful debts		(33,650)	(21,416)	(40,387)	(18,316)	(4,604)
- inventories obsolescence		(12,872)	(2,122)	(1,508)	(1,508)	(171)

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13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(a) Combined Financial Statements (continued)

Combined Cash Flow Statements (continued)

	Note	Financial year ended			Unaudited	6 months
		31.12.2006	31.12.2007	31.12.2008	6 months ended	6 months ended
		RM'000	RM'000	RM'000	30.6.2008	30.6.2009
					RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)						
Tax expenses		768,113	707,544	827,278	460,609	390,763
Unrealised (gain)/loss on foreign exchange		(1,576)	1,018	777	60	(1,302)
		<u>3,851,221</u>	<u>4,228,876</u>	<u>4,530,283</u>	<u>2,246,685</u>	<u>2,247,611</u>
Payments under staff incentive scheme		(19,643)	(32,095)	(44,501)	(40,629)	(27,563)
Payments for site rectification and decommissioning works		(5,986)	(5,468)	(6,572)	(1,818)	(1,401)
Payment for network construction cost and settlements		-	-	-	-	(9,700)
Payment for ESOS options		-	(78,606)	-	-	-
Payment for ESOS - Equivalent Cash Consideration		-	(224,901)	(203,514)	(44,164)	(30,505)
Payments for handset subsidies		-	(48,853)	(31,823)	(16,544)	(44,690)
		<u>3,825,592</u>	<u>3,838,953</u>	<u>4,243,873</u>	<u>2,143,530</u>	<u>2,133,752</u>
Operating cash flows before working capital changes						
Changes in working capital:						
Inventories		415	6,805	(57,844)	(5,908)	(22,006)
Receivables		(124,347)	(100,499)	(106,026)	(54,699)	(123,719)
Payables		(69,022)	187,371	(86,751)	(373,859)	(203,367)
Related parties balances		(22,182)	36,730	14,683	(12,950)	(22,330)
Maxis Communications Berhad balances		(503,994)	134,065	(260,589)	(188,014)	(409,365)
		<u>3,106,462</u>	<u>4,103,425</u>	<u>3,747,346</u>	<u>1,508,100</u>	<u>1,352,965</u>
Cash flow from operations						
Interest received		40,682	48,617	50,070	22,451	21,160
Tax paid		(629,581)	(788,713)	(600,578)	(280,777)	(294,113)
Tax refunded		6	4,956	24,699	20,824	-
		<u>2,517,569</u>	<u>3,368,285</u>	<u>3,221,537</u>	<u>1,270,598</u>	<u>1,080,012</u>
Net cash flow from operating activities						

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13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(a) Combined Financial Statements (continued)

Combined Cash Flow Statements (continued)

	Note	Financial year ended			Unaudited	6 months
		31.12.2006	31.12.2007	31.12.2008	6 months	6 months
		RM'000	RM'000	RM'000	ended	ended
					30.6.2008	30.6.2009
					RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of property, plant and equipment		(981,700)	(1,115,815)	(795,992)	(189,979)	(353,067)
Purchase of prepaid lease payment		(1,906)	-	-	-	-
Proceeds from disposal of property, plant and equipment		5,514	1,162	913	-	774
Proceeds from disposal of prepaid lease payments		-	938	287	-	312
Partial payment of the 3G spectrum assignment license fees in Malaysia		(8,000)	(8,000)	(8,000)	(8,000)	-
Net cash flow used in investing activities		(986,092)	(1,121,715)	(802,792)	(197,979)	(351,981)
CASH FLOWS FROM FINANCING ACTIVITIES						
Loan and advances (to)/from Maxis Communications Berhad		(272,790)	235,121	(730,801)	(2,688)	62,902
Repayment of lease financing		(1,800)	(2,024)	(2,312)	(1,127)	(818)
Bank charges and commission paid		(400)	(360)	(360)	(361)	(395)
Interest paid		(956)	(1,420)	(1,054)	(1,559)	(387)
Ordinary dividends paid		(1,108,600)	(3,474,206)	-	-	(150,000)
Preference dividends paid		-	-	(720,000)	(100,000)	(450,000)
Proceeds from issuance of redeemable preference shares		-	-	1,000	1,000	-
Net cash flow used in financing activities		(1,384,546)	(3,242,889)	(1,453,527)	(104,735)	(538,698)

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13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(a) Combined Financial Statements (continued)

Combined Cash Flow Statements (continued)

	Note	Financial year ended			Unaudited	6 months
		31.12.2006	31.12.2007	31.12.2008	6 months ended	6 months ended
		RM'000	RM'000	RM'000	30.6.2008	30.6.2009
					RM'000	RM'000
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		146,931	(996,319)	965,218	967,884	189,333
EFFECTS OF EXCHANGE RATE CHANGES		3,778	(7,785)	5,361	(2,556)	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/PERIOD		1,574,505	1,725,214	721,110	721,110	1,691,689
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/PERIOD	18	1,725,214	721,110	1,691,689	1,686,438	1,881,022

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)**(b) Notes to the Combined Financial Statements****1 Critical accounting estimates and judgments**

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

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

(a) Provisions

The Subsidiaries recognise provisions when it has a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provisions requires the application of judgments about the ultimate resolution of these obligations. As a result, provisions are reviewed at each balance sheet date and adjusted to reflect the Subsidiaries' current best estimate.

(b) Contingent liabilities

Determination of the treatment of contingent liabilities in the combined financial statements is based on the management's view of the expected outcome of the applicable contingency.

The Subsidiaries consult with legal counsel on matters related to litigation and other experts both within and outside the Subsidiaries with respect to matters in the ordinary course of business. See Note 27 to the combined financial statements for contingent liabilities of the Subsidiaries as at 31 December 2006, 31 December 2007, 31 December 2008, 30 June 2008 and 30 June 2009.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)**(b) Notes to the Combined Financial Statements (continued)****1 Critical accounting estimates and judgments (continued)****(c) Allowance for doubtful debts**

The Subsidiaries assess at each balance sheet date whether there is objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such allowance is adjusted periodically to reflect the actual and anticipated impairment.

(d) Estimated useful lives of property, plant and equipment

The Subsidiaries review annually the estimated useful lives of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the carrying value of property, plant and equipment.

(e) Taxation**(i) Deferred tax assets**

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgment regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

(ii) Income taxes

The Subsidiaries are subject to income taxes in numerous jurisdictions. Significant judgment is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Subsidiaries recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

2 Segment reporting

The Subsidiaries operate in three key segments, comprising the provision of mobile services which is a major contributor to the Subsidiaries' operations, fixed line services and international gateway services. The Subsidiaries also provide other services which are currently not significant enough to be reported separately.

Inter-segment revenues comprise network services and management services rendered to other business segments within the Subsidiaries. Some transactions are transacted at normal commercial terms that are no more favourable than that available to other third parties whilst the rest are allocated based on an equitable basis of allocation. There have been no significant changes to the basis of pricing inter-segment transfers.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly finance leases, current taxes and deferred taxes and amounts due to/(from) MCB and loans to/(from) MCB.

Segment capital expenditure is the total cost incurred during the financial year/period to acquire property, plant and equipment, intangible assets and prepaid lease payments.

(a) Business segments

Segment revenue

	External revenue RM'000	Inter- segment revenue RM'000	Total revenue RM'000
<u>Financial year ended 31 December 2006</u>			
Mobile services	6,535,238	60,816	6,596,054
Fixed line services	170,535	45,305	215,840
International gateway services	251,363	211,173	462,536
Other operations	-	147,344	147,344
Eliminations	-	(464,638)	(464,638)
	6,957,136	-	6,957,136
	6,957,136	-	6,957,136

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

2 Segment reporting (continued)

(a) Business segments (continued)

Segment revenue (continued)

	External revenue RM'000	Inter- segment revenue RM'000	Total revenue RM'000
<u>Financial year ended 31 December 2007</u>			
Mobile services	7,173,056	50,335	7,223,391
Fixed line services	204,377	49,581	253,958
International gateway services	312,171	222,074	534,245
Other operations	-	224,416	224,416
Eliminations	-	(546,406)	(546,406)
	<u>7,689,604</u>	<u>-</u>	<u>7,689,604</u>

	External revenue RM'000	Inter- segment revenue RM'000	Total revenue RM'000
<u>Financial year ended 31 December 2008</u>			
Mobile services	7,866,134	71,678	7,937,812
Fixed line services	203,688	43,474	247,162
International gateway services	379,954	255,079	635,033
Other operations	-	237,921	237,921
Eliminations	-	(608,152)	(608,152)
	<u>8,449,776</u>	<u>-</u>	<u>8,449,776</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

2 Segment reporting (continued)

(a) Business segments (continued)

Segment revenue (continued)

	External revenue RM'000	Inter- segment revenue RM'000	Total revenue RM'000
<u>6 months ended 30 June 2008 (Unaudited)</u>			
Mobile services	3,816,465	33,972	3,850,437
Fixed line services	95,524	30,553	126,077
International gateway services	156,106	118,751	274,857
Other operations	-	115,551	115,551
Eliminations	-	(298,827)	(298,827)
	4,068,095	-	4,068,095

	External revenue RM'000	Inter- segment revenue RM'000	Total revenue RM'000
<u>6 months ended 30 June 2009</u>			
Mobile services	3,915,544	42,112	3,957,656
Fixed line services	103,660	20,173	123,833
International gateway services	224,585	121,248	345,833
Other operations	-	129,880	129,880
Eliminations	-	(313,413)	(313,413)
	4,243,789	-	4,243,789

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

2 Segment reporting (continued)

(a) Business segments (continued)

Segment results

	Financial year ended			Unaudited	
	31.12.2006	31.12.2007	31.12.2008	6 months ended 30.6.2008	6 months ended 30.6.2009
	RM'000	RM'000	RM'000	RM'000	RM'000
Mobile services	2,854,267	2,706,212	3,146,354	1,676,678	1,509,329
Fixed line services	(31,386)	(53,404)	18,463	28,626	7,308
International gateway services	38,904	25,997	27,159	7,128	7,388
Other operations	3,629	17,486	17,819	8,362	9,723
Profit from operations	2,865,414	2,696,291	3,209,795	1,720,794	1,533,748
Finance income	40,555	36,975	56,769	21,559	20,034
Finance costs	(32,441)	(45,562)	(38,903)	(21,335)	(22,022)
Profit before tax	2,873,528	2,687,704	3,227,661	1,721,018	1,531,760
Tax expenses	(768,113)	(707,544)	(827,278)	(460,609)	(390,763)
Profit for the financial year/period	2,105,415	1,980,160	2,400,383	1,260,409	1,140,997

Other information

				As at	
	31.12.2006	31.12.2007	31.12.2008	Unaudited 30.6.2008	30.6.2009
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets					
Mobile services	5,923,023	5,257,648	5,961,526	5,720,671	6,122,646
Fixed line services	673,077	671,810	690,889	961,746	603,496
International gateway services	251,217	157,684	153,511	157,054	142,802
Other operations	291,689	338,902	308,310	317,727	289,270
	7,139,006	6,426,044	7,114,236	7,157,198	7,158,214
Unallocated assets	1,188,705	401,865	1,323,956	694,388	1,322,053
	8,327,711	6,827,909	8,438,192	7,851,586	8,480,267

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13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

2 Segment reporting (continued)

(a) Business segments (continued)

Other information (continued)

	As at				
	<u>31.12.2006</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>Unaudited</u> <u>30.6.2008</u>	<u>30.6.2009</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment liabilities					
Mobile services	2,038,309	2,169,288	2,266,880	1,720,462	2,128,012
Fixed line services	189,974	312,809	140,478	388,066	69,410
International gateway services	58,441	61,516	89,883	66,592	81,998
Other operations	102,779	77,268	46,562	41,922	32,735
	<u>2,389,503</u>	<u>2,620,881</u>	<u>2,543,803</u>	<u>2,217,042</u>	<u>2,312,155</u>
Unallocated liabilities	2,556,883	1,604,116	1,610,219	1,870,279	1,342,945
	<u>4,946,386</u>	<u>4,224,997</u>	<u>4,154,022</u>	<u>4,087,321</u>	<u>3,655,100</u>
Capital expenditure					
Mobile services	925,773	1,135,272	767,467	196,318	389,064
Fixed line services	61,923	45,195	37,553	11,868	3,538
International gateway services	8,374	10,006	18,391	446	185
Other operations	1,005	157	-	20	9,095
	<u>997,075</u>	<u>1,190,630</u>	<u>823,411</u>	<u>208,652</u>	<u>401,882</u>
				<u>Unaudited</u>	
				6 months	6 months
				ended	ended
	<u>31.12.2006</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>30.6.2008</u>	<u>30.6.2009</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation					
Mobile services	760,679	782,598	1,094,996	434,836	564,959
Fixed line services	75,270	63,606	48,474	24,402	22,361
International gateway services	21,249	16,362	16,543	8,150	8,636
Other operations	20,394	31,238	32,247	15,333	16,062
	<u>877,592</u>	<u>893,804</u>	<u>1,192,260</u>	<u>482,721</u>	<u>612,018</u>

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13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

2 Segment reporting (continued)

(b) Geographical segments

The Subsidiaries' business segments operate substantially from Malaysia. In determining the geographical segments of the Subsidiaries, revenues are based on the country in which the customer or international operator is located. Total assets and capital expenditure are determined based on where the assets are located.

	<u>Revenue</u> RM'000	<u>Capital expenditure</u> RM'000	<u>Total assets</u> RM'000
<u>Financial year ended 31 December 2006</u>			
Malaysia	6,503,318	997,075	7,139,006
Other countries*	453,818	-	-
	<u>6,957,136</u>	<u>997,075</u>	<u>7,139,006</u>
Unallocated assets			1,188,705
			<u>8,327,711</u>
<u>Financial year ended 31 December 2007</u>			
Malaysia	7,142,600	1,190,630	6,426,044
Other countries*	547,004	-	-
	<u>7,689,604</u>	<u>1,190,630</u>	<u>6,426,044</u>
Unallocated assets			401,865
			<u>6,827,909</u>
<u>Financial year ended 31 December 2008</u>			
Malaysia	7,820,047	823,411	7,114,236
Other countries*	629,729	-	-
	<u>8,449,776</u>	<u>823,411</u>	<u>7,114,236</u>
Unallocated assets			1,323,956
			<u>8,438,192</u>

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13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

2 Segment reporting (continued)

(b) Geographical segments (continued)

	<u>Revenue</u> RM'000	<u>Capital expenditure</u> RM'000	<u>Total assets</u> RM'000
<u>6 months ended 30 June 2008 (Unaudited)</u>			
Malaysia	3,781,017	208,652	7,157,198
Other countries*	287,078	-	-
	<u>4,068,095</u>	<u>208,652</u>	<u>7,157,198</u>
Unallocated assets			694,388
			<u>7,851,586</u>
 <u>6 months ended 30 June 2009</u>			
Malaysia	3,905,496	401,882	7,158,214
Other countries*	338,293	-	-
	<u>4,243,789</u>	<u>401,882</u>	<u>7,158,214</u>
Unallocated assets			1,322,053
			<u>8,480,267</u>

* Represents revenue from roaming partners, hubbing revenue and revenue from roaming subscribers.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

3 Revenue

	Financial year ended			Unaudited	6 months
	31.12.2006	31.12.2007	31.12.2008	6 months ended	6 months ended
	RM'000	RM'000	RM'000	30.6.2008	30.6.2009
				RM'000	RM'000
Mobile services	6,535,238	7,173,056	7,866,134	3,816,465	3,915,544
Fixed line services	170,535	204,377	203,688	95,524	103,660
International gateway services	251,363	312,171	379,954	156,106	224,585
	<u>6,957,136</u>	<u>7,689,604</u>	<u>8,449,776</u>	<u>4,068,095</u>	<u>4,243,789</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

4 Profit from operations

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

	Note	Financial year ended			Unaudited	6 months
		31.12.2006	31.12.2007	31.12.2008	6 months	6 months
		RM'000	RM'000	RM'000	ended	ended
					30.6.2008	30.6.2009
					RM'000	RM'000
Interconnect expense		697,985	803,211	960,499	430,856	533,578
Universal Service Provision						
Contributions		306,588	351,623	365,600	175,677	207,810
Allowance for:						
- doubtful debts		47,817	30,171	37,048	13,910	71,600
- inventories obsolescence		8,535	2,807	6,206	1,295	411
Amortisation of intangible assets	11	8,858	21,226	42,688	19,326	27,844
Amortisation of prepaid lease payments	12	125	159	132	67	60
Auditors' remuneration						
- fees for statutory audits						
- auditors		635	654	667	-	-
- others		-	19	7	-	-
- fees for other services						
- auditors ⁽¹⁾		372	147	60	190	1,210
- others ⁽²⁾		17	36	578	224	177
Bad debts written off		17,665	46,573	56,626	26,197	9,207
Property, plant and equipment						
- Depreciation	10	868,609	872,419	1,149,440	463,328	584,114
- (Gain)/loss on disposal		(3,347)	133	165	-	(248)
- Write off		21,764	13,742	18,833	1,418	6,540
Government grant		-	(2,606)	(2,233)	(1,024)	(1,026)
Loss/(gain) on disposal of prepaid lease payments		-	108	93	-	(50)
Loss/(gain) on foreign exchange						
- realised		1,917	5,993	(320)	1,972	502
- unrealised		(1,576)	1,018	777	60	(1,302)

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13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

4 Profit from operations (continued)

	Note	Financial year ended			Unaudited	6 months
		31.12.2006	31.12.2007	31.12.2008	6 months	6 months
		RM'000	RM'000	RM'000	ended	ended
					30.6.2008	30.6.2009
					RM'000	RM'000
Provision/(write-back of provision) (net) for:						
- network construction cost and settlements	19	4,472	4,390	-	-	359
- staff incentive scheme	19	22,896	35,307	48,283	25,218	15,877
- site rectification and decommissioning works	19	1,261	(2,771)	(1,281)	(71)	422
Rental of land and buildings						
- related companies		-	4,484	-	-	-
- others		15,410	35,923	42,135	20,978	20,224
Rental of equipment		39,597	41,982	42,349	19,524	18,734
Rental of network cell sites		120,701	160,400	188,756	93,419	98,572
Reversal of allowance for:						
- doubtful debts		(33,650)	(21,416)	(40,387)	(18,316)	(4,604)
- inventories obsolescence		(12,872)	(2,122)	(1,508)	(1,508)	(171)
Sales and marketing expenses		329,649	321,158	400,924	173,989	194,196
Staff cost (includes ESOS – Equivalent Cash Consideration)	7	330,593	874,708	390,818	187,963	190,833

(1) Fees incurred in connection with performance of quarterly reviews, regulatory compliance audits and other audits paid or payable to PricewaterhouseCoopers ('PwC') Malaysia, auditors of the Subsidiaries.

(2) Fees incurred for assisting the Subsidiaries in connection with tax compliance and advisory services paid or payable to PwC Malaysia, auditors of the Subsidiaries.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

5 Directors' remuneration

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

	Financial year ended			Unaudited	6 months
	31.12.2006	31.12.2007	31.12.2008	6 months	6 months
	RM'000	RM'000	RM'000	ended	ended
				30.6.2008	30.6.2009
				RM'000	RM'000
Fees	-	5	-	-	-
Salaries and other short-term employee benefits	6,165	5,205	8,206	3,548	3,349
ESOS options	635	1,455	-	-	-
ESOS – Equivalent Cash Consideration	-	29,029	6,666	2,919	-
Estimated monetary value of benefits-in-kind	666	543	16	7	-
	<u>7,466</u>	<u>36,237</u>	<u>14,888</u>	<u>6,474</u>	<u>3,349</u>

The remuneration for the Directors were paid by Maxis Mobile Sdn. Bhd., a provider of corporate support and service functions for the Subsidiaries, and charged to the Subsidiaries as management fees.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

6 Key management personnel remuneration

Other key management personnel comprise persons other than the Directors of the Subsidiaries, having authority and responsibility for planning, directing and controlling the activities of the Subsidiaries either directly or indirectly.

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

	Financial year ended			Unaudited	6 months
	31.12.2006	31.12.2007	31.12.2008	6 months ended	6 months ended
	RM'000	RM'000	RM'000	30.6.2008	30.6.2009
				RM'000	RM'000
Salaries and other short-term employee benefits	16,169	18,631	14,940	7,646	6,656
Defined contribution plan	595	635	724	535	462
ESOS options	1,693	2,083	-	-	-
ESOS – Equivalent Cash Consideration	-	17,319	5,984	2,020	1,329
Estimated monetary value of benefits-in-kind	2,936	1,553	1,266	803	442
	<u>21,393</u>	<u>40,221</u>	<u>22,914</u>	<u>11,004</u>	<u>8,889</u>

The remuneration for some key management personnel for the Subsidiaries were paid by Maxis Mobile Sdn. Bhd., provider of corporate support and service functions for the Subsidiaries, and charged to the respective entities as management fees.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

7 Staff cost

	Note	Financial year ended			Unaudited	6 months
		31.12.2006	31.12.2007	31.12.2008	6 months	6 months
		RM'000	RM'000	RM'000	ended	ended
					30.6.2008	30.6.2009
					RM'000	RM'000
Wages, salaries and bonuses		245,685	282,449	314,610	159,229	151,833
Defined contribution plan		26,140	29,640	33,764	16,921	16,639
ESOS options	22	35,250	25,657	-	-	-
ESOS – Equivalent Cash Consideration	22	-	505,184	*3,373	*(5,033)	*3,804
Other employee benefits		23,518	31,778	39,071	16,846	18,557
		<u>330,593</u>	<u>874,708</u>	<u>390,818</u>	<u>187,963</u>	<u>190,833</u>

* A charge/(credit) of ESOS Equivalent Cash Consideration was recognised due to under accrual/(over accrual) of Equivalent Cash Consideration.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

8 Finance income and costs

	Note	Financial year ended			Unaudited	6 months
		31.12.2006	31.12.2007	31.12.2008	6 months	6 months
		RM'000	RM'000	RM'000	ended	ended
					30.6.2008	30.6.2009
					RM'000	RM'000
(a) Finance income						
Interest income on:						
- fixed deposits		40,555	44,760	51,389	24,115	19,990
Exchange gain/(loss)						
on:						
- related parties		-	-	19	-	44
- others		-	(7,785)	5,361	(2,556)	-
		40,555	36,975	56,769	21,559	20,034
(b) Finance costs						
Interest expense on:						
- loans from MCB		(22,843)	(27,159)	(26,456)	(14,208)	(11,961)
- deferred payment schemes		(2,158)	-	-	-	-
- write-back on deferred payment schemes		4,376	1,568	-	-	-
- finance leases		(1,574)	(1,350)	(1,040)	(562)	(385)
- others		437	(3,518)	(3,547)	(2,406)	(1,124)
Accretion of site rectification and decommissioning works costs	19	(10,679)	(15,103)	(7,860)	(4,159)	(8,552)
		(32,441)	(45,562)	(38,903)	(21,335)	(22,022)

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

9 Tax expenses

	Note	Financial year ended			Unaudited	6 months
		31.12.2006	31.12.2007	31.12.2008	6 months	6 months
		RM'000	RM'000	RM'000	ended	ended
					30.6.2008	30.6.2009
					RM'000	RM'000
Malaysian current tax						
- current year		690,674	696,465	822,245	421,385	428,999
- over accrual in prior years		(9,133)	(15,579)	(1,943)	-	-
		<u>681,541</u>	<u>680,886</u>	<u>820,302</u>	<u>421,385</u>	<u>428,999</u>
Deferred tax						
- Origination and reversal of temporary differences		113,707	43,818	8,741	39,224	(38,236)
- Changes in tax rates		(27,135)	(17,160)	(1,765)	-	-
	14	<u>86,572</u>	<u>26,658</u>	<u>6,976</u>	<u>39,224</u>	<u>(38,236)</u>
		<u>768,113</u>	<u>707,544</u>	<u>827,278</u>	<u>460,609</u>	<u>390,763</u>

Domestic Malaysian income tax is calculated at the Malaysian statutory tax rate of 25% (2008: 26%, 2007: 27%, 2006: 28%).

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

9 Tax expenses (continued)

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

	Financial year ended			Unaudited	6 months
	31.12.2006	31.12.2007	31.12.2008	6 months	6 months
	%	%	%	ended	ended
				30.6.2008	30.6.2009
				%	%
Numerical reconciliation between the Malaysian tax rate and average effective tax rate					
Malaysian tax rate	28	27	26	26	25
Tax effects of:					
- expenses not deductible for tax purposes	-	-	1	1	1
- recognition of deferred tax asset not previously recognised	-	-	(1)	-	-
- deferred tax relating to changes in tax rates	(1)	-	-	-	-
- over accrual in prior years	-	(1)	-	-	-
Average effective tax rate	27	26	26	27	26

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

9 Tax expenses (continued)

The following amount of deferred tax assets were not recognised in the respective financial years/periods because it is not probable that sufficient future taxable profit will be available against which the Subsidiaries can utilise the benefits therefrom.

	<u>31.12.2006</u>	<u>31.12.2007</u>	<u>As at</u> <u>31.12.2008</u>	<u>Unaudited</u> <u>6 months</u> <u>ended</u> <u>30.6.2008</u>	<u>6 months</u> <u>ended</u> <u>30.6.2009</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Investment allowances, no expiry date	51,500	49,500	-	49,500	-
Deductible temporary differences, no expiry date	1,717	2,264	-	-	-
	<u>53,217</u>	<u>51,764</u>	<u>-</u>	<u>49,500</u>	<u>-</u>

Subject to agreement by the tax authorities, the Subsidiaries have sufficient Section 108 tax credits to frank their retained earnings if paid out as dividends and tax exempt accounts which are available to pay tax exempt dividends as follows:

As at	Section 108 (RM'000)	Tax exempt account (RM'000)
31 December 2006	694,957	314,762
31 December 2007	154,846	375,484
31 December 2008	35,784	460,208
30 June 2008	174,534	424,930
30 June 2009	37,718	494,835

The gazetted Finance Act 2007 introduced a single tier company income tax system with effect from year of assessment 2008. Under the single tier system, companies are not required to have tax credits under Section 108 of the Income Tax Act 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of the shareholder. The Section 108 tax credit as at 31 December 2007 will be available to the company until such time the credit is fully utilised or upon expiry of the 6-year transitional period on 31 December 2013, whichever is earlier, unless the entity opts to disregard the Section 108 credits to pay single tier dividends under the special transitional provisions of the Finance Act 2007.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

10 Property, plant and equipment

	As at 1.1.2006 RM'000	Additions RM'000	Reclassi- fications RM'000	Disposals RM'000	Assets written off RM'000	As at 31.12.2006 RM'000
<u>At cost</u>						
Freehold land	20,827	-	-	-	-	20,827
Buildings	111,795	-	-	-	-	111,795
Telecommunications equipment	6,492,118	68,000	837,569	(79)	(266,691)	7,130,917
Motor vehicles	11,765	5,975	-	(4,426)	-	13,314
Office furniture, fittings and equipment	378,862	2,071	81,274	(14,290)	(18,485)	429,432
	<u>7,015,367</u>	<u>76,046</u>	<u>918,843</u>	<u>(18,795)</u>	<u>(285,176)</u>	<u>7,706,285</u>
Capital work-in-progress	189,321	919,123	(918,843)	(293)	-	189,308
	<u>7,204,688</u>	<u>995,169</u>	<u>-</u>	<u>(19,088)</u>	<u>(285,176)</u>	<u>7,895,593</u>

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
 Maxis Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

10 Property, plant and equipment (continued)

	As at 1.1.2006 RM'000	Charged for the financial year RM'000	Released on disposals RM'000	Assets written off RM'000	As at 31.12.2006 RM'000
<u>As at 31 December 2006 (continued)</u>					
<u>Accumulated depreciation</u>					
Buildings	15,425	2,197	-	-	17,622
Telecommunications equipment	2,296,275	814,005	(4)	(236,136)	2,874,140
Motor vehicles	3,233	2,928	(3,584)	-	2,577
Office furniture, fittings and equipment	250,046	49,479	(13,333)	(16,913)	269,279
	<u>2,564,979</u>	<u>868,609</u>	<u>(16,921)</u>	<u>(253,049)</u>	<u>3,163,618</u>
<u>Impairment loss</u>					
Telecommunications equipment	162,970	-	-	(10,363)	152,607
Accumulated depreciation and impairment loss	<u>2,727,949</u>	<u>868,609</u>	<u>(16,921)</u>	<u>(263,412)</u>	<u>3,316,225</u>

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13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

10 Property, plant and equipment (continued)

	As at 1.1.2007 RM'000	Additions RM'000	Reclassi- fications RM'000	Disposals RM'000	Assets written off RM'000	As at 31.12.2007 RM'000
<u>At cost</u>						
Freehold land	20,827	-	-	-	-	20,827
Buildings	111,795	-	-	(1,678)	-	110,117
Telecommunications equipment	7,130,917	54,522	985,588	(1)	(25,747)	8,145,279
Motor vehicles	13,314	1,269	-	(3)	(617)	13,963
Office furniture, fittings and equipment	429,432	11,383	38,081	-	(34,318)	444,578
	<u>7,706,285</u>	<u>67,174</u>	<u>1,023,669</u>	<u>(1,682)</u>	<u>(60,682)</u>	<u>8,734,764</u>
Capital work-in-progress	189,308	1,074,603	(1,023,669)	-	-	240,242
	<u>7,895,593</u>	<u>1,141,777</u>	<u>-</u>	<u>(1,682)</u>	<u>(60,682)</u>	<u>8,975,006</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

10 Property, plant and equipment (continued)

As at 31 December 2007 (continued)

Accumulated depreciation

	As at 1.1.2007 RM'000	Charged for the financial year RM'000	Released on disposals RM'000	Assets written off RM'000	As at 31.12.2007 RM'000
Buildings	17,622	2,183	(384)	-	19,421
Telecommunications equipment	2,874,140	813,302	-	(12,998)	3,674,444
Motor vehicles	2,577	2,997	(3)	(616)	4,955
Office furniture, fittings and equipment	269,279	53,937	-	(33,326)	289,890
	<u>3,163,618</u>	<u>872,419</u>	<u>(387)</u>	<u>(46,940)</u>	<u>3,988,710</u>
<u>Impairment loss</u>					
Telecommunications equipment	152,607	-	-	-	152,607
Accumulated depreciation and impairment loss	<u>3,316,225</u>	<u>872,419</u>	<u>(387)</u>	<u>(46,940)</u>	<u>4,141,317</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

10 Property, plant and equipment (continued)

	As at 1.1.2008 RM'000	Additions RM'000	Reclassi- fications RM'000	Disposals RM'000	Assets written off RM'000	As at 31.12.2008 RM'000
<u>As at 31 December 2008</u>						
<u>At cost</u>						
Freehold land	20,827	-	-	-	-	20,827
Buildings	110,117	-	-	(1,408)	-	108,709
Telecommunications equipment	8,145,279	33,947	684,466	-	(47,758)	8,815,934
Motor vehicles	13,963	802	-	(394)	-	14,371
Office furniture, fittings and equipment	444,578	175	18,203	-	(77,720)	385,236
	<u>8,734,764</u>	<u>34,924</u>	<u>702,669</u>	<u>(1,802)</u>	<u>(125,478)</u>	<u>9,345,077</u>
Capital work-in-progress	240,242	756,664	(702,669)	-	-	294,237
	<u>8,975,006</u>	<u>791,588</u>	<u>-</u>	<u>(1,802)</u>	<u>(125,478)</u>	<u>9,639,314</u>

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13. ACCOUNTANTS' REPORT (cont'd)



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Maxis Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

10 Property, plant and equipment (continued)

As at 31 December 2008 (continued)

Accumulated depreciation

Buildings
Telecommunications equipment
Motor vehicles
Office furniture, fittings and equipment

	As at <u>1.1.2008</u> RM'000	Charged for the <u>financial year</u> RM'000	Released <u>on disposals</u> RM'000	Assets <u>written off</u> RM'000	As at <u>31.12.2008</u> RM'000
	19,421	2,133	(330)	-	21,224
	3,674,444	1,092,879	-	(27,867)	4,739,456
	4,955	3,172	(394)	-	7,733
	289,890	51,256	-	(76,137)	265,009
	<u>3,988,710</u>	<u>1,149,440</u>	<u>(724)</u>	<u>(104,004)</u>	<u>5,033,422</u>
<u>Impairment loss</u>					
Telecommunications equipment	152,607	-	-	(2,641)	149,966
Accumulated depreciation and impairment loss	<u>4,141,317</u>	<u>1,149,440</u>	<u>(724)</u>	<u>(106,645)</u>	<u>5,183,388</u>

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13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

10 Property, plant and equipment (continued)

	As at 1.1.2008 RM'000	Additions RM'000	Reclassi- fications RM'000	Disposals RM'000	Assets written off RM'000	As at 30.6.2008 RM'000
<u>At cost</u>						
Freehold land	20,827	-	-	-	-	20,827
Buildings	110,117	-	-	-	-	110,117
Telecommunications equipment	8,145,279	27,883	270,626	-	(7,255)	8,436,533
Motor vehicles	13,963	-	-	(394)	-	13,569
Office furniture, fittings and equipment	444,578	85	8,849	-	(74,707)	378,805
	<u>8,734,764</u>	<u>27,968</u>	<u>279,475</u>	<u>(394)</u>	<u>(81,962)</u>	<u>8,959,851</u>
Capital work-in-progress	240,242	164,140	(279,475)	-	-	124,907
	<u>8,975,006</u>	<u>192,108</u>	<u>-</u>	<u>(394)</u>	<u>(81,962)</u>	<u>9,084,758</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

10 Property, plant and equipment (continued)

	As at 1.1.2008 RM'000	Charged for the period RM'000	Released on disposals RM'000	Assets written off RM'000	As at 30.6.2008 RM'000
<u>As at 30 June 2008 (Unaudited) (continued)</u>					
<u>Accumulated depreciation</u>					
Buildings	19,421	1,071	-	-	20,492
Telecommunications equipment	3,674,444	434,928	-	(4,519)	4,104,853
Motor vehicles	4,955	1,555	(394)	-	6,116
Office furniture, fittings and equipment	289,890	25,774	-	(73,384)	242,280
	<u>3,988,710</u>	<u>463,328</u>	<u>(394)</u>	<u>(77,903)</u>	<u>4,373,741</u>
<u>Impairment loss</u>					
Telecommunications equipment	152,607	-	-	(2,641)	149,966
Accumulated depreciation and impairment loss	4,141,317	463,328	(394)	(80,544)	4,523,707
					(60)

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

10 Property, plant and equipment (continued)

	As at 1.1.2009 RM'000	Additions RM'000	Reclassi- fications RM'000	Disposals RM'000	Assets written off RM'000	As at 30.6.2009 RM'000
<u>At cost</u>						
Freehold land	20,827	-	-	-	-	20,827
Buildings	108,709	-	-	(700)	-	108,009
Telecommunications equipment	8,815,934	11,901	392,011	-	(99,468)	9,120,378
Motor vehicles	14,371	-	-	-	(4)	14,367
Office furniture, fittings and equipment	385,236	526	517	-	(1,590)	384,689
	<u>9,345,077</u>	<u>12,427</u>	<u>392,528</u>	<u>(700)</u>	<u>(101,062)</u>	<u>9,648,270</u>
	294,237	344,765	(392,528)	-	-	246,474
Capital work-in-progress	<u>9,639,314</u>	<u>357,192</u>	-	<u>(700)</u>	<u>(101,062)</u>	<u>9,894,744</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

10 Property, plant and equipment (continued)

	As at 1.1.2009 RM'000	Charged for the period RM'000	Released on disposals RM'000	Assets written off RM'000	As at 30.6.2009 RM'000
<u>As at 30 June 2009 (continued)</u>					
<u>Accumulated depreciation</u>					
Buildings	21,224	1,052	(174)	-	22,102
Telecommunications equipment	4,739,456	554,070	-	(51,816)	5,241,710
Motor vehicles	7,733	1,561	-	(3)	9,291
Office furniture, fittings and equipment	265,009	27,431	-	(1,521)	290,919
	<u>5,033,422</u>	<u>584,114</u>	<u>(174)</u>	<u>(53,340)</u>	<u>5,564,022</u>
<u>Impairment loss</u>					
Telecommunications equipment	149,966	-	-	(41,182)	108,784
Accumulated depreciation and impairment loss	<u>5,183,388</u>	<u>584,114</u>	<u>(174)</u>	<u>(94,522)</u>	<u>5,672,806</u>

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13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

10 Property, plant and equipment (continued)

	As at				
	31.12.2006	31.12.2007	31.12.2008	Unaudited 30.6.2008	30.6.2009
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Net book value</u>					
Freehold land	20,827	20,827	20,827	20,827	20,827
Buildings	94,173	90,696	87,485	89,625	85,907
Telecommunications equipment	4,104,170	4,318,228	3,926,512	4,181,714	3,769,884
Motor vehicles	10,737	9,008	6,638	7,453	5,076
Office furniture, fittings and equipment	160,153	154,688	120,227	136,525	93,770
Capital work-in-progress	189,308	240,242	294,237	124,907	246,474
	<u>4,579,368</u>	<u>4,833,689</u>	<u>4,455,926</u>	<u>4,561,051</u>	<u>4,221,938</u>

Capital work-in-progress is reclassified to the respective categories of property, plant and equipment on completion.

The title deed pertaining to a freehold land is in the process of being transferred to Maxis Broadband Sdn Bhd.

The net book value of motor vehicles under finance leases at the balance sheet date is RM3,316,000 (30 June 2008: RM5,670,000, 2008: RM4,493,000, 2007: RM6,847,000, 2006: RM9,200,000).

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

11 Intangible assets

	Note	Spectrum rights RM'000	Handset subsides RM'000	Total RM'000
<u>As at 31 December 2006</u>				
As at 1 January 2006		82,283	-	82,283
Amortisation charge for the financial year (included in administrative expenses)	4	(8,858)	-	(8,858)
As at 31 December 2006		<u>73,425</u>	<u>-</u>	<u>73,425</u>
Cost		95,000	-	95,000
Accumulated amortisation		(21,575)	-	(21,575)
As at 31 December 2006		<u>73,425</u>	<u>-</u>	<u>73,425</u>
<u>As at 31 December 2007</u>				
As at 1 January 2007		73,425	-	73,425
Additions during the financial year		-	48,853	48,853
Amortisation charge for the financial year (included in administrative expenses)	4	(8,858)	(12,368)	(21,226)
As at 31 December 2007		<u>64,567</u>	<u>36,485</u>	<u>101,052</u>
Cost		95,000	48,853	143,853
Accumulated amortisation		(30,433)	(12,368)	(42,801)
As at 31 December 2007		<u>64,567</u>	<u>36,485</u>	<u>101,052</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

11 Intangible assets (continued)

	Note	Spectrum rights RM'000	Handset subsidiaries RM'000	Total RM'000
<u>As at 31 December 2008</u>				
As at 1 January 2008		64,567	36,485	101,052
Additions during the financial year		-	31,823	31,823
Amortisation charge for the financial year (included in administrative expenses)	4	(8,870)	(33,818)	(42,688)
As at 31 December 2008		<u>55,697</u>	<u>34,490</u>	<u>90,187</u>
Cost		95,000	80,676	175,676
Accumulated amortisation		(39,303)	(46,186)	(85,489)
As at 31 December 2008		<u>55,697</u>	<u>34,490</u>	<u>90,187</u>
<u>As at 30 June 2008 (Unaudited)</u>				
As at 1 January 2008		64,567	36,485	101,052
Additions during the financial period		-	16,544	16,544
Amortisation charge for the financial period (included in administrative expenses)	4	(4,424)	(14,902)	(19,326)
As at 30 June 2008		<u>60,143</u>	<u>38,127</u>	<u>98,270</u>
Cost		95,000	65,397	160,397
Accumulated amortisation		(34,857)	(27,270)	(62,127)
As at 30 June 2008		<u>60,143</u>	<u>38,127</u>	<u>98,270</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

11 Intangible assets (continued)

	Note	Spectrum rights RM'000	Handset subsidiaries RM'000	Total RM'000
<u>As at 30 June 2009</u>				
As at 1 January 2009		55,697	34,490	90,187
Additions during the financial period		-	44,690	44,690
Amortisation charge for the financial period (included in administrative expenses)	4	(4,412)	(23,432)	(27,844)
As at 30 June 2009		<u>51,285</u>	<u>55,748</u>	<u>107,033</u>
Cost		95,000	125,366	220,366
Accumulated amortisation		(43,715)	(69,618)	(113,333)
As at 30 June 2009		<u>51,285</u>	<u>55,748</u>	<u>107,033</u>

The remaining amortisation periods of acquired spectrum rights and handset subsidies are as follows:

As at	Spectrum rights	Handset subsidies
31 December 2006	6 to 11 years	Nil
31 December 2007	5 to 10 years	12 to 24 months
31 December 2008	4 to 9 years	2 to 24 months
30 June 2008	4.5 to 9.5 years	6 to 24 months
30 June 2009	3.5 to 8.5 years	1 to 24 months

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

12 Prepaid lease payments

	<u>Note</u>	<u>Long term</u> RM'000	<u>Short term</u> RM'000	<u>Total</u> RM'000
<u>As at 31 December 2006</u>				
<u>At cost</u>				
As at 1 January 2006		6,799	3,781	10,580
Additions during the financial year		-	1,906	1,906
As at 31 December 2006		<u>6,799</u>	<u>5,687</u>	<u>12,486</u>
<u>Accumulated amortisation</u>				
As at 1 January 2006		425	428	853
Amortisation charge for the financial year	4	45	80	125
As at 31 December 2006		<u>470</u>	<u>508</u>	<u>978</u>
<u>Net book value</u>				
As at 31 December 2006		<u>6,329</u>	<u>5,179</u>	<u>11,508</u>
<u>As at 31 December 2007</u>				
<u>At cost</u>				
As at 1 January 2007		6,799	5,687	12,486
Disposals during the financial year		-	(1,370)	(1,370)
As at 31 December 2007		<u>6,799</u>	<u>4,317</u>	<u>11,116</u>
<u>Accumulated amortisation</u>				
As at 1 January 2007		470	508	978
Amortisation charge for the financial year	4	45	114	159
Release on disposals		-	(324)	(324)
As at 31 December 2007		<u>515</u>	<u>298</u>	<u>813</u>
<u>Net book value</u>				
As at 31 December 2007		<u>6,284</u>	<u>4,019</u>	<u>10,303</u>

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13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

12 Prepaid lease payments (continued)

	<u>Note</u>	<u>Long term</u> RM'000	<u>Short term</u> RM'000	<u>Total</u> RM'000
<u>As at 31 December 2008</u>				
<u>At cost</u>				
As at 1 January 2008		6,799	4,317	11,116
Disposals during the financial year		-	(505)	(505)
As at 31 December 2008		<u>6,799</u>	<u>3,812</u>	<u>10,611</u>
<u>Accumulated amortisation</u>				
As at 1 January 2008		515	298	813
Amortisation charge for the financial year	4	45	87	132
Release on disposals		-	(125)	(125)
As at 31 December 2008		<u>560</u>	<u>260</u>	<u>820</u>
<u>Net book value</u>				
As at 31 December 2008		<u>6,239</u>	<u>3,552</u>	<u>9,791</u>
<u>As at 30 June 2008 (Unaudited)</u>				
<u>At cost</u>				
As at 1 January 2008		6,799	4,317	11,116
Additions during the financial period		-	-	-
As at 30 June 2008		<u>6,799</u>	<u>4,317</u>	<u>11,116</u>
<u>Accumulated amortisation</u>				
As at 1 January 2008		515	298	813
Amortisation charge for the financial period	4	22	45	67
As at 30 June 2008		<u>537</u>	<u>343</u>	<u>880</u>
<u>Net book value</u>				
As at 30 June 2008		<u>6,262</u>	<u>3,974</u>	<u>10,236</u>

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13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

12 Prepaid lease payments (continued)

	<u>Note</u>	<u>Long term</u> RM'000	<u>Short term</u> RM'000	<u>Total</u> RM'000
<u>As at 30 June 2009</u>				
<u>At cost</u>				
As at 1 January 2009		6,799	3,812	10,611
Disposals during the financial period		(350)	-	(350)
As at 30 June 2009		<u>6,449</u>	<u>3,812</u>	<u>10,261</u>
<u>Accumulated amortisation</u>				
As at 1 January 2009		560	260	820
Amortisation charge for the financial period	4	20	40	60
Release on disposals		(88)	-	(88)
As at 30 June 2009		<u>492</u>	<u>300</u>	<u>792</u>
<u>Net book value</u>				
As at 30 June 2009		<u>5,957</u>	<u>3,512</u>	<u>9,469</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

13 Loan (from)/to MCB and amounts due from/(to) MCB

		As at				
	Note	31.12.2006	31.12.2007	31.12.2008	<u>Unaudited</u> 30.6.2008	30.6.2009
		RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets:						
- Loan to MCB	(a)	-	-	173,500	-	176,373
Current assets:						
- Amounts due from MCB	(b)	1,030,002	232,548	1,012,082	522,779	1,011,352
Non-current liabilities:						
- Loan from MCB	(c)(i)	(72,500)	(72,500)	(72,500)	(72,500)	(72,500)
Current liabilities						
- Amounts due to MCB	(b)	(993,825)	(1,097,323)	(885,282)	(1,161,665)	(526,222)
- Loan from MCB	(c)(ii)	(152,000)	-	-	-	-
		<u>(188,323)</u>	<u>(937,275)</u>	<u>227,800</u>	<u>(711,386)</u>	<u>589,003</u>

(a) Loan to MCB

US Dollar loan to MCB which is unsecured, interest free and is repayable in one lump sum on 7 September 2012.

(b) Amounts due from/(to) MCB

The amounts due from/(to) MCB are interest-free, unsecured and have no fixed terms of repayment.

(c) Loan from MCB

(i) Loan from MCB – Non-current liabilities

Unsecured interest bearing Ringgit Malaysia loan from MCB. The principal and interest of the loan are repayable at the end of 5 years from the agreement date of 24 November 2005. The effective interest rate as at balance sheet date is 6.55% (30 June 2008: 7.75%, 2008: 7.75%, 2007: 7.75%, 2006: 7.75%) per annum.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

13 Loan (from)/to MCB and amounts due from/(to) MCB (continued)

(c) Loan from MCB (continued)

(ii) Loan from MCB – current liabilities

Unsecured interest bearing US Dollar loan from MCB which carried interest rates ranging from 4.34% to 5.77% in 2006.

This loan is repayable in five semi-annual instalments commencing 3 months after the drawdown date of 16 February 2005.

The fair value of the loan from MCB and amounts due from/(to) MCB approximated their carrying amounts as at the balance sheet date except loan to MCB under non-current assets, the fair value of which has been disclosed in Note 23(d) to the combined financial statements.

14 Deferred taxation

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	As at				
	<u>31.12.2006</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>Unaudited</u> <u>30.6.2008</u>	<u>30.6.2009</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Deferred tax assets	129,773	138,907	100,721	119,573	97,487
Deferred tax liabilities	(350,680)	(386,472)	(355,262)	(406,362)	(313,792)
	<u>(220,907)</u>	<u>(247,565)</u>	<u>(254,541)</u>	<u>(286,789)</u>	<u>(216,305)</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

14 Deferred taxation (continued)

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

As at 31 December 2006	Note	Tax losses	Capital	Property,	Deferred	Provisions	Investment	Unrealised	Others	Total
		RM'000	allowances	plant and	income	RM'000	allowance	foreign	RM'000	RM'000
As at 1 January 2006		66,247	-	(550,355)	60,239	148,791	141,316	(852)	279	(134,335)
(Charged)/credited to income statement	9	(65,699)	10,789	(29,354)	2,850	12,162	(17,900)	852	(272)	(86,572)
As at 31 December 2006		548	10,789	(579,709)	63,089	160,953	123,416	-	7	(220,907)

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

14 Deferred taxation (continued)

	Note	Tax losses RM'000	Capital allowances RM'000	Property, plant and equipment RM'000	Deferred income RM'000	Provisions RM'000	Investment allowance RM'000	Others RM'000	Total RM'000
<u>As at 31 December 2007</u>									
As at 1 January 2007		548	10,789	(579,709)	63,089	160,953	123,416	7	(220,907)
(Charged)/credited to income statement	9	153	(6,385)	(41,120)	(5,077)	42,456	(16,938)	253	(26,658)
As at 31 December 2007		701	4,404	(620,829)	58,012	203,409	106,478	260	(247,565)
<u>As at 31 December 2008</u>									
As at 1 January 2008		701	4,404	(620,829)	58,012	203,409	106,478	260	(247,565)
(Charged)/credited to income statement	9	(701)	(4,404)	21,339	8,597	(54,333)	27,982	(5,456)	(6,976)
As at 31 December 2008		-	-	(599,490)	66,609	149,076	134,460	(5,196)	(254,541)

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13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

14 Deferred taxation (continued)

	Note	Tax losses RM'000	Capital allowances RM'000	Property, plant and equipment RM'000	Deferred income RM'000	Provisions RM'000	Investment allowance RM'000	Others RM'000	Total RM'000
<u>As at 30 June 2008</u>									
(Unaudited)									
As at 1 January 2008 (Charged)/credited to income statement	9	701	4,404	(620,829)	58,012	203,409	106,478	260	(247,565)
As at 30 June 2008		701	(1,484)	11,263	1,883	(33,915)	(12,857)	(4,114)	(39,224)
<u>As at 30 June 2009</u>									
(Charged)/credited to income statement	9	-	-	(599,490)	66,609	149,076	134,460	(5,196)	(254,541)
As at 30 June 2009		-	-	46,922	(6,848)	11,329	(8,657)	(4,510)	38,236
		-	-	(552,568)	59,761	160,405	125,803	(9,706)	(216,305)

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13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

14 Deferred taxation (continued)

	As at				
	<u>31.12.2006</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>Unaudited</u> <u>30.6.2008</u>	<u>30.6.2009</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Deferred tax assets (before offsetting)					
- tax losses	548	701	-	701	-
- capital allowances	10,789	4,404	-	2,920	-
- deferred income	63,089	58,012	66,609	59,895	59,761
- property, plant and equipment	-	-	1,490	-	-
- provisions	160,953	203,409	149,076	169,494	160,405
- investment allowance	123,416	106,478	134,460	93,621	125,803
- others	676	722	372	436	368
	<u>359,471</u>	<u>373,726</u>	<u>352,007</u>	<u>327,067</u>	<u>346,337</u>
Offsetting	<u>(229,698)</u>	<u>(234,819)</u>	<u>(251,286)</u>	<u>(207,494)</u>	<u>(248,850)</u>
Deferred tax assets (after offsetting)	<u>129,773</u>	<u>138,907</u>	<u>100,721</u>	<u>119,573</u>	<u>97,487</u>
Deferred tax liabilities (before offsetting)					
- property, plant and equipment	(579,709)	(620,829)	(600,980)	(609,566)	(552,568)
- others	(669)	(462)	(5,568)	(4,290)	(10,074)
	<u>(580,378)</u>	<u>(621,291)</u>	<u>(606,548)</u>	<u>(613,856)</u>	<u>(562,642)</u>
Offsetting	<u>229,698</u>	<u>234,819</u>	<u>251,286</u>	<u>207,494</u>	<u>248,850</u>
Deferred tax liabilities (after offsetting)	<u>(350,680)</u>	<u>(386,472)</u>	<u>(355,262)</u>	<u>(406,362)</u>	<u>(313,792)</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

15 Inventories

	As at				
	<u>31.12.2006</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>Unaudited</u> <u>30.6.2008</u>	<u>30.6.2009</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Telecommunications materials and supplies	21,293	18,775	34,185	20,142	38,320
Telecommunications equipment	40,770	35,798	73,534	40,551	91,165
	<u>62,063</u>	<u>54,573</u>	<u>107,719</u>	<u>60,693</u>	<u>129,485</u>

The Subsidiaries reversed RM171,000 (30 June 2008: RM1,508,000, 2008: RM1,508,000, 2007: RM2,122,000, 2006: RM12,872,000) in respect of part of an inventory write-down that was not required subsequently as the Subsidiaries were able to utilise those inventories.

16 Receivables, deposits and prepayments

	As at				
	<u>31.12.2006</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>Unaudited</u> <u>30.6.2008</u>	<u>30.6.2009</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Trade receivables					
- Subscribers	369,099	379,650	423,991	380,469	495,007
- Interconnect and roaming	182,135	206,989	219,578	201,437	208,090
- Distributors	66,758	69,833	66,917	62,521	66,904
	<u>617,992</u>	<u>656,472</u>	<u>710,486</u>	<u>644,427</u>	<u>770,001</u>
Allowance for doubtful debts					
- Subscribers	(70,892)	(83,232)	(76,280)	(79,576)	(142,598)
- Interconnect and roaming	(5,567)	(1,146)	(5,775)	(774)	(11,788)
	<u>(76,459)</u>	<u>(84,378)</u>	<u>(82,055)</u>	<u>(80,350)</u>	<u>(154,386)</u>
Other receivables	18,170	7,249	8,209	26,580	26,393
Deposits	54,574	68,896	70,307	70,044	72,336
Prepayments	34,690	42,042	37,392	64,153	76,341
	<u>648,967</u>	<u>690,281</u>	<u>744,339</u>	<u>724,854</u>	<u>790,685</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

16 Receivables, deposits and prepayments (continued)

- (a) The Subsidiaries' credit policy provides trade receivables with 30 days credit period for all the stated financial years/periods. The Subsidiaries have no significant exposure to any individual customer, geographical location or industry category. Significant credit and recovery risks associated with receivables have been provided for in the financial statements.
- (b) Other receivables, wayleave deposits to local authorities and other deposits are shown net of allowance for doubtful debts as follows:

As at	Allowance for doubtful debts (RM'000)		
	Other receivables	Wayleave deposits to local authorities	Other deposits
31 December 2006	581	12,858	7,221
31 December 2007	1,193	12,858	122
31 December 2008	1,829	12,858	313
30 June 2008	336	12,858	298
30 June 2009	1,977	12,858	347

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

17 Amounts due from/(to) related parties

	As at				
	<u>31.12.2006</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>Unaudited</u> <u>30.6.2008</u>	<u>30.6.2009</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Current assets:					
- Amounts due from related parties	38,461	15,036	14,585	15,656	18,582
Current liabilities:					
- Amounts due to related parties	(21,290)	(32,722)	(45,057)	(19,458)	(25,838)
Non-current liabilities:					
- Loan from a related party	(26,101)	(27,974)	(29,852)	(28,908)	(30,694)

The loan from a related party is unsecured and is denominated in Ringgit Malaysia. The principal and interest of the loan are repayable at the end of 5 years from the draw down date of 9 December 2005. The effective interest rate as at 30 June 2009 is 6.55% (30 June 2008: 7.75%, 2008: 7.75%, 2007: 7.75%, 2006: 7.75%) per annum.

Amounts due from/(to) related parties are unsecured, interest free and with 30 to 60 days credit period for all the stated financial years/periods.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

18 Cash and cash equivalents

Cash and cash equivalents at the end of the financial year/period comprise the following:

					As at
	<u>31.12.2006</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>Unaudited</u> <u>30.6.2008</u>	<u>30.6.2009</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	1,644,369	636,529	1,599,981	1,609,948	1,817,220
Cash and bank balances	80,845	84,581	91,708	76,490	63,802
Cash and cash equivalents (for cash flow statements purpose)	<u>1,725,214</u>	<u>721,110</u>	<u>1,691,689</u>	<u>1,686,438</u>	<u>1,881,022</u>

Deposits with licensed banks are held in short term money market and fixed deposits.

The weighted average interest rate of deposits with licensed banks for the Subsidiaries at 30 June 2009 is 1.99% (30 June 2008: 3.34%, 2008: 3.22%, 2007: 3.93%, 2006: 3.51%) per annum.

Deposits with licensed banks of the Subsidiaries at 30 June 2009 have an average maturity of 9 days (30 June 2008: 29 days, 2008: 26 days, 2007: 16 days, 2006: 62 days). Cash and bank balances are deposits held at call with banks.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

19 Provisions for liabilities and charges

	Site rectification and decommissioning works	Network construction cost and settlements	Staff incentive scheme	Total
	RM'000	RM'000	RM'000	RM'000
<u>As at 31 December 2006</u>				
As at 1 January 2006	100,673	9,830	29,030	139,533
Capitalised during the financial year	8,533	-	-	8,533
Charged to the income statement	1,261	4,664	32,682	38,607
Reversed from the income statement	-	(192)	(9,786)	(9,978)
Accretion of provision	10,679	-	-	10,679
Paid during the financial year	(5,986)	-	(19,643)	(25,629)
As at 31 December 2006	<u>115,160</u>	<u>14,302</u>	<u>32,283</u>	<u>161,745</u>
Represented by:				
Current liabilities	26,795	14,302	32,283	73,380
Non-current liabilities	88,365	-	-	88,365
As at 31 December 2006	<u>115,160</u>	<u>14,302</u>	<u>32,283</u>	<u>161,745</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

19 Provisions for liabilities and charges (continued)

	Site rectification and decommissioning works RM'000	Network construction cost and settlements RM'000	Staff incentive scheme RM'000	Total RM'000
<u>As at 31 December 2007</u>				
As at 1 January 2007	115,160	14,302	32,283	161,745
Capitalised during the financial year	25,962	-	-	25,962
Charged to the income statement	287	4,533	37,081	41,901
Reversed from the income statement	(3,058)	(143)	(1,774)	(4,975)
Accretion of provision	15,103	-	-	15,103
Paid during the financial year	(5,468)	-	(32,095)	(37,563)
As at 31 December 2007	<u>147,986</u>	<u>18,692</u>	<u>35,495</u>	<u>202,173</u>
Represented by:				
Current liabilities	18,745	18,692	35,495	72,932
Non-current liabilities	129,241	-	-	129,241
As at 31 December 2007	<u>147,986</u>	<u>18,692</u>	<u>35,495</u>	<u>202,173</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

19 Provisions for liabilities and charges (continued)

	Site rectification and decommissioning works <u>RM'000</u>	Network construction cost and settlements <u>RM'000</u>	Staff incentive scheme <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
<u>As at 31 December 2008</u>				
As at 1 January 2008	147,986	18,692	35,495	202,173
Capitalised during the financial year	6,138	-	-	6,138
Changes in costs estimate on provision for site decommissioning works	(10,542)	-	-	(10,542)
Charged to the income statement	1,691	-	48,283	49,974
Reversed from the income statement	(2,972)	-	-	(2,972)
Accretion of provision	7,860	-	-	7,860
Paid during the financial year	(6,572)	-	(44,501)	(51,073)
As at 31 December 2008	<u>143,589</u>	<u>18,692</u>	<u>39,277</u>	<u>201,558</u>
Represented by:				
Current liabilities	13,187	18,692	39,277	71,156
Non-current liabilities	130,402	-	-	130,402
As at 31 December 2008	<u>143,589</u>	<u>18,692</u>	<u>39,277</u>	<u>201,558</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

19 Provisions for liabilities and charges (continued)

	Site rectification and decommissioning works RM'000	Network construction cost and settlements RM'000	Staff incentive scheme RM'000	Total RM'000
<u>As at 30 June 2008 (Unaudited)</u>				
As at 1 January 2008	147,986	18,692	35,495	202,173
Capitalised during the financial period	2,129	-	-	2,129
Charged to the income statement	-	-	27,863	27,792
Reversed from the income statement	(71)	-	(2,645)	(2,645)
Accretion of provision	4,159	-	-	4,159
Paid during the financial period	(1,818)	-	(40,629)	(42,447)
As at 30 June 2008	<u>152,385</u>	<u>18,692</u>	<u>20,084</u>	<u>191,161</u>
Represented by:				
Current liabilities	16,928	18,692	20,084	55,704
Non-current liabilities	135,457	-	-	135,457
As at 30 June 2008	<u>152,385</u>	<u>18,692</u>	<u>20,084</u>	<u>191,161</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

19 Provisions for liabilities and charges (continued)

	Site rectification and decommissioning works RM'000	Network construction cost and settlements RM'000	Staff incentive scheme RM'000	Total RM'000
<u>As at 30 June 2009</u>				
As at 1 January 2009	143,589	18,692	39,277	201,558
Capitalised during the financial period	4,125	-	-	4,125
Charged to the income statement	422	359	24,655	25,436
Reversed from the income statement	-	-	(8,778)	(8,778)
Accretion of provision	8,552	-	-	8,552
Paid during the financial period	(1,401)	(9,700)	(27,563)	(38,664)
As at 30 June 2009	<u>155,287</u>	<u>9,351</u>	<u>27,591</u>	<u>192,229</u>
Represented by:				
Current liabilities	19,459	9,351	27,591	56,401
Non-current liabilities	135,828	-	-	135,828
As at 30 June 2009	<u>155,287</u>	<u>9,351</u>	<u>27,591</u>	<u>192,229</u>

Descriptions on the above provisions are as disclosed in Note 4(l) of Section II on significant accounting policies.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

19 Provisions for liabilities and charges (continued)

Site rectification and decommissioning works

The provision has been recognised for dismantlement, removal and site restoration costs. The provision is estimated using the assumption that decommissioning will only take place upon the expiry of the lease terms (inclusive of secondary terms) of 15 years for all the stated financial years/periods. The provision has been estimated based on the current conditions of the sites at the estimated costs to be incurred upon the expiry of lease terms and discounted at the current market interest rate available to the Subsidiaries. The provisions will be utilised over the remaining lease periods which range from 1 to 15 years for all the stated financial years/periods.

Network construction cost and settlements

In the Directors' opinion, the outcome of the notices of termination, legal claims, negotiations for settlements and costs in respect of obligations under network construction contracts will not give rise to any significant loss beyond the amounts provided at the balance sheet date.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

20 Payables and accruals

	As at				
	<u>31.12.2006</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>Unaudited</u> <u>30.6.2008</u>	<u>30.6.2009</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Current					
Intercarrier and roaming payables	100,496	91,772	91,641	85,838	65,344
Intercarrier and roaming accruals	248,570	471,959	494,356	279,141	333,081
Subscribers' deposits	149,799	144,207	136,809	145,035	134,483
Trade payables	908,657	915,492	849,295	814,370	823,266
Trade accruals	349,788	261,824	227,593	213,657	265,620
Other payables	86,536	97,175	92,544	98,782	106,882
Other accruals	39,710	16,140	44,658	30,870	44,679
Advance payments from subscribers	29,292	19,233	23,731	19,548	26,601
Deferred income	250,819	284,196	298,943	283,916	258,488
Payroll liabilities	3,690	3,168	4,666	6,358	4,950
Government grant	5,010	3,653	3,100	-	-
	<u>2,172,367</u>	<u>2,308,819</u>	<u>2,267,336</u>	<u>1,977,515</u>	<u>2,063,394</u>
Non-current					
Trade payables	8,000	49,193	-	-	-
	<u>8,000</u>	<u>49,193</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,180,367</u>	<u>2,358,012</u>	<u>2,267,336</u>	<u>1,977,515</u>	<u>2,063,394</u>

Trade payables and other payables of the Subsidiaries carry credit period up to 150 days for all the stated financial years/periods.

Included in current and non-current trade payables was a creditor under interest free deferred payment scheme of RM80,323,416 (2007: RM150,179,755) and RM nil (2007: RM49,193,504) respectively.

The non-current trade payables at 31 December 2007 were payable between 12 to 24 months (2006: 16 months).

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

21 Finance lease liabilities

The Subsidiaries lease motor vehicles under finance leases with lease terms of 5 years, with an option to renew the lease for 1 year at an effective interest rate of 12.44% per annum for all the stated financial years/periods.

At the end of the lease term, the Subsidiaries have the option to purchase the motor vehicles at discounted rate from market price which shall be agreed by both lessee and lessor. None of the finance leases include contingent rental.

Finance lease liabilities represent outstanding obligations payable in respect of the motor vehicles acquired under finance lease commitment and are analysed as follows:

	As at				
	<u>31.12.2006</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>Unaudited</u> <u>30.6.2008</u>	<u>30.6.2009</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Analysis of finance lease commitment:					
- Not later than 1 year	3,363	3,352	3,364	3,344	3,834
- Later than 1 year and not later than 5 years	10,080	6,717	3,353	5,036	1,680
	<u>13,443</u>	<u>10,069</u>	<u>6,717</u>	<u>8,380</u>	<u>5,514</u>
Less: Future finance charges	(3,290)	(1,940)	(900)	(1,378)	(515)
Present value	<u>10,153</u>	<u>8,129</u>	<u>5,817</u>	<u>7,002</u>	<u>4,999</u>
Representing lease liabilities:					
- Current	2,013	2,312	2,694	2,532	3,377
- Non-current	8,140	5,817	3,123	4,470	1,622
	<u>10,153</u>	<u>8,129</u>	<u>5,817</u>	<u>7,002</u>	<u>4,999</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

21 Finance lease liabilities (continued)

	As at				
	<u>31.12.2006</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>Unaudited</u> <u>30.6.2008</u>	<u>30.6.2009</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Finance lease liabilities (continued)</u>					
Maturity profile:					
- < 1 year	2,013	2,312	2,694	2,532	3,377
- 1 to 2 years	2,323	2,694	2,950	2,822	1,622
- 2 to 5 years	5,817	3,123	173	1,648	-
	<u>10,153</u>	<u>8,129</u>	<u>5,817</u>	<u>7,002</u>	<u>4,999</u>

Finance lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

22 Employee Share Option Scheme ('ESOS')

MCB's ESOS was implemented on 1 July 2002 for the benefit of eligible employees and full-time Executive Directors of MCB Group. The ESOS was for a period of ten years and was governed by the ESOS By-Laws, which were approved by MCB's shareholders on 27 February 2002. The ESOS By-Laws were amended and restated on 7 June 2004.

The ESOS Committee comprising certain appointed Directors of MCB was set up to administer the ESOS, who may from time to time offer ESOS options to eligible employees and full-time Executive Directors of MCB to subscribe for new ordinary shares of RM0.10 each in MCB.

The salient features of the ESOS are as follows:

- (i) The total number of shares which may be issued under the ESOS shall not exceed in aggregate 10% of MCB issued and paid-up share capital at any time during the existence of the ESOS;
- (ii) Subject to the discretion of MCB Directors, any employee of MCB or its subsidiaries whose employment has been confirmed in writing and any Executive Directors holding office in a full-time executive capacity in MCB or its subsidiaries, shall be eligible to participate in the ESOS;
- (iii) The number of new shares that may be offered under the ESOS shall be at the discretion of MCB Directors after taking into consideration the performance, seniority and number of years of service as well as the employees' actual or potential contribution to MCB Group;
- (iv) In the event of a change in the capital structure of MCB except under certain circumstances, MCB Directors may make or provide for adjustments to be made in the option price and/or in the number of shares covered by outstanding options as the MCB Directors in its discretion may in good faith determine to be equitably required in order to prevent dilution or enlargement of the rights of the optionee or provide for adjustments in the number of shares to give the optionee the same proportion of the issued ordinary share capital of MCB to which the optionee was previously entitled;
- (v) The exercise prices under the ESOS scheme were as follows:
 - in respect of the initial grant, the price at which a share is subscribed by a retail investor under the Initial Public Offering on 8 July 2002, of RM4.36 per ordinary share; and
 - in respect of subsequent grants, the price shall be the higher of the weighted average of the market price quoted for the five market days immediately preceding the date on which the option is granted less, if MCB Directors shall so determine at their discretion from time to time, a discount of not more than 10% of the par value of an ordinary share.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

22 Employee Share Option Scheme ('ESOS') (continued)

- (vi) The options have a contractual term of 10 years. All options shall become exercisable to the extent of one-third (1/3rd) of the shares granted on each of the first three anniversaries from the date the option was granted provided the optionee has been in continuous service with MCB Group throughout the period except for the options granted to a certain employee whereby the actual number of options to be vested in and exercisable by this employee in any particular year shall depend on his meeting the performance targets in the preceding period;
- (vii) Subject to paragraph (vi) above, an optionee may exercise an option in whole or in part in multiples of 1,000 shares only at such time in accordance with any guidelines as may be prescribed by MCB Directors from time to time; and
- (viii) The optionees have no right to participate by virtue of the options in any share issue of any other company. However, shares issued upon the exercise of an option shall rank pari passu in all respects with the then existing issued shares save that they will not entitle the holders thereof to receive any rights or bonus issues or dividends or distributions the entitlement date of which precedes the date of the issue of the shares.

Pursuant to the conditional take-over offer by Binariang GSM Sdn Bhd ('BGSM') to acquire all voting shares of MCB at a cash consideration of RM15.60 for each share on 3 May 2007 ('the Offer'), the Board of Directors of MCB had invoked Clause 10 of the ESOS By-Laws with respect to the outstanding ESOS options which were not vested during the period of the Offer, to substitute all the outstanding ESOS options over the shares of MCB with the Equivalent Cash Consideration. The Equivalent Cash Consideration was the difference between BGSM's offer price and the exercise price applicable to the outstanding options. Consequent to this, all outstanding options have been surrendered for cancellation in consideration of receiving the Equivalent Cash Consideration.

In accordance with FRS 2 "Share-based Payments" ('FRS 2'), the outstanding and cancelled options were accounted for as an acceleration of vesting and the amount was recognised immediately upon cancellation of the options in the previous years. An additional ESOS cash consideration of RM505,184,000 was recognised in the financial year 2007 by the Subsidiaries.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

22 Employee Share Option Scheme ('ESOS') (continued)

Movements in the number of ESOS options outstanding issued by MCB and their respective exercise prices were as follows:

Grant date	Expiry date	Exercise price RM/share	Number of options over ordinary shares of RM0.10 each in MCB				
			As at 1 January '000	Granted '000	Forfeited '000	Exercised '000	As at 31 December '000
<u>2006</u>							
1.7.2002*	30.6.2012	4.36	5,544	-	(1,016)	(3,279)	1,249
23.1.2003*	30.6.2012	5.13	365	-	(58)	(219)	88
25.4.2003*	30.6.2012	4.80	249	-	(7)	(182)	60
3.6.2003*	30.6.2012	5.34	3,400	-	-	(1,280)	2,120
1.7.2003*	30.6.2012	5.13	14,650	-	(1,202)	(8,920)	4,528
13.10.2003*	30.6.2012	6.47	450	-	(24)	(230)	196
21.1.2004*	30.6.2012	7.05	1,259	-	(184)	(469)	606
1.4.2004*	30.6.2012	8.15	304	-	-	-	304
23.4.2004*	30.6.2012	8.13	631	-	(30)	(96)	505
1.7.2004*	30.6.2012	7.99	23,036	-	(2,085)	(5,520)	15,431
13.10.2004*	30.6.2012	7.74	1,244	-	(87)	(356)	801
19.1.2005	30.6.2012	9.04	2,601	-	(411)	(114)	2,076
20.4.2005	30.6.2012	8.69	496	-	-	-	496
20.4.2005	30.6.2012	8.69	1,260	-	(176)	(81)	1,003
1.7.2005	30.6.2012	8.74	29,327	-	(3,810)	(1,052)	24,465
13.10.2005	30.6.2012	8.54	3,087	-	(120)	(117)	2,850
19.1.2006	30.6.2012	7.85	-	4,724	(622)	(21)	4,081
20.4.2006	30.6.2012	8.05	-	2,969	(66)	-	2,903
20.4.2006	30.6.2012	8.05	-	248	-	-	248
1.7.2006	30.6.2012	7.70	-	38,785	(888)	(15)	37,882
1.10.2006	30.6.2012	8.00	-	7,117	-	-	7,117
			<u>87,903</u>	<u>53,843</u>	<u>(10,786)</u>	<u>(21,951)</u>	<u>109,009</u>
Weighted average exercise price (RM per share)			<u>7.45</u>	<u>7.77</u>	<u>7.58</u>	<u>6.08</u>	<u>7.87</u>
						<u>2007</u>	<u>2006</u>
Number of ESOS options vested as at the balance sheet date ('000)						-	26,484

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

22 Employee Share Option Scheme ('ESOS') (continued)

Grant date	Expiry date	Exercise price RM/share	Number of options over ordinary shares of RM0.10 each in MCB					As at 31 December '000
			As at 1 January '000	Granted '000	Forfeited '000	Exercised '000	Surrendered ⁽¹⁾ '000	
2007								
1.7.2002*	30.6.2012	4.36	1,249	-	-	(675)	(574)	-
23.1.2003*	30.6.2012	5.13	88	-	(20)	(68)	-	-
25.4.2003*	30.6.2012	4.80	60	-	-	(60)	-	-
3.6.2003*	30.6.2012	5.34	2,120	-	-	(1,020)	(1,100)	-
1.7.2003*	30.6.2012	5.13	4,528	-	-	(4,528)	-	-
13.10.2003*	30.6.2012	6.47	196	-	-	(196)	-	-
21.1.2004*	30.6.2012	7.05	606	-	(104)	(502)	-	-
1.4.2004*	30.6.2012	8.15	304	-	-	(304)	-	-
23.4.2004*	30.6.2012	8.13	505	-	(102)	(403)	-	-
1.7.2004*	30.6.2012	7.99	15,431	-	(249)	(8,586)	(6,596)	-
13.10.2004*	30.6.2012	7.74	801	-	(70)	(477)	(254)	-
19.1.2005	30.6.2012	9.04	2,076	-	(540)	(1,095)	(441)	-
20.4.2005	30.6.2012	8.69	496	-	-	(331)	(165)	-
20.4.2005	30.6.2012	8.69	1,003	-	(100)	(606)	(297)	-
1.7.2005	30.6.2012	8.74	24,465	-	(572)	(8,463)	(15,430)	-
13.10.2005	30.6.2012	8.54	2,850	-	(520)	(968)	(1,362)	-
19.1.2006	30.6.2012	7.85	4,081	-	(370)	(1,363)	(2,348)	-
20.4.2006	30.6.2012	8.05	2,903	-	(481)	(894)	(1,528)	-
20.4.2006	30.6.2012	8.05	248	-	-	(83)	(165)	-
1.7.2006	30.6.2012	7.70	37,882	-	(1,032)	(482)	(36,368)	-
1.10.2006	30.6.2012	8.00	7,117	-	(776)	-	(6,341)	-
20.1.2007	30.6.2012	10.20	-	5,000	-	-	(5,000)	-
19.1.2007	30.6.2012	9.40	-	4,962	(162)	-	(4,800)	-
2.4.2007	30.6.2012	11.97	-	2,000	-	-	(2,000)	-
20.4.2007	30.6.2012	11.44	-	743	-	-	(743)	-
20.4.2007	30.6.2012	11.44	-	3,085	-	-	(3,085)	-
			<u>109,009</u>	<u>15,790</u>	<u>(5,098)</u>	<u>(31,104)</u>	<u>(88,597)</u>	<u>-</u>
Weighted average exercise price (RM per share)			<u>7.87</u>	<u>10.47</u>	<u>8.21</u>	<u>7.64</u>	<u>8.40</u>	<u>-</u>

(1) Surrendered pursuant to the invoking of Clause 10 of the ESOS By-Laws pursuant to the Offer.

* The recognition and measurement principles in FRS 2 have not been applied to these grants as allowed under the transitional provision of the said standard.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

22 Employee Share Option Scheme ('ESOS') (continued)

The ordinary shares relating to 618,000 exercised options have not been allotted to the optionees as at 31 December 2006.

The weighted average share price in respect of ESOS options exercised for the financial year 2007 was RM12.80 (2006: RM10.17).

The weighted average fair value of options granted during the financial year 2007 determined using a modified Black Scholes model was RM1.55 (2006: RM1.27). The key inputs into the model were:

<u>Valuation assumptions:</u>	<u>2006</u>	<u>2007</u>
Weighted average share price at date of grant (per share)	RM8.64	RM11.55
Expected volatility	22.5% – 24.5%	22.5%
Expected dividend yield	6.1%	6.1%
Expected option life	1.9 – 6.1 years	1.9 – 6.1 years
Risk-free interest rate per annum (based on Malaysian securities bonds)	3.2% – 4.5%	3.4% - 3.6%

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices from 2003 to 2006.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

22 Employee Share Option Scheme ('ESOS') (continued)

Value of employee services received in return for options issued and cancelled were as follows:

Note	Financial year ended			Unaudited	
	31.12.2006	31.12.2007	31.12.2008	6 months ended	6 months ended
	RM'000	RM'000	RM'000	30.6.2008	30.6.2009
				RM'000	RM'000
Options granted:					
ESOS options granted in 2006	35,250	-	-	-	-
ESOS options granted in 2007	-	25,657	-	-	-
Total expense recognised as share-based payment	7	35,250	25,657	-	-
Options cancelled:					
ESOS – Equivalent Cash Consideration	7	-	505,184	3,373	(5,033)
					3,804

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)**(b) Notes to the Combined Financial Statements (continued)****23 Financial Risk Management**

The significant financial risks which the Subsidiaries are exposed to arising from its business activities are mainly currency, credit and interest rate risks. Conventional derivative financial instruments are utilised by the Subsidiaries to achieve greater certainty of future costs. The Subsidiaries do not enter into derivative financial instruments for speculative purposes.

(a) Currency risk management

The objectives of the Subsidiaries' currency risk management policies are to allow the Subsidiaries to effectively manage exposures that may arise from operating activities within a framework of controls that minimise impact of foreign currency fluctuations. Foreign currency forward contracts are used to manage foreign exchange exposures arising from all known material foreign currency denominated commitments as and when they arise.

The Subsidiaries use foreign currency forward contracts to hedge the movements in exchange rates by establishing the rate at which a foreign currency monetary item will be settled when necessary. Gains and losses on foreign currency forward contracts entered into as hedges of foreign currency monetary items are recognised in the financial statements when the exchange differences of the hedged monetary items are recognised in the financial statements.

The currency exposure of financial assets and financial liabilities of the Subsidiaries that are not denominated in the functional currency of the respective companies are set out below. Where applicable, the currency risk in respect of intragroup receivables and payables have been included in the Subsidiaries' currency exposure table as this exposure is not eliminated at the Subsidiaries level.

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

23 Financial Risk Management (continued)

(a) Currency risk management (continued)

	Currency exposure					
	SGD RM'000	IDR RM'000	USD RM'000	SDR RM'000	EURO RM'000	OTHERS RM'000
<u>As at 31 December 2006</u>						
Functional currency Ringgit Malaysia						
Receivables	-	-	33,074	68,263	-	2
Deposits, bank and cash balances	-	-	35,480	-	1,459	-
Payables	-	-	(67,128)	(76,342)	-	(2,034)
Loan from MCB	-	-	(152,000)	-	-	-
Unhedged	-	-	(150,574)	(8,079)	1,459	(2,032)

	Currency exposure					
	SGD RM'000	IDR RM'000	USD RM'000	SDR RM'000	EURO RM'000	OTHERS RM'000
<u>As at 31 December 2007</u>						
Functional currency Ringgit Malaysia						
Receivables	-	-	45,803	86,955	-	13
Deposits, bank and cash balances	-	44	271,842	-	-	-
Amounts due (to)/from related parties	-	-	(3,285)	1,198	-	-
Payables	-	-	(63,027)	(51,958)	-	(4,181)
Unhedged	-	44	251,333	36,195	-	(4,168)

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

23 Financial Risk Management (continued)

(a) Currency risk management (continued)

	Currency exposure					
	SGD RM'000	IDR RM'000	USD RM'000	SDR RM'000	EURO RM'000	OTHERS RM'000
<u>As at 31 December 2008</u>						
Functional currency						
Ringgit Malaysia						
Loan to MCB	-	-	173,500	-	-	-
Receivables	2,098	-	47,679	76,212	-	422
Deposits, bank and cash balances	1,102	39	18,828	-	17	-
Amount due to related parties	-	-	(7,651)	(2,931)	-	-
Payables	-	-	(72,283)	(68,086)	-	(1,819)
Unhedged	<u>3,200</u>	<u>39</u>	<u>160,073</u>	<u>5,195</u>	<u>17</u>	<u>(1,397)</u>

	Currency exposure					
	SGD RM'000	IDR RM'000	USD RM'000	SDR RM'000	EURO RM'000	OTHERS RM'000
<u>As at 30 June 2008</u>						
<u>(Unaudited)</u>						
Functional currency						
Ringgit Malaysia						
Receivables	5	-	99,989	82,534	1,447	-
Deposits, bank and cash balances	-	-	163,225	-	17	-
Amounts due to related parties	-	-	(1,235)	-	-	-
Payables	(69)	-	(124,996)	(53,427)	(1,209)	(229)
Unhedged	<u>(64)</u>	<u>-</u>	<u>136,983</u>	<u>29,107</u>	<u>255</u>	<u>(229)</u>

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13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

23 Financial Risk Management (continued)

(a) Currency risk management (continued)

	Currency exposure					
	<u>SGD</u>	<u>IDR</u>	<u>USD</u>	<u>SDR</u>	<u>EURO</u>	<u>OTHERS</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>As at 30 June 2009</u>						
Functional currency						
Ringgit Malaysia						
Loan to MCB	-	-	176,373	-	-	-
Receivables	9	-	122,048	61,224	330	680
Deposits, bank and cash balances	-	-	18,600	-	17	-
Payables	(84)	-	(166,651)	(57,611)	(2,491)	(319)
Amounts due to related parties	-	-	(2,319)	-	-	-
Unhedged	(75)	-	148,051	3,613	(2,144)	361

(b) Credit risk management

The Subsidiaries are exposed to credit risk related losses in the event of non-performance by third parties to derivative financial instruments but it does not expect any third parties to fail to meet their obligations given the Subsidiaries' policy of selecting creditworthy counter parties.

The Subsidiaries have no significant concentration of credit risk. Credit risks of trade receivables are controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via limiting the Subsidiaries' dealings with creditworthy business partners. Trade receivables are monitored on an on-going basis via the Subsidiaries' management reporting procedures.

The Subsidiaries place its cash and cash equivalents with a number of creditworthy financial institutions. The Subsidiaries' policy limits the concentration of financial exposure to any single financial institution.

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
 Maxis Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

23 Financial Risk Management (continued)

(c) Interest rate risk management

The Subsidiaries' exposure to interest rate risk arises predominantly from assets and liabilities bearing fixed interest rates. Interest rate swaps are used to manage interest rate risk arising from borrowings when required.

The net exposure of financial assets and financial liabilities of the Subsidiaries to interest rate risk and the periods in which the borrowings mature or reprice (whichever is earlier) are as follows:

(i) Maturity profile of financial assets and liabilities:

	Total carrying amount RM'000	Fixed interest rate		
		< 1 year RM'000	1-2 years RM'000	2-5 years RM'000
<u>As at 31 December 2006</u>				
Deposits with licensed banks	1,644,369	1,644,369	-	-
Finance lease liabilities	(10,153)	(2,013)	(2,323)	(5,817)
	<u>1,634,216</u>	<u>1,642,356</u>	<u>(2,323)</u>	<u>(5,817)</u>
<u>As at 31 December 2007</u>				
Deposits with licensed banks	636,529	636,529	-	-
Finance lease liabilities	(8,129)	(2,312)	(2,694)	(3,123)
	<u>628,400</u>	<u>634,217</u>	<u>(2,694)</u>	<u>(3,123)</u>
<u>As at 31 December 2008</u>				
Deposits with licensed banks	1,599,981	1,599,981	-	-
Finance lease liabilities	(5,817)	(2,694)	(2,950)	(173)
	<u>1,594,164</u>	<u>1,597,287</u>	<u>(2,950)</u>	<u>(173)</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

23 Financial Risk Management (continued)

(c) Interest rate risk management (continued)

(i) Maturity profile of financial assets and liabilities (continued):

	Total carrying amount RM'000	Fixed interest rate		
		< 1 year RM'000	1-2 years RM'000	2-5 years RM'000
<u>As at 30 June 2008</u> (Unaudited)				
Deposits with licensed banks	1,609,948	1,609,948	-	-
Finance lease liabilities	(7,002)	(2,532)	(2,822)	(1,648)
	<u>1,602,946</u>	<u>1,607,416</u>	<u>(2,822)</u>	<u>(1,648)</u>
<u>As at 30 June 2009</u>				
Deposits with licensed banks	1,817,220	1,817,220	-	-
Finance lease liabilities	(4,999)	(3,377)	(1,622)	-
	<u>1,812,221</u>	<u>1,813,843</u>	<u>(1,622)</u>	<u>-</u>

(ii) Effective weighted average interest rate per annum for the secured finance lease liabilities at balance sheet date for all the stated financial years/periods is 12.44%.

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
 Maxis Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

23 Financial Risk Management (continued)

(d) Fair values

The carrying amounts of financial assets and liabilities of the Subsidiaries at the balance sheet dates approximated their fair values except as set out below:

	Note	Carrying amount RM'000	Fair value RM'000
<u>As at 31 December 2006</u>			
Payables and accruals	20	8,000	7,145
Finance lease liabilities	21	8,140	9,125
<u>As at 31 December 2007</u>			
Payables and accruals	20	49,193	46,574
Finance lease liabilities	21	5,817	6,132
<u>As at 31 December 2008</u>			
Loan to MCB	13	173,500	137,006
Finance lease liabilities	21	3,123	3,158
<u>As at 30 June 2008 (Unaudited)</u>			
Finance lease liabilities	21	4,470	4,136
<u>As at 30 June 2009</u>			
Loan to MCB	13	176,373	143,657
Finance lease liabilities	21	1,622	1,520

The Subsidiaries make certain assumptions and applies the estimated discounted value of future cash flows to determine the fair values of financial instruments.

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
 Maxis Berhad
 PwC/VUK/PH/WYL/lh/1879J
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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

24 Capital Commitments

Capital expenditure for property, plant and equipment approved by the Directors and not provided for in the combined financial statements are as follows:

	As at				
	<u>31.12.2006</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>Unaudited</u> <u>30.6.2008</u>	<u>30.6.2009</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Contracted for	111,326	38,939	204,166	104,775	338,782
Not contracted for	1,144,814	1,071,285	1,567,973	1,005,450	726,174
	<u>1,256,140</u>	<u>1,110,224</u>	<u>1,772,139</u>	<u>1,110,225</u>	<u>1,064,956</u>

25 Operating Lease Commitments

Generally, the Subsidiaries lease a number of offices and customer service centres under operating leases. The leases typically run for a period of 3 years (2007: 3 years), with option to renew the leases. All operating leases contained market review clauses in the event that the Subsidiaries exercise its option to renew. The Subsidiaries do not have the option to purchase the leased assets at the expiry of the lease period.

The future minimum lease payments under non-cancellable operating leases are as follows:

	As at				
	<u>31.12.2006</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>Unaudited</u> <u>30.6.2008</u>	<u>30.6.2009</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Not later than 1 year	17,264	37,988	37,249	31,396	37,752
Later than 1 year but not later than 5 years	22,524	127,437	104,868	131,877	87,466
Later than 5 years	-	10,131	-	-	-
	<u>39,788</u>	<u>175,556</u>	<u>142,117</u>	<u>163,273</u>	<u>125,218</u>

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
 Maxis Berhad
 PwC/VUK/PH/WYL/lh/1879J
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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

26 Related Parties

Related parties are those defined under FRS 124 "Related Party Disclosures".

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

	Transaction for the financial year/period				
	31.12.2006	31.12.2007	31.12.2008	Unaudited 30.6.2008	30.6.2009
	RM'000	RM'000	RM'000	RM'000	RM'000
Sales of telecommunications services to:					
- MEASAT Broadcast Network Systems Sdn. Bhd. ⁽¹⁾ (VSAT, telephony and international bandwidth services)	21,644	16,191	24,867	11,357	12,518
- Saudi Telecom Company ('STC') (roaming and international calls)	-	8,712	11,140	3,377	2,455
- Sri Lanka Telecom Ltd ('SLT') and Mobitel (Pvt) Ltd ('Mobitel') ⁽²⁾ (roaming and international calls)	-	-	756	432	901
- Aircel Ltd Group ('Aircel') ⁽³⁾ (interconnect revenue)	15	269	3,681	93	3,610
Purchases of services from:					
- Tanjong City Centre Property Management Sdn. Bhd. ⁽⁴⁾ (rental and utility charges)	29,502	22,601	24,974	11,685	12,474
- MEASAT Satellite Systems Sdn. Bhd. ⁽⁵⁾ (transponder lease rental)	19,151	19,743	16,687	7,971	8,919

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13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
Maxis Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

26 Related Parties (continued)

	Transaction for the financial year/period				
	<u>31.12.2006</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>Unaudited</u> <u>30.6.2008</u>	<u>30.6.2009</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Purchases of services from (continued):					
- MEASAT Broadcast Network Systems Sdn. Bhd. ⁽¹⁾ (CATV, advertising, printing services and video content)	5,663	12,616	5,162	5,048	2,971
- UTSB Management Sdn. Bhd. ⁽⁶⁾ (corporate management services fee)	38,060	37,963	26,750	13,125	13,125
- SRG Asia Pacific Sdn. Bhd. ⁽⁶⁾ (call handling and telemarketing services)	20,552	22,532	28,624	11,976	7,642
- STC (roaming and international calls)	-	3,039	13,742	3,820	3,944
- Digital Five Sdn Bhd ⁽¹⁾ (formerly known as Multimedia Interactive Technologies Sdn Bhd) (purchase of contents)	5,794	1,027	8,551	2,825	1,660

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
 Maxis Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

26 Related Parties (continued)

	Transaction for the financial year/period				
	31.12.2006	31.12.2007	31.12.2008	Unaudited 30.6.2008	30.6.2009
	RM'000	RM'000	RM'000	RM'000	RM'000
Purchases of services from (continued):					
Amount charged to MCB					
- management fee	14,000	18,811	16,637	9,059	6,029
Amount charged by MCB					
- ESOS Option	35,250	25,657	-	-	-
- ESOS – Equivalent Cash Consideration	-	505,184	3,373	(5,033)	3,804
Transactions with MCB					
- payment on behalf of the Subsidiaries for operating expenses	229,549	477,578	436,473	105,316	124,816
- payment on behalf for operating expenses for MCB	5,973	8,782	85,154	4	3,651
- Aircel ⁽³⁾ (interconnect expenses)	109	606	2,035	346	8,115
- SLT and Mobitel ⁽²⁾ (roaming and international calls)	-	-	5,425	554	4,469

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

26 Related Parties (continued)

	Balance outstanding as at				
	31.12.2006	31.12.2007	31.12.2008	Unaudited 30.6.2008	30.6.2009
	RM'000	RM'000	RM'000	RM'000	RM'000
Sales of telecommunications services to:					
- MEASAT Broadcast Network Systems Sdn. Bhd. ⁽¹⁾ (VSAT, telephony and international bandwidth services)	3,847	3,487	5,333	4,806	2,660
- STC (roaming and international calls)	-	2,158	1,621	266	2,020
- Aircel ⁽³⁾ (roaming and international calls) (reimbursement of expenses incurred on behalf of Aircel)	-	39	3,482	98	1,590
	-	2,584	-	2,584	4,715
- SLT and Mobitel ⁽²⁾ (roaming and international calls)	-	-	66	183	31
Purchases of services from:					
- Tanjong City Centre Property Management Sdn. Bhd. ⁽⁴⁾ (rental and utility charges)	-	-	126	-	-
- MEASAT Satellite Systems Sdn. Bhd. ⁽⁵⁾ (transponder lease rental)	-	2,174	-	-	-
- MEASAT Broadcast Network Systems Sdn. Bhd. ⁽¹⁾ (CATV, advertising, printing services and video content)	7,843	6,553	9,631	1,915	4,187

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13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

26 Related Parties (continued)

	Balance outstanding as at				
	31.12.2006	31.12.2007	31.12.2008	Unaudited 30.6.2008	30.6.2009
	RM'000	RM'000	RM'000	RM'000	RM'000
Purchases of services from (continued):					
- UTSB Management Sdn. Bhd. ⁽⁶⁾ (corporate management services fee)	6,029	7,906	6,562	2,187	4,375
- SRG Asia Pacific Sdn. Bhd. ⁽⁶⁾ (call handling and telemarketing services)	-	11,357	13,120	4,287	2,825
- STC (roaming and international calls)	-	4,245	12,156	1,435	3,839
- Aircel ⁽³⁾ (roaming and international calls)	-	15	1,424	228	2,442
- Digital Five Sdn Bhd ⁽¹⁾ (formerly known as Multimedia Interactive Technologies Sdn Bhd) (purchase of contents)	6,286	3,923	7,838	5,339	5,782
- SLT and Mobitel ⁽²⁾ (roaming and international calls)	-	-	4,187	177	1,917

Usaha Tegas Sdn. Bhd. ('UTSB'), Saudi Telecom Company ('STC') and Harapan Nusantara Sdn Bhd ('Harapan Nusantara') are related parties to MCB, by virtue of having joint control over MCB via BGSM, pursuant to a shareholders' agreement in relation to BGSM. MCB is the immediate holding company of the Subsidiaries. Consequently, UTSB, STC and Harapan Nusantara also indirectly jointly control MMSSB, MBSB, MISB, MMSB, MCSB, AWT and UMTS ('Principal Subsidiaries').

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
 Maxis Berhad
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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

26 Related Parties (continued)

Ananda Krishnan Tatparanandam, has a deemed interest in the shares of UTSB through Pacific States Investment Limited ('PSIL'), which has a direct controlling interest in UTSB. The shares in PSIL are held by Excorp Holdings N.V. which is in turn held by PanOcean Management Limited ('PanOcean'), the ultimate holding company. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of Ananda Krishnan Tatparanandam and foundations including those for charitable purposes. Although Ananda Krishnan Tatparanandam is deemed to have an interest in the shares of UTSB, he does not have any economic or beneficial interest in the shares of UTSB, as such interest is held subject to the terms of the discretionary trust.

- (1) Subsidiary of ASTRO ALL ASIA NETWORKS plc, an associate of UTSB
 (2) Associate of UTSB
 (3) Subsidiary of MCB
 (4) Subsidiary of Tanjong Public Limited Company, an associate of UTSB
 (5) Subsidiary of MAI Holdings Sdn Bhd, a company controlled by Ananda Krishnan Tatparanandam
 (6) Subsidiary of UTSB

27 Contingent Liabilities

In the normal course of business, the Subsidiaries incur certain contingent liabilities arising from legal recourse sought by its customers. No material losses are anticipated as a result of these transactions.

The following contingent liabilities have not been provided for in the combined financial statements, as it is not anticipated that any material liabilities will arise from these contingencies.

	As at				
	<u>31.12.2006</u>	<u>31.12.2007</u>	<u>31.12.2008</u>	<u>Unaudited</u> <u>30.6.2008</u>	<u>30.6.2009</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
(i) Indemnity given to financial institutions in respect of bank guarantees issued at the request of the Subsidiaries:					
(a) Customs					
- Unsecured	23,174	1,724	28,355	139	14,628
(b) Others					
- Unsecured	18,069	22,390	16,455	11,552	28,519
	<u>41,243</u>	<u>24,114</u>	<u>44,810</u>	<u>11,691</u>	<u>43,147</u>

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

27 Contingent Liabilities (continued)

	As at				
	31.12.2006 RM'000	31.12.2007 RM'000	31.12.2008 RM'000	Unaudited 30.6.2008 RM'000	30.6.2009 RM'000
(ii) Indemnity given to financial institutions in respect of bank guarantee issued to the Malaysian Communications and Multimedia Commission – Unsecured	45,000	45,000	45,000	45,000	50,000

28 Subsidiaries

The principal activities and other information relating to entities within the Subsidiaries are as follows:

<u>Name</u>	<u>Principal activities</u>	<u>Equity effective interest by MCB from 1 January 2006 to 30 June 2009</u>	<u>Paid up capital 2006 to 30 June 2009</u>
<u>Incorporated in Malaysia</u>			
Advanced Wireless Technologies Sdn. Bhd. (517551-U)	Provider of wireless multimedia related services	75%	RM3,333,336
Maxis Broadband Sdn. Bhd. (234053-D)	Operator of a national public switched network and provider of internet and internet application services and include owning, maintaining, building and operating radio facilities and associated switches	100%	RM1,000,002
Maxis Collections Sdn. Bhd. (383275-M)	Collector of telecommunications revenue for fellow subsidiaries	100%	RM2
Maxis International Sdn. Bhd. (240071-T)	Operator of an international gateway	100%	RM2,500,002

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13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

28 Subsidiaries (continued)

<u>Name</u>	<u>Principal activities</u>	Equity effective interest by MCB from 1 January 2006 to 30 June 2009	Paid up capital 2006 to 30 June 2009
<u>Incorporated in Malaysia</u> (continued)			
Maxis Mobile Sdn. Bhd. (229892-M)	Operator of mobile telecommunications and provider of corporate support and service functions for the Subsidiaries as well as carrying out special niche project(s) such as Universal Service Provision	100%	RM2,500,002
Maxis Mobile Services Sdn. Bhd. (73315-V) (formerly known as Malaysian Mobile Services Sdn. Bhd.)	Provider of mobile telecommunications products and services	100%	RM1,293,884,000
Maxis Multimedia Sdn. Bhd. (530188-A)	Provider of multimedia related services	100%	RM2
<u>Subsidiary of Maxis Mobile Sdn. Bhd.</u>			
Maxis Mobile (L) Ltd (LL-01709) ⁽ⁱ⁾	Holder of investments	100%	USD10,000
<u>Subsidiary of Maxis Broadband Sdn. Bhd.</u>			
Maxis Online Sdn. Bhd. (235849-A)	Holder of investments (dormant)	100%	RM2

13. ACCOUNTANTS' REPORT (cont'd)



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III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

28 Subsidiaries (continued)

<u>Name</u>	<u>Principal activities</u>	<u>Equity effective interest by MCB from 1 January 2006 to 30 June 2009</u>	<u>Paid up capital 2006 to 30 June 2009</u>
<u>Incorporated in Malaysia (continued)</u>			
<u>Subsidiary of Advanced Wireless Technologies Sdn. Bhd.</u>			
UMTS (Malaysia) Sdn. Bhd. (520422-D)	3G spectrum assignment holder	75%	RM2,500,002
<u>Incorporated in the Republic of Singapore</u>			
<u>Subsidiary of Maxis International Sdn. Bhd. ('MISB')</u>			
Maxis Asia Access Pte Ltd ⁽ⁱⁱ⁾ (formerly known as Asia Access Network Pte Ltd)	Provider of international telecommunications services	100%	SGD2

Notes:

- (i) Maxis Mobile (L) Ltd is a company registered under the Offshore Companies Act, 1990, with shares issued in USD.
- (ii) Maxis Asia Access Pte Ltd (formally known as Asia Access Network Pte Ltd) is a company established under the Companies Act, Cap. 50 of the Republic of Singapore, with shares issued in Singapore Dollar ('SGD') which was acquired on 12 October 2007 by MISB.

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
 Maxis Berhad
 PwC/UUK/PH/WYL/lh/1879J
 16 October 2009

III HISTORICAL FINANCIAL INFORMATION OF THE SUBSIDIARIES (CONTINUED)

(b) Notes to the Combined Financial Statements (continued)

29 Subsequent Events

On 10 September 2009, sales and purchase agreements ('SPA') were signed to execute the following transactions:

- (a) Maxis acquiring the entire issued and paid up capital of MMSSB, MBSB, MISB, MMSB, MCSB and Maxis Multimedia and 75% of the issued and paid-up capital of AWT (being all the shares in AWT held by MCB) for a total purchase consideration of RM34,998 million, of which RM31,190 million was satisfied by the issuance of 7,499,999,998 shares to MCB and RM3,808 million constituted an amount payable by Maxis to MCB. The acquisition was completed on 1 October 2009 upon fulfillment of the conditions precedent as set out in the respective SPAs.
- (b) MMSSB disposing Althem, which holds a 44% equity interest in NTS, to MCB for a total cash consideration of RM1,019 million which was equivalent to MMSSB's cost of investment in Althem. The disposal was completed on 30 September 2009 upon fulfillment of the conditions precedent as set out in the SPA.

The financial effects of the acquisitions and disposal will be disclosed in the financial statements of Maxis Berhad for the financial period ending 31 December 2009.

On 28 September 2009, the Subsidiaries entered into novation agreements to execute the following transactions:

- (a) novation by MMSB to MCB on outstanding loan provided by MMSB to Althem of USD123.9 million and other balances owing by Althem to MMSB as at 30 September 2009;
- (b) novation by MML to MMSB on outstanding loan provided by MML to Global Communication Services Holdings Ltd of USD505.1 million, which thereafter, MMSB novated to MCB;
- (c) novation by MMSSB to MCB on outstanding loan provided by MMSSB to NTS of USD50 million; and
- (d) novation by MCB to MMSB on outstanding loan provided by MCB to AWT of RM72.5 million and other balances owing by AWT to MCB as at 30 September 2009.

The above novations were completed on 1 October 2009 upon the fulfillment of the conditions precedent as set out in the respective novation agreements.

13. ACCOUNTANTS' REPORT (cont'd)



The Board of Directors
Maxis Berhad
PwC/VUK/PH/WYL/Ih/1879J
16 October 2009

Yours faithfully,

A handwritten signature in black ink that reads "Price Waterhouse Coopers".

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

A handwritten signature in black ink that reads "Uthaya Kumar".

UTHAYA KUMAR S/O K. VIVEKANANDA
(No. 1455/06/10 (J))
Chartered Accountant

14. DIRECTORS' REPORT



Level 18, Menara Maxis
Kuala Lumpur City Centre
Off Jalan Ampang
50088 Kuala Lumpur
Malaysia

Maxis Berhad
Aras 18, Menara Maxis,
Kuala Lumpur City Centre
50088 Kuala Lumpur
Malaysia

19 October 2009

P.O. Box 13447
50810 Kuala Lumpur
Malaysia

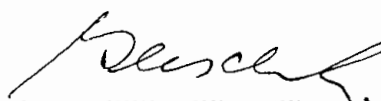
The Shareholders
Maxis Berhad

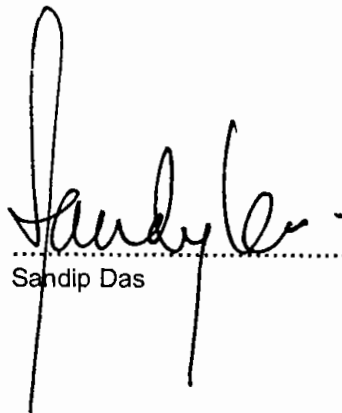
Dear Sir/Madam

On behalf of the Directors of Maxis Berhad ("**Maxis**"), we report after due inquiry that Maxis is a newly incorporated company which was incorporated on 7 August 2009 and has not had any audit performed on its financial statements and during the period from 30 June 2009 (being the date to which the last audited combined financial statements of the subsidiaries of Maxis ("**Subsidiaries**") have been made up) to 19 October, 2009 (being a date not earlier than 14 days before the issue of this Prospectus):

- (a) The business of the Maxis and its subsidiaries ("**Maxis Group**") has, in the opinion of the Directors, been satisfactorily maintained;
- (b) In the opinion of the Directors, no circumstances have arisen since the last audited combined financial statements of the Subsidiaries which have adversely affected the trading or the values of the assets of the Maxis Group;
- (c) The current assets of the Maxis Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) Save as disclosed in Section 12.2.11 of this Prospectus, there are no contingent liabilities by reason of any guarantees or indemnities given by the Maxis Group;
- (e) There has been, since the last audited combined financial statements of the Subsidiaries, no default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums in relation to any borrowings; and
- (f) Save as disclosed in Section 6.2 of this Prospectus, there have been, since the last audited combined financial statements of the Subsidiaries, no material change in the published reserves or any unusual factors affecting the profits of the Maxis Group.

Yours faithfully
For and on behalf of the Board of Directors of
MAXIS BERHAD


.....
Chan Chee Beng


.....
Sandip Das

15. STATUTORY AND OTHER GENERAL INFORMATION

15.1 Share capital

As at the Latest Practicable Date, the details of the share capital of the Company are as follows:

	<u>No. of Shares</u>	<u>RM</u>
Authorised	12,000,000,000	1,200,000,000.00
Issued and fully paid-up		
- As at date of incorporation	2	0.20
- Issued pursuant to the Pre-Listing Restructuring	7,499,999,998	749,999,999.80
Existing share capital upon Listing	7,500,000,000	750,000,000.00

The IPO would not have an effect on the issued and paid-up share capital of the Company as the Offer Shares consist of Shares that are already in issue prior to the IPO.

There is currently only 1 class of shares in the Company, namely ordinary shares of RM0.10 each, of which 7,500.0 million Shares have been issued and fully paid-up and rank pari passu with one another. There are no special rights attached to the Shares.

All of the Shares are issued in registered form (there are no bearer shares) and a list of the shareholders of the Company is maintained in the Record of Depositors kept at Bursa Depository, which by law is deemed to be the Company's Register of Members.

Except as ordered by a court of competent jurisdiction, as required by law, or as provided by the Company's Articles of Association, no person shall be recognised as holding any Share upon any trust and the Company shall not be bound by or be compelled in any way to recognise any equitable, contingent, future or partial interest in any Share.

The changes in the Company's issued and paid-up share capital since the date of incorporation of the Company up to the Latest Practicable Date are as follows:

<u>Date of allotment</u>	<u>No. of Shares allotted</u>	<u>Par value</u>	<u>Consideration</u>	<u>Cumulative issued and paid-up share capital</u>
		RM		RM
7 August 2009	2	0.10	Cash	0.20
1 October 2009	7,499,999,998	0.10	Consideration pursuant to the Pre-Listing Restructuring	750,000,000

At incorporation, 1 Share, representing 50% of the then issued and paid-up share capital of the Company, was held by Goh Tau Si, an individual as a nominee for MCB. The other 1 Share, representing 50% of the then issued and paid-up share capital of the Company, was held by MCB, resulting in MCB having beneficial interest over 100% of the share capital of the Company. The 1 Share held by Goh Tau Si was subsequently transferred to MCB for a cash consideration of RM0.10.

As at the date of this Prospectus, the Company has not issued any warrant, option, convertible security or uncalled capital, and the Company has not agreed, conditionally or unconditionally, to put any of its capital under an option. However, the Company has in place the ESOS under which it may grant Options to eligible employees of Maxis and the eligible Directors (executive and non-executive). Further information on the ESOS is set out in Section 15.11 of this Prospectus and Annex B.

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)**15.2 Articles of Association**

The following is extracted from the Company's Articles of Association and is qualified in its entirety by the remainder of the provisions of the Company's Articles of Association and by applicable law.

15.2.1 Variation of class rights**"23. Modification of rights**

Notwithstanding article 24 hereof, the repayment of preference share capital other than redeemable preference share capital, or any other alteration of preference shareholders' rights, shall only be made pursuant to a special resolution of the preference shareholders concerned, provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths of the preference share capital concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

24. Class rights may be modified

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two (2) persons holding or representing by proxy not less than one-tenth of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply.

25. Rights on creation or issue of further shares

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respects *pari passu* therewith."

15.2.2 Remuneration of Directors**"122. Remuneration of Directors**

Unless otherwise determined by an ordinary resolution of the Company in general meeting, the total fees of all of the Directors in any year shall be a fixed sum not exceeding in aggregate RM6,000,000.00 and (unless otherwise determined by an ordinary resolution of the Company in general meeting) such fee shall be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fee related to the period during which he has held office, provided always that:

15. STATUTORY AND OTHER GENERAL INFORMATION *(cont'd)*

- (a) fees payable to non-executive Directors shall be by way of a fixed sum, and not by way of a commission on or percentage of profits or turnover;
- (b) remuneration payable to Director(s) holding executive position(s) under article 151(1) may not include a commission on or percentage of turnover;
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and
- (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter."

"123(4). Any extra remuneration payable to:

- (a) a non-executive Director shall not include a commission on or percentage of profits or turnover; and
- (b) an executive Director shall not include a commission on or percentage of turnover."

15.2.3 Transfer of securities

"51. Transfer of shares by book entry

The transfer of any deposited security shall be by way of book entry by the Central Depository in accordance with the Rules under the Central Depositories Act and, notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act, and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such deposited security.

52. Transmission of securities from foreign register

- (1) Where-
 - (a) the securities of the Company are listed on another stock exchange; and
 - (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules under the Central Depositories Act in respect of such securities,

the Company shall, upon request by a depositor, permit a transmission of securities held by such depositor from the foreign register to the Malaysian register and vice versa provided that there shall be no change in the ownership of such securities.

- (2) For the avoidance of doubt, the Company shall not allow any transmission of securities from the Malaysian register into the foreign register.

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

53. Obligation to keep register not affected

Nothing in these articles shall be construed as affecting the obligation of the Company to keep a register of its members under Section 158 of the Act and a register of option holders under Section 68A of the Act and to open them for inspection in accordance with the provisions of the Act except that the Company shall not be obliged to enter in such registers the names and particulars of depositors who are deemed to be members or option holders.

54. Instrument of transfer

Subject to the Central Depositories Act and Rules under the Central Depositories Act, the instrument of transfer of a share lodged with the Company for registration must be signed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register.

55. Restriction of transfer

No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

56. Maintenance of Register of Transfers

Subject to article 51, the Company shall maintain a book called "Register of Transfers" which shall be kept by the secretary or such other person authorised by the Directors. Subject to the provisions of the Central Depositories Act and the Rules under the Central Depositories Act and article 51, particulars of the transfer or transmission of every share shall be entered into the register of transfers.

57. Directors may refuse registration of transfer

- (1) With the exception of transfer in favour of the Central Depository and subject to the provisions of the Central Depositories Act and the Rules under the Central Depositories Act, the Directors may subject to article 57(4) decline to register the transfer of any share (not being a fully paid share) and may also decline to register the transfer of any share on which the Company has a lien or if the registration of the transfer would result in a contravention of or failure to observe the provisions of a law in Malaysia.
- (2) The Directors may decline to recognise any instrument of transfer, unless:
 - (a) Such fee, not exceeding Ringgit Malaysia Three (RM3.00) per transfer or such other sum as may be permitted by the Exchange (Bursa Malaysia Securities Berhad) plus the amount of the proper duty with which each certificate is chargeable under the law relating to stamp duty as the Directors may from time to time require, is paid to the Company in respect thereof; and

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

- (b) The instrument of transfer together with the certificate is deposited at the office or at such other place (if any) as the Directors may appoint accompanied by such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so.
- (3) All instruments of transfers which are registered may be retained by the Company.
- (4) Subject to the provisions of the Central Depositories Act and the Rules under the Central Depositors Act, if the Directors decline to register any transfer they shall within ten (10) Market Days (or such other period specified by the Exchange) after the date on which the transfer was lodged with the Company send to the transferor, lodging broker and to the transferee written notice of refusal and the precise reasons thereof. Any instrument of transfer which the Directors may decline to register shall be returned to the person who tendered the same for registration save and except in cases where the Directors suspect fraud.

58. Suspension of registration of transfers

The registration of transfers may be suspended at such time and for such period as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year. At least twelve (12) clear market days' (or such other period specified by the Exchange) notice of such closure shall be given to the Exchange stating the period and the purpose or purposes of such closure. In relation to such closure, the Company shall give notice, in accordance with the Central Depositories Act and the Rules under the Central Depositories Act, to the Central Depository to enable the Central Depository to prepare the appropriate record of depositors.

59. Record of Depositors by Central Depository considered final

A record of depositors requested by the Company as at any specified date and/or for any specified purpose when made available to the Company may be treated as the final record of depositors as at the specified date and/or for the specified purpose. If there shall be more than one record of depositors made available to the Company as at the specified date and/or for the specified purpose then the later or last of the record of depositors prepared by the Central Depository shall be the final record of depositors as at the specified date and/or for the specified purpose."

15. STATUTORY AND OTHER GENERAL INFORMATION *(cont'd)***"62. Limitation of liability**

Neither the Company or the Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to, the Company or the Directors or other officers be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that, the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee of the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto."

15.2.4 Voting and borrowing powers of Directors**"145. Voting right of Director**

A Director may be or become or continue to be a director, managing director, manager or other officer or member of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise or any corporation, which is directly or indirectly interested in the Company as shareholder or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director, managing director, manager or other officer or member of, or from his interest in, such corporation, whether as a nominee of the Company or otherwise, unless the Company otherwise directs at the time of his appointment. The Director may, provided that he has complied with Section 131 and all other relevant provisions of the Act and of these articles, exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by him as director of such other corporation in such manner and in all respects as he thinks fit but a Director may not vote in favour of the exercise of such voting rights in the manner aforesaid, if he may be, or is about to be appointed a director, managing director, manager or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid."

"127. Power of Directors to borrow money

- (1) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
- (2) The Directors shall cause a proper register to be kept in accordance with Section 115 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 108 of the Act in regard to the registration of mortgages and charges therein specified and otherwise.

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

- (3) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability."

15.3 Voting rights

Every shareholder has the right to attend any general meeting of the Company and unless prohibited by the Listing Requirements, speak and vote on any resolution before the meeting, except that a shareholder is not entitled to vote unless all calls and other monies due and payable in respect of his Shares have been paid.

Under the Act, any action to be taken by the shareholders in a general meeting requires the affirmative vote of either an ordinary or a special resolution passed at such meeting.

An ordinary resolution is one passed by the majority of such shareholders as are entitled to, and do, vote in person or by proxy at a general meeting of the Company.

A special resolution is one passed by not less than three-fourths of such shareholders as are entitled to, and do, vote in person or by proxy at a general meeting of the Company of which not less than 21 days' notice specifying the intention to propose the resolution as a special resolution has been given.

Generally, resolutions of the shareholders of the Company are passed by ordinary resolution. However, the law does stipulate that certain matters may only be passed as special resolutions: Examples of these are capital reductions and voluntary liquidations.

Subject to any special right, privilege or restriction as to voting for the time being attached to any class or classes of shares, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded by the chairman of the meeting, or at least 3 members present in person or by proxy and entitled to vote at the meeting, or any member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting, or any member or members present in person or by proxy and holding Shares conferring a right to attend and vote at the meeting on which there have been paid-up sums in an aggregate amount equal to not less than one-tenth of the total sum paid-up on all Shares conferring that right provided that no poll shall be demanded on the election of a chairman of a meeting or on any question of adjournment.

On a show of hands every shareholder who (being an individual) is present in person or by proxy or by attorney or (being a corporation) is present by a representative duly authorised under Section 147 of the Act has 1 vote, and on a poll every shareholder present in person or by proxy or by attorney or being a corporation, by duly authorised representative has 1 vote for every Share of which he is the shareholder upon which all calls due to the Company have been paid. The Shares held by or represented by a member present in person or by proxy or by attorney or duly authorised representative shall be the number of Shares entered against his name on the Record of Depositors prepared for the relevant general meeting.

There is no limitation on the right to own securities, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights on such securities, which is imposed by Malaysian law or by the constituent documents of the Company.

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)**15.4 Modification of rights**

Subject to the Act, any of the rights from time to time attaching to any class of shares (unless otherwise provided for by the terms of issue of the shares of that class) may, be varied or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class.

However, the repayment of preference share capital other than redeemable preference shares, or any other alteration of preference shareholders' rights, shall only be made pursuant to a special resolution of the preference shareholders concerned, provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of not less than three-fourths of the preference shares concerned within 2 months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

15.5 Issue of Shares

Subject to the Act, the Central Depositories Act, the Rules of the Central Depository, the Listing Requirements and the Company's Articles of Association, the Directors may allot, grant options over or otherwise dispose of the unissued share capital of the Company to such persons, at such time and on such terms as they think proper, subject to the following:

- (i) no Shares shall be issued at a discount to the par value of such Share except in compliance with the provisions of the Act;
- (ii) no Shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the members in general meeting;
- (iii) in the case of shares other than the Shares, no special rights shall be attached until the same have been expressed in the Articles of Association;
- (iv) notwithstanding the existence of a resolution pursuant to Section 132D of the Act, no shares or convertible securities shall be issued if the nominal value of those shares or convertible securities when aggregated with the nominal value of any such shares or convertible securities issued during the preceding 12 months, exceeds 10% of the nominal value of the issued and paid-up capital (excluding treasury shares) of the Company, except where the shares or convertible securities are issued with the prior approval of the shareholders in general meeting of the precise terms and conditions of the issue; and
- (v) every issue of shares or options to employees and/or Directors shall be approved by the members in general meeting and in relation to a Director, such approval shall specifically detail the amount of shares or options to be issued to such Director.

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

Subject to any direction to the contrary that may be given by the Company in general meeting, any original shares for the time being unissued and not allotted and any new shares from time to time to be created and any convertible securities shall before they are issued be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered.

15.6 Dividends

Dividends declared in relation to Shares shall be applied in proportion to the amounts respectively paid-up thereon or credited as paid-up thereon at the end of the period in respect of which the dividend is declared. Under the Company's Articles of Association, dividends may be declared in a general meeting of the Company's shareholders upon the passing of an ordinary resolution but no dividend shall be payable except out of the profits and distributable reserves of the Company pursuant to Section 60 of the Act and no dividend shall be in excess of the amount recommended by the Directors.

The Company is not permitted by law to pay any dividend except out of profits, or pursuant to Section 60 of the Act which allows the Company's share premium account to be applied, among others, in the payment of dividends if such dividends are satisfied by the issue of shares to shareholders of the Company.

In addition to dividends declared in a general meeting upon the recommendation of the Directors, the Directors may, if they think fit, from time to time pay to shareholders such interim dividends as appear to the Directors to be justified by the profits of the Company.

15.7 Winding up

Without prejudice to the rights of holders of shares issued upon special terms and conditions:

- (i) If the Company is wound up and the assets available for distribution among the shareholders are insufficient to pay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the shareholders in proportion to the capital paid-up, or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively.
- (ii) If in a winding up the assets available for distribution among the shareholders shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed among the shareholders in proportion to the capital paid-up, or which ought to have been paid up at the commencement of the winding up on the Shares held by them respectively.

15. STATUTORY AND OTHER GENERAL INFORMATION *(cont'd)*

15.8 Calls

Calls may be made by the Directors on shareholders in respect of all monies unpaid on the shares held by them.

15.9 Acquisition of own Shares

The Company may purchase its own shares if the purchase is made through Bursa Securities, the purchase is made in good faith and in the interest of the Company and if the Company is solvent as of the date of purchase.

15.10 Deposited securities and rights of Depositors

As the Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of the Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which the share registrar of the Company will be required to transfer his Shares to the Minister of Finance, and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository ("**Depositor**") by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of the Shares shall be deemed to be a shareholder of the Company and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

15.11 ESOS

As at the date of this Prospectus, save as disclosed below, there is no other scheme involving the employees of Maxis in the share capital of the Company or its subsidiaries.

Pursuant to an ESOS which came into effect on 17 September 2009, the Company will make available new Shares, not exceeding in aggregate 250,000,000 Shares during the existence of the ESOS, to be issued under the Options granted under the ESOS to eligible employees of Maxis and Directors (executive and non-executive).

The purpose of the ESOS is to promote ownership of Shares by eligible employees of Maxis and the eligible Directors (executive and non-executive), thereby reinforcing a mutual interest among Maxis' employees and the Directors and the shareholders of the Company and to enable Maxis to attract, retain, reward and motivate its employees by permitting them to participate in Maxis' growth as well as to attract and reward the Directors (executive and non-executive).

The Board (or such other committee appointed by the Board to administer the ESOS) may, at its discretion, within the duration of the ESOS, make offers to grant Options to eligible employees of Maxis and Directors (executive and non-executive). An eligible employee or Director (as the case may be) who accepts an offer of Options shall pay a sum of RM1.00 as consideration for acceptance of that offer. An Option granted prior to the consummation of the IPO shall be exercisable at the IPO Price. An Option granted after the consummation of the IPO shall be exercisable at a price which is the weighted average of the market price quotation of the Shares for the 5 Market Days immediately preceding the date on which the Option is granted, rounded down to the nearest sen, or the par value of the Share, whichever is higher.

15. STATUTORY AND OTHER GENERAL INFORMATION *(cont'd)*

Unless otherwise determined by the Board, each Option shall become exercisable, to the extent of one-third of the Shares covered thereby, on each of the first 3 anniversaries of the date of grant, if the holder of such Option shall have been in the continuous service of the Company and its subsidiaries that are not dormant throughout such period. No Option shall be exercisable if the exercise of such Options would violate any provision of applicable laws, nor shall any Option be exercisable more than 10 years from the date on which the ESOS becomes effective.

No Option shall be granted pursuant to the ESOS on or after the 10th anniversary of the date on which the ESOS becomes effective.

The new Shares issued upon the exercise of an Option will be subjected to all the provisions of the Memorandum and Articles of Association of the Company and shall rank *pari passu* in all respects with the then existing issued Shares, save that they will not entitle the holders thereof to receive any rights or bonus issue or dividends or distributions the entitlement date of which precedes the date of the issue of such new Shares.

It is the intention of the Board to grant Options only after the Listing. However, as at the date of this Prospectus, the Board has not made a decision as to the quantum or timing of the granting of Options under the ESOS.

15.12 Public take-overs

During the last financial year ended 31 December 2008 and subsequent period up to the Latest Practicable Date, there were no public take-over offers by third parties in respect of the Company's securities or public takeover offers by the Company or the Subsidiaries in respect of any other company's securities.

15.13 Material contracts

Save as disclosed below and in Section 6.2 of this Prospectus, the Company and its subsidiaries have not entered into any contract with parties outside of the Group which is not in the ordinary course of Maxis' business during the 2 years preceding the date of this Prospectus.

- (i) Sale And Purchase Of Shares Agreement dated 10 September 2009 entered into between Maxis Mobile Services and MCB for the purchase by MCB of 100% equity interest in ABV for a cash consideration of RM1,018.9 million;
- (ii) Sale And Purchase Of Shares Agreement dated 10 September 2009 entered into between the Company and MCB for the purchase by the Company of 100% equity interest in Maxis Mobile Services and Maxis Broadband for an aggregate purchase consideration of RM34,656.0 million to be satisfied via an issue of 7,499,999,998 new Shares and cash of RM3,465.6 million. The cash consideration shall be paid to MCB on or before the Payment Due Date provided that if the Company raises financing through external debt prior to the Payment Due Date, the Company shall repay the said amount within 5 business days upon receipt of proceeds from the financing or such other date as MCB and the Company may agree in writing. The outstanding cash consideration bears interest at the 3-month Kuala Lumpur Inter-bank Offered Rate Rate plus 1.5% per annum ("**Interest Rate**"), calculated from 1 October 2009 until the date of full settlement of the outstanding cash consideration. As part of the terms of the agreement, Maxis Broadband is authorised to undertake dividends payment to MCB and on 1 October 2009, Maxis Broadband agreed in writing with MCB that it shall pay, interest at the Interest Rate on the outstanding dividend amounting to RM1,184.2 million to MCB which shall be payable quarterly in arrears calculated from 1 October 2009 until the date of full settlement of the outstanding dividend. The interest on the outstanding dividend and cash consideration, including accrued interest which are payable, shall be added for all purposes to the sum then owing and shall bear interest at the Interest Rate;

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

- (iii) Sale And Purchase Of Shares Agreement dated 10 September 2009 entered into between the Company and MCB for the purchase by the Company of 100% equity interest held by MCB in Maxis Collections, Maxis Mobile, Maxis Multimedia and Maxis International and 75% equity interest in Advanced Wireless Technologies for an aggregate cash consideration of RM342.3 million. The cash consideration shall be paid to MCB on or before the Payment Due Date provided that if the Company raises financing through external debt prior to the Payment Due Date, the Company shall repay the said amount within 5 business days upon receipt of proceeds from the financing or such other dates as MCB and the Company may agree in writing. The outstanding cash consideration bears interest at a rate calculated at the Interest Rate, from 1 October 2009 until the date of full settlement of the outstanding cash consideration. The interest on the outstanding cash consideration, including accrued interest which are payable, shall be added for all purposes to the sum then owing and shall bear interest at the Interest Rate. In conjunction with the purchase by the Company from MCB of the 75% equity interest in Advanced Wireless Technologies, the Company entered into a deed of accession involving the Company, MCB, Advanced Wireless Technologies and MBNS Multimedia Technologies Sdn Bhd ("MMT") pursuant to which the Company became a party (in place of MCB) to the shareholders' agreement previously entered into between MCB, MMT and Advanced Wireless Technologies;
- (iv) Deed of Novation dated 28 September 2009 entered into between Maxis Mobile, MCB and ABV for the novation by Maxis Mobile to MCB of all its rights, duties, obligations and liabilities under the USD124.0 million loan provided by Maxis Mobile to ABV (under which there is an outstanding amount of USD123.9 million as at the date of the Deed of Novation) and other arrangements relating to amounts owing by ABV to Maxis Mobile as adjusted as at 30 September 2009, in consideration of MCB agreeing that MCB will owe Maxis Mobile USD175.4 million. This agreement was entered into in conjunction with the Pre-Listing Restructuring;
- (v) Deed of Novation dated 28 September 2009 entered into between Maxis Mobile (L), Maxis Mobile and GCSHL for the novation by Maxis Mobile (L) to Maxis Mobile of all its rights, duties, obligations and liabilities under the USD507.6 million loan provided by Maxis Mobile (L) to GCSHL (under which there is an outstanding loan amount of USD505.1 million) in consideration of Maxis Mobile agreeing to partially set-off the USD505.1 million against the outstanding sum of USD536.5 million which is owing by Maxis Mobile (L) to Maxis Mobile under the USD550.0 million loan provided by Maxis Mobile to Maxis Mobile (L). The final amount owing from Maxis Mobile (L) to Maxis Mobile after the novation and set-off shall be USD31.4 million. This agreement was entered into in conjunction with the Pre-Listing Restructuring;
- (vi) Deed of Novation dated 28 September 2009 entered into between Maxis Mobile, MCB and GCSHL for the novation by Maxis Mobile to MCB of all its rights, duties, obligations and liabilities under the USD507.6 million loan provided by Maxis Mobile (L) to GCSHL (under which there is an outstanding amount of USD505.1 million) (which has been novated by Maxis Mobile (L) to Maxis Mobile under the Deed of Novation referred to in Section 15.13(v) above), in consideration of MCB agreeing that MCB will owe Maxis Mobile USD505.1 million. This agreement was entered into in conjunction with the Pre-Listing Restructuring;
- (vii) Deed of Novation dated 28 September 2009 entered into between Maxis Mobile Services, MCB and NTS for the novation by Maxis Mobile Services to MCB of all its rights, duties, obligations and liabilities under:
- (a) the USD90.0 million loan provided by Maxis Mobile Services to NTS (under which there is an outstanding amount of USD50.0 million); and
 - (b) the USD92.6 million loan provided by Maxis Mobile Services to NTS (which has yet to be drawn down),

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

in consideration of MCB agreeing that MCB will owe Maxis Mobile Services USD50.0 million and any amount drawn down (prior to a date as agreed in the Deed of Novation) under the loan referred to in sub-paragraph (b) above.

This agreement was entered into in conjunction with the Pre-Listing Restructuring;

- (viii) Deed of Novation dated 28 September 2009 entered into between MCB, Maxis Mobile and Advanced Wireless Technologies for the novation by MCB to Maxis Mobile all its rights, duties, obligations and liabilities under the RM97.5 million loan provided by MCB to Advanced Wireless Technologies (under which there is an outstanding amount of RM72.5 million) and other arrangements relating to amounts owing by Advanced Wireless Technologies to MCB adjusted as at 30 September 2009 in consideration of Maxis Mobile agreeing that Maxis Mobile will owe MCB RM99.3 million. This agreement was entered into in conjunction with the Pre-Listing Restructuring;
- (ix) Deed of Novation dated 28 September 2009 entered between ABV, MCB, Maxis Mobile Services, Saudi Telecom, Teleglobal Investments B.V. and NTS for the novation by Maxis Mobile Services to MCB all its rights, duties, obligations and liabilities contained in the Deed Relating to the Provision of Guarantees dated 13 March 2009. This agreement was entered into in conjunction with the Pre-Listing Restructuring;
- (x) Letter dated 28 September 2009 from Maxis Mobile to MCB, as supplemented by a letter dated 1 October 2009 between the same parties, under which the parties agreed to set-off the amounts owed by MCB to Maxis Mobile (including the amounts set out in Sections 15.13 (iv) and (vi) above) against the amounts owed by Maxis Mobile to MCB (including the amounts set out in Section 15.13 (viii) above). After the set off, MCB shall pay Maxis Mobile such sum owing in Ringgit Malaysia on or before 3 months from 1 October 2009 or such other date as the parties agree in writing free of interest;
- (xi) Licence Agreement dated 20 October 2009 entered into between MCB and Maxis for the grant by MCB to Maxis of a perpetual, royalty-free licence to use in Malaysia, trademarks and servicemarks that are registered in the name of MCB;
- (xii) Underwriting Agreement dated 21 October 2009 entered into between the Company, MCB and the Joint Managing Underwriters for the Joint Managing Underwriters to underwrite up to 212,295,000 Offer Shares under the Retail Offering at an underwriting commission of up to 2.25% of the amount equal to the IPO Price multiplied by the Offer Shares underwritten pursuant to the Retail Offering;
- (xiii) Lock-up Agreement dated 21 October 2009 entered into between the Company and the Joint Global Co-ordinators, under which the Company agrees not to, without the prior written consent of the Joint Global Co-ordinators, (a) issue, allot, sell, offer to sell, contract or agree to sell, hypothecate, pledge, mortgage, charge, assign, grant any option to purchase or security over, or otherwise dispose of or agree to dispose of, directly or indirectly, any Shares or any other securities of the Company that are substantially similar to Shares (or any interest therein or in respect thereof), or any securities convertible into or exchangeable or exercisable for, or any warrants or other rights to purchase, the foregoing, (b) enter into any swap, transaction or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or any other securities of the Company that are substantially similar to the Shares, or any securities convertible into or exchangeable or exercisable for, or any warrants or other rights to purchase, the foregoing, whether any such transaction is to be settled by delivery of the Shares or such other securities, in cash or otherwise, or (c) publicly announce an intention to effect any transaction specified in (a) or (b), except, in all cases, pursuant to the IPO, or for the grant of any Option (or allotment and/or issue of any Shares thereunder) pursuant to the ESOS, for a period commencing from the date of Listing until 180 days from the date of Listing; and

15. STATUTORY AND OTHER GENERAL INFORMATION (cont'd)

- (xiv) Master Cornerstone Placing Agreement dated 20 October 2009 entered into among the Company and MCB on the one part, and on the other part, Employees Provident Fund Board, Kumpulan Wang Persaraan (Diperbadankan), Permodalan Nasional Berhad and FIL Investment Management (Hong Kong) Limited, under which the Cornerstone Investors agree to purchase an aggregate of 626,080,000 Offer Shares, representing approximately 8.35% of the issued and paid-up share capital of the Company, pursuant to the Institutional Offering at a price per Offer Share which shall not exceed RM5.20 per Offer Share.

15.14 Material litigation

As at the Latest Practicable Date, neither the Company nor the Subsidiaries are involved in any litigation or arbitration, either as plaintiff or defendant, which may have a material adverse effect on the business or financial position of Maxis, and Maxis is not aware of any legal proceeding, pending or threatened, or of any fact likely to give rise to any legal proceeding which may have a material adverse effect on the business or financial position of Maxis.

15.15 Letters of consent

The written consents of the Principal Adviser, Joint Managing Underwriters, Joint Global Co-ordinators, Joint Bookrunners, Lead Managers, Legal Advisers, Principal Bankers, Share Registrar and Issuing House as set out in the Corporate Directory of this Prospectus to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants to the inclusion of its name, Accountants' Report, and Reporting Accountants' letter on the proforma consolidated balance sheets of Maxis as at 30 June 2009 in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of Frost & Sullivan to the inclusion of the its name, the executive summary of its Independent Market Research Report and its letter dated 21 October 2009 in the form and context in which they are contained on this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

15.16 Documents available for inspection

Copies of the following documents may be inspected at the registered office of the Company at Level 18, Menara Maxis, Kuala Lumpur City Centre, Off Jalan Ampang, 50088 Kuala Lumpur, Malaysia, during normal working hours for a period of 12 months from the date of this Prospectus:

- (i) Memorandum and Articles of Association of the Company;
- (ii) audited combined financial statements of the Subsidiaries for the 3 financial years ended 31 December 2008 and for the 6 months ended 30 June 2009;
- (iii) audited financial statements of the Subsidiaries for the 3 financial years ended 31 December 2008;
- (iv) Reporting Accountants' letter on the proforma consolidated balance sheets as included in Section 12.5;
- (v) Accountants' Report as included in Section 13;

15. STATUTORY AND OTHER GENERAL INFORMATION *(cont'd)*

- (vi) Directors' Report as included in Section 14;
- (vii) contracts and agreements referred to in Sections 7.24, 9.7(i) and 15.13;
- (viii) letters of consent referred to in Section 15.15;
- (ix) licenses held by the Subsidiaries set out in Annex A; and
- (x) Frost & Sullivan's Report as included in Section 8 and the full independent market research report.

15.17 Responsibility statements

The Directors, Promoter and Selling Shareholder have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

CIMB, as the Principal Adviser, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the IPO.

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16. PROCEDURES FOR APPLICATION AND ACCEPTANCE

16.1 Opening and closing of applications

OPENING OF THE RETAIL OFFERING: 10.00 A.M., 28 OCTOBER 2009

CLOSING OF THE RETAIL OFFERING: 5.00 P.M., 5 NOVEMBER 2009

The Directors, the Selling Shareholder and the Majority Joint Managing Underwriters may decide in their absolute discretion to extend the closing time and date for applications under the Retail Offering to any later date or dates. If they decide to extend the closing date for the applications, the Price Determination Date and dates for the balloting and transfer of the Offer Shares and Listing may be extended accordingly. Any extension will be announced in a widely circulated Bahasa Malaysia and English daily newspaper in Malaysia.

Late applications will not be accepted.

16.2 Methods of application and category of investors

16.2.1 Application for Offer Shares under the Retail Offering

Applications for the Offer Shares pursuant to the Retail Offering may be made using either of the following:

<u>Type of Application</u>	<u>Category of investor</u>
GREEN Application Form only (must be accompanied by a copy of the applicant's recent billing statement for his subscription to Maxis' services for Elite members of the Maxis One Club)	Elite members of the Maxis One Club, dealers and distributors of Maxis
BLUE Application Form only (must be accompanied by a copy of the applicant's recent billing statement for his subscription to Maxis' services)	Eligible postpaid customers of Maxis (other than Elite members of the Maxis One Club)
PINK Application Form	Eligible employees of Maxis, Directors and the directors of MCB
WHITE Application Form or Electronic Share Application ⁽¹⁾ or Internet Share Application ⁽²⁾	Malaysian public

Notes:

⁽¹⁾ A surcharge of RM2.50 per Electronic Share Application will be charged by the respective Participating Financial Institution.

⁽²⁾ The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institution:

- (i) CIMB (www.eipocimb.com) – RM2.00 for payment via CIMB Bank Berhad or RM5.00 for payment via Malayan Banking Berhad;
- (ii) CIMB Bank Berhad (www.cimbclicks.com.my) – RM2.00 for applicants with CDS accounts held with CIMB and RM2.50 for applicants with CDS accounts with other ADAs;
- (iii) Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00;
- (iv) RHB Bank Berhad (www.rhbbank.com.my) – RM2.50; and
- (v) Affin Bank Berhad (www.affinOnline.com) – No fees will be charged for application by their account holders.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)*

An eligible customer, dealer or distributor, employee of Maxis, Director or director of MCB who has made an application using GREEN, BLUE or PINK Application Forms may still apply for the Offer Shares offered to the Malaysian public using the WHITE Application Form, Electronic Share Application or Internet Share Application.

However, applicants using the GREEN, BLUE and WHITE Application Forms are not allowed to submit multiple applications in the same category of application. Further, applicants who have submitted their applications using WHITE Application Forms are not allowed to make additional applications using the Electronic Share Applications and Internet Share Applications.

16.2.2 Application by investors under the Institutional Offering

Investors under the Institutional Offering (other than the Bumiputera Institutional and selected investors approved by MITI) will be contacted directly by the Joint Global Co-ordinators, Joint Bookrunners and Lead Managers and should follow the instructions as communicated by the Joint Global Co-ordinators, Joint Bookrunners and Lead Managers. Bumiputera institutional and selected investors approved by MITI who have been allocated Offer Shares will be contacted directly by MITI and should follow the instructions as communicated through MITI.

16.3 Procedures for application and acceptance

16.3.1 Application by the Elite members of the Maxis One Club and eligible dealers and distributors (GREEN Application Forms)

Eligibility

An applicant may apply for the Offer Shares if the applicant fulfills all the following:

- (i) The applicant must have a CDS account. If the applicant does not have a CDS account, the applicant may open a CDS account by contacting any of the ADAs listed in Section 17 of this Prospectus;
- (ii) The applicant must be one of the following:
 - (a) an Elite member of the Maxis One Club whose monthly charges for the past 12 months ended 30 June 2009 are above RM1,000 per month and whose account is not overdue as at 30 June 2009 and who has been an Elite member of the Maxis One Club for at least 12 months as at 30 June 2009; or
 - (b) an active dealer or distributor of Maxis under the category of MEPs, Postpaid Category A dealer or Hotlink Category A & B dealer as at 30 June 2009.
- (iii) The applicant must have a Malaysian address;
- (iv) If the applicant is an individual, the applicant has to be at least 18 years old as at the closing date of the Retail Offering; and
- (v) The applicant must not be a director or employee of the Issuing House or their immediate family members.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

Active Elite members of the Maxis One Club, who wish to apply using the GREEN Application Form for the Offer Shares which have been reserved for eligible active Elite members of the Maxis One Club under the Retail Offering, may check their eligibility by referring to the website of Maxis at www.maxis.com.my or Maxis WAP Portal at wap.maxis.com.my on mobile phone.

The information on Maxis' website, any website of MCB or any website directly or indirectly linked to such websites is not incorporated by reference into this Prospectus and should not be relied on.

16.3.2 Application by the eligible postpaid customers (BLUE Application Forms)**Eligibility**

An applicant may apply for the Offer Shares if the applicant fulfills all the following:

- (i) The applicant must have a CDS account. If the applicant does not have a CDS account, the applicant may open a CDS account by contacting any of the ADAs listed in Section 17 of this Prospectus;
- (ii) The applicant must be a postpaid customer of Maxis' mobile services (other than an Elite member of the Maxis One Club) who has been a customer of Maxis for the 4 years ended 30 June 2009 and whose account is not overdue as at 30 June 2009;
- (iii) The applicant must have a Malaysian address;
- (iv) If the applicant is an individual, the applicant has to be at least 18 years old as at the closing date of the Retail Offering; and
- (v) The applicant must not be a director or employee of the Issuing House or their immediate family members.

Active postpaid customers of Maxis' mobile services (other than Elite members of the Maxis One Club), who wish to apply using the BLUE Application Form for the Offer Shares which have been set aside for a restricted ballot for eligible active postpaid customers of Maxis' mobile services (other than Elite members of the Maxis One Club) under the Retail Offering, may check their eligibility by referring to the website of Maxis at www.maxis.com.my or Maxis WAP Portal at wap.maxis.com.my on mobile phone.

The information on Maxis' website, any website of MCB or any website directly or indirectly linked to such websites is not incorporated by reference into this Prospectus and should not be relied on.

16.3.3 Application by the eligible employees, Directors and directors of MCB (PINK Application Forms)

Application procedures and instructions will be separately contained in a letter to be issued by the Company to the eligible employees of Maxis, Directors and directors of MCB.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)*

16.3.4 Application by the Malaysian public under the Retail Offering (WHITE Application Forms, Electronic Share Applications or Internet Share Applications)

Eligibility

An applicant may apply for the Offer Shares if the applicant fulfills all the following:

- (i) The applicant must have a CDS account. If the applicant does not have a CDS account, the applicant may open a CDS account by contacting any of the ADAs listed in Section 17 of this Prospectus;
- (ii) The applicant must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the closing date of the Retail Offering with a Malaysian address; or
 - (b) a corporation/institution incorporated in Malaysia where there is a majority of Malaysian citizens on its board of directors/trustees. If the corporation/ institution has a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation or provident or pension fund established or operating in Malaysia.

The Company and Selling Shareholder will not accept applications from trustees, persons under 18 years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations/institutions referred to in (ii)(b) or (c) above or the trustees thereof; and

- (iii) The applicant must not be a director or employee of the Issuing House or their immediate family members.

16.4 Procedures for applications by way of Application Forms

Each application for the Offer Shares under the Retail Offering using the Application Forms must be made on the correct Application Form for the relevant category of investors issued together with this Prospectus and must be completed in accordance with Notes and Instructions printed therein. The Application Forms together with the Notes and Instructions shall constitute an integral part of this Prospectus. Applications which do not conform **STRICTLY** to the terms of this Prospectus or the Application Form or which are illegible may not be accepted at the absolute discretion of the Directors and Selling Shareholder.

Full instructions for the application for the Offer Shares and the procedures to be followed are set out in the Application Forms. All applicants are advised to read the Application Forms and the Notes and Instructions therein carefully.

Step 1 : Obtain Application Documents

Obtain the relevant Application Form together with the Official "A" and "B" envelopes and this Prospectus.

The **GREEN** Application Forms can be obtained subject to availability from the Maxis Centres set out in Section 16.13 of this Prospectus. A **GREEN** Application Form, together with the Prospectus in a CD-ROM format, will be despatched to eligible Elite members of the Maxis One Club by ordinary post.

The **BLUE** Application Forms can be obtained subject to availability from the Maxis Centres and MEPs set out in Section 16.13 of this Prospectus.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)*

The **WHITE** Application Form can be obtained subject to availability from the following:

- (i) CIMB;
- (ii) Participating organisations of Bursa Securities;
- (iii) Members of the Association of Banks in Malaysia;
- (iv) Members of the Malaysian Investment Banking Association;
- (v) Issuing House; and
- (vi) Maxis Centres and MEPs set out in Section 16.13 of this Prospectus.

Step 2 : Read the Prospectus

In accordance with Section 232(2) of the CMSA, the Application Forms are accompanied by this Prospectus. Applicants are advised to read and understand the Prospectus before making their applications.

Step 3 : Complete the relevant Application Form

Complete the relevant Application Form legibly and **STRICTLY** in accordance with the Notes and Instructions printed on it and in this Prospectus.

(i) Personal particulars

Applicants must ensure that their personal particulars submitted in their applications are identical with the records maintained by the Bursa Depository. Applicants are required to inform the Bursa Depository promptly of any changes to their personal particulars.

For individuals who are not members of the armed forces or police, the name and national registration identity card ("**NRIC**") numbers must be the same as:

- their NRIC;
- any valid temporary identity document issued by the National Registration Department from time to time; or
- their "Resit Pengenalan Sementara (JPN KP09)" issued pursuant to Peraturan 5(5), Peraturan-Peraturan Pendaftaran Negara 1990.

For applicants who are members of the armed forces or police, their names and their armed forces or police personnel number, as the case may be, must be exactly as that stated in their authority cards.

For corporations/institutions, the name and certificate of incorporation numbers must be the same as that stated in the certificate of incorporation or the certificate of change of name, where applicable.

For non-Malaysian applicants (in the case of GREEN, BLUE and PINK Forms), the name and passport numbers must be exactly as that stated in their passports.

(ii) CDS account number

Applicants must state their CDS account numbers in the space provided in the Application Form. Invalid or third party CDS accounts will **not** be accepted.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)***(iii) Details of payment**

Applicants must state the details of their payments in the appropriate boxes provided in the Application Form.

(iv) Number of Offer Shares Applied

Applications must be for at least 100 Offer Shares or multiples of 100 Offer Shares for applicants using the GREEN, PINK and WHITE Application Forms. Applications must be for 1,000 Offer Shares for applicants using the BLUE Application Forms.

Step 4 : Prepare appropriate form of payment

Applicants must prepare the correct form of payment in RM for the FULL amount payable for the Offer Shares based on the IPO Price, which is RM5.20 per Offer Share.

Payment must be made out in favour of **"MIH SHARE ISSUE ACCOUNT NO. 475"** and crossed **"A/C PAYEE ONLY"** (excluding ATM statements) and endorsed on the reverse side with the applicant's name and address. Only the following forms of payment will be accepted:

- (i) banker's draft or cashier's order purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera applicants);
- (ii) money order or postal order (for applicants from Sabah and Sarawak only);
- (iii) Guaranteed Giro Order ("**GGO**") from Bank Simpanan Nasional Malaysia Berhad (differentiated by a special red band for Bumiputera applicants); or
- (iv) ATM statement obtained only from any of the following:
 - Affin Bank Berhad;
 - Alliance Bank Malaysia Berhad;
 - AmBank (M) Berhad;
 - CIMB Bank Berhad;
 - EON Bank Berhad;
 - Hong Leong Bank Berhad;
 - Malayan Banking Berhad;
 - Public Bank Berhad; or
 - RHB Bank Berhad;

Applications with excess or insufficient remittances or inappropriate forms of payment will not be accepted.

Step 5 : Finalise application

The Application Form with payment and a legible photocopy of the applicant's identification document (NRIC/valid temporary identity document issued by the National Registration Department/"Resit Pengenalan Sementara (JPN KP09)"/authority card for armed forces or police personnel/certificate of incorporation or certificate of change of name for corporate or institutional applicant or passport (where applicable)) and a copy of the most recent billing statement for the subscription to Maxis' services (where applicable for applicants using the GREEN or BLUE Application Forms) must be inserted into Official "A" envelope. The applicant must write his name and address on the outside of the Official "A" and "B" envelopes.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)*

The name and address written must be identical to the applicant's name and address as per his NRIC/valid temporary identity document issued by the National Registration Department/"Resit Pengenalan Sementara (JPN KP09)"/authority card for armed forces or police personnel/certificate of incorporation or the certificate of change of name for corporate or institutional applicant or passport (where applicable). Applicants using the GREEN or BLUE Application Forms who are customers of Maxis are required to include a copy of their most recent billing statement from Maxis in the Official "A" envelope.

Affix a 50 sen stamp on Official "A" envelope and insert Official "A" envelope into Official "B" envelope.

Step 6 : Submit application

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (i) despatched by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd (258345-X)
27th Floor Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
P.O. Box 13269
50804 Kuala Lumpur
Malaysia

- (ii) **DELIVERED BY HAND AND DEPOSITED** in the Drop-In Boxes provided at the back portion of Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia,

so as to arrive not later than 5.00 p.m. on 5 November 2009, or such later date or dates as the Directors, the Selling Shareholder and the Majority Joint Managing Underwriters in their absolute discretion may decide.

16.5 Procedures for applications by way of Electronic Share Applications

Only Malaysian individuals may use the Electronic Share Application to apply for the Offer Shares made available to the Malaysian public.

16.5.1 Steps for Electronic Share Application through a Participating Financial Institution's ATM

- (i) The applicant must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for Offer Shares at an ATM belonging to other Participating Financial Institutions;
- (ii) The applicant **must have a CDS account**;
- (iii) The applicant is advised to read and understand the Prospectus before making the application; and

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)*

- (iv) The applicant may apply for the Offer Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. The applicant is to submit the following information through the ATM, where the instructions on the ATM screen, require him to do so:
- Personal Identification Number (PIN);
 - MIH Share Issue Account Number No. 475;
 - CDS account number;
 - Number of Offer Shares applied for and/or the RM amount to be debited from the account; and
 - Confirmation of several mandatory statements as set out in Section 16.5.3 of this Prospectus.

16.5.2 Participating Financial Institutions

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:

- Affin Bank Berhad;
- AmBank (M) Berhad;
- Bank Muamalat Malaysia Berhad;
- CIMB Bank Berhad;
- EON Bank Berhad;
- HSBC Bank Malaysia Berhad;
- Malayan Banking Berhad;
- OCBC Bank (Malaysia) Berhad;
- RHB Bank Berhad; or
- Standard Chartered Bank Malaysia Berhad (at selected branches only).

16.5.3 Terms and Conditions of Electronic Share Applications

The procedures for Electronic Share Applications at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("**Steps**"), similar to the steps set out in Section 16.5.1 of this Prospectus. The Steps set out the actions that the applicant must take at the ATM to complete an Electronic Share Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Applications set out below before making an Electronic Share Application.

Upon the completion of the applicant's Electronic Share Application transaction at the ATM, he will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of his Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by the Company, Selling Shareholder or the Issuing House. The Transaction Record is for the applicant's retention and should not be submitted with any Application Form.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

Upon the closing of the Retail Offering on 5 November 2009 at 5.00 p.m. ("**Closing Date and Time**"), the Participating Financial Institutions shall submit their respective customers' applications for the Offer Shares to the Issuing House as soon as practicable but not later than 12.00 p.m. of the second business day after the Closing Date and Time.

The applicant shall only make 1 application and shall not make any other application for the Offer Shares under the Retail Offering to the Malaysian public, whether at the ATMs of any Participating Financial Institution or using the WHITE Application Forms.

THE APPLICANT MUST ENSURE THAT HE USES HIS OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. IF THE APPLICANT OPERATES A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION, HE MUST ENSURE THAT HE ENTERS HIS OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO HIM IN HIS OWN NAME. THE APPLICANT'S APPLICATION WILL BE REJECTED IF HE FAILS TO COMPLY WITH THE ABOVE.

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below and in Section 16.7 of this Prospectus:

- (i) The Electronic Share Application shall be made in relation to and subject to the terms of this Prospectus and the Memorandum and Articles of Association of the Company.
- (ii) The applicant is required to confirm the following statements (by pressing pre-designated keys (or buttons) on the ATM keyboard) and undertake that the following information given is true and correct:
 - (a) The applicant has attained 18 years of age as at the closing date of the share application;
 - (b) The applicant is a Malaysian citizen residing in Malaysia;
 - (c) The applicant has read the relevant Prospectus and understood and agreed with the terms and conditions of the application;
 - (d) This is the only application that the applicant is submitting; and
 - (e) The applicant hereby gives consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to himself and his account with the Participating Financial Institution and Bursa Depository to the Issuing House and other relevant authorities.

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless the applicant completes all the steps required by the Participating Financial Institutions. By doing so, the applicant shall be deemed to have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 97 of the Banking and Financial Institutions Act, 1989 and Section 45 of the SICDA to the disclosure by the relevant Participating Financial Institutions or Bursa Depository, as the case may be, of any of the applicant's particulars to the Issuing House, or any relevant regulatory bodies.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

- (iii) THE APPLICANT CONFIRMS THAT THE APPLICANT IS NOT APPLYING FOR OFFER SHARES AS A NOMINEE OF ANY OTHER PERSON AND THAT THE ELECTRONIC SHARE APPLICATION THAT THE APPLICANT MAKES IS MADE BY THE APPLICANT AS THE BENEFICIAL OWNER. THE APPLICANT SHALL ONLY MAKE 1 APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR THE OFFER SHARES UNDER THE RETAIL OFFERING TO MALAYSIAN PUBLIC, WHETHER AT THE ATMS OF ANY PARTICIPATING FINANCIAL INSTITUTION OR USING THE WHITE APPLICATION FORMS.
- (iv) The applicant must have sufficient funds in the applicant's account with the relevant Participating Financial Institution at the time the Electronic Share Application is made, failing which the Electronic Share Application will not be completed. Any Electronic Share Application, which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made will be rejected.
- (v) The applicant agrees and undertakes to purchase and to accept the number of Offer Shares applied for as stated on the Transaction Record or any lesser number of shares that may be allocated to the applicant in respect of the Electronic Share Application. In the event that the Company and Selling Shareholder decide to allocate a lesser number of such shares or not to allocate any share to the applicant, the applicant agrees to accept any such decision as final. If the Electronic Share Application is successful, the confirmation (by the applicant's action of pressing the predesignated keys (or buttons) on the ATM keyboard) of the number of Offer Shares applied for shall signify, and shall be treated as, the applicant's acceptance of the number of Offer Shares that may be allocated to the applicant and to be bound by the Memorandum and Articles of Association of the Company.
- (vi) The Issuing House on the authority of the Directors and Selling Shareholder reserves the right not to accept any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allocating the Offer Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.
- (vii) The applicant requests and authorises the Company and Selling Shareholder:
 - (a) To credit the Offer Shares allocated to the applicant into the applicant's CDS account; and
 - (b) To issue share certificate(s) representing such shares allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (viii) The applicant, acknowledging that the Electronic Share Application is subject to the risks of electrical, electronic, technical, transmission communication and computer-related faults and breakdowns, fires and other events beyond the control of the Company, Selling Shareholder, Issuing House, Bursa Depository or the Participating Financial Institution, irrevocably agrees that if:
 - (a) The Company, Selling Shareholder or the Issuing House do not receive his Electronic Share Application; or
 - (b) The data relating to the Electronic Share Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to the Company, Selling Shareholder or Issuing House,

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)*

the applicant shall be deemed not to have made an Electronic Share Application and shall not make any claim whatsoever against the Company, Selling Shareholder, Issuing House or the Participating Financial Institution for the Offer Shares applied for or for any compensation, loss or damage.

- (ix) All of the applicant's particulars in the records of the relevant Participating Financial Institution at the time of making the Electronic Share Application shall be deemed to be true and correct, and the Company, Selling Shareholder, Issuing House and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (x) The applicant shall ensure that the applicant's personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, the Electronic Share Application is liable to be rejected. The applicant must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to the registered address last maintained with Bursa Depository.
- (xi) By making and completing an Electronic Share Application, the applicant agrees that:
 - (a) In consideration of the Company and Selling Shareholder agreeing to allow and accept the making of any application for shares via the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, the applicant's Electronic Share Application is irrevocable;
 - (b) The Company, Selling Shareholder, Participating Financial Institutions, Bursa Depository and Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to the Electronic Share Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;
 - (c) Notwithstanding the receipt of any payment by or on the behalf of the Selling Shareholder, the acceptance of the applicant's offer to purchase the Offer Shares for which the Electronic Share Application has been successfully completed shall be constituted by the issue of notices of allotment in respect of the said Offer Shares;
 - (d) The applicant irrevocably authorises Bursa Depository to complete and sign on the applicant's behalf as transferee or renounce any instrument of transfer and/or other documents required for the transfer of the Offer Shares allocated to the applicant; and
 - (e) The applicant agrees that in relation to any legal action, proceedings or disputes arising out of or in relation to the contract between the parties and/or the Electronic Share Application and/or any terms herein, all rights, obligations and liabilities of the parties to the Retail Offering shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies of Malaysia and that the applicant irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (xii) The Issuing House, on the authority of the Directors and Selling Shareholder reserves the right to reject applications which do not conform to these instructions.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)*

- (xiii) A surcharge of RM2.50 per Electronic Share Application will be charged by the respective Participating Financial Institution.

16.6 Procedures for applications by way of Internet Share Applications

Only Malaysian individuals may use the Internet Share Application to apply for the Offer Shares made available to the Malaysian public.

Please read carefully and follow the terms of this Prospectus, the procedures, terms and conditions for Internet Share Application and the procedures set out on the internet financial services website of the Internet Participating Financial Institution before making an Internet Share Application.

Step 1 : Set up of account

Before making an application by way of Internet Share Application, the applicant **must have all** of the following:

- (i) an existing account with access to internet financial services with **CIMB** at www.eipocimb.com or **CIMB Bank Berhad** at www.cimbclicks.com.my or **Malayan Banking Berhad** at www.maybank2u.com.my or **RHB Bank Berhad** at www.rhbbank.com.my or **Affin Bank Berhad** at www.affinOnline.com. The applicant needs to have his user identification and PIN/password for the internet financial services facility; and
- (ii) a CDS account registered in the applicant's name (and not in a nominee's name).

Step 2 : Read the Prospectus

Applicants are advised to read and understand the Prospectus before making the application.

Step 3 : Apply through internet

The following steps for an application of the Offer Shares via Internet Share Application have been set out for illustration purposes only.

PLEASE NOTE THAT THE ACTUAL STEPS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION MAY DIFFER FROM THE STEPS OUTLINED BELOW.

- (i) Connect to the internet financial services website of the Internet Participating Financial Institution with which the applicant has an account;
- (ii) Log in to the internet financial services facility by entering the user identification and PIN/password;
- (iii) Navigate to the section of the website on applications in respect of initial public offerings;
- (iv) Select the counter in respect of the Offer Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application;
- (v) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions;

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

- (vi) At the next screen, complete the online application form;
- (vii) Check that the information contained in the online application form, such as the share counter, NRIC number, CDS account number, number of Offer Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.
- (viii) After selecting the designated hyperlink on the screen, the applicant will have to confirm and undertake that the following mandatory statements are true and correct:
 - (a) The applicant is at least 18 years of age as at the closing date of the share application;
 - (b) The applicant is a Malaysian citizen residing in Malaysia;
 - (c) The applicant has, prior to making the Internet Share Application, received and/or have had access to a printed/electronic copy of the Prospectus, the contents of which he has read and understood;
 - (d) The applicant agrees to all the terms and conditions of the Internet Share Application as set out in the Prospectus and have carefully considered the risk factors set out in the Prospectus, in addition to all other information contained in the Prospectus, before making the Internet Share Application;
 - (e) The Internet Share Application is the only application that the applicant is submitting for the Offer Shares under the offering to the Malaysian public;
 - (f) The applicant authorises the financial institution with whom the applicant has an account to deduct the full amount payable for the Offer Shares from the applicant's account with the said financial institution ("**Authorised Financial Institution**");
 - (g) The applicant gives express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 99 of the Banking and Financial Institutions Act, 1989 and Section 45 of the SICDA) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of information pertaining to the applicant, the Internet Share Application made by the applicant or the applicant's account with the Internet Participating Financial Institution, to the Issuing House and the Authorised Financial Institution, the SC and any other relevant authority;
 - (h) The applicant is not applying for the Offer Shares as a nominee of any other person and the application is made in the applicant's own name, as beneficial owner and subject to the risks referred to in this Prospectus;

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

- (i) The applicant authorises the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the Retail Offering, all information relating to the applicant if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with the Retail Offering. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by the applicant to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services;
- (ix) Upon submission of the online application form, the applicant will be linked to the website of the Authorised Financial Institution to effect the online payment for the Retail Offering;
- (x) The applicant must pay for the Offer Shares through the website of the Authorised Financial Institution, failing which the Internet Share Application is **not completed**, despite the display of the Confirmation Screen. "**Confirmation Screen**" refers to the screen which appears or is displayed on the internet financial services website, which confirms that the Internet Share Application has been completed and states the details of the applicant's Internet Share Application, including the number of Offer Shares applied for, which can be printed out by the applicant for record purposes;
- (xi) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment for the Offer Shares is being made. Subsequently, the Internet Participating Financial Institution shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website; and
- (xii) Applicants are advised to print out the Confirmation Screen for reference and retention.

16.7 Terms and conditions

- (i) The applicant is required to pay the IPO Price of RM5.20 for each Offer Share applied for.
- (ii) The applicant can submit only 1 application for the Offer Shares offered to the Malaysian public. For example, if the applicant submits an application using a WHITE Application Form, the applicant cannot submit an Electronic Share Application or Internet Share Application.

However, if an applicant has made an application using the GREEN, BLUE or PINK Application Form, he may still apply for the Offer Shares offered to the Malaysian public using the WHITE Application Form, Electronic Share Application or Internet Share Application.

Each customer, dealer or distributor who can apply for the Offer Shares using the GREEN or BLUE Application Forms can only make 1 application using the GREEN or BLUE Application Form.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)*

The Issuing House acting under the authority of the Directors and Selling Shareholder has the discretion to reject applications that appear to be multiple applications under each category of applicants. **Applicants are hereby cautioned that if the applicants submit more than 1 application in the applicants' own name or by using the name of others, with or without their consent, the applicant will be committing an offence under Section 179 of the CMSA and may be punished with a minimum fine of RM1,000,000 and a jail term of up to 10 years under Section 182 of the CMSA.**

- (iii) Each application under the GREEN, PINK AND WHITE Application Forms, Electronic Share Application and Internet Share Application must be for at least 100 Offer Shares or multiples of 100 Offer Shares. Each application under the BLUE Application Form must be for 1,000 Offer Shares.
- (iv) Each application must be made in connection with and subject to this Prospectus and the Memorandum and Articles of Association of the Company. The applicant agrees to be bound by the Memorandum and Articles of Association of the Company.
- (v) The submission of an application does not necessarily mean that the application will be successful. Any submission of application is irrevocable.
- (vi) The Company, Selling Shareholder or the Issuing House will not issue any acknowledgement of the receipt of the application or application monies.
- (vii) Applicants must ensure that the personal particulars submitted in their application and/or the personal particulars as recorded by the Internet Participating Financial Institution are correct and identical with the records maintained by the Bursa Depository. Otherwise, the application is liable to be rejected. Applicants will have to promptly notify the Bursa Depository of any change in their addresses as the notification letter of successful allocation will be sent to the applicants' registered/correspondence addresses last maintained with the Bursa Depository.
- (viii) No application shall be deemed to have been accepted by reason of the remittances having been presented for payment.

The acceptances of the applications to purchase the Offer Shares shall be constituted by the issue of notices of allotment for the Offer Shares to the applicants.

- (ix) Submission by the applicant of the applicant's CDS account number in the application includes the applicant's authority/consent in accordance with Malaysian laws of the right of the Bursa Depository, the Participating Financial Institution and Internet Participating Financial Institution (as the case may be) to disclose information pertaining to the applicant's CDS account and other relevant information to the Company, Selling Shareholder, Issuing House and any relevant authorities (as the case may be).
- (x) **The applicant agrees to accept the decision of the Company and Selling Shareholder as final should the Company and Selling Shareholder decide not to allocate any Offer Share to the applicant.**

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)*

- (xi) Additional terms and conditions for Internet Share Application are as follows:
- (a) The application will not be successfully completed and cannot be recorded as a completed application unless the applicant has completed all relevant application steps and procedures for the Internet Share Application which would result in the internet financial services website displaying the Confirmation Screen. The applicant is required to complete the Internet Share Application by the close of the Retail Offering mentioned in Section 16.1 of this Prospectus.
 - (b) The applicant irrevocably agrees and undertakes to subscribe for or purchase and to accept the number of Offer Shares applied for as stated on the Confirmation Screen or any lesser amount that may be allotted or allocated to him. The applicant's confirmation by clicking the designated hyperlink on the relevant screen of the website shall be treated as his acceptance of the number of Offer Shares allocated to him.
 - (c) The applicant requests and authorises the Selling Shareholder to credit the Offer Shares allocated to the applicant into the applicant's CDS account. The applicant authorises the share certificate(s) representing those Shares to be registered in the name of Bursa Malaysia Depository Nominees Sdn Bhd and held by Bursa Depository.
 - (d) The applicant irrevocably agrees and acknowledges that the Internet Share Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond the control of the Company, Selling Shareholder, Issuing House, Bursa Depository, the Internet Participating Financial Institution and/or the Authorised Financial Institution. If, in any such event, the Company, Selling Shareholder, Issuing House and/or the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive the Internet Share Application and/or payment, or in the event that any data relating to the Internet Share Application or the tape or any other devices containing such data is wholly or partially lost, corrupted, destroyed or otherwise not accessible for any reason, the applicant shall be deemed not to have made an Internet Share Application and shall have no claim whatsoever against the Company, Selling Shareholder, Issuing House or the Internet Participating Financial Institution and the Authorised Financial Institution.
 - (e) The applicant irrevocably authorises the Bursa Depository to complete and sign on the applicant's behalf as transferee or renounce any instrument of transfer and/or other documents required for the transfer of the Offer Shares allocated to the applicant.
 - (f) The applicant agrees that in the event of legal disputes arising from the use of Internet Share Application, the mutual rights, obligations and liabilities of the parties to the Retail Offering shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.
 - (g) The applicant shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of the Internet Share Application by the Company, Selling Shareholder, Issuing House and/or the Internet Participating Financial Institution for reasons of multiple application, suspected multiple application, inaccurate and/or incomplete details provided by the applicant, or any other cause beyond the control of the Internet Participating Financial Institution.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

- (h) The applicant is not entitled to exercise any remedy of rescission for misrepresentation at any time after the Company has accepted the applicant's Internet Share Application.
- (i) In making the Internet Share Application, the applicant has relied solely on the information contained in this Prospectus. The Company, Promoter and Selling Shareholder, Principal Adviser, Joint Managing Underwriters and any other person involved in the Retail Offering shall not be liable for any information not contained in this Prospectus which may have been relied by the applicant in making the Internet Share Application.
- (xii) IN RESPECT OF INTERNET SHARE APPLICATION, THE TERMS AND CONDITIONS OUTLINED IN THIS SECTION 16.7 OF THIS PROSPECTUS SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATION CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION. PLEASE REFER TO THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION FOR THE EXACT TERMS AND CONDITIONS AND INSTRUCTIONS.

16.8 Authority of the Directors, Selling Shareholder and Issuing House

Applicants will be selected in a manner to be determined by the Directors and Selling Shareholder. Due consideration will be given to the desirability of allocating the Offer Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.

The Issuing House, on the authority of the Directors and Selling Shareholder, reserves the right to:

- (i) reject applications which do not conform to the instructions in this Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable) or are illegible, incomplete or inaccurate;
- (ii) reject or accept any application, in whole or in part, on a non-discriminatory basis without assigning any reason therefor; and
- (iii) bank in all application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded (where applicable) without interest by registered post.

The Directors and Selling Shareholder reserve the right to require any successful applicant to appear in person at the registered office of the Issuing House within 14 days of the date of the notice issued to the successful applicant to ascertain that his application is genuine and valid. The Directors and Selling Shareholder are not responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicants for the purpose of complying with this provision.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)*

16.9 Over/Under-subscription

In the event of over-subscription in the Retail Offering, the Issuing House will conduct a ballot in the manner approved by the Directors and Selling Shareholder to determine the acceptance of applications in a fair and equitable manner. In determining the manner of balloting, the Directors and the Selling Shareholder will consider the desirability of distributing the Offer Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of the Company and establishing an adequate market in the trading of the Shares. Pursuant to the Listing Requirements, the Company needs to have a minimum of 25% of the Shares for which Listing is sought to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon completion of the IPO and at the time of Listing. In the event that the above requirement is not met, the Company may not be allowed to proceed with the Listing. In the event thereof, monies paid in respect of all applications will be returned in full without interest.

In the event of an under-subscription, subject to the clawback and reallocation as set out in Section 4.3.3 of this Prospectus, all the Offer Shares not applied for under the Retail Offering will be subscribed by the Joint Managing Underwriters pursuant to the Retail Underwriting Agreement.

16.10 Unsuccessful/Partially successful applicants

Application monies in respect of the unsuccessful/partially successful applicants will be returned without interest in the following manner.

16.10.1 For applications by way of application forms

- (i) The application monies or the balance of it, as the case may be, will be returned to applicants by ordinary post (for fully unsuccessful applications) or by registered post to the last address maintained by the applicants with the Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot.
- (ii) If the application was rejected because the applicant did not provide a CDS account number, the application monies will be sent to the applicant's address as stated in the NRIC or "Resit Pengenalan Sementara" (JPN KP09) or any valid temporary identity document issued by the National Registration Department from time to time.
- (iii) The Issuing House reserves the right to bank in all application monies from unsuccessful applicants. These monies will be refunded within 10 Market Days from the date of the final ballot by registered post to the last address maintained by the applicant with the Bursa Depository or as per item (ii) above (as the case may be).

16.10.2 For applications by way of Electronic Share Application

- (i) The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful applications within 2 Market Days after the balloting date. The application monies or the balance of it will be credited without interest into the applicant's account with the Participating Financial Institution within 2 Market Days after the receipt of confirmation from the Issuing House.
- (ii) Applicants may check their accounts on the fifth Market Day from the balloting day.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)*

- (iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by the Issuing House by way of cheques by registered post. The cheques will be issued not later than 10 Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Participating Financial Institution will arrange for a refund of the application money (or any part thereof) without interest within 10 Market Days from the date of the final ballot.

16.10.3 For applications by way of Internet Share Application

- (i) The Issuing House shall inform the Internet Participating Financial Institutions of the non-successful or partially successful application within 2 Market Days after the balloting date. The Internet Participating Financial Institution will arrange with the Authorised Financial Institution to credit the application monies or the balance of it without interest into the applicant's account with the Authorised Financial Institution within 2 Market Days after the receipt of confirmation from the Issuing House.
- (ii) Applicants may check their accounts on the fifth Market Day from the balloting day.
- (iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by the Issuing House by way of cheques by registered post. The cheques will be issued not later than 10 Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Internet Participating Financial Institution will arrange for a refund of the application money (or any part thereof) without interest within 10 Market Days from the date of the final ballot.

16.11 Successful applicants

- (i) The Offer Shares will be credited into the CDS accounts of the successful applicants. No physical share certificates will be issued to successful applicants and successful applicants shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as the Shares are listed on Bursa Securities.
- (ii) Notices of allotment will be despatched, to successful applicants at the address last maintained by the successful applicants with the Bursa Depository, at their own risk, before the Listing. This is the only acknowledgement of acceptance of the application.
- (iii) In the event that the Final IPO Price is lower than the IPO Price, the difference will be refunded without any interest thereon. The refund in the form of cheques will be despatched by ordinary post to the address stated in the Application Form or to the address as stated in Bursa Depository's records for applications made via the Electronic Share Application and Internet Share Application, of the successful applicants, within 10 Market Days from the date of final ballot of application, at the successful applicants' own risk.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**16.12 Enquiries**

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Forms	Issuing House at telephone no. 603 - 2693 2075 (10 lines)
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

Applicants may also check the status of their application on the Issuing House's website at www.mih.com.my, or by calling their respective ADA at the telephone number as stated in Section 17 of this Prospectus or the Issuing House at telephone no. 603 - 2693 2075 (10 lines) between 5 to 10 Market Days (during office hours only) after the balloting date.

16.13 List of Maxis Centres and MEPS

The GREEN and BLUE Application Forms can be obtained subject to availability from the following Maxis Centres and MEPS.

Maxis Centres**KUALA LUMPUR**

BERJAYA TIMES SQUARE
Lot 01-30 & 01-28
Berjaya Times Square
No.1 Jalan Imbi
55100 Kuala Lumpur

CHERAS
69, Jalan Manis 4
Taman Segar
Cheras
56100 Kuala Lumpur

KLCC
Maxis Centre KLCC
Ground Floor
Menara Maxis
50088 Kuala Lumpur

THE GARDENS
Lot T-231 Third Floor
The Gardens, Mid Valley
Lingkar Syed Putra
59200 Kuala Lumpur

TAMAN TUN DR ISMAIL
43, Jalan 2/71
Off Jalan Tun Mohd Fuad
Taman Tun Dr Ismail
60000 Kuala Lumpur

PAVILION
Lot 1.31, Level 1, Pavilion KL
Jalan Bukit Bintang
55100 Kuala Lumpur

SELANGOR DARUL EHSAN

KLANG
C7-1-0, Ground Floor, BBT One
Lebuh Batu Nilam 2
Bandar Bukit Tinggi
41200 Klang
Selangor Darul Ehsan

SELAYANG
Ground & 1st Floor
69, Jalan 2/3A
Pusat Bandar Utara
Off Jalan KM12
Jalan Ipoh
68100 Batu Caves
Selangor Darul Ehsan

SUNWAY PYRAMID
Lot F1.99, First Floor
Sunway Pyramid Phase 2
No.3 Jalan PJS 11/15
Bandar Sunway
46150 Petaling Jaya
Selangor Darul Ehsan

JOHOR DARUL TAKZIM

BATU PAHAT MALL
Lot G67, Batu Pahat Mall
83000 Batu Pahat
Johor Darul Takzim

DANGA BAY
Block 6-G-1, Danga Walk
Batu 41/2 Jalan Skudai
80200 Johor Darul Takzim

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**JOHOR DARUL TAKZIM (cont'd)**

TAMAN MOLEK
Ground Floor, Unit No 12 & 14
Jalan Molek 1/9
Taman Molek
81100 Johor Bahru
Johor Darul Takzim

NEGERI SEREMBAN DARUL KHUSUS

SEREMBAN
136, Jalan Tun Dr. Ismail
Seremban City Square
70200 Seremban
Negeri Seremban Darul Khusus

MELAKA

MAHKOTA PARADE
Lot G27 Mahkota Parade
No.1 Jalan Merdeka
75000 Melaka

PULAU PINANG

BAYAN BARU
Unit No 15-G-10, Block A Bayan Point
Medan Kampung Relau
11900 Pulau Pinang

NORTHAM
Unit S-1-B and Unit S-2-A, The Northam
No, 55 Jalan Sultan Ahmad Shah
10050 Pulau Pinang

PRAI
52, Jalan Todak 4
Pusat Bandar Seberang Jaya
13700 Prai
Pulau Pinang

QUEENSBAY MALL
LG05 Lower Ground Floor Queensbay Mall
100 Persiaran Bayan Indah
11900 Bayan Lepas
Pulau Pinang

KEDAH DARUL AMAN

ALOR SETAR
18D & E Wisma KURNIA
Lebuhraya Darulaman
05100 Alor Star
Kedah Darul Aman

LANGKAWI
No 1, Persiaran Mutiara
Kelana Emas
07000 Langkawi
Kedah Darul Aman

PERAK DARUL RIDZUAN

IPOH
No. 1, Persiaran Greentown 8
Greentown Business Centre
30450 Ipoh
Perak Darul Ridzuan

TAIPING
Lot 85 Jalan Taiping Utara
Taman Taiping Utara
34600 Kamunting
Perak Darul Ridzuan

PAHANG DARUL MAKMUR

KUANTAN
B-306, Jalan Beserah
25300 Kuantan
Pahang Darul Makmur

KELANTAN DARUL NAIM

KOTA BAHRU
51 & 52 Jalan Kebun Sultan
15350 Kota Bharu
Kelantan Darul Naim

SABAH

KOTA KINABALU
Lot 7, Block B, Damai Plaza Phase 3
88300 Kota Kinabalu
Sabah

WARISAN SQUARE
Lot 9, Block B, Warisan Square
88000 Kota Kinabalu
Sabah

TAWAU POP UP RETAIL
Lot C, Wisma Waqaf
Jalan Masjid, Tawau
91012 Kota Kinabalu
Sabah

SARAWAK

KUCHING
Lot 24-25 (Ground, 1st & 2nd Floor)
Al Idrus Commercial Centres
Jalan Satok
93400 Kuching
Sarawak

MIRI
No. 2377 (Ground Floor, 1st & 2nd)
and 2378 (Ground Floor)
Jalan Boulevard 1
Boulevard Commercial Centre
98000 Miri
Sarawak

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

MEPs**SELANGOR DARUL EHSAN**

ASHITA COMMUNICATION SDN BHD
200, Jalan Sultan Abdul Samad
42700 Banting
Selangor Darul Ehsan

ASHITA COMMUNICATION SDN BHD
No 26, Jalan Besar
42200 Kapar
Selangor Darul Ehsan

ASHITA COMMUNICATION SDN BHD
No.144, Persiaran Raja Muda Musa KS 04
Port Klang
42000 Pelabuhan Klang
Selangor Darul Ehsan

ASHITA COMMUNICATION SDN BHD
G13B, Ground Floor
Klang Parade, 2112 KM2
41050 Klang
Selangor Darul Ehsan

AUDIOLINK COMMUNICATIONS SDN BHD
52A, Jalan 17/9
Bandar Mahkota Cheras
43200 Cheras
Selangor Darul Ehsan

CELNET SDN BHD
12 Jalan Yong Shook Lin
46200 Petaling Jaya
Selangor Darul Ehsan

CHAU LENG ENTERPRISE
Lot 1621, Medan Sungai Besar
45300 Sungai Besar
Selangor Darul Ehsan

COMPU-COMM HOLDINGS SDN BHD
Lot No. F1.02, No. 2 Jalan Harmoni 3/KM3
Sungai Pinang
42100 Klang
Selangor Darul Ehsan

COMPU-COMM HOLDINGS SDN BHD
Tesco Kuala Selangor
No Hakmilik 41300 Lot 74, Seksyen 20
Mukim Of Bandar Kuala Selangor
45000 Kuala Selangor
Selangor Darul Ehsan

COMPU-COMM HOLDINGS SDN BHD
F3.06 Level F3, Carrefour Shopping Centre
No 3, Jalan SS16/1
47500 Subang Jaya
Selangor Darul Ehsan

ERICOM SDN BHD
No. C-19 Jalan 1/21 (Old Town)
46000 Petaling Jaya
Selangor Darul Ehsan

EVERCALL TELECOMMUNICATION
No 21, G/F, Jalan Puteri 1/4
Bandar Puteri
47100 Puchong
Selangor Darul Ehsan

SELANGOR DARUL EHSAN (cont'd)

EVERCALL TELECOMMUNICATION
Lot G-18E, Ground Floor
The Store Shopping Complex
47000 Sungai Buloh
Selangor Darul Ehsan

GENTEL COMMUNICATIONS SDN BHD
L4-30, Level 4, The Mines Shopping Fair
43300 Seri Kembangan
Selangor Darul Ehsan

GET-A-PHONE MARKETING SDN. BHD.
Lot G18F & G18G, Ground Floor, IOI Mall
Batu 9, Jalan Puchong
Bandar Puchong Jaya
47100 Puchong
Selangor Darul Ehsan

HOMESTEAD SHOP (M) SDN BHD
No 8, Jalan PJU 7/4
Mutiara Damansara (Tesco Mutiara Damansara)
47800 Petaling Jaya
Selangor Darul Ehsan

HOMESTEAD SHOP (M) SDN BHD
148-149 (Tesco Puchong)
Jalan Bandar 3, Off Jalan Puchong
Pusat Bandar Puchong
47100 Puchong
Selangor Darul Ehsan

IN COMMUNICATION SYSTEM MARKETING
G09, Aeon Jusco Bukit Tinggi Shopping Centre
Bandar Bukit Tinggi 2
41200 Klang
Selangor Darul Ehsan

IN COMMUNICATION SYSTEM MARKETING
G19 Ground Floor, Aeon Shopping Centre
2, Jalan Equine
43300 Seri Kembangan
Selangor Darul Ehsan

JIWTEK TELECENTRE SDN BHD
92 Jalan Batu Unjur
Taman Bayu Perdana
41200 Klang
Selangor Darul Ehsan

KTS COMMUNICATION SDN BHD
No 10, Jalan Kapar
41400 Klang
Selangor Darul Ehsan

KTS CELLULAR SDN BHD
Lot 1F-12, Shah Alam City Centre Mall
Jalan Perbandaran 14/9, Seksyen 14
40000 Shah Alam
Selangor Darul Ehsan

ONE TO ONE COMMUNICATIONS SDN BHD
Lot G42, Ground Floor, Selayang Mall
Jalan SU9, Taman Selayang Utama
68100 Batu Caves
Selangor Darul Ehsan

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**SELANGOR DARUL EHSAN (cont'd)**

ONE TO ONE COMMUNICATIONS SDN BHD
L2-08, Second Floor, Tropicana City Mall
No 3, Jalan 20/27
47400 Petaling Jaya
Selangor Darul Ehsan

ONE TO ONE COMMUNICATIONS SDN BHD
61 Jalan SS2/75
47300 Petaling Jaya
Selangor Darul Ehsan

ORANGE MOBILE (M) SDN BHD
No 90, Lorong Mamanda 1
Ampang Point
68000 Ampang
Selangor Darul Ehsan

P & D MOBILE CENTER SDN BHD
Lg 5, Lower Ground Floor
Plaza Metro Kajang
Jalan Tun Abdul Aziz
43000 Kajang
Selangor Darul Ehsan

PHONE STAR MARKETING SDN BHD
5 Jalan PJS 8/5
Bandar Sunway
46150 Petaling Jaya
Selangor Darul Ehsan

PLANTRONICS COMMUNICATIONS
30 Jalan Murni 25/61
Taman Sri Muda
40000 Shah Alam
Selangor Darul Ehsan

POWER VANTAGE CELLULAR SDN BHD
No 61, Ground & 1st Floor, Jalan USJ 10/1A
Taipan Triangle, UEP Subang Jaya
47620 Subang Jaya
Selangor Darul Ehsan

SPEED POWER MOBILEWORLD SDN BHD
No 41, Jalan Meranti 1A,
Bandar Utama Batang Kali
44300 Batang Kali
Selangor Darul Ehsan

SPEED POWER MOBILEWORLD SDN BHD
15 Jalan Maxwell (Masa Outlet)
48000 Rawang
Selangor Darul Ehsan

SPEED DIAL SDN BHD
Lot Lg220 Lower Ground Floor
One Utama Shopping Complex
1 Lebuhr Bandar Utama, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

TAKACOM CELLULAR SDN BHD
No A03, Lot 10243, Jalan Batu Caves
Bandar Selayang
68100 Batu Caves
Selangor Darul Ehsan

SELANGOR DARUL EHSAN (cont'd)

TAKACOM CELLULAR SDN BHD
Lot F29, Giant Hypermarket
Kota Damansara
47810 Petaling Jaya
Selangor Darul Ehsan

TAKACOM CELLULAR SDN BHD
Lot No F30, Giant Hypermarket Putra Heights
Mukim Damansara, Daerah Petaling
46150 Petaling Jaya
Selangor Darul Ehsan

TAKACOM CELLULAR SDN BHD
Lot A30, Ground Floor, Giant Hypermarket
Shah Alam, Lot 2 Persiaran Sukan, Seksyen 13
40100 Shah Alam
Selangor Darul Ehsan

YES'S COMM ENTERPRISE SDN BHD
M11, Bangi Utama Shopping Complex
No 1, Jalan Medan Bangi
(Business Park, Bangi Golf Resort)
Off Persiaran Kemajuan, Seksyen 6
43650 Bandar Baru Bangi
Selangor Darul Ehsan

KUALA LUMPUR

ACTION TELE NET CENTER SDN BHD
Lot No. G-2, Ground Floor
Hartamas Shopping Centre
No. 60, Jalan Sri Hartamas 1
50480 Kuala Lumpur

CELLTEL (M) SDN BHD
No 132, Jalan Tun Sambanthan
Brickfields
50480 Kuala Lumpur

COMPU-COMM HOLDINGS SDN BHD
Pasaraya Besar Carrefour Kepong
Level 2, Lot 9
No. 2 Jalan Metro Perdana
52100 Kuala Lumpur

COMPU-COMM HOLDINGS SDN BHD
No 9 Jalan Ambong Kiri 2
Kepong Baru
52100 Kuala Lumpur

COMPU-COMM HOLDINGS SDN BHD
F2.42, Carrefour Shopping Center
No 6, Jalan 8/27A, Seksyen 5
Wangsa Maju
53300 Kuala Lumpur

EICAS COMM (M) SDN BHD
F2.04, Ground Floor, Carrefour Shopping Centre
Endah Parade Shopping Mall
No 1, Jalan 1/149E, Taman Sri Endah
Bandar Baru Sri Petaling
52000 Kuala Lumpur

EICAS COMM (M) SDN BHD
130 Jalan Cerdas
Taman Connaught Cheras
56000 Kuala Lumpur

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**KUALA LUMPUR (cont'd)**

ERICOM SDN BHD
Unit LGF 2, Lower Ground Floor, The Sphere
No 1, Avenue 1, Bangsar South
No 8, Jalan Kerinchi
59200 Kuala Lumpur

HOMESTEAD SHOP (M) SDN BHD
Lot G22, Ground Floor Plaza Low Yat
Jalan Bukit Bintang
55100 Kuala Lumpur

HOMESTEAD SHOP (M) SDN BHD
No 2, Jalan Midah 2
Taman Midah (Tesco Cheras)
56000 Kuala Lumpur

NEFION COMMUNICATIONS CENTRE
Lot 40 Ground Floor, Pandan Kapitoh
Jalan Pandan Utama
Pandan Indah
55100 Kuala Lumpur

ONE TO ONE COMMUNICATIONS SDN BHD
Lot GC 006 Ground Floor (Near Famous Amos)
Bukit Bintang Plaza
Jalan Bukit Bintang
55100 Kuala Lumpur

ONE TO ONE COMMUNICATIONS SDN BHD
No 1 & 3, Ground Floor
Jalan Petaling
50000 Kuala Lumpur

ONE TO ONE COMMUNICATIONS SDN BHD
Lot G8, Ground Floor
Plaza OUG
Jalan Mega Tmn Overseas Union
Off Jalan Klang Lama
58200 Kuala Lumpur

ORANGE MOBILE (M) SDN BHD
8 Jalan 7/108C
Taman Sungai Besi
57100 Kuala Lumpur

ORANGE MOBILE (M) SDN BHD
F18, Level 1, Jusco Taman Maluri Shopping Center
Jalan Jejaka
Taman Maluri
Cheras
55100 Kuala Lumpur

TAKACOM CELLULAR SDN BHD
Lorong 26 B Parkson Grand
The Mall, Jalan Putra
50350 Kuala Lumpur

TAKACOM CELLULAR SDN BHD
S043B, 2nd Floor, Mid Valley Mega Mall
58000 Kuala Lumpur

THE HELLO STATION
No 10 Jalan Telawi 3
Bangsar Baru
59100 Kuala Lumpur

KUALA LUMPUR (cont'd)

WEB CATERPILLAR SDN BHD
50, Jalan 2/23A Danau Kota
Off Jalan Genting Kelang
53300 Kuala Lumpur

YES'S COMM ENTERPRISE SDN BHD
Jusco Alpha Angle Shopping Centre, F06A, 1st Floor
Jalan R1, Seksyen 1, Bandar Baru Wangsa Maju
53300 Kuala Lumpur

YES'S COMM ENTERPRISE SDN BHD
G 23 & 24, Ground Floor, Maju Junction Shopping Mall
1001, Jalan Sultan Ismail
50250 Kuala Lumpur

PUTRAJAYA

ACTION TELE NET CENTER SDN BHD
Lot G77/78, Ground Floor
Alamanda Putrajaya Shopping Centre
Jalan Alamanda Precint 1
62000 Putrajaya

KELANTAN DARUL NAIM

FONPOINT ENTERPRISE
15 Jalan Besar
17000 Pasir Mas
Kelantan Darul Naim

FONPOINT FONCARE ENTERPRISE SDN BHD
2.23A, KB Mall
Jalan Hamzah
15050 Kota Bharu
Kelantan Darul Naim

GM TELESOP & TRADING
Pt 8338, Taman Wangsa Mewangi
Bandar Baru Gua Musang
18300 Gua Musang
Kelantan Darul Naim

LAN PTR ENTERPRISE
Lot 507, Kg Daramain Perupok
16300 Bachok
Kelantan Darul Naim

LIFETIME NETWORK
Lot 51, Tanjung Chat
Jalan Pengkalan Chepa
15400 Kota Bharu
Kelantan Darul Naim

PAHANG DARUL MAKMUR

ACETECH MARKETING
No. 48 Jalan Tun Razak
27600 Raub
Pahang Darul Makmur

AZ PERMATA NETWORK
No. 1 Bangunan 36 Unit
Nadi Kota
26400 Bandar Pusat Jengka
Pahang Darul Makmur

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**PAHANG DARUL MAKMUR (cont'd)**

CELLCORP SDN BHD
Lot F/L 2A.7, Level T2A, First World Hotel
Genting Highlands Resort
69000 Genting Highlands
Pahang Darul Makmur

EXTRA CLEAR TELECOMMUNICATION
No 71, Jalan Ah Peng
B28700 entong
Pahang Darul Makmur

IMPACT TEL ENTERPRISE
68, Jalan Besar
27200 Kuala Lipis
Pahang Darul Makmur

KG LOW TRADING
No 2 Jalan Haji Kassim
28400 Mentakab
Pahang Darul Makmur

MF TELE STATION
Lot G.03, G/F
Berjaya Megamall
25000 Kuantan
Pahang Darul Makmur

SPEED COMMUNICATIONS CENTRE
6 Jalan Tun Ismail
25000 Kuantan
Pahang Darul Makmur

SPEED COMMUNICATIONS CENTRE
Lot G39, Ground Floor, Kuantan Parade
Jalan Haji Abdul Rahman
25000 Kuantan
Pahang Darul Makmur

SPEED COMMUNICATIONS CENTRE
East Cost Mall, Lot No L2-40
Jalan Putra Square 6
Putra Square
25200 Kuantan
Pahang Darul Makmur

SPEED COMMUNICATIONS CENTRE
B8 (A), Lot 5197, Jalan Tanah Putih
Seksyen 124, Mukim Kuantan
25150 Kuantan
Pahang Darul Makmur

TAKACOM CELLULAR SDN BHD
No 49, Jalan Ahmad Shah 1
Lurah Temerloh
28000 Temerloh
Pahang Darul Makmur

WW TELE COMMUNICATION ENTERPRISE
No 6, Jalan Besar
Cameron Highlands
39000 Tanah Rata
Pahang Darul Makmur

TERENGGANU DARUL IMAN

L.P COM SALES & SERVICE
201-A Jalan Sultan Zainal Abidin
20000 Kuala Terengganu
Terengganu Darul Iman

TERENGGANU DARUL IMAN (cont'd)

KNJ TELECOMMUNICATIONS
Pt 232, Jalan Kamaruddin
22000 Jerneh
Terengganu Darul Iman

TCT SALES & SERVICES SDN BHD
KCP 43, Kemaman Centre Point Fasa 1
Jalan Limbong
24000 Cukai
Terengganu Darul Iman

THE ONE MOBILE SDN BHD
G-11, Tingkat Bawah
Plaza Paya Bunga
21000 Kuala Terengganu
Terengganu Darul Iman

KEDAH DARUL AMAN

BK TELECOMMUNICATION
G 4 & 5 Ground Floor, Star Parade
Jalan Teluk Wanjah
5200 Alor Star
Kedah Darul Aman

CHAMP TRADING & COMMUNICATION SYSTEMS
GF-38 Central Square
No. 23 Jalan Kampung Baru
8000 Sungai Petani
Kedah Darul Aman

CHAMP TRADING & COMMUNICATION SYSTEMS
C67, Permatang Gedong
Taman Sejati Indah
8000 Sungai Petani
Kedah Darul Aman

CHAMP TRADING & COMMUNICATION SYSTEMS
SDN BHD
Village Mall G-K-1 Jalan Lagenda
Lagenda Heights
8000 Sungai Petani
Kedah Darul Aman

DAFCOM ENTERPRISE
Kompleks Changloon, G-11
Tingkat Bawah
6010 Universiti Utara Malaysia
Kedah Darul Aman

DAILYQUICK COMMUNICATION
Lot GOL 1 Aras Bawah Tesco Alor Star
Jalan Lebuhraya Bahiyah
5150 Alor Star
Kedah Darul Aman

GENTING NORTH TELEKOMUNIKASI
Jerai Plaza, Lot 37, No 1
Taman Jerai Maju
8300 Gurun
Kedah Darul Aman

KHAI SHAN ENTERPRISE
No 9, Lorong Mara
Pokok Sena
6400 Alor Star
Kedah Darul Aman

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**KEDAH DARUL AMAN (cont'd)**

LSY GOLD TELECOMMUNICATION SDN BHD
No 142, G/F, Jalan Simpang Kuala
Bandar Baru Simpang Kuala
5400 Alor Star
Kedah Darul Aman

MET ONE MARKETING
No 23 Kedai Belakang KFC
Jalan Pasar
9100 Baling
Kedah Darul Aman

MINITEL ENTERPRISE
G6, Pasaray Aaneke
Pekan Jitra II
6000 Jitra
Kedah Darul Aman

NETRA COMMUNICATION SDN BHD
8 Jalan Teoh Moo Soo
9000 Kulim
Kedah Darul Aman

PHONE GLOBAL ENTERPRISE
No 136, Jalan Sukamari
6700 Pendang
Kedah Darul Aman

POLYCALL SDN BHD
No 104, Jalan Pandak Mayah 5
Pekan Pandak Mayah, Kuah
7000 Langkawi
Kedah Darul Aman

RAYSON COMMUNICATION & TRADING
1F-39 Landmark Central Shopping Centre
No. 1, Jalan KLC 1
09000 Kulim
Kedah Darul Aman

SUNMERRY TOP CENTRE
4 Jalan Padang Matsirat
Padang Matsirat
Langkawi
7000 Kedah Darul Aman

PERAK DARUL RIDZUAN

ADVANCED SME SOLUTION PROVIDER
No 19, G/F, Jalan Ipoh
31100 Sungai Siput
Perak Darul Ridzuan

AST MOBILE PHONE CELULLAR
No 46, Jalan Besar
34350 Kuala Kurau
Perak Darul Ridzuan

B S COMMUNICATION ENTERPRISE
No 156, Jalan Siakap
34300 Bagan Serai
Perak Darul Ridzuan

D THREE MOBILE ENTERPRISE
184, Jalan Tun Saban
33300 Gerik
Perak Darul Ridzuan

PERAK DARUL RIDZUAN (cont'd)

D THREE MOBILE ENTERPRISE
70B, Jalan Kuala Kangsar
33000 Kuala Kangsar
Perak Darul Ridzuan

E COM CENTRE
No 22 Jalan Mahsuri
Taman Wira Bandar
35800 Slim River
Perak Darul Ridzuan

EXCLUSIVE TELECOMMUNICATION SDN BHD
Lot G43A Kinta City Shopping Centre
Jalan Teh Lian Swee
Off Jalan Sultan Azlan Shah
31400 Ipoh
Perak Darul Ridzuan

EXCLUSIVE TELECOMMUNICATION SDN BHD
12 Ground Floor, Jalan Balai
31900 Kampar
Perak Darul Ridzuan

FIVE STAR MOBILE ENTERPRISE
G 29, G/F, Taiping Sentral
Jalan Istana Larut
34000 Taiping
Perak Darul Ridzuan

FIVE STAR MOBILE ENTERPRISE
76C Tingkat Bawah
Jalan Tupai
34000 Taiping
Perak Darul Ridzuan

GOLDEN EAGLE TELECOMM ENTERPRISE
21, Jalan Raja
Tapah Perak
35000 Tapah
Perak Darul Ridzuan

KEDAI TELEKOMUNIKASI YU YEE
No. 49, Sungai Batu
34900 Pantai Remis
Perak Darul Ridzuan

MEGA-STAR ENTERPRISE
111, Jalan Taiping
34200 Parit Buntar
Perak Darul Ridzuan

METRO COMM MARKETING ENTERPRISE
35, Lebuhr Dewangsa
31000 Batu Gajah
Perak Darul Ridzuan

METRO COMM MARKETING ENTERPRISE
71, Jalan Sultan Abdul Jalil
30300 Ipoh
Perak Darul Ridzuan

MILLION TELE-COMMUNICATION SDN BHD
28 Ground Floor, Medan Sibilin
30300 Ipoh
Perak Darul Ridzuan

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

PERAK DARUL RIDZUAN (cont'd)

MILLION TELE-COMMUNICATION SDN BHD
No 80, Jalan Kampar
30250 Ipoh
Perak Darul Ridzuan

NSS AUTOMATION TRADING
174-G PT 17634
Jalan Intan 3, Bandar Baru
36000 Teluk Intan
Perak Darul Ridzuan

NSS AUTOMATION TRADING
183, Taman Sitiawan Maju
Jalan Lumut
32000 Sitiawan
Perak Darul Ridzuan

PUSAT KOMUNIKASI TM
No 13, Jalan Bunga Raya
35900 Tanjong Malim
Perak Darul Ridzuan

QQ KEDAI TELEKOMUNIKASI
13, Jalan Panggung Wayang
35500 Bidor
Perak Darul Ridzuan

STAPLE TRADING
No 68, Jalan Besar
31450 Menglembu
Perak Darul Ridzuan

YTS ENTERPRISE
Lot G5, Ground Floor
Billion Shopping Complex
No 2477 Taman Samudera
32040 Seri Manjung
Perak Darul Ridzuan

PERLIS INDRA KAYANGAN

EASYRING TRADING SDN BHD
No 11 Jalan Syed Hussien
2600 Arau
Perlis Indra Kayangan

EASYRING TRADING SDN BHD
8, Jalan Selampit
1000 Kangar
Perlis Indra Kayangan

PULAU PINANG

AIR TELECOMMUNICATION ENTERPRISE
No 34, Jalan Murni 1
Desa Murni Sungai Dua
13800 Butterworth
Pulau Pinang

CABLECOM ENTERPRISE
332G-1 Jalan Perak
Georgetown
11600 Pulau Pinang
Pulau Pinang

PULAU PINANG (cont'd)

CABLEMASTER ENTERPRISE
3A-G-32 & 33, Kompleks Bukit Jambul
Jalan Rumbia, Sg. Nibong Kecil
11900 Bayan Lepas
Pulau Pinang

E-COMMUNICATION SDN BHD
288D-1-3, Fortune Court
Jalan Thean Teik
11500 Ayer Itam
Pulau Pinang

E-COMMUNICATION SDN BHD
396, Jalan Besar Tun Sardon
11000 Balik Pulau
Pulau Pinang

LBL MULTI TRADING
No 1, Jalan Keruing
Kawasan Perniagaan Simpang Ampat
14100 Simpang Ampat
Pulau Pinang

MEGA-STAR ENTERPRISE
Megamal Pinang Lot G 10 Ground Floor
FT 1 2828 Jalan Baru
13600 Perai
Pulau Pinang

MEGA-STAR ENTERPRISE
SK1-SK4, 2nd Floor, Sunway Carnival Shopping Mall
Seberang Jaya
13700 Perai
Pulau Pinang

NORTHERN POINT CELLULAR & ACCESSORIES
Aeon Seberang Perai City Shopping Centre
G25, G/F, Bandar Perda
14000 Bukit Mertajam
Pulau Pinang

NORTHERN POINT CELLULAR &
ACCESSORIES
Lot 1-2-08, Tesco Penang
1, Lebuhr Tengku Kudin
Bandar Jelutong
11700 Gelugor
Pulau Pinang

NORTHERN POINT CELLULAR &
ACCESSORIES
G33-34, Ground Floor, Prangin Mall-Komtar
Jalan Dr Lim Chwee Leong
10100 Pulau Pinang

NORTHERN POINT CELLULAR &
ACCESSORIES
170-3-15 Persiaran Gurney
3rd Floor Gurney Plaza
10250 Pulau Pinang

OPTIMUS ENTERPRISE
No 1205, Jalan Datuk Haji Ahmad Badawi
13200 Kepala Batas
Pulau Pinang

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**PULAU PINANG (cont'd)**

RAYSON COMMUNICATION & TRADING
Lot K, G/F, Tesco Extra Sungai Dua
11700 Gelugor
Pulau Pinang

RAYSON COMMUNICATION & TRADING
6965, Jalan Ong Yi How
12300 Butterworth
Pulau Pinang

SUPER ENTERPRISE
2A-6 Ground Floor
Jalan Gamelan Indah
Taman Gamelan Indah
Sg Bakap
14200 Sungai Jawi
Pulau Pinang

TELE-WAY ENTERPRISE
No 3742, Jalan Nuri
Taman Sentosa
14300 Nibong Tebal
Pulau Pinang

WEELY ENTERPRISE
No 1824-G2, Jalan Perusahaan
Highway Auto City North South
13600 Perai
Pulau Pinang

WEELY ENTERPRISE
1385 Ground Floor, Jalan Padang Lallang
14000 Taman Mutiara, Bukit Mertajam
Pulau Pinang

WEELY ENTERPRISE
3086, Jalan Rozhan, Pusat Perniagaan
Taman Rozhan
14000 Bukit Mertajam
Pulau Pinang

SABAH

ATURFAX MARKETING & SERVICES
No.2902, Ground Floor,
Jalan Perbandaran Karim Estate
91000 Tawau
Sabah

CDJ TELECOMMUNICATION SERVICES
Ground Floor, Block 3, Lot 6, Bandar Indah
Mile 5, P.O.Box : 1294, Sandakan
Sandakan
90714 Sabah

MY MOBILE COMMUNICATION SDN BHD
1 FA & 1 FB
1st Floor Centre Point
Kota Kinabalu
88000 Sabah

LABUAN

LABUAN PHONE SHOP SDN BHD
Uo413 Ground Floor
Jalan Bunga Dahlia
Wilayah Persekutuan
87000 Labuan

SARAWAK

DES COMMUNICATION SDN BHD
No 20, Ground Floor
Tabuan Jaya Commercial Centre
93350 Kuching
Sarawak

ERITEL TELECOMMUNICATIONS (CENTRAL
PARK) SDN BHD
No. 234, Lot 2596, Central Park Commercial Centre
3rd Mile, 93250 Kuching
Sarawak

ERITEL TELECOMMUNICATIONS CO
Ground Floor, Shop Lot 1555
40, Jalan Keranji
96000 Sibul
Sarawak

METEOR TRADING CO
G.10B, Ground Floor, Kenyalang Theatre &
Commercial
Complex, Kenyalang Park
93300 Kuching
Sarawak

MOBILE 2000
Lot 3743, Ground Floor
Jalan Bintulu-Miri
Medan Jaya Commercial Centre
97000 Bintulu
Sarawak

RITA AGENCY SDN BHD
L1-05, Dubs Comm/Office Complex
Lot 376 Section 54
93100 Kuching
Sarawak

JOHOR DARUL TAKZIM

ASIATEL TECHNOLOGY SDN BHD
No 1, Jalan Sialang
84900 Tangkak
Johor Darul Takzim

CINITRON TELE & ELECTRIC
166, Jalan Besar
83700 Yong Peng
Johor Darul Takzim

CINITRON TELE & ELECTRIC
10, Jalan Dato Rauf
86000 Kluang
Johor Darul Takzim

CINITRON TELE & ELECTRIC
F14, 1st Floor Kluang Parade
No 2 Jalan Sentol
86000 Kluang
Johor Darul Takzim

COSMOS COMMUNICATIONS
Lot-Gb5, Ground Floor
88 Jalan Bakau Condong
83000 Batu Pahat
Johor Darul Takzim

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**JOHOR DARUL TAKZIM (cont'd)**

DENWAKI TRADING
No 60, Jalan Tengah
Bukit Bakri
84200 Muar
Johor Darul Takzim

FRIENDSHIP TELECOMMUNICATION SDN BHD
40, Jalan Perwira 1
Taman Ungku Tun Aminah
Skudai
81300 Johor Bahru
Johor Darul Takzim

GALAXY PHONE (M) SDN BHD
A9 Giant Hypermarket Tampoi
Lot 54, Jalan Skudai
Tampoi
81200 Johor Bahru
Johor Darul Takzim

G-ONE COMMUNICATION SDN BHD
7, Jalan Suria 3
Bandar Baru Seri Alam
81750 Masai
Johor Darul Takzim

IN COMMUNICATION SYSTEM MARKETING
151 Jalan Sutera
Taman Sentosa
80150 Johor Bahru
Johor Darul Takzim

IN COMMUNICATION SYSTEM MARKETING
S48 2nd Floor, Jusco Aeon Shopping Centre
Taman Bukit Indah
81200 Johor Bahru
Johor Darul Takzim

LE VANTAGE CELLULAR COMMUNICATION S/B
Lot B16, Giant Plentong Hypermarket
Jalan Masai Lama
81750 Masai
Johor Darul Takzim

LE VANTAGE CELLULAR COMM SDN BHD
G43 Ground Floor, Tesco Desa Tebrau
HS (D) 439286, Lot Ptd 140212, Mukim Tebrau
81100 Johor Bahru
Johor Darul Takzim

LE VANTAGE CELLULAR COMM SDN BHD
9, Jalan Permas 10/1
Bandar Baru Permas Jaya
81100 Johor Bahru
Johor Darul Takzim

LT PHONE CENTRE
78 Jalan Omar
Muar
84150 Parit Jawa
Johor Darul Takzim

M TEL MOBILE & SERVICES
No 18, Jalan Dedap 20
Taman Johor Jaya
81100 Johor Bahru
Johor Darul Takzim

JOHOR DARUL TAKZIM (cont'd)

MU COMMUNICATIONS CENTRE
SH47, Jalan Besar
81500 Pekan Nenas
Johor Darul Takzim

NET TWO COMMUNICATIONS
No. 10, Jalan Kasih 1
Taman Kasih
86200 Simpang Rengam
Johor Darul Takzim

SEGAMAT TIAN HUAT SDN BHD
104 Jalan Genuang
Susur Satu, Segamat
85000 Segamat
Johor Darul Takzim

SEGAMAT TIAN HUAT SDN BHD
9 Jalan Syed Abdul Kadir
Susur Satu, Segamat
85000 Segamat
Johor Darul Takzim

SHINING TELECOMMUNICATION SDN BHD
Lot 1.23, Plaza Pelangi
Jalan Kuning
Taman Pelangi
80400 Johor Bahru
Johor Darul Takzim

SHINING TELECOMMUNICATION SDN BHD
Lot JK2-05, Level 2
Johor Bahru City Square
80000 Johor Bahru
Johor Darul Takzim

SHINING TELECOMMUNICATION SDN BHD
L2-211/212, Sutera Mall
Jalan Sutera Tanjung 8/4
Taman Sutera Utama
81300 Johor Bahru
Johor Darul Takzim

SHINING TELECOMMUNICATION SDN BHD
Lot M41, Tesco Kulai
No 52, Taman Desamas
Bt 22 1/2, Jalan Kulai Air Hitam
81000 Kulai
Johor Darul Takzim

SHINING TELECOMMUNICATION SDN BHD
G 63 Ground Floor, IOI Mall Bandar Putra
Lebuh Putra Utama
Bandar Putra
81000 Kulai
Johor Darul Takzim

STAR FIVE MOBILE PHONE
No 9 Jalan Bistari 4/1
Taman Yayasan
85000 Segamat
Johor Darul Takzim

STEVEN TELE-WORLD CENTRE SDN BHD
75-3 Jalan Arab
84000 Muar
Johor Darul Takzim

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**JOHOR DARUL TAKZIM (cont'd)**

SUPERIOR MOBILE SDN BHD
22A Jalan Kundang 4
Taman Bukit Pasir
83000 Batu Pahat
Johor Darul Takzim

SUPERIOR MOBILE SDN BHD
No 2, Jalan 4, Taman Kristal 2
86400 Parit Raja
Johor Darul Takzim

SUPERIOR MOBILE (PONTIAN) SDN BHD
182 Jalan Bakek
82000 Pontian
Johor Darul Takzim

T & T TELECOMMUNICATIONS
No 1, Jalan Gambir 5
Bandar Baru Bukit Gambir
84800 Bukit Gambir
Johor Darul Takzim

UTAMA MOBILEWORLD (M) SDN BHD
19, Jalan Kebudayaan
Taman Universiti
Skudai
81300 Johor Bahru
Johor Darul Takzim

UTAMA MOBILEWORLD (M) SDN BHD
13, Jalan Niaga Utama
81900 Kota Tinggi
Johor Darul Takzim

YES TEleshop
No 47, Jalan Intan 2/2
Taman Intan
86000 Kluang
Johor Darul Takzim

WH TOP ENTERPRISE
31, Jalan Abu Bakar
86800 Mersing
Johor Darul Takzim

MELAKA

B JAYA TELECOMMUNICATIONS
SU 1441, Jalan Masjid Tanah Ria Utama
Taman Masjid, Tanah Ria
Masjid Tanah
78300 Melaka

MIX MOBILE TELECOMMUNICATIONS (M)SDN
BHD
10, Jalan Delima Raya 1
Taman Delima Raya
Bukit Baru
75150 Melaka

STEVEN TELE-WORLD CENTRE SDN BHD
Lot G15, G/F, Kompleks Melaka Mall
Leboh Ayer Keroh
Air Keroh
75450 Melaka

MELAKA (cont'd)

STEVEN TELE-WORLD CENTRE SDN BHD
FG-27, G/F, Dataran Pahlawan Melaka Megamall
Jalan Merdeka, Bandar Hilir
75000 Melaka

WEE SHIEN SDN BHD
G8, Block Dahlia
Jalan Zahir 6
Taman Malim Jaya
75300 Melaka

WEE SHIEN SDN BHD
No 32, Jalan Merdeka
Taman Melaka Raya
75000 Melaka

NEGERI SEMBILAN DARUL KHUSUS

IN COMMUNICATION SYSTEM MARKETING
F47, Jusco Seremban 2 Shopping Centre
70300 Seremban
Negeri Sembilan Darul Khusus

MIX MOBILE TELECOMMUNICATIONS (M) SDN
BHD
No 1956, Jalan Besar
Tampin Pos
73000 Tampin
Negeri Sembilan Darul Khusus

NANG HONG COMM SDN BHD
PT 7458(G) Jalan BBN 1/1A
Putra Point Phase 1
71800 Nilai
Negeri Sembilan Darul Khusus

NANG HONG COMM SDN BHD
No 129, Jalan Dato' Bandar Tunggal
70000 Seremban
Negeri Sembilan Darul Khusus

PD TELE-ZONE
No 37, Raja Aman Shah
71000 Port Dickson
Negeri Sembilan Darul Khusus

SEGAMAT TIAN HUAT SDN BHD
No 1, Jalan Batu Anam
73400 Gemas
Negeri Sembilan Darul Khusus

VS COM SDN BHD
Lot 08, 1st Floor, Terminal 1
Shopping Centre
20B Jalan Lintang
70200 Seremban
Negeri Sembilan Darul Khusus

UNI PACIFIC
117-G, Jalan Taman Komersial Senawang 6
Taman Komersial Senawang
70400 Seremban
Negeri Sembilan Darul Khusus

17. LIST OF ADAs

List of Authorised Depository Agents

Name	Address and telephone number	Broker code
KUALA LUMPUR		
A.A. ANTHONY SECURITIES SDN BHD	N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Telephone no.: +603 6201 1155	078-004
AFFIN INVESTMENT BANK BERHAD	Ground Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Telephone no. : +603 2143 8668	028-001
ALLIANCE INVESTMENT BANK BERHAD	No. 8, Jalan Binjai Off Jalan Ampang 50450 Kuala Lumpur Telephone no.: +603 2166 7922	076-001
AMINVESTMENT BANK BERHAD	15th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Telephone no.: +603 2078 2788	086-001
BIMB SECURITIES SDN BHD	1st & 2nd Floor Podium Block, AMDB Building No. 1, Jalan Lumut 50400 Kuala Lumpur Telephone no.: +603 4043 3533	024-001
CIMB INVESTMENT BANK BERHAD	9th Floor, Commerce Square Jalan Semantan, Damansara Heights 50490 Kuala Lumpur Telephone no.: +603 2084 9999	065-001
ECM LIBRA INVESTMENT BANK BERHAD	3rd Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Telephone no.: +603 2178 1888	052-001
ECM LIBRA INVESTMENT BANK BERHAD	Level 1, Avenue Building Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Telephone no.: +603 2089 1800	052-009
HONG LEONG INVESTMENT BANK BERHAD <i>(formerly known as HLG Securities Sdn Bhd)</i>	Level 8, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Telephone no.: +603 2168 1168	066-001

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
KUALA LUMPUR (cont'd)		
HWANGDBS INVESTMENT BANK BERHAD	2nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Telephone no.: +603 7710 6688	068-009
HWANGDBS INVESTMENT BANK BERHAD	Nos. 34-5, 36-5, 38-5, 40-5, 42-5 & 44-5 5th Floor, Cheras Commercial Centre Jalan 5/101C Off Jalan Kaskas, 5th Mile Cheras 56100 Kuala Lumpur Telephone no.: +603 9130 3399	068-012
HWANGDBS INVESTMENT BANK BERHAD	7th, 22nd, 23rd & 23A Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Telephone no.: +603 2711 6888	068-014
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Telephone no.: +603 2117 1888	054-001
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor, 7-0-8 Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Telephone no.: +603 7984 7796	054-003
INTER-PACIFIC SECURITIES SDN BHD	Stesyen Minyak SHELL Jalan 1/116B, Off Jalan Kuchai Lama Kuchai Entrepreneur Park 58200 Kuala Lumpur Telephone no.: +603 7981 8811	054-005
JUPITER SECURITIES SDN BHD	7th-9th Floor, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Telephone no.: +603 2034 1888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11th-14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Telephone no.: +603 2168 8800	053-001
KENANGA INVESTMENT BANK BERHAD	8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Telephone no.: +603 2164 9080	073-001

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
KUALA LUMPUR (cont'd)		
KENANGA INVESTMENT BANK BERHAD	No. 57-10, Level 10 The Boulevard, Mid Valley City Lingkaran Syed Putra 59000 Kuala Lumpur Telephone no.: +603 2287 1799	073-015
MAYBANK INVESTMENT BANK BERHAD (formerly known as Aseambankers Malaysia Berhad)	5-13 Floor, Maybanlife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Telephone no.: +603 2297 8888	098-001
M & A SECURITIES SDN BHD	Level 1-2, No. 45 & 47 The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Telephone no.: +603 2282 1820	057-002
MERCURY SECURITIES SDN BHD	Lot 6-05, Level 6 Tower Block, Menara Milenium 8, Jalan Damanlela, Bukit Damansara 50490 Kuala Lumpur Telephone no.: +603 2094 2828	093-002
MIDF AMANAH INVESTMENT BANK BERHAD	11th & 12th Floor, Menara MIDF 82 Jalan Raja Chulan 50200 Kuala Lumpur Telephone no.: +603 2173 8888	026-001
MIMB INVESTMENT BANK BERHAD	Level 18, Menara EON Bank 288, Jalan Raja Laut 50350 Kuala Lumpur Telephone no.: +603 2691 0200	061-001
OSK INVESTMENT BANK BERHAD	20th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Telephone no.: +603 2333 8333	056-001
OSK INVESTMENT BANK BERHAD	No. 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Telephone no.: +603 6257 5869	056-028
OSK INVESTMENT BANK BERHAD	Ground Floor No. M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Telephone no.: +603 4280 4798	056-054

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
KUALA LUMPUR (cont'd)		
OSK INVESTMENT BANK BERHAD	Ground, 1st, 2nd & 3rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Telephone no.: +603 9058 7222	056-058
PM SECURITIES SDN BHD	Ground, Mezzanine, 1st & 10th Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Telephone no.: +603 2146 3000	064-001
PUBLIC INVESTMENT BANK BERHAD	27th Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Telephone no.: +603 2031 3011	051-001
RHB INVESTMENT BANK BERHAD	Level 9, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Telephone no.: +603 9287 3888	087-001
TA SECURITIES HOLDINGS BERHAD	Floor 13-16, 23, 28-30, 34 & 35 Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Telephone no.: +603 2072 1277	058-003
SELANGOR DARUL EHSAN		
AFFIN INVESTMENT BANK BERHAD	2nd, 3rd & 4th Floor Wisma Amsteel Securities No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Telephone no.: +603 3343 9999	028-002
AFFIN INVESTMENT BANK BERHAD	Lot 229, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7729 8016	028-003
AFFIN INVESTMENT BANK BERHAD	No. 1, Jalan 52/16 46200 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7955 3281	028-004

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
SELANGOR DARUL EHSAN (cont'd)		
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7710 6613	086-003
HONG LEONG INVESTMENT BANK BERHAD <i>(formerly known as HLG Securities Sdn Bhd)</i>	1st, 2nd & 3rd Floor Plaza Damansara Utama No. 2, Jalan SS21/60 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7729 7345	066-002
HWANGDBS INVESTMENT BANK BERHAD	16th, 18th-20th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Telephone no.: +603 5513 3288	068-002
HWANGDBS INVESTMENT BANK BERHAD	East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Telephone no.: +603 5635 6688	068-010
INTER-PACIFIC SECURITIES SDN BHD	No. 77 & 79, Jalan 2/3A Pusat Bandar Utara KM12, Jalan Ipoh Selayang 68100 Batu Caves Selangor Darul Ehsan Telephone no.: +603 6137 1888	054-006
JF APEX SECURITIES BERHAD	6th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Telephone no.: +603 8736 1118	079-001
JF APEX SECURITIES BERHAD	15th & 16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7620 1118	079-002

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
SELANGOR DARUL EHSAN (cont'd)		
KENANGA INVESTMENT BANK BERHAD	13th Floor, Menara Yayasan Selangor No. 18A, Jalan Persiaran Barat Off Jalan Timur 46000 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7956 2169	073-005
KENANGA INVESTMENT BANK BERHAD	1st Floor, Wisma UEP Pusat Perniagaan USJ 10 Jalan USJ 10/1A 47620 Subang Jaya Selangor Darul Ehsan Telephone no.: +603 8024 1682	073-006
KENANGA INVESTMENT BANK BERHAD	Suite 7.02, Level 7, Menara ING Intan Millenium Square No. 68, Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Telephone no.: +603 3005 7550	073-007
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7725 9095	073-016
OSK INVESTMENT BANK BERHAD	24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7873 6366	056-011
OSK INVESTMENT BANK BERHAD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Telephone no.: +603 8736 3378	056-045
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Telephone no.: +603 6092 8916	056-047
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Telephone no.: +603 3343 9180	056-048

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
SELANGOR DARUL EHSAN (cont'd)		
PM SECURITIES SDN BHD	No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Telephone no.: +603 8070 0773	064-003
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Telephone no.: +603 3341 5300	064-007
SJ SECURITIES SDN BHD	Level 3, Holiday Villa No. 9, Jalan SS 12/1, Subang Jaya 47500 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 5634 0202	096-001
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Telephone no.: +603 8025 1880	058-005
MELAKA		
CIMB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No : +606 2898 800	065-006
ECM LIBRA INVESTMENT BANK BERHAD	71A & 73A, Jalan Merdeka Taman Melaka Raya 75000 Melaka Telephone no.: +606 2881 720	052-008
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang, P. O. Box 248 75250 Melaka Telephone no.: +606 3371 533	012-001
MERCURY SECURITIES SDN BHD	No. 81-B & 83-B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Telephone no.: +606 2921 898	093-003
OSK INVESTMENT BANK BERHAD	579, 580 & 581 Taman Melaka Raya 75000 Melaka Telephone no.: +606 2825 211	056-003

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
MELAKA (cont'd)		
PM SECURITIES SDN BHD	No. 11 & 13, Jalan PM2 Plaza Mahkota 75000 Melaka Telephone no.: +606 2866 008	064-006
RHB INVESTMENT BANK BERHAD	Lot 7-13 & 15, 1st Floor Tabung Haji Building Jalan Bandar Kaba 75000 Melaka Telephone no.: +606 2833 622	087-002
PERAK DARUL RIDZUAN		
A.A. ANTHONY SECURITIES SDN BHD	29G, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : +605 6232 328	078-009
ALLIANCE INVESTMENT BANK BERHAD	No. 43 & 44, Ground Floor Taman Sentosa, Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Telephone no.: +605 6910 910	076-008
ECM LIBRA INVESTMENT BANK BERHAD	No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2422 828	052-002
ECM LIBRA INVESTMENT BANK BERHAD	No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Telephone no.: +605 6222 828	052-006
HWANGDBS INVESTMENT BANK BERHAD	Ground, Level 1, 2 & 3 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Telephone no.: +605 8066 688	068-003
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2559 988	068-015
HONG LEONG INVESTMENT BANK BERHAD (formerly known as HLG Securities Sdn Bhd)	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2530 888	066-003

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
PERAK DARUL RIDZUAN (cont'd)		
MAYBANK INVESTMENT BANK BERHAD (formerly known as Aseambankers Malaysia Berhad)	B-G-04 (Ground Floor), Level 1 & 2 No.42 Persiaran Greentown 1 Pusat Perdagangan Greentown 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2453 400	098-002
M & A SECURITIES SDN BHD	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Telephone no.: +605 2419 800	057-001
OSK INVESTMENT BANK BERHAD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2415 100	056-002
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 17, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Telephone no.: +605 6236 498	056-014
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Telephone no.: +605 6921 228	056-016
OSK INVESTMENT BANK BERHAD	Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Telephone no.: +605 8088 229	056-034
OSK INVESTMENT BANK BERHAD	72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Telephone no.: +605 4651 261	056-044
OSK INVESTMENT BANK BERHAD	Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Telephone no.: +605 7170 888	056-052

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
PERAK DARUL RIDZUAN (cont'd)		
TA SECURITIES HOLDINGS BERHAD	Ground, 1st & 2nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Telephone no.: +605 2531 313	058-001
PULAU PINANG		
A.A. ANTHONY SECURITIES SDN BHD	1st, 2nd & 3rd Floor Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Telephone no.: +604 2299 318	078-002
A.A. ANTHONY SECURITIES SDN BHD	Ground & 1st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Telephone no.: +604 5541 388	078-003
ALLIANCE INVESTMENT BANK BERHAD	Suite 2.1 & 2.4, Level 2 Wisma Great Eastern No. 25, Lebu Light 10200 Penang Telephone no.: +604 2611 688	076-015
AMINVESTMENT BANK BERHAD	Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2261 818	086-004
CIMB INVESTMENT BANK BERHAD	Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2385 900	065-003
ECM LIBRA INVESTMENT BANK BERHAD	No. 111, Jalan Macalister 10400 Pulau Pinang Telephone no.: +604 2281 868	052-003
ECM LIBRA INVESTMENT BANK BERHAD	7th Floor, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2283 355	052-010
HWANGDBS INVESTMENT BANK BERHAD	Level 2, 3, 4, 7 & 8, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Telephone no.: +604 2636 996	068-001

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
PULAU PINANG (cont'd)		
HWANGDBS INVESTMENT BANK BERHAD	No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Telephone no.: +604 5372 882	068-006
INTER-PACIFIC SECURITIES SDN BHD	Ground, Mezzanine & 8th Floor Bangunan Mayban Trust No. 3, Penang Street 10200 Pulau Pinang Telephone no.: +604 2690 888	054-002
KENANGA INVESTMENT BANK BERHAD	Lot 1.02, Level 1, Menara KWSP 38, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2106 666	073-013
MERCURY SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Pulau Pinang Telephone no.: +604 3322 123	093-001
MERCURY SECURITIES SDN BHD	2nd Floor, Standard Chartered Bank Chambers 2 Lebuhr Pantai 10300 Pulau Pinang Telephone no.: +604 2639 118	093-004
OSK INVESTMENT BANK BERHAD	64, Bishop Street 20E, 20F & 20G, Penang Street 10200 Pulau Pinang Telephone no.: +604 2634 222	056-004
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Prai Pulau Pinang Telephone no.: +604 3900 022	056-005
OSK INVESTMENT BANK BERHAD	Ground & Upper Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Telephone no.: +604 5402 888	056-015

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
PULAU PINANG (cont'd)		
OSK INVESTMENT BANK BERHAD	834, Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Telephone no.: +604 5831 888	056-032
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5 & 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Telephone no.: +604 6404 888	056-042
PM SECURITIES SDN BHD	Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2273 000	064-004
PERLIS INDRA KAYANGAN		
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Podium Block KWSP Building 01000 Kangar Perlis Indra Kayangan Telephone no.: +604 9765 200	076-003
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Telephone no.: +604 9793 888	056-061
KEDAH DARUL AMAN		
A.A. ANTHONY SECURITIES SDN BHD	Lot 4, 5 & 5A 1st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Telephone no.: +604 7322 111	078-007
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Telephone no.: +604 7317 088	076-004
HWANGDBS INVESTMENT BANK BERHAD	No. 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Telephone no.: +604 4256 666	068-011

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
KEDAH DARUL AMAN (cont'd)		
OSK INVESTMENT BANK BERHAD	No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Telephone no.: +604 4204 888	056-017
OSK INVESTMENT BANK BERHAD	35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Telephone no.: +604 4964 888	056-019
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Telephone no.: +604 7209 888	056-021
NEGERI SEMBILAN DARUL KHUSUS		
ECM LIBRA INVESTMENT BANK BERHAD	1C-1 & 1D-1, First Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Telephone no.: +606 7655 998	052-013
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7612 288	068-007
HWANGDBS INVESTMENT BANK BERHAD	No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Telephone no.: +606 4553 188	068-013
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7641 641	056-024
OSK INVESTMENT BANK BERHAD	1st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Telephone no.: +606 4421 000	056-037

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
NEGERI SEMBILAN DARUL KHUSUS (cont'd)		
OSK INVESTMENT BANK BERHAD	1st & 2nd Floor No. 168, Jalan Mewah (Pusat Perniagaan UMNO Bahagian Jempol) 72100 Bahau Negeri Sembilan Darul Khusus Telephone no.: +606 4553 014	056-040
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 346 & 347, Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Telephone no.: +606 6461 234	056-046
PM SECURITIES SDN BHD	1st, 2nd & 3rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7623 131	064-002
JOHOR DARUL TAKZIM		
A.A. ANTHONY SECURITIES SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Telephone no.: +607 3332 000	078-001
A.A. ANTHONY SECURITIES SDN BHD	42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Telephone no.: +607 6636 658	078-005
A.A. ANTHONY SECURITIES SDN BHD	No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Telephone no.: +607 3513 218	078-006
ALLIANCE INVESTMENT BANK BERHAD	No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Telephone no.: +607 7717 922	076-006
AMINVESTMENT BANK BERHAD	2nd & 3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4342 282	086-002

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM (cont'd)		
AMINVESTMENT BANK BERHAD	18th Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Telephone no.: +607 3343 855	086-006
ECM LIBRA INVESTMENT BANK BERHAD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Telephone no.: +606 9532 222	052-004
ECM LIBRA INVESTMENT BANK BERHAD	Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Telephone no.: +607 4678 885	052-005
HWANGDBS INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Telephone no.: +607 2222 692	068-004
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Telephone no.: +607 2231 211	054-004
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Telephone no.: +607 3333 600	073-004
KENANGA INVESTMENT BANK BERHAD	No. 31, Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Telephone no.: +606 9542 711	073-008
KENANGA INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Telephone no.: +607 9333 515	073-009
KENANGA INVESTMENT BANK BERHAD	No. 33 & 35 (Ground & 1st Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Telephone no.: +607 7771 161	073-010

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM (cont'd)		
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Telephone no.: +606 9782 292	073-011
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17, Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Telephone no.: +607 3316 992	093-005
MIMB INVESTMENT BANK BERHAD	Suite 25.02, Level 25 Johor Bahru City Square (Office Tower) No. 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Telephone no.: +607 2227 388	061-002
OSK INVESTMENT BANK BERHAD	6th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Telephone no.: +607 2788 821	056-006
OSK INVESTMENT BANK BERHAD	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4380 288	056-009
OSK INVESTMENT BANK BERHAD	No. 33-1, 1st & 2nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Telephone no.: +606 9538 262	056-025
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Telephone no.: +607 5577 628	056-029
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Telephone no.: +607 9321 543	056-030

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM (cont'd)		
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 17, Jalan Manggis 86000 Kluang Johor Darul Takzim Telephone no.: +607 7769 655	056-031
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Telephone no.: +607 6626 288	056-035
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Telephone no.: +606 9787 180	056-038
OSK INVESTMENT BANK BERHAD	1st Floor, No. 2 & 4 Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Telephone no.: +607 9256 881	056-039
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 1 & 1-01, Jalan Rosmerah 2/11 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Telephone no.: +607 3522 293	056-043
PM SECURITIES SDN BHD	Suite 5.1, Level 5, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Telephone no.: +607 2781 813	064-005
PM SECURITIES SDN BHD	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4333 608	064-008
PAHANG DARUL MAKMUR		
ALLIANCE INVESTMENT BANK BERHAD	A-397, A-399 & A-401 Taman Sri Kuantan III, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Telephone no.: +609 5660 800	076-002

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
PAHANG DARUL MAKMUR (cont'd)		
ECM LIBRA INVESTMENT BANK BERHAD	B62, Ground Floor Lorong Tun Ismail 8, Sri Dagangan II 25000 Kuantan Pahang Darul Makmur Telephone no.: +609 5133 289	052-007
OSK INVESTMENT BANK BERHAD	B2 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Telephone no.: +609 5173 811	056-007
OSK INVESTMENT BANK BERHAD	Ground Floor 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Telephone no.: +609 2234 943	056-022
OSK INVESTMENT BANK BERHAD	Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Telephone no.: +605 4914 913	056-041
KELANTAN DARUL NAIM		
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Telephone no.: +609 7430 077	056-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Telephone no.: +609 7432 288	058-004
TERENGGANU DARUL IMAN		
ALLIANCE INVESTMENT BANK BERHAD	No. 1D, Ground & Mezzanine No. 1E, Ground, Mezzanine 1st & 2nd Floor, Jalan Air Jerneh 20300 Kuala Terengganu Terengganu Darul Iman Telephone no.: +609 6317 922	076-009
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Telephone no.: +609 6238 128	021-001

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
TERENGGANU DARUL IMAN (cont'd)		
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Telephone no.: +609 8583 109	056-027
OSK INVESTMENT BANK BERHAD	31A, Ground Floor 31A & 31B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Telephone no.: +609 6261 816	056-055
SARAWAK		
AMINVESTMENT BANK BERHAD	No. 164, 166 & 168 1st, 2nd & 3rd Floor Jalan Abell 93100 Kuching Sarawak Telephone no.: +6082 244 791	086-005
CIMB INVESTMENT BANK BERHAD	Level 1, Wisma STA 26, Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Telephone no.: +6082 358 606	065-004
HWANGDBS INVESTMENT BANK BERHAD	Lot 328, Jalan Abell 93100 Kuching Sarawak Telephone no.: +6082 236 999	068-005
HWANGDBS INVESTMENT BANK BERHAD	No. 282, 1st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Telephone no.: +6086 330 008	068-016
KENANGA INVESTMENT BANK BERHAD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Telephone no.: +6085 435 577	073-002
KENANGA INVESTMENT BANK BERHAD	Level 5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Telephone no.: +6082 338 000	073-003

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
SARAWAK (cont'd)		
KENANGA INVESTMENT BANK BERHAD	No. 11-12 (Ground & 1st Floor) Lorong Kampung Datu 3 96000 Sibu Sarawak Telephone no.: +6084 313 855	073-012
OSK INVESTMENT BANK BERHAD	Ground, 1st & 6th Floor Wisma Chinese Chambers Lot 357, Section 47, K.T.L.D. Jalan Bukit Mata Kuching 93100 Kuching Sarawak Telephone no.: +6082 422 252	056-008
OSK INVESTMENT BANK BERHAD	Lot 1268, 1st & 2nd Floor Lot 1269, 2nd Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Telephone no.: +6085 422 788	056-012
OSK INVESTMENT BANK BERHAD	101 & 102, Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Telephone no.: +6084 329 100	056-013
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Telephone no.: +6084 654 100	056-050
OSK INVESTMENT BANK BERHAD	Ground Floor No. 177, Taman Sri Dagang 97000 Bintulu Sarawak Telephone no.: +6086 311 770	056-053
TA SECURITIES HOLDINGS BERHAD	12G, H & I Jalan Kampong Datu 96000 Sibu Sarawak Telephone no.: +6084 319 998	058-002
TA SECURITIES HOLDINGS BERHAD	2nd Floor, (Bahagian Hadapan) Bangunan Binamas, Lot 138 Section 54, Jalan Pandung 93100 Kuching Sarawak Telephone no.: +6082 236 333	058-006

17. LIST OF ADAs (cont'd)

Name	Address and telephone number	Broker code
SABAH		
CIMB INVESTMENT BANK BERHAD	1st & 2nd Floor Central Building No.28, Jalan Sagunting 88000 Kota Kinabalu Sabah Telephone no.: +6088 313 836	065-005
ECM LIBRA INVESTMENT BANK BERHAD	Aras 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Telephone no.: +6088 236 188	052-012
HWANGDBS INVESTMENT BANK BERHAD	Suite 1-9-E1, 9th Floor, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Telephone no.: +6088 311 688	068-008
INNOSABAH SECURITIES BERHAD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Telephone no.: +6088 234 090	020-001
OSK INVESTMENT BANK BERHAD	5th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamunsing 88000 Kota Kinabalu Sabah Telephone no.: +6088 269 788	056-010
OSK INVESTMENT BANK BERHAD	Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Telephone no.: +6089 229 286	056-057