



Financial Statements

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directors' report

for the Financial Year Ended 31 December 2005

DIRECTORS' REPORT

The Directors hereby submit their Report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of a holder of investments and a provider of services to its subsidiaries. The principal activities of the Group are that of a telecommunications provider for mobile, fixed and international gateway services. Details of the principal activities of the subsidiaries are shown in Note 17 to the financial statements.

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit after tax	1,639,739	1,067,158
Minority interest	34,566	—
Net profit for the financial year	1,674,305	1,067,158

DIVIDENDS

The dividends on ordinary shares paid or declared by the Company since the end of the previous financial year were as follows:

	RM'000
In respect of the financial year ended 31 December 2004 as shown in the Directors' Report of that year, adjusted for the actual number of shares in issue as at the entitlement dates:	
- Fourth interim gross dividend of 6.94 sen per ordinary share, less Malaysian income tax at 28%, paid on 31 March 2005	123,931
- Final dividend of 10.00 sen per ordinary share, tax exempt and 8.33 sen per ordinary share, less Malaysian income tax at 28%, paid on 6 July 2005	396,933
	520,864
In respect of the financial year ended 31 December 2005:	
- First interim gross dividend of 10.42 sen per ordinary share, less Malaysian income tax at 28%, paid on 30 June 2005	186,137
- Second interim gross dividend of 10.42 sen per ordinary share, less Malaysian income tax at 28%, paid on 30 September 2005	187,249
- Third interim gross dividend of 10.42 sen per ordinary share, less Malaysian income tax at 28%, paid on 30 December 2005	187,534
	560,920

directors' report

for the Financial Year Ended 31 December 2005 (continued)

DIVIDENDS (continued)

The Directors have declared in respect of the financial year ended 31 December 2005, a fourth interim gross dividend of 10.42 sen per ordinary share, less Malaysian income tax at 28%, amounting to RM187,559,000 which was paid on 31 March 2006.

The Directors now recommend the payment of a final gross dividend of 16.67 sen per ordinary share, less Malaysian income tax at 28%, amounting to RM300,059,000 subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company, which will be paid on a date to be determined.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

SHARE CAPITAL

During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 2,475,755,000 ordinary shares of RM0.10 each to 2,499,988,000 ordinary shares of RM0.10 each by the issuance of 24,233,000 new ordinary shares for cash pursuant to the exercise of options under the Employee Share Option Scheme at exercise prices of between RM4.36 and RM8.13 per ordinary share.

These new ordinary shares issued during the financial year ranked pari passu in all respects with the existing issued shares of the Company.

EMPLOYEE SHARE OPTION SCHEME

The Employee Share Option Scheme ("ESOS") was implemented on 1 July 2002 for the benefit of eligible employees and full-time Executive Directors of the Group and of the Company. The ESOS is for a period of ten years for which it is governed by the ESOS Bye-Laws. The ESOS Bye-Laws were amended and restated on 7 June 2004.

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

Details of the ESOS are set out in Note 27(b) to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in this Report the names of employees who have been granted options in aggregate of less than 150,000 options during the financial year.

directors' report

for the Financial Year Ended 31 December 2005 (continued)

EMPLOYEE SHARE OPTION SCHEME (continued)

The names of employees who have been granted options in aggregate of 150,000 options or more during the financial year are as follows:

Name of Employee	Number of options granted '000
Y. Bhg. Dato' Jamaludin bin Ibrahim	496 ⁽¹⁾
Gregory John Drayton	267 ⁽²⁾
Rossana Annizah binti Ahmad Rashid	189 ⁽²⁾
Chow Chee Yan	158 ⁽²⁾
Tan Lay Han	158 ⁽²⁾
Rolf Sverre Marthinusen	150 ⁽³⁾
	1,418

The options over shares were granted pursuant to the ESOS and entitled the employees to subscribe for new ordinary shares of RM0.10 each at the following exercise price:

⁽¹⁾ RM8.69 per ordinary share.

⁽²⁾ RM8.74 per ordinary share.

⁽³⁾ RM8.54 per ordinary share.

DIRECTORS

The Directors who have held office during the period since the date of the last report are as follows:

Y. Bhg. Tan Sri Dato' Megat Zaharuddin bin Megat Mohd Nor

Y.A.M. Dato' Seri Syed Anwar Jamalullail

The Lord Killearn

Augustus Ralph Marshall

Tan Poh Ching

Y. Bhg. Dato' Jamaludin bin Ibrahim

Chan Chee Beng

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than for options over shares granted by the Company to eligible employees including eligible Executive Directors of the Group and of the Company pursuant to the ESOS.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 8 to the financial statements or the fixed salary of an Executive Director of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

directors' report

for the Financial Year Ended 31 December 2005 (continued)

DIRECTORS' INTERESTS IN SHARES

According to the register of Directors' shareholdings, the interests of the Directors who held office at the end of the financial year in shares and options over shares in the Company are as follows:

	Number of ordinary shares of RM0.10 each in the Company			
	As at 1.1.2005 '000	Bought '000	Sold '000	As at 31.12.2005 '000
Direct interest				
Y.A.M. Dato' Seri Syed Anwar Jamalullail	9	—	—	9
The Lord Killearn	100	—	—	100 ⁽¹⁾
Augustus Ralph Marshall	500	—	—	500 ⁽²⁾
Tan Poh Ching	500	—	—	500 ⁽³⁾
Chan Chee Beng	500	6	—	506
Y. Bhg. Dato' Jamaludin bin Ibrahim	350 ⁽⁴⁾	750	(350)	750 ⁽⁵⁾

⁽¹⁾ 85,000 ordinary shares of RM0.10 each are held through a nominee, namely, HSBC Nominees (Asing) Sdn. Bhd. and 15,000 ordinary shares of RM0.10 each are registered in own name.

⁽²⁾ The entire 500,000 ordinary shares of RM0.10 each are held through a nominee, namely, CIMSEC Nominees (Tempatan) Sdn. Bhd.

⁽³⁾ The entire 500,000 ordinary shares of RM0.10 each are held through a nominee, namely, RHB Capital Nominees (Tempatan) Sdn. Bhd.

⁽⁴⁾ 150,000 ordinary shares of RM0.10 each are held through a nominee, namely, RHB Capital Nominees (Tempatan) Sdn. Bhd. and 200,000 ordinary shares of RM0.10 each are held through a nominee, namely, Citicorp Nominees (Tempatan) Sdn. Bhd.

⁽⁵⁾ 100,000 ordinary shares of RM0.10 each are held through a nominee, namely, RHB Capital Nominees (Tempatan) Sdn. Bhd., 500,000 ordinary shares of RM0.10 each are held through a nominee, namely, Citicorp Nominees (Tempatan) Sdn. Bhd. and 150,000 ordinary shares of RM0.10 each are registered in own name.

directors' report

for the Financial Year Ended 31 December 2005 (continued)

DIRECTORS' INTERESTS IN SHARES (CONTINUED)

Number of options over ordinary shares of RM0.10 each in the Company

	As at 1.1.2005 '000	Granted '000	Exercised '000	Lapsed '000	As at 31.12.2005 '000
Y. Bhg. Dato' Jamaludin bin Ibrahim	2,866 ⁽¹⁾	496 ⁽²⁾	(750) ⁽³⁾	—	2,612

The options were granted pursuant to the Company's ESOS and entitled Y. Bhg. Dato' Jamaludin bin Ibrahim to subscribe for new ordinary shares of RM0.10 each in the Company at the following exercise price:

- ⁽¹⁾ 2,193,578, 368,000 and 304,000 options over ordinary shares at RM4.36, RM5.13 and RM8.15 per ordinary share respectively.
- ⁽²⁾ RM8.69 per ordinary share.
- ⁽³⁾ RM4.36 per ordinary share.

Other than those disclosed above, and according to the Register of Directors' shareholdings, none of the other Directors in office at the end of the financial year held any interest in shares and options over shares in the Company or shares and options over shares of its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company have been written down to amounts which they might be expected so to realise.

At the date of this Report, the Directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations when they fall due.

directors' report

for the Financial Year Ended 31 December 2005 (continued)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (continued)

At the date of this Report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

At the date of this Report, the Directors are not aware of any circumstances not otherwise dealt with in this Report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this Report is made.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 25 April 2006.

TAN SRI DATO' MEGAT ZAHARUDDIN BIN MEGAT MOHD NOR
CHAIRMAN

DATO' JAMALUDIN BIN IBRAHIM
DIRECTOR

Kuala Lumpur

income statements

for the Financial Year Ended 31 December 2005

		Group		Company	
	Note	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Revenue	6	6,370,805	5,689,011	1,507,793	1,149,076
Interconnect expenses, Universal Service Provision contributions and direct cost of sales		(1,794,078)	(1,411,631)	—	—
Gross profit		4,576,727	4,277,380	1,507,793	1,149,076
Other operating income		5,165	3,593	3,062	4,703
Administrative expenses		(1,209,336)	(1,131,056)	(25,773)	(20,210)
Network operation costs		(903,541)	(813,207)	—	—
Other operating expenses		(18,975)	(20,991)	(124)	(564)
Profit from operations	7	2,450,040	2,315,719	1,484,958	1,133,005
Finance income / (cost) (net)	10	29,535	(14,011)	7,896	9,133
Integration cost		—	36,107	—	—
Profit before taxation		2,479,575	2,337,815	1,492,854	1,142,138
Taxation	11	(839,836)	(740,674)	(425,696)	(248,329)
Profit after taxation		1,639,739	1,597,141	1,067,158	893,809
Minority interest		34,566	370	—	—
Net profit		1,674,305	1,597,511	1,067,158	893,809
Earnings per share:					
- Basic (sen)	12	67.33	64.83		
- Diluted (sen)	12	66.82	64.22		
Gross dividend per share (sen)	13	58.35	46.09	58.35	46.09

The notes on pages 86 to 133 form part of these financial statements

balance sheets

as at 31 December 2005

	Note	Group		Company	
		2005	2004	2005	2004
		RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	14	4,503,866	4,250,092	14,148	32,280
Intangible assets	15	1,260,470	1,158,454	—	—
Investments in subsidiaries	16	—	—	1,340,947	1,340,030
Loan to a subsidiary	16	—	—	532,010	—
Other investment	18	3,804	3,804	3,804	3,804
Deferred tax assets	19	187,100	326,600	—	—
		5,955,240	5,738,950	1,890,909	1,376,114
CURRENT ASSETS					
Inventories	20	63,045	113,713	—	—
Debtors	21	595,661	555,700	19,097	5,360
Tax recoverable		27,017	20,747	2,652	7,540
Amounts due from related parties	22	1,590	4,730	3	1,723
Amounts due from subsidiaries	16	—	—	1,863,656	2,780,236
Loans to subsidiaries	16	—	—	338,500	96,667
Deposits with licensed banks	23	3,415,509	2,172,457	1,600,600	196,510
Cash and bank balances		61,617	65,814	1,652	1,853
		4,164,439	2,933,161	3,826,160	3,089,889
CURRENT LIABILITIES					
Provisions for liabilities and charges	24	70,381	89,308	—	—
Creditors	25	2,295,860	2,271,250	47,082	13,340
Amounts due to related parties	22	32,109	17,292	13,877	4,311
Amounts due to subsidiaries	16	—	—	897,344	599,316
Borrowings	26	264,349	190,000	262,946	—
Taxation		82,256	171	560	—
		2,744,955	2,568,021	1,221,809	616,967
NET CURRENT ASSETS		1,419,484	365,140	2,604,351	2,472,922
NON-CURRENT LIABILITIES					
Creditors	25	16,101	75,396	—	—
Borrowings	26	537,625	418,000	532,010	—
Loan from a related party	22	24,269	—	—	—
Deferred tax liabilities	19	474,239	239,409	—	—
		1,052,234	732,805	532,010	—
		6,322,490	5,371,285	3,963,250	3,849,036

balance sheets

as at 31 December 2005 (continued)

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
CAPITAL AND RESERVES				
Share capital	249,999	247,576	249,999	247,576
Share premium	3,502,872	3,376,455	3,502,872	3,376,455
Capital redemption reserve	890	890	—	—
Currency translation differences	(9,724)	—	—	—
Proposed dividend reserve	487,618	520,511	487,618	520,511
Retained earnings/(accumulated losses)	1,851,012	1,225,598	(277,239)	(295,506)
SHAREHOLDERS' EQUITY	6,082,667	5,371,030	3,963,250	3,849,036
MINORITY INTEREST	239,823	255	—	—
TOTAL EQUITY	6,322,490	5,371,285	3,963,250	3,849,036

The notes on pages 86 to 133 form part of these financial statements.

statements of changes in equity

for the Financial Year Ended 31 December 2005

	Note	Issued and fully paid ordinary shares of RM0.10 each		Non-distributable		Distributable		Total RM'000
		Number of shares '000	Nominal value RM'000	Share premium RM'000	Capital redemption reserve RM'000	Proposed dividend reserve RM'000	Retained earnings RM'000	
Group								
As at 1 January 2004		2,457,661	245,766	3,293,948	890	491,532	518,790	4,550,926
Issue of ordinary shares:								
– 18,094,000 ordinary shares of RM0.10 each pursuant to the ESOS		18,094	1,810	82,507	–	–	–	84,317
Net profit		–	–	–	–	–	1,597,511	1,597,511
Dividends for the financial year ended 31 December 2003								
– Interim		–	–	–	–	(245,766)	(2)	(245,768)
– Final		–	–	–	–	(245,766)	(22)	(245,788)
Dividends for the financial year ended 31 December 2004								
– First interim	13	–	–	–	–	–	(122,924)	(122,924)
– Second interim	13	–	–	–	–	–	(123,471)	(123,471)
– Third interim	13	–	–	–	–	–	(123,773)	(123,773)
Transfer to proposed dividend reserve for the financial year ended 31 December 2004								
– Fourth interim	13	–	–	–	–	123,931	(123,931)	–
– Proposed final	13	–	–	–	–	396,580	(396,580)	–
As at 31 December 2004		2,475,755	247,576	3,376,455	890	520,511	1,225,598	5,371,030

statements of changes in equity

for the Financial Year Ended 31 December 2005 (continued)

Note	Issued and fully paid ordinary shares of RM0.10 each		Non-distributable			Distributable		Total RM'000
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Capital redemption reserve RM'000	Currency translation differences RM'000	Proposed dividend reserve RM'000	Retained earnings RM'000	
Group								
As at 1 January 2005	2,475,755	247,576	3,376,455	890	–	520,511	1,225,598	5,371,030
Issue of ordinary shares:								
– 24,233,000 ordinary shares of RM0.10 each pursuant to the ESOS	24,233	2,423	126,417	–	–	–	–	128,840
Currency translation differences	–	–	–	–	(9,724)	–	–	(9,724)
Net profit	–	–	–	–	–	–	1,674,305	1,674,305
Dividends for the financial year ended 31 December 2004								
– Fourth Interim	13	–	–	–	–	(123,931)	–	(123,931)
– Final	13	–	–	–	–	(396,580)	(353)	(396,933)
Dividends for the financial year ended 31 December 2005								
– First interim	13	–	–	–	–	–	(186,137)	(186,137)
– Second interim	13	–	–	–	–	–	(187,249)	(187,249)
– Third interim	13	–	–	–	–	–	(187,534)	(187,534)
Transfer to proposed dividend reserve for the financial year ended 31 December 2005								
– Fourth interim	13	–	–	–	–	187,559	(187,559)	–
– Proposed final	13	–	–	–	–	300,059	(300,059)	–
As at 31 December 2005	2,499,988	249,999	3,502,872	890	(9,724)	487,618	1,851,012	6,082,667

The notes on pages 86 to 133 form part of these financial statements.

statements of changes in equity

for the Financial Year Ended 31 December 2005 (continued)

		Issued and fully paid ordinary shares of RM 0.10 each			Non-distributable	Distributable		
	Note	Number of shares '000	Nominal value RM'000	Share premium RM'000	Capital redemption reserve RM'000	Proposed dividend reserve RM'000	Accumulated losses RM'000	Total RM'000
Company								
As at 1 January 2004		2,457,661	245,766	3,293,948	—	491,532	(298,612)	3,732,634
Issue of ordinary shares:								
– 18,094,000 ordinary shares of RM0.10 each pursuant to the ESOS		18,094	1,810	82,507	—	—	—	84,317
Net profit		—	—	—	—	—	893,809	893,809
Dividends for the financial year ended 31 December 2003								
– Interim		—	—	—	—	(245,766)	(2)	(245,768)
– Final		—	—	—	—	(245,766)	(22)	(245,788)
Dividends for the financial year ended 31 December 2004								
– First interim	13	—	—	—	—	—	(122,924)	(122,924)
– Second interim	13	—	—	—	—	—	(123,471)	(123,471)
– Third interim	13	—	—	—	—	—	(123,773)	(123,773)
Transfer to proposed dividend reserve for the financial year ended 31 December 2004								
– Fourth interim	13	—	—	—	—	123,931	(123,931)	—
– Proposed final	13	—	—	—	—	396,580	(396,580)	—
As at 31 December 2004		2,475,755	247,576	3,376,455	—	520,511	(295,506)	3,849,036

		Issued and fully paid ordinary shares of RM 0.10 each			Non-distributable	Distributable		
	Note	Number of shares '000	Nominal value RM'000	Share premium RM'000	Capital redemption reserve RM'000	Proposed dividend reserve RM'000	Accumulated losses RM'000	Total RM'000
Company								
As at 1 January 2005		2,475,755	247,576	3,376,455	—	520,511	(295,506)	3,849,036
Issue of ordinary shares:								
– 24,233,000 ordinary shares of RM0.10 each pursuant to the ESOS		24,233	2,423	126,417	—	—	—	128,840
Net profit		—	—	—	—	—	1,067,158	1,067,158
Dividends for the financial year ended 31 December 2004								
– Fourth Interim	13	—	—	—	—	(123,931)	—	(123,931)
– Final	13	—	—	—	—	(396,580)	(353)	(396,933)
Dividends for the financial year ended 31 December 2005								
– First interim	13	—	—	—	—	—	(186,137)	(186,137)
– Second interim	13	—	—	—	—	—	(187,249)	(187,249)
– Third interim	13	—	—	—	—	—	(187,534)	(187,534)
Transfer to proposed dividend reserve for the financial year ended 31 December 2005								
– Fourth interim	13	—	—	—	—	187,559	(187,559)	—
– Proposed final	13	—	—	—	—	300,059	(300,059)	—
As at 31 December 2005		2,499,988	249,999	3,502,872	—	487,618	(277,239)	3,963,250

The notes on pages 86 to 133 form part of these financial statements.

cash flow statements

for the Financial Year Ended 31 December 2005

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit	1,674,305	1,597,511	1,067,158	893,809
Adjustments for:				
Bad debts written off	26,269	60,311	–	–
Depreciation of property, plant and equipment	890,830	766,723	3,364	4,349
Dividend income	–	–	(1,507,793)	(1,149,076)
Loss/(gain) on disposal of property, plant and equipment	2,053	(1,515)	(1,063)	(311)
Finance (income)/(cost) (net)	(29,535)	14,011	(7,896)	(9,133)
(Write-back of allowance)/allowance (net) for:				
– doubtful debts	(12,756)	(35,571)	–	–
– inventories' obsolescence	(3,570)	33,197	–	–
– impairment loss on subsidiaries	–	–	23	–
– impairment loss on property, plant and equipment	(20,499)	–	4,651	–
Taxation	839,836	740,674	425,696	248,329
Amortisation of intangible assets	146,192	133,215	–	–
Property, plant and equipment written off	49,041	381	–	–
Provision/(write-back of provision) (net) for:				
– staff incentive scheme	10,692	32,767	–	–
– site rectification works	5,416	(35,335)	–	–
– network construction cost and settlements	(5,200)	(13,022)	–	–
Unrealised (gain)/loss on foreign exchange	(11,918)	(857)	(3,054)	2
Gain on deemed disposal of a subsidiary	–	(208)	–	–
Minority interest share in results of a subsidiary company	(34,566)	(370)	–	–
	3,526,590	3,291,912	(18,914)	(12,031)
Changes in working capital:				
Decrease in inventories	54,480	17,801	–	–
(Increase)/decrease in debtors	(30,982)	76,447	(11,969)	(871)
(Decrease)/increase in creditors	(78,948)	(71,915)	933	(289,993)
Decrease/(increase) in related parties	17,957	(2,893)	11,286	(7,710)
Decrease in intercompany balances	–	–	446,394	186,818
Cash flow from operations	3,489,097	3,311,352	427,730	(123,787)
Interest received	72,733	44,787	7,303	8,639
Taxation paid	(392,414)	(104,683)	(1,120)	(582)
Taxation refund	2,723	–	2,723	–
Payments under staff incentive scheme	(26,016)	(24,275)	–	–
Payments of network construction cost and settlements	–	(2,735)	–	–
Payment under site rectification works	(3,819)	(10,291)	–	–
Dividends received	–	–	1,111,622	881,400
Net cash flow from operating activities	3,142,304	3,214,155	1,548,258	765,670

cash flow statements

for the Financial Year Ended 31 December 2005 (continued)

		Group		Company	
	Note	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(1,145,960)	(1,081,539)	(1,478)	(10,086)
Proceeds from disposal of property, plant and equipment		33,029	1,565	12,658	311
Subscription of shares in subsidiaries	17	—	—	(940)	(2,523)
Acquisition of subsidiaries	30	7,143	—	—	—
Partial payment of the 3G spectrum assignment license fees in Malaysia		(8,000)	(8,000)	—	—
Purchase of other investment	18	—	(3,804)	—	(3,804)
Net cash flow from investing activities		(1,113,788)	(1,091,778)	10,240	(16,102)
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of borrowings		988,010	—	988,010	—
Repayment of borrowings		(828,558)	(114,000)	(190,000)	—
Loan from a related party		24,269	—	—	—
Interest paid		(41,680)	(60,490)	(22,413)	(14)
Syndicated loans documentation fees paid		(5,708)	(172)	(4,795)	—
Dividends paid		(1,054,251)	(861,724)	(1,054,251)	(861,724)
Proceeds from issuance of shares pursuant to ESOS		128,840	84,317	128,840	84,317
Proceeds from issuance of shares to minority interest		—	833	—	—
Net cash flow from financing activities		(789,078)	(951,236)	(154,609)	(777,421)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,239,438	1,171,141	1,403,889	(27,853)
EFFECTS OF EXCHANGE RATE CHANGES		(583)	—	—	—
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		2,238,271	1,067,130	198,363	226,216
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	28	3,477,126	2,238,271	1,602,252	198,363

The notes on pages 86 to 133 form part of these financial statements.

notes to the financial statements

31 December 2005

1 GENERAL INFORMATION

The principal activities of the Company are that of a holder of investments and a provider of services to its subsidiaries. The principal activities of the Group are that of a telecommunications provider for mobile, fixed and international gateway services. Details of the principal activities of the subsidiaries are shown in Note 17 to the financial statements.

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

The Group had, as at 31 December 2005, 2,955 (2004: 2,765) employees comprising 2,779 (2004: 2,666) permanent employees and 176 (2004: 99) contract staff with at least two years service contract.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad.

The address of the registered office of business of the Company is as follows:

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

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

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

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The significant financial risks in which the Group is exposed to arising from its business activities are mainly currency exchange, credit and interest rate risks. Straightforward derivative financial instruments are utilised by the Group to achieve greater certainty of future costs and fair value. The Group does not enter into derivative financial instruments for trading purposes.

(a) Currency Exchange Risk Management

The objectives of the Group's foreign exchange policies are to allow the Group to effectively manage exposures that may arise from operating activities within a framework of controls that minimise short term impact of foreign currency fluctuations. Forward foreign exchange contracts are used to manage foreign exchange exposures arising from all known material foreign currency commitments as and when they arise and in accordance with the Group's guidelines.

(b) Credit Risk Management

The Group is 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 Group's policy of selecting creditworthy counter parties.

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

All of its deposits are placed with financial institutions that are under the supervision of Bank Negara Malaysia.

notes to the financial statements

31 December 2005 (continued)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest Rate Risk Management

The Group's exposure to interest rate risk arise predominantly from assets and liabilities bearing variable interest rates. The Group's policy is to monitor the interest rate and take appropriate action where necessary. Straightforward interest rate swaps are used to manage interest rate fluctuations arising from loan commitments in accordance with the Group's guidelines.

3 BASIS OF ACCOUNTING

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies. The financial statements comply with MASB approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

The preparation of financial statements in conformity with MASB approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 requires the use of 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 financial statements, and the reported amounts of revenues and expenses during the reported financial year. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Basis of consolidation

The Group financial statements include the financial statements of the Company and its subsidiaries for the entire financial year. Subsidiaries in this instance are those corporations or entities in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities. Subsidiaries are consolidated using the acquisition method of accounting. Under this method, the results of subsidiaries acquired or disposed during the financial year are included in the consolidated income statement from the date of acquisition or the date in which control is transferred to the Group, or up to the date of their disposal or the date in which control ceases.

At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The excess of the cost of acquisition over the fair value of the Group's share of the subsidiaries' identifiable net assets at the date of acquisition is reflected as goodwill on consolidation. Goodwill is included in the balance sheet as an intangible asset. See accounting policy Note 4(t) on intangible assets.

Minority interest is measured at the minority's share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree. Separate disclosure is made of minority interest.

All intragroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

The gain or loss on disposal of a subsidiary is the difference between the net disposal proceed and the Group's share of its net assets.

notes to the financial statements

31 December 2005 (continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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.

Freehold land is stated at cost less impairment losses and is not depreciated as it has an infinite life.

Leasehold land is amortised in equal instalments over the period of the lease on a straight line method to their residual values, summarised as follows:

Long term leasehold land	60 - 96 years
Short term leasehold land	37 - 50 years

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

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	50 years
Telecommunications equipment	4 - 12 years
Submarine cables (included within telecommunications equipment)	10 - 25 years
Motor vehicles	5 years
Office furniture, fittings and equipment	5 - 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.

Included in telecommunications equipment are identifiable and unique costs associated with computer software programmes which are used by the Group which will probably generate economic benefits exceeding the costs beyond one financial year.

At each balance sheet date, the Group assesses 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 4(v) on impairment of assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in profit/(loss) from operations.

Repairs and maintenance are charged to the income statement during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

(c) Income taxes

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits and real property gains taxes payable on disposal of properties.

Deferred tax is 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.

notes to the financial statements

31 December 2005 (continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Income taxes (continued)

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

Tax rates enacted or substantially enacted by the balance sheet date are used to determine deferred tax.

(d) Foreign currencies

(i) Reporting currency

The financial statements are presented in Ringgit Malaysia.

(ii) Foreign entities

The Group's foreign entities are those operations that are not an integral part of the operations of the Company. Income statements of foreign entities are translated into Ringgit Malaysia at average exchange rates for the period and the balance sheets are translated at exchange rate ruling at the balance sheet date. Exchange differences arising from the retranslation of the net investment in foreign entities are taken to 'Currency translation differences' in shareholders' equity. On disposal of the foreign entity, such translation differences are recognised in the income statement as part of the gain or loss on disposal.

(iii) Foreign currency transactions and balances

Foreign currency transactions are translated into Ringgit Malaysia at exchange rates ruling at the transaction dates, unless hedged by forward foreign exchange contracts, in which case the rates specified in such contracts are used. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at exchange rates ruling at that date. Exchange differences arising from the translation of foreign currencies are included in profit/(loss) from operations.

(iv) Closing rates

The principal closing rates used in translation of foreign currency amounts were as follows:

Foreign currency		2005 RM	2004 RM
1 United States Dollar	(USD)	3.78	3.80
1 Pound Sterling	(GBP)	6.51	7.31
1 Singapore Dollar	(SGD)	2.27	2.32
1 Euro	(EURO)	4.48	5.17
1 Special Drawing Rights	(SDR)	5.40	5.88
1,000 Indonesian Rupiah	(IDR)	0.38	0.41

(e) Investments in subsidiaries

A subsidiary is a corporation in which the Company has the power to exercise control over the financial and operating policies of the enterprise so as to obtain benefits from its activities.

Investments in subsidiaries are stated at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 4(v) on impairment of assets.

(f) Other investment

Long term investment is shown at cost and allowance is only made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged/credited to the income statement.

notes to the financial statements

31 December 2005 (continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) 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.

At the balance sheet date, goods purchased which are in the process of being delivered to the Group for which title has been transferred are recognised as goods-in-transit.

(h) Finance leases and hire purchase agreements

Leases and hire purchase of property, plant and equipment where the Group assumes 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 payment. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of return on the finance lease balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease period.

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

(i) Operating leases

Leases of assets under which all benefits and risks of ownership are effectively 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 period of the lease.

(j) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents comprise cash in hand, deposits held at call with licensed banks, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Deposits held as pledged securities for term loans are not included as cash and cash equivalents.

(k) Revenue recognition

(i) Telecommunications revenue

Revenues of mobile postpaid services and fixed 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.

Amounts unutilised on certain mobile postpaid rate plans are deferred up to one month, failing which, such revenue will be 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 customers and distributors. Revenue from sales of prepaid top-up-tickets is recognised on usage. Any amounts unutilised are deferred up to a maximum of 90 days from the date of activation of the prepaid top-up-tickets, failing which, such revenue will be recognised as breakage revenue.

Amounts unutilised on airtime of prepaid top-up-tickets sold to customers and distributors and amounts unutilised on airtime on certain postpaid rate plans which have been deferred as described above are recognised as deferred income.

notes to the financial statements

31 December 2005 (continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Revenue recognition (continued)

(i) *Telecommunications revenue (continued)*

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

(ii) *Dividend income*

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

(iii) *Interest income*

Interest income is recognised on an accrual basis based on the prevailing interest rate.

(l) Debtors

Debtors are carried at anticipated realisable value. Allowance is made for doubtful debts based on specific review of outstanding balances at the balance sheet date. Bad debts are written off during the financial year in which they are identified.

(m) Provisions for liabilities and charges

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made.

(i) *Site rectification works*

Provision for site rectification works is made based on 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. It also includes costs to decommission and to restore network cell sites.

(ii) *Staff incentive scheme*

Provision for staff incentive scheme is made based on management's best estimate of the amount payable based on the performance of individual employees and financial performance of the Group.

(iii) *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.

(n) Financial instruments

(i) *Financial instruments recognised on the balance sheet*

Financial instruments carried in the balance sheet include cash and bank balances, debtors, creditors and borrowings. The particular recognition methods are disclosed in the individual policy statements associated with each item.

(ii) *Financial instruments not recognised on the balance sheet*

The Group is a party to financial instruments that comprise foreign currency forward contracts, interest rate and cross currency interest rate swap contracts. These financial instruments are not recognised in the financial statements on inception.

Forward foreign exchange contracts

Forward foreign exchange contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled. Exchange gains and losses arising on contracts entered into as hedges of anticipated future transactions are deferred until the date of such transaction, at which time they are included in the measurement of such transactions.

notes to the financial statements

31 December 2005 (continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Financial instruments (continued)

Forward foreign exchange contracts (continued)

All other exchange gains and losses relating to hedge instruments are recognised in the income statement in the same financial period as the exchange differences on the underlying hedged items. Gains and losses on contracts which are no longer designed as a hedge are included in the income statement.

Interest rate and cross currency interest rate swap contracts

Any differential to be paid or received on an interest rate and/or cross currency interest rate interest swap contract is recognised as a component of interest income or expense over the period of the contract. Gains and losses on early termination of these contracts or on repayment of the borrowing are taken to the income statement.

(iii) Fair value estimation for disclosure purposes

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

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

(o) Creditors

Creditors, including accruals represent liabilities for goods purchased and services rendered to the Group prior to the end of the financial year and which remain unpaid.

(p) Borrowings

(i) Classification

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Zero coupon promissory notes are recorded at their principal amount due.

Interest is accrued over the period it becomes due and is recorded as part of other accruals.

(ii) Capitalisation of borrowings costs

Interest costs on borrowings incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the financial period that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

(q) Share capital

(i) Classification

Ordinary shares with discretionary dividends are classified as equity.

(ii) Share issue costs

External costs directly attributable to the issue of new shares are shown as a deduction, net of tax, in equity from the proceeds.

notes to the financial statements

31 December 2005 (continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Share capital (continued)

(iii) *Dividends to shareholders of the Company*

Dividends on ordinary shares are recognised as liabilities when declared before the balance sheet date. A dividend declared after the balance sheet date, but before the financial statements are authorised for issue, is not recognised as a liability at the balance sheet date but as an appropriation from retained earnings to a "proposed dividend reserve". When the dividend is payable, it will be accounted for as a liability.

(r) Redeemable preference shares

Redeemable preference shares which provide for mandatory redemption are recorded as liabilities, as they are in substance, borrowings. Dividends payable on these shares are recognised in the income statement as finance costs on an accrual basis.

(s) Employee benefits

(i) *Short term employee benefits*

Wages, salaries, paid annual leave, 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 of the Group.

(ii) *Post-employment benefits*

Defined contribution plan benefits

The Group's contributions to the Employees' Provident Fund are charged to the income statement in the financial year in which they relate. Once the contributions have been paid, the Group has no further payment obligations.

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 Group recognises 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.

(iii) *Equity compensation benefits*

Details of the ESOS are set out in Note 27(b) to the financial statements. The Group does not make a charge to the income statement in connection with share options granted. When share options are exercised, the proceeds received net of transaction costs, are credited to share capital and share premium.

(t) Intangible assets

(i) *Goodwill*

Goodwill represents the excess of the cost of acquisition of subsidiaries over the Group's share of the fair value of their identifiable net assets at the date of acquisition.

Goodwill on acquisition of subsidiaries is included in the balance sheet as an intangible asset. Capitalised goodwill is amortised using the straight line method over its estimated useful life or ten years, whichever is shorter.

notes to the financial statements

31 December 2005 (continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Intangible assets (continued)

(ii) *Spectrum rights*

Expenditure 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.

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down will be made if the carrying amount exceeds the recoverable amount. See accounting policy Note 4(v) on impairment of assets.

(u) Government grants

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

Government grants relating to costs are 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 in non-current liabilities as deferred income and are credited to the income statement on the straight line basis over the estimated useful lives of the related assets.

(v) Impairment of assets

Property, plant and equipment and other non-current assets, including intangible assets, are reviewed for impairment at each balance sheet date to assess whether there are events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flow.

The impairment loss is charged to the income statement. Any subsequent increase in recoverable amount is recognised in the income statement.

(w) Contingent liabilities

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

(x) Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide 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.

notes to the financial statements

31 December 2005 (continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Segment reporting (continued)

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 consolidation process, except to the extent that such intragroup balances and transactions are between group companies within a single segment.

5 SEGMENT REPORTING

The Group operates in three segments, comprising the provision of mobile services which is a major contributor to the Group's operations, fixed services and international gateway services. The Group also provides other services which are currently not significant enough to be reported separately.

Inter-segment revenue comprise network services and management services rendered to other business segments within the Group. 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.

notes to the financial statements

31 December 2005 (continued)

5 SEGMENT REPORTING (continued)

(a) Business segments

Revenue

	External revenue RM'000	Inter- segment revenue RM'000	Total revenue RM'000
2005			
Mobile services	5,983,466	87,552	6,071,018
Fixed services	171,356	29,186	200,542
International gateway services	215,983	188,590	404,573
Other operations	–	77,252	77,252
Eliminations	–	(382,580)	(382,580)
	6,370,805	–	6,370,805
2004			
Mobile services	5,366,047	48,430	5,414,477
Fixed services	184,390	26,223	210,613
International gateway services	138,574	174,623	313,197
Other operations	–	95,801	95,801
Eliminations	–	(345,077)	(345,077)
	5,689,011	–	5,689,011

Results

	2005 RM'000	2004 RM'000
Mobile services	2,441,327	2,243,370
Fixed services	(13,637)	19,479
International gateway services	48,478	71,752
Other operations	(26,255)	(18,210)
Eliminations	127	(672)
Profit from operations	2,450,040	2,315,719
Finance income /(cost) (net)	29,535	(14,011)
Integration cost	–	36,107
Profit before taxation	2,479,575	2,337,815
Taxation	(839,836)	(740,674)
Profit after taxation	1,639,739	1,597,141
Minority interest	34,566	370
Net profit	1,674,305	1,597,511

notes to the financial statements

31 December 2005 (continued)

5 SEGMENT REPORTING (continued) (a) Business segments (continued)

Other information

	2005 RM'000	2004 RM'000
Segment assets		
Mobile services	7,037,975	6,489,361
Fixed services	827,691	1,177,265
International gateway services	176,716	206,747
Other operations	1,863,180	451,391
	9,905,562	8,324,764
Unallocated assets	214,117	347,347
	10,119,679	8,672,111
Segment liabilities		
Mobile services	2,063,408	1,966,253
Fixed services	194,812	344,357
International gateway services	52,823	36,426
Other operations	127,668	106,210
	2,438,711	2,453,246
Unallocated liabilities	1,358,478	847,580
	3,797,189	3,300,826
Capital expenditure		
Mobile services	1,058,914	968,328
Fixed services	84,078	101,435
International gateway services	8,069	1,374
Other operations	1,732	10,402
	1,152,793	1,081,539
Depreciation and amortisation		
Mobile services	916,116	805,976
Fixed services	73,591	60,340
International gateway services	18,499	16,497
Other operations	28,816	17,125
	1,037,022	899,938

notes to the financial statements

31 December 2005 (continued)

5 SEGMENT REPORTING (continued)

(a) Business segments (continued)

Significant non-cash items are as follows:

	Mobile services RM'000	Fixed services RM'000	International gateway services RM'000	Other operations RM'000	Group RM'000
2005					
Bad debts written off	23,939	2,217	113	–	26,269
Provision/ (write-back of provision) (net) for:					
– staff incentive scheme	6,837	3,595	260	–	10,692
– site rectification works	5,416	–	–	–	5,416
– network construction cost and settlements	–	(5,200)	–	–	(5,200)
Allowance / (write-back of allowance) (net) for:					
– doubtful debts	(535)	(5,012)	(7,209)	–	(12,756)
– inventories' obsolescence	(4,919)	1,349	–	–	(3,570)
Unrealised gain on foreign exchange	(8,739)	(68)	(53)	(3,058)	(11,918)
2004					
Bad debts written off	50,766	6,925	2,620	–	60,311
Provision/ (write-back of provision) (net) for:					
– staff incentive scheme	20,098	12,203	466	–	32,767
– site rectification works	(35,335)	–	–	–	(35,335)
– network construction cost and settlements	–	(13,022)	–	–	(13,022)
Allowance / (write-back of allowance) (net) for:					
– doubtful debts	(29,326)	(3,096)	(3,149)	–	(35,571)
– inventories' obsolescence	36,493	(3,296)	–	–	33,197
– Unrealised loss/(gain) on foreign exchange	904	(175)	(1,585)	(1)	(857)

notes to the financial statements

31 December 2005 (continued)

5 SEGMENT REPORTING (continued)

(b) Geographical segments

The Group's business segments operate substantially from Malaysia. In determining the geographical segments of the Group, revenues are based on the country in which the customer or international operator is located. There are no inter-segment revenues. Total assets and capital expenditure are determined based on where the assets are located.

	Revenue RM'000	Capital expenditure RM'000	Total assets RM'000
2005			
Malaysia	5,995,899	1,142,574	8,201,369
Other countries	374,906	10,219	684,655
	6,370,805	1,152,793	8,886,024
Unallocated assets			1,233,655
			10,119,679
2004			
Malaysia	5,399,850	1,080,754	7,090,150
Other countries	289,161	785	166,160
	5,689,011	1,081,539	7,256,310
Unallocated assets			1,415,801
			8,672,111

6 REVENUE

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Analysis of revenue:				
Mobile services – Malaysia	5,978,454	5,366,047	–	–
Mobile services – Indonesia	5,012	–	–	–
Fixed services	171,356	184,390	–	–
International gateway services	215,983	138,574	–	–
Dividend income from subsidiaries	–	–	1,507,793	1,149,076
	6,370,805	5,689,011	1,507,793	1,149,076

notes to the financial statements

31 December 2005 (continued)

7 PROFIT FROM OPERATIONS

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

		Group		Company	
	Note	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Amortisation of intangible assets	15	146,192	133,215	–	–
Auditors' remuneration					
– fees for statutory audits					
– auditors		785	727	165	145
– others		209	–	–	–
– fees for other services					
– auditors ⁽¹⁾		4,403	1,685	4,029	710
– others ⁽²⁾		1,647	1,143	117	186
Bad debts written off		26,269	60,311	–	–
Depreciation of property, plant and equipment	14	890,830	766,723	3,364	4,349
Loss/(gain) on disposal of property, plant and equipment		2,053	(1,515)	(1,063)	(311)
Loss/(gain) on foreign exchange					
– realised		107	190	(27)	9
– unrealised		(11,918)	(857)	(3,054)	2
Property, plant and equipment written off		49,041	381	–	–
Provision/(write-back of provision) (net) for:					
– staff incentive scheme		10,692	32,767	–	–
– site rectification works		5,416	(35,335)	–	–
– network construction cost and settlements		(5,200)	(13,022)	–	–
Rental income from property, plant and equipment		–	(117)	(3,035)	(4,389)
Rental of land and buildings		37,303	33,524	26,775	20,271
Rental of equipment		35,864	30,792	247	99
Rental of network cell sites		102,301	95,782	–	–
Staff cost	9	279,260	305,361	1,270	1,565
(Write-back of allowance)/allowance (net) for:					
– doubtful debts		(12,756)	(35,571)	–	–
– inventories' obsolescence		(3,570)	33,197	–	–
– impairment loss on subsidiaries		–	–	23	–
– impairment loss on property, plant and equipment		(20,499)	–	4,651	–
– wayleave deposits		(1,892)	(2,915)	–	–
Write-back of USP contribution		–	(106,405)	–	–

⁽¹⁾ Fees incurred in connection with performance of quarterly reviews, financial due diligence, reporting accountants and regulatory compliance audits paid or payable to PricewaterhouseCoopers ("PwC") Malaysia, auditors of the Group and of the Company.

⁽²⁾ Fees incurred for assisting the Group in connection with revenue assurance reviews and tax compliance and advisory services paid or payable to member firms of PwC International Limited which is a separate and independent legal entity from PwC Malaysia.

The Audit Committee in ensuring the independence of the Group's external auditors are consistently maintained, has set out clear policies and guidelines as to the type of non-audit services that can be offered as well as a structured approval process that has to be adhered to before any such non-audit services are commissioned. Under these policies and guidelines, non-audit services can be offered to the Group's external auditors if the Group can realise efficiencies and value added benefits from such services.

notes to the financial statements

31 December 2005 (continued)

8 DIRECTORS' REMUNERATION

The aggregate amount of emoluments receivable by Directors of the Company during the financial year is as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Fees	1,356	1,351	1,356	1,351
Salaries and other emoluments*	2,290	2,234	114	122
Estimated money value of benefits-in-kind	39	39	6	6
	3,685	3,624	1,476	1,479

The remuneration paid to the Directors of the Company for the financial year is categorised as follows:

	Group	
	2005 RM'000	2004 RM'000
Executive Director		
– salaries	950	950
– other emoluments*	1,340	1,284
– estimated money value of benefits-in-kind	35	35
Non-executive Directors		
– fees	1,356	1,351
– estimated money value of benefits-in-kind	4	4
	3,685	3,624

* Other emoluments include bonus, employer's contribution to retirement benefits, and other benefits.

notes to the financial statements

31 December 2005 (continued)

8 DIRECTORS' REMUNERATION (continued)

The remuneration paid to the Directors of the Company analysed in bands of RM50,000 is as follows:

			2005	
			Executive	Non-Executive
Range of remuneration*				
RM100,001	-	RM150,000	-	4
RM150,001	-	RM200,000	-	1
RM600,001	-	RM650,000	-	1
RM2,300,001	-	RM2,350,000	1	-

* Remuneration paid to the Directors of the Company include fees, salaries, other emoluments including bonus, employer's contribution to retirement benefits and other benefits, and estimated money value of benefits-in-kind.

The full-time Executive Director of the Company has been granted options under the ESOS on the same terms and conditions as those offered to other employees of the Group (see Note 27(b)) as follows:

Number of options over ordinary shares of RM0.10 each in the Company							
Grant date	Expiry date	Exercise price RM/share	As at 1 January '000	Granted '000	Exercised '000	Lapsed '000	As at 31 December '000
2005							
1.7.2002	30.6.2012	4.36	2,194	-	(750)	-	1,444
1.7.2003	30.6.2012	5.13	368	-	-	-	368
1.4.2004	30.6.2012	8.15	304	-	-	-	304
20.4.2005	30.6.2012	8.69	-	496	-	-	496
			2,866	496	(750)	-	2,612
2004							
1.7.2002	30.6.2012	4.36	2,294	-	(100)	-	2,194
1.7.2003	30.6.2012	5.13	368	-	-	-	368
1.4.2004	30.6.2012	8.15	-	304	-	-	304
			2,662	304	(100)	-	2,866
						2005	2004
Number of share options vested as at the balance sheet date ('000)						848	1,553

notes to the financial statements

31 December 2005 (continued)

9 STAFF COST

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Wages, salaries and bonuses	230,076	236,456	750	1,288
Defined contribution plan benefits	22,617	24,982	39	43
Other employee benefits	26,567	43,923	481	234
	279,260	305,361	1,270	1,565

10 FINANCE INCOME / (COST) (NET)

Interest expense				
– bank borrowings	(31,438)	(31,724)	(27,689)	–
– deferred payment schemes	(17,101)	(25,665)	–	–
– finance lease	(185)	–	–	–
– others	(143)	(4,615)	–	(14)
Syndicated loans documentation fees	(5,708)	(172)	(4,795)	–
Interest income				
– intercompany	–	–	31,309	1,597
– others	84,110	48,165	9,071	7,550
	29,535	(14,011)	7,896	9,133

11 TAXATION

Current tax	465,506	11,921	425,696	248,329
Deferred tax (Note 19)	374,330	728,753	–	–
	839,836	740,674	425,696	248,329
Current tax:				
– Current year	464,802	5,488	423,483	248,119
– Under accrual in prior year	704	6,433	2,213	210
	465,506	11,921	425,696	248,329
Deferred tax:				
– Origination and reversal of temporary differences	374,330	728,753	–	–
	839,836	740,674	425,696	248,329

notes to the financial statements

31 December 2005 (continued)

11 TAXATION (continued)

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

	Group		Company	
	2005 %	2004 %	2005 %	2004 %
Numerical reconciliation between the Malaysian tax rate and the average effective tax rate				
Malaysian tax rate	28	28	28	28
Tax effects of:				
– expenses not deductible for tax purposes	5	4	1	–
– income not subject to tax	–	–	–	(6)
– current year's tax losses not recognised	1	–	–	–
Average effective tax rate	34	32	29	22

The current taxation of the Company is principally in respect of interest income and dividend income.

The tax savings arising from the utilisation of brought forward capital allowances and brought forward tax losses for the Group amounted to RM118,000 (2004: RM576,233,000) and RM199,178,000 (2004: RM128,372,000) respectively.

As at 31 December 2005, the amount of deductible temporary difference for which no deferred tax asset is recognised in the financial statements of the Group and the Company amounted to RM52,563,000 (2004: RM30,825,000) and RM17,843,000 (2004: RM17,465,000) respectively.

Subject to agreement by the tax authorities, the Group and the Company have sufficient Section 108 tax credits as at 31 December 2005 to frank approximately RM930,170,000 (2004: RM706,828,000) and RM82,900,000 (2004: RM54,147,000) respectively of their retained earnings if paid out as dividends. In addition, the Group and the Company also have tax exempt accounts which are available to pay tax exempt dividends up to approximately RM208,127,000 (2004: RM209,287,000) and RM17,231,000 (2004: RM17,231,000) respectively.

12 EARNINGS PER SHARE

(i) *Basic earnings per share*

Basic earnings per share of the Group is calculated by dividing the net profit for the financial year by the weighted average number of issued ordinary shares during the financial year.

	Group	
	2005	2004
Net profit for the financial year (RM'000)	1,674,305	1,597,511
Weighted average number of issued ordinary shares ('000)	2,486,667	2,464,284
Basic earnings per share (sen)	67.33	64.83

notes to the financial statements

31 December 2005 (continued)

12 EARNINGS PER SHARE (continued)

(ii) Diluted earnings per share

Diluted earnings per share of the Group is calculated by dividing the net profit for the financial year by the adjusted weighted average number of issued ordinary shares during the financial year. The weighted average number of issued ordinary shares has been adjusted assuming full conversion of the share options which represents the dilutive potential of the shares. There is only one category of dilutive potential shares, which is share options granted to employees under the ESOS.

	Group	
	2005	2004
Net profit for the financial year (RM'000)	1,674,305	1,597,511
Weighted average number of issued ordinary shares ('000)	2,486,667	2,464,284
Adjusted for share options granted ('000)	19,157	23,300
Adjusted weighted average number of issued ordinary shares ('000)	2,505,824	2,487,584
Diluted earnings per share (sen)	66.82	64.22

13 DIVIDENDS

	Group and Company			
	2005		2004	
	Gross dividend per share Sen	Amount of dividend RM'000	Gross dividend per share Sen	Amount of dividend RM'000
Interim dividends				
– paid	31.26	560,920	20.82	370,168
– proposed dividend reserve	10.42	187,559	6.94	123,931
Final dividends				
– proposed dividend reserve	16.67	300,059	18.33	396,580
	58.35	1,048,538	46.09	890,679

The Directors have declared in respect of the financial year ended 31 December 2005, a fourth interim gross dividend of 10.42 sen per ordinary share, less Malaysian income tax at 28%, amounting to RM187,559,000 which was paid on 31 March 2006.

The Directors now recommend the payment of the final gross dividend of 16.67 sen per ordinary share, less Malaysian income tax at 28%, amounting to RM300,059,000 subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company, which will be paid on a date to be determined.

notes to the financial statements

31 December 2005 (continued)

14 PROPERTY, PLANT AND EQUIPMENT

	As at 1.1.2005 RM'000	Additions RM'000	Reclassi- fications RM'000	Disposals RM'000	Assets written off RM'000	Acquisition of subsidiary (Note 30(a)) RM'000	Currency translation differences RM'000	As at 31.12.2005 RM'000
2005 Group At cost								
Freehold land	21,348	—	—	—	—	—	—	21,348
Long term leasehold land	8,549	—	350	—	—	—	—	8,899
Short term leasehold land	4,892	—	1,875	—	—	—	—	6,767
Buildings	115,181	—	(2,225)	—	—	—	—	112,956
Telecommunications equipment	6,507,769	69,452	1,154,976	(99,140)	(335,599)	93,351	(3,030)	7,387,779
Motor vehicles	17,276	7,125	190	(7,658)	—	4	—	16,937
Office furniture, fittings and equipment	441,919	2,423	79,291	(7,485)	(15,198)	4,077	(123)	504,904
	7,116,934	79,000	1,234,457	(114,283)	(350,797)	97,432	(3,153)	8,059,590
Capital work-in-progress	363,791	1,073,793	(1,234,457)	—	(5,230)	—	44	197,941
	7,480,725	1,152,793	—	(114,283)	(356,027)	97,432	(3,109)	8,257,531

	As at 1.1.2005 RM'000	Charge for the financial year RM'000	Reclassi- fications RM'000	Released on disposals RM'000	Assets written off RM'000	Acquisition of subsidiary (Note 30(a)) RM'000	Currency translation differences RM'000	As at 31.12.2005 RM'000
2005 Group Accumulated depreciation								
Long term leasehold land	584	106	65	—	—	—	—	755
Short term leasehold land	417	107	365	—	—	—	—	889
Buildings	14,155	2,476	(430)	—	—	—	—	16,201
Telecommunications equipment	2,582,190	840,730	20,137	(66,124)	(208,441)	36,763	(1,011)	3,204,244
Motor vehicles	13,208	2,013	—	(7,573)	—	4	—	7,652
Office furniture, fittings and equipment	315,823	45,398	5,269	(5,504)	(7,815)	3,235	(103)	356,303
	2,926,377	890,830	25,406	(79,201)	(216,256)	40,002	(1,114)	3,586,044

notes to the financial statements

31 December 2005 (continued)

14 PROPERTY, PLANT AND EQUIPMENT (continued)

	As at 1.1.2005 RM'000	Charge for the financial year RM'000	Reclassi- fications RM'000	Released on disposals RM'000	Assets written off RM'000	Write back of allowance for impairment loss RM'000	Acquisition of subsidiary (Note 30 (a)) RM'000	Currency translation differences RM'000	As at 31.12.2005 RM'000
2005 Group Impairment loss									
Freehold land	–	1,862	–	–	–	–	–	–	1,862
Short term leasehold land	–	607	–	–	–	–	–	–	607
Buildings	–	2,182	–	–	–	–	–	–	2,182
Telecommunications equipment	267,316	–	(25,406)	–	(53,790)	(25,150)	–	–	162,970
Capital work-in- progress	36,940	–	–	–	(36,940)	–	–	–	–
	304,256	4,651	(25,406)	–	(90,730)	(25,150)	–	–	167,621
	3,230,633	895,481	–	(79,201)	(306,986)	(25,150)	40,002	(1,114)	3,753,665

	2005 RM'000	2004 RM'000
Net book value		
Freehold land	19,486	21,348
Long term leasehold land	8,144	7,965
Short term leasehold land	5,271	4,475
Buildings	94,573	101,026
Telecommunications equipment	4,020,565	3,658,263
Motor vehicles	9,285	4,068
Office furniture, fittings and equipment	148,601	126,096
Capital work-in-progress	197,941	326,851
	4,503,866	4,250,092

notes to the financial statements

31 December 2005 (continued)

14 PROPERTY, PLANT AND EQUIPMENT (continued)

	As at 1.1.2005 RM'000	Additions RM'000	Reclassi- fications RM'000	Disposals RM'000	Assets written off RM'000	As at 31.12.2005 RM'000
2005						
Company						
At cost						
Freehold land	5,509	–	–	(5,509)	–	–
Short term leasehold land	1,258	–	–	(1,258)	–	–
Buildings	11,373	–	–	(11,294)	–	79
Motor vehicles	8,060	–	–	(3,523)	–	4,537
Office furniture, fittings and equipment	51,702	5	10,381	(1,089)	(378)	60,621
	77,902	5	10,381	(22,673)	(378)	65,237
Capital work-in-progress	9,031	1,473	(10,381)	–	–	123
	86,933	1,478	–	(22,673)	(378)	65,360

	As at 1.1.2005 RM'000	Charge for the financial year RM'000	Reclassi- fications RM'000	Released on disposals RM'000	Assets written off RM'000	As at 31.12.2005 RM'000
Accumulated depreciation						
Short term leasehold land	225	18	–	(243)	–	–
Buildings	2,174	165	–	(2,260)	–	79
Motor vehicles	7,058	250	–	(3,523)	–	3,785
Office furniture, fittings and equipment	45,196	2,931	–	(401)	(378)	47,348
	54,653	3,364	–	(6,427)	(378)	51,212

Impairment loss

Freehold land	–	1,862	–	(1862)	–	–
Short term leasehold land	–	607	–	(607)	–	–
Buildings	–	2,182	–	(2,182)	–	–
	–	4,651	–	(4,651)	–	–
	54,653	8,015	–	(11,078)	(378)	51,212

notes to the financial statements

31 December 2005 (continued)

14 PROPERTY, PLANT AND EQUIPMENT (continued)

	2005 RM'000	2004 RM'000
Company		
Net book value		
Freehold land	—	5,509
Short term leasehold land	—	1,033
Buildings	—	9,199
Motor vehicles	752	1,002
Office furniture, fittings and equipment	13,273	6,506
Capital work-in-progress	123	9,031
	14,148	32,280

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

The title deed pertaining to a freehold land of a subsidiary is in the process of being transferred to the name of the subsidiary.

The cost of telecommunications equipment and capital work-in-progress amounting to RM82,435,000 (2004: RM659,658,000) were purchased under the terms of the deferred payment schemes as disclosed in Note 25 to the financial statements.

During the financial year, the Group acquired motor vehicles with an aggregate cost of RM6,833,000 (2004: RM Nil) by means of finance lease (Note 26). The net book value of motor vehicles under finance leases at the balance sheet date was RM6,573,000 (2004: RM Nil).

notes to the financial statements

31 December 2005 (continued)

15 INTANGIBLE ASSETS

Group	Goodwill RM'000	Spectrum rights RM'000	Total RM'000
As at 1 January 2004	1,196,669	95,000	1,291,669
Amortisation charge for the financial year	(128,215)	(5,000)	(133,215)
As at 31 December 2004	1,068,454	90,000	1,158,454
As at 1 January 2005	1,068,454	90,000	1,158,454
Acquisition of a subsidiary (Note 30 (a))	84,963	168,730	253,693
Amortisation charge for the financial year	(133,878)	(12,314)	(146,192)
Currency translation differences	–	(5,485)	(5,485)
As at 31 December 2005	1,019,539	240,931	1,260,470

16 INTEREST IN SUBSIDIARIES

	Company	
	2005 RM'000	2004 RM'000
Non-current assets:		
– Investments in subsidiaries (Note 17)	1,340,947	1,340,030
– Loan to a subsidiary (unsecured and interest bearing)	532,010	–
Current assets:		
– Loans to subsidiaries (unsecured and interest bearing)	338,500	96,667
– Amounts due from subsidiaries	1,863,656	2,780,236
	2,202,156	2,876,903
Current liabilities:		
Amounts due to subsidiaries	(897,344)	(599,316)

notes to the financial statements

31 December 2005 (continued)

16 INTEREST IN SUBSIDIARIES (continued)

Loans to subsidiaries are unsecured and carry interest rates ranging from 4.16% to 7.25% per annum (2004: 4.46%). The terms are as follows:

Principal amount RM'000	Loans outstanding RM'000	Currency exposure	Repayment terms	
608,000	418,000	USD	Five semi-annual instalments commencing 3 months after the draw down date of 16 February 2005 as follows:	
			Repayment instalment	Percentage of principal repayment
			1	12.50%
			2	18.75%
			3	18.75%
			4	25.00%
			5	25.00%
380,010	380,010	USD	Repayable in one lump sum, 60 months after the draw down date of 29 April 2005.	
96,667	72,500	RM	No fixed terms of repayment.	
1,084,677	870,510			

Amounts due from/(to) subsidiaries are interest free, unsecured and have no fixed terms of repayment.

17 INVESTMENTS IN SUBSIDIARIES

	Company	
	2005 RM'000	2004 RM'000
As at 1 January	1,340,230	1,337,707
Additions in the financial year	940	2,523
	1,341,170	1,340,230
Accumulated impairment losses	(223)	(200)
As at 31 December	1,340,947	1,340,030

notes to the financial statements

31 December 2005 (continued)

17 INVESTMENTS IN SUBSIDIARIES (continued)

The information on the subsidiaries are as follows:

Name	Group's effective interest		Principal activities
	2005	2004	
INCORPORATED IN MALAYSIA			
Maxis Mobile Sdn. Bhd. (229892-M)	100%	100%	Operator of mobile telecommunications and provider of corporate support and service functions for the Group as well as carrying out special niche project(s) such as Universal Service Provision
Maxis Broadband Sdn. Bhd. (234053-D)	100%	100%	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
Maxis International Sdn. Bhd. (240071-T)	100%	100%	Operator of an international gateway
Malaysian Mobile Services Sdn. Bhd. (73315-V)	100%	100%	Provider of mobile telecommunications products and services
Maxis Collections Sdn. Bhd. (383275-M)	100%	100%	Collector of telecommunications revenue for fellow subsidiaries
Maxis Management Services Sdn. Bhd. (287998-P)	100%	100%	Provider of management services to fellow subsidiaries
Maxis Multimedia Sdn. Bhd. (530188-A)	100%	100%	Provider of multimedia related services
Rawa Utara Sdn. Bhd. (270701-A)	100%	100%	Letting of property
Castle Rock Equity Sdn. Bhd. (95330-K)	100%	100%	Holder of property
Advanced Wireless Technologies Sdn. Bhd. (517551-U)	75%	75%	Provider of wireless multimedia related services

notes to the financial statements

31 December 2005 (continued)

17 INVESTMENTS IN SUBSIDIARIES (continued)

Name	Group's effective interest	2005	2004	Principal activities
INCORPORATED IN MALAYSIA				
Hotlink Prepaid Sdn. Bhd. (644859-X)	100%	100%		Dormant
Hotlink Services Sdn. Bhd. (644926-X)	100%	100%		Dormant
Maxis SMS Games Sdn. Bhd. (655460-W)	100%	100%		Dormant
Maxis One Club Sdn. Bhd. (655528-D)	100%	100%		Dormant
Maxis Events Sdn. Bhd. (655531-D)	100%	100%		Dormant
Maxis Lifestyle Sdn. Bhd. (655457-W)	100%	100%		Dormant
Maxis Data Services Sdn. Bhd. (655456-X)	100%	100%		Dormant
Hotlink Events Sdn. Bhd. (655574-U)	100%	100%		Dormant
Hotlink Entertainment Sdn. Bhd. (655595-P)	100%	100%		Dormant
Hotlink Telecommunications Sdn. Bhd. (655577-A)	100%	100%		Dormant
Hotlink Data Services Sdn. Bhd. (655520-M)	100%	100%		Dormant
Hotlink Interactive Services Sdn. Bhd. (655533-P)	100%	100%		Dormant
Hotlink SMS Games Sdn. Bhd. (655458-K)	100%	100%		Dormant
Hotlink One Club Sdn. Bhd. (655573-K)	100%	100%		Dormant
Hotlink Communications Berhad (655517-M)	100%	100%		Dormant

notes to the financial statements

31 December 2005 (continued)

17 INVESTMENTS IN SUBSIDIARIES (continued)

Name	Group's effective interest		Principal activities
	2005	2004	
INCORPORATED IN MALAYSIA			
Hotlink Lifestyle Sdn. Bhd. (655608-V)	100%	100%	Dormant
Hotlink Touch Sdn. Bhd. (664297-H)	100%	100%	Dormant
Maxis Sdn. Bhd. (719388-A)	50%	—	Dormant
Subsidiary of Maxis Mobile Sdn. Bhd.			
Maxis Mobile (L) Ltd ⁽ⁱ⁾ (LL-01709)	100%	100%	Holder of investments (dormant)
Subsidiary of Maxis Broadband Sdn. Bhd.			
Maxis Online Sdn. Bhd. (235849-A)	100%	100%	Holder of investments (dormant)
Subsidiary of Advanced Wireless Technologies Sdn. Bhd.			
UMTS (Malaysia) Sdn. Bhd. (520422-D)	75%	75%	Provider of wireless multimedia services
INCORPORATED IN THE NETHERLANDS ANTILLES			
East Asia Communications Holdings N.V. ("EACH") (94983) ^(vi)	100%	100%	Holder of investments (dormant)
Subsidiary of EACH			
East Asia Communications N.V. ("EAC") (94985) ⁽ⁱⁱ⁾	100%	100%	Holder of investments (dormant)

notes to the financial statements

31 December 2005 (continued)

17 INVESTMENTS IN SUBSIDIARIES (continued)

Name	Group's effective interest		Principal activities
	2005	2004	
INCORPORATED IN THE NETHERLANDS			
Subsidiary of Malaysian Mobile Services Sdn. Bhd.			
Teleglobal Investments B.V. ^{(iii)#}	100%	—	Holder of investments
INCORPORATED IN THE REPUBLIC OF INDONESIA			
PT Maxis Communications ^{(iv)#}	100%	—	Provider of telecommunications consultancy services
Subsidiary of Teleglobal Investments B.V.			
PT Natrindo Telepon Seluler ^{(iv)#}	51%	—	Provider of mobile telecommunications products and services
INCORPORATED IN MAURITIUS			
Global Communication Services Holdings Ltd ^{(v)#}	100%	—	Holder of investments

Audited by member firms of PricewaterhouseCoopers International Limited which are separate and independent legal entities from PricewaterhouseCoopers Malaysia

⁽ⁱ⁾ Maxis Mobile (L) Ltd is a company registered under the Offshore Companies Act, 1990, with shares issued in USD.

⁽ⁱⁱ⁾ EACH and EAC are companies established under the law of the Netherlands Antilles, with shares issued in USD.

⁽ⁱⁱⁱ⁾ Teleglobal Investments B.V. is a company established under the law of the Netherlands, with shares issued in EURO.

^(iv) PT Maxis Communications and PT Natrindo Telepon Seluler are companies established under the law of the Republic of Indonesia, with shares issued in IDR.

^(v) Global Communication Services Holdings Ltd is a company established under the Mauritius Companies Act, 2001 (as amended) with shares issued in USD.

18 OTHER INVESTMENT

	Group and Company	
	2005	2004
	RM'000	RM'000
Unquoted shares at cost, outside Malaysia	3,804	3,804

The Group and the Company have a one eighth (2004: one seventh) interest in a Singapore-incorporated entity, Bridge Mobile Pte Ltd. This entity is a regional mobile alliance, established to drive commercial and other benefits for the investors and deliver regional mobile services to their subscribers.

notes to the financial statements

31 December 2005 (continued)

19. DEFERRED TAXATION

	Group	
	2005	2004
	RM'000	RM'000
Deferred tax assets	187,100	326,600
Deferred tax liabilities	(474,239)	(239,409)
	(287,139)	87,191
As at 1 January	87,191	815,944
(Charged)/credited to income statement:		
– tax losses and capital allowances	(199,178)	(704,534)
– provisions	(39,019)	53,580
– deferred income	1,001	10,271
– property, plant and equipment	(137,676)	(87,830)
– others	542	(240)
	(374,330)	(728,753)
As at 31 December	(287,139)	87,191
Deferred tax assets (before offsetting)		
– tax losses and capital allowances	66,247	265,425
– provisions	136,725	175,744
– deferred income	60,239	59,238
– others	619	77
	263,830	500,484
Offsetting	(76,730)	(173,884)
Deferred tax assets (after offsetting)	187,100	326,600
Deferred tax liabilities (before offsetting)		
– property, plant and equipment	(550,969)	(413,293)
Offsetting	76,730	173,884
Deferred tax liabilities (after offsetting)	(474,239)	(239,409)

notes to the financial statements

31 December 2005 (continued)

20 INVENTORIES

	Group	
	2005 RM'000	2004 RM'000
At cost		
Telecommunications materials and supplies	11,634	43,700
Telecommunications equipment	35,281	54,442
	46,915	98,142
At net realisable value		
Telecommunications materials and supplies	15,415	11,673
Telecommunications equipment	715	3,898
	16,130	15,571
	63,045	113,713

21 DEBTORS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade debtors				
– Subscribers	262,706	257,750	–	–
– Interconnect and roaming	195,365	205,718	–	–
– Distributors	46,970	35,025	–	–
	505,041	498,493	–	–
Allowance for doubtful debts				
– Subscribers	(48,163)	(48,563)	–	–
– Interconnect and roaming	(13,766)	(26,326)	–	–
	443,112	423,604	–	–
Other debtors	35,819	48,817	14,394	562
Deposits	51,071	41,472	3,860	3,817
Prepayments	65,659	41,807	843	981
	595,661	555,700	19,097	5,360
The currency exposure profile of debtors are as follows:				
– Ringgit Malaysia	508,668	498,041	11,616	5,360
– USD	44,554	33,901	7,022	–
– SDR	27,881	23,758	–	–
– IDR	14,104	–	5	–
– Others	454	–	454	–
	595,661	555,700	19,097	5,360

notes to the financial statements

31 December 2005 (continued)

21 DEBTORS (continued)

- (a) The Group's credit policy provides trade debtors with 30 days credit period. The Group has no significant exposure to any individual customer, geographical location or industry category. Significant credit and recovery risks associated with debtors have been provided for in the financial statements.
- (b) Other debtors and deposits of the Company are shown net of allowance for doubtful debts of RM46,000 (2004: RM46,000) and RM80,000 (2004: RM80,000) respectively.
- (c) Other debtors, wayleave deposits to local authorities and other deposits of the Group are shown net of allowance for doubtful debts of RM642,000 (2004: RM526,000), RM13,194,000 (2004: RM15,086,000) and RM6,645,000 (2004: RM6,378,000) respectively.
- (d) Included in other debtors is an amount of RM13,958,000 (2004: RM36,431,000) for the disposal of telecommunications assets to a vendor.

22 DUE FROM/(TO) RELATED PARTIES

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Current assets:				
– Amounts due from related parties	1,590	4,730	3	1,723
Current liabilities:				
– Amounts due to related parties	32,109	17,292	13,877	4,311
Non-current liabilities:				
– Loan from a related party	24,269	–	–	–

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 balance sheet date is 7.25% per annum (2004: Nil).

Amounts due from/(to) related parties are unsecured, interest free and with 30 to 60 days credit period. The amounts due from/(to) related parties are denominated in Ringgit Malaysia.

23 DEPOSITS WITH LICENSED BANKS

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

The weighted average interest rates of deposits with licensed banks for the Group and for the Company were 2.93% (2004: 2.64%) per annum and 2.75% (2004: 2.67%) per annum respectively.

Deposits of the Group and of the Company at the end of the financial year have an average maturity of 47 days (2004: 42 days) and 32 days (2004: 66 days) respectively.

notes to the financial statements

31 December 2005 (continued)

24 PROVISIONS FOR LIABILITIES AND CHARGES

	Group			
	Site rectification works RM'000	Network construction cost and settlements RM'000	Staff incentive scheme RM'000	Total RM'000
As at 1 January 2004	75,549	30,787	35,863	142,199
Charged to the income statement	11,493	–	46,714	58,207
Reversed from the income statement	(46,828)	(13,022)	(13,947)	(73,797)
Paid during the financial year	(10,291)	(2,735)	(24,275)	(37,301)
As at 31 December 2004	29,923	15,030	44,355	89,308
As at 1 January 2005	29,923	15,030	44,355	89,308
Charged to the income statement	16,399	280	20,961	37,640
Reversed from the income statement	(10,983)	(5,480)	(10,269)	(26,732)
Paid during the financial year	(3,819)	–	(26,016)	(29,835)
As at 31 December 2005	31,520	9,830	29,031	70,381

Descriptions on the above provisions are as disclosed in Note 4(m) to the financial statements.

25 CREDITORS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Current				
Intercarrier and roaming creditors	82,513	76,671	–	–
Intercarrier and roaming accruals	359,958	195,780	–	–
Subscribers' deposits	145,319	142,178	–	–
Trade creditors	855,232	945,941	6,606	2,713
Trade accruals	443,674	516,428	–	–
Other creditors	82,051	87,210	44	240
Other accruals	27,770	36,248	12,899	10,387
Advance payments from subscribers	17,224	15,753	–	–
Deferred income	251,365	241,833	–	–
Payroll liabilities	3,221	13,208	–	–
Dividends payable	27,533	–	27,533	–
	2,295,860	2,271,250	47,082	13,340
Non-current				
Trade creditors	16,101	75,396	–	–
	2,311,961	2,346,646	47,082	13,340

notes to the financial statements

31 December 2005 (continued)

25 CREDITORS (continued)

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
The currency exposure profile of creditors are as follows:				
– Ringgit Malaysia	2,213,038	2,265,870	42,624	12,371
– USD	66,570	60,452	4,312	572
– GBP	129	384	129	381
– SGD	612	–	11	–
– EURO	2,502	572	–	–
– SDR	23,631	19,084	–	–
– IDR	5,296	–	–	–
– Others	183	284	6	16
	2,311,961	2,346,646	47,082	13,340

Included in current trade creditors are creditors under deferred payment schemes, which are repayable within the next 12 months, amounting to RM54,264,000 (2004: RM442,548,000). The non-current trade creditors are creditors under deferred payment schemes, which are repayable between 13 to 24 months. The weighted average interest rate on these balances is 4.21% (2004: 4.37%) per annum.

Trade creditors and other creditors provide the Group and the Company with credit period ranges from 30 days to 90 days.

26 BORROWINGS

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Current				
Syndicated loans				
– secured	–	190,000	–	–
– unsecured	262,946	–	262,946	–
Finance lease liabilities (secured)	1,403	–	–	–
	264,349	190,000	262,946	–
Non-current				
Syndicated loans				
– secured	–	418,000	–	–
– unsecured	532,010	–	532,010	–
Finance lease liabilities (secured)	5,615	–	–	–
	537,625	418,000	532,010	–
	801,974	608,000	794,956	–

notes to the financial statements

31 December 2005 (continued)

26 BORROWINGS (continued)

During the year, a subsidiary fully repaid its syndicated loan of USD160 million (RM608 million). The legal charge over all the subsidiary's ordinary shares was discharged following the repayment.

Subsequently, the Company drew down two syndicated loans of USD160 million (RM608 million) and USD100 million (RM380 million) respectively. The details are as follows:

Principal amount RM'000	Loans outstanding RM'000	Currency exposure	Repayment terms		
608,000	418,000	USD	Five semi-annual instalments commencing 3 months after the draw down date of 16 February 2005 as follows:		
				Repayment Instalment	Percentage of principal repayment
				1	12.50%
				2	18.75%
				3	18.75%
				4	25.00%
				5	25.00%
380,010	376,956	USD	Repayable in one lump sum, 60 months after the draw down date of 29 April 2005		
988,010	794,956				

The maturity profile of the syndicated loans can be analysed as follows:

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Not later than 1 year	262,946	190,000	262,946	—
Later than 1 year and not later than 5 years	532,010	418,000	532,010	—
	794,956	608,000	794,956	—

The syndicated loan agreements contain covenants which require the Company and the Group to maintain minimum interest coverage ratio and maximum net debt to annualised EBITDA ratio. EBITDA is defined in the loan agreement as the consolidated earnings of the Group before the deduction of interest expense, taxes, depreciation and amortisation.

The syndicated loan of USD100 million is hedged by an interest rate swap as disclosed in Note 29(b) and the syndicated loan of USD160 million is hedged by a cross currency interest rate swap as disclosed in Note 29(c).

notes to the financial statements

31 December 2005 (continued)

26 BORROWINGS (continued)

Finance lease liabilities represent outstanding obligations payable in respect of the property, plant and equipment acquired under finance lease commitments and are analysed as follows:

	Group	
	2005	2004
	RM'000	RM'000
Analysis of finance lease commitments :		
Not later than 1 year	2,303	—
Later than 1 year and not later than 5 years	7,368	—
	9,671	—
Less : Interest-in-suspense	(2,653)	—
	7,018	—
Representing lease liabilities :		
– Current	1,403	—
– Non-current	5,615	—
	7,018	—

	Group		Company	
	2005	2004	2005	2004
	%	%	%	%
Weighted average interest rates per annum at balance sheet date:				
– Syndicated loans	4.34	4.31	4.34	—
– Finance lease liabilities	12.44	—	—	—

notes to the financial statements

31 December 2005 (continued)

27 SHARE CAPITAL

(a) Share capital

	Group and Company			
	2005		2004	
	'000	RM'000	'000	RM'000
Authorised ordinary shares of RM0.10 each:				
As at 1 January / 31 December	20,000,000	2,000,000	20,000,000	2,000,000

(b) Employee share option scheme

The ESOS was implemented on 1 July 2002 for the benefit of eligible employees and full-time Executive Directors of the Group and of the Company.

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

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 the Company's issued and paid-up share capital at any time during the existence of the ESOS;
- (ii) Subject to the discretion of the Directors, any employee of the Company or its subsidiaries whose employment has been confirmed in writing and any Executive Directors holding office in a full-time executive capacity in the Company 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 the Directors after taking into consideration the performance, seniority and number of years of service as well as the employees' actual or potential contribution to the Group;
- (iv) In the event of a change in the capital structure of the Company except under certain circumstances, the 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 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 the Company to which the optionee was previously entitled;
- (v) The price at which the optionee may exercise in respect of a share shall be as follows:
 - in respect of the initial grant, the price shall be the price at which a share is subscribed for by a retail investor under the Initial Public Offering which is at RM4.36 per ordinary share; or
 - 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 the Directors shall so determine at their discretion from time to time, a discount of not more than 10% or the par value of an ordinary share.

notes to the financial statements

31 December 2005 (continued)

27 SHARE CAPITAL (continued)

(b) Employee share option scheme (continued)

(vi) The options shall become exercisable to the extent of one-third ($\frac{1}{3}$ rd) of the shares granted on each of the first three anniversaries from the date the option was granted provided the optionee have been in continuous service with the 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. The basis on which the options maybe exercised by virtue of Clause 7.1 of the ESOS's Bye-Laws is as follows:

Number of options granted and unexercised as at 31 December 2005	Number of options exercisable		
	2006	2007	≥2008
87,902,578	52,874,000	23,012,000	12,016,578

(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 the Directors from time to time; and

(viii) 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.

The movements during the financial year in the number of options over the ordinary shares of RM0.10 each in the Company are as follows:

Grant date	Expiry date	Exercise price RM/share	Number of options over ordinary shares of RM0.10 each in the Company				As at 31 December '000
			As at 1 January '000	Granted '000	Exercised '000	Lapsed '000	
2005							
1.7.2002	30.6.2012	4.36	15,433	—	(9,743)	(146)	5,544
23.1.2003	30.6.2012	5.13	747	—	(331)	(51)	365
25.4.2003	30.6.2012	4.80	525	—	(232)	(44)	249
3.6.2003	30.6.2012	5.34	3,900	—	(500)	—	3,400
1.7.2003	30.6.2012	5.13	24,754	—	(8,897)	(1,207)	14,650
13.10.2003	30.6.2012	6.47	608	—	(138)	(20)	450
21.1.2004	30.6.2012	7.05	1,809	—	(416)	(134)	1,259
1.4.2004	30.6.2012	8.15	304	—	—	—	304
23.4.2004	30.6.2012	8.13	876	—	(140)	(105)	631
1.7.2004	30.6.2012	7.99	28,784	—	(3,621)	(2,127)	23,036
13.10.2004	30.6.2012	7.74	1,383	—	(61)	(78)	1,244
19.1.2005	30.6.2012	9.04	—	2,859	—	(258)	2,601
20.4.2005	30.6.2012	8.69	—	496	—	—	496
20.4.2005	30.6.2012	8.69	—	1,392	—	(132)	1,260
1.7.2005	30.6.2012	8.74	—	30,202	—	(875)	29,327
13.10.2005	30.6.2012	8.54	—	3,087	—	—	3,087
			79,123	38,036	(24,079)	(5,177)	87,903

notes to the financial statements

31 December 2005 (continued)

27 SHARE CAPITAL (continued)

(b) Employee share option scheme (continued)

			Number of options over ordinary shares of RM0.10 each in the Company				
Grant date	Expiry date	Exercise price RM/share	As at 1 January '000	Granted '000	Exercised '000	Lapsed '000	As at 31 December '000
2004							
1.7.2002	30.6.2012	4.36	27,887	—	(11,278)	(1,176)	15,433
23.1.2003	30.6.2012	5.13	1,196	—	(349)	(100)	747
25.4.2003	30.6.2012	4.80	795	—	(212)	(58)	525
3.6.2003	30.6.2012	5.34	4,000	—	(100)	—	3,900
1.7.2003	30.6.2012	5.13	32,538	—	(6,139)	(1,645)	24,754
13.10.2003	30.6.2012	6.47	732	—	(124)	—	608
21.1.2004	30.6.2012	7.05	—	1,953	—	(144)	1,809
1.4.2004	30.6.2012	8.15	—	304	—	—	304
23.4.2004	30.6.2012	8.13	—	1,002	—	(126)	876
1.7.2004	30.6.2012	7.99	—	29,913	—	(1,129)	28,784
13.10.2004	30.6.2012	7.74	—	1,413	—	(30)	1,383
			67,148	34,585	(18,202)	(4,408)	79,123

	2005	2004
Number of share options vested as at the balance sheet date ('000)	20,023	11,825

Details relating to share options over ordinary shares of RM0.10 each exercised during the financial year are as follows:

Exercise date	Fair value of shares at share issue date		Exercise price		Number of shares issued	
	RM/share	RM/share	RM/share	RM/share	2005 '000	2004 '000
January 2004	7.45 - 8.10	4.36 - 5.13	—	—	—	489
February 2004	7.80 - 8.50	4.36 - 5.13	—	—	—	454
March 2004	8.75 - 9.25	4.36 - 5.34	—	—	—	619
April 2004	9.00 - 9.20	4.36 - 5.13	—	—	—	310
May 2004	8.30 - 8.90	4.36 - 5.13	—	—	—	208
June 2004	8.70 - 9.00	4.36 - 5.13	—	—	—	311
July 2004	8.90 - 9.00	4.36 - 5.13	—	—	—	5,068
August 2004	8.35 - 8.80	4.36 - 5.13	—	—	—	3,200
September 2004	8.50 - 8.75	4.36 - 5.13	—	—	—	1,985
October 2004	8.55 - 8.75	4.36 - 6.47	—	—	—	1,390
November 2004	8.75 - 9.45	4.36 - 6.47	—	—	—	1,535
December 2004	9.15 - 9.45	4.36 - 6.47	—	—	—	2,525
January 2005	9.30 - 10.20	4.36 - 7.05	1,205	—	—	—
February 2005	9.45 - 9.80	4.36 - 7.05	823	—	—	—
March 2005	9.45 - 9.75	4.36 - 7.05	1,044	—	—	—
April 2005	9.55 - 9.75	4.36 - 8.13	374	—	—	—
May 2005	9.75 - 9.90	4.36 - 8.13	876	—	—	—
June 2005	9.70 - 9.90	4.36 - 8.13	1,263	—	—	—
July 2005	9.70 - 10.10	4.36 - 8.13	8,629	—	—	—
August 2005	9.45 - 10.20	4.36 - 8.13	4,445	—	—	—
September 2005	9.40 - 9.60	4.36 - 8.13	1,810	—	—	—
October 2005	8.85 - 9.50	4.36 - 8.13	1,143	—	—	—
November 2005	8.70 - 9.05	4.36 - 7.99	1,137	—	—	—
December 2005	8.20 - 8.70	4.36 - 7.99	1,484	—	—	—
					24,233	18,094

notes to the financial statements

31 December 2005 (continued)

27 SHARE CAPITAL (continued)

(b) Employee share option scheme (continued)

There are no ordinary shares with exercised options which have not been allotted to the optionees at the balance sheet date (2004: 154,000)

The share options over ordinary shares of RM0.10 each exercised during the financial year and the fair value, at exercise date, of shares issued are as follows:

	Group and Company	
	2005	2004
	RM'000	RM'000
Ordinary share capital at par	2,423	1,810
Share premium	126,417	82,507
Proceeds received on exercise of share options	128,840	84,317
Fair value at exercise date of shares issued	235,583	160,083

28 CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	3,415,509	2,172,457	1,600,600	196,510
Cash and bank balances	61,617	65,814	1,652	1,853
	3,477,126	2,238,271	1,602,252	198,363

The currency exposure profile of deposits with licensed banks and cash and bank balances are as follows:

– Ringgit Malaysia	3,172,550	2,234,392	1,602,221	198,309
– USD	303,429	3,879	31	54
– IDR	1,147	–	–	–
	3,477,126	2,238,271	1,602,252	198,363

29 FINANCIAL INSTRUMENTS

(a) Forward foreign exchange contracts

Forward foreign exchange contracts protect the Group and the Company from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled. Exchange gains and losses arising on contracts entered into as hedges of anticipated future transactions are deferred until the date of such transaction, at which time they are included in the measurement of such transactions.

notes to the financial statements

31 December 2005 (continued)

29 FINANCIAL INSTRUMENTS (continued)

(a) Forward foreign exchange contracts (continued)

As at 31 December 2005, the settlement dates on open forward contracts ranged between 1 and 3 months. The foreign currency amounts to be received and contractual exchange rates of the Group's outstanding contracts were as follows:

Hedged items	Currency to be received	Currency to be paid	RM'000 equivalent	Contractual rates
31 December 2005				
Trade payables:				
USD591,874	USD	RM	2,228	1 USD = RM3.7636
USD498,139	USD	RM	1,877	1 USD = RM3.7683
USD399,942	USD	RM	1,507	1 USD = RM3.7682
 Future purchase of an Investment in January 2006:				
USD280,000,000	USD	RM	1,059,744	1 USD = RM3.7848

The net unrecognised losses as at 31 December 2005 on open contracts which hedge anticipated future foreign currency above amounted to RM1,344,000 (2004:RMNil). These net exchange losses are deferred until the purchase is transacted, at which time they are included in the measurement of such transactions.

(b) Interest rate swap

During the year, the Company entered into an interest rate swap to hedge its USD100 million syndicated loan, as disclosed in Note 26, from 31 October 2005 to 7 February 2010. The effect of this transaction oblige it to pay fixed interest rate of 4.63% on the notional amount of USD100 million and entitle it to receive interest at the floating rate of KLIBOR on the same notional amount on a quarterly basis.

(c) Cross currency interest rate swap

On 14 February 2005, the Company entered into an amortising cross currency interest rate swap ("CCIRS") to hedge its USD160 million syndicated loan, as disclosed in Note 26, from 16 February 2005 to 16 May 2007. The Company is obliged to pay KLIBOR interest rate in exchange for receiving LIBOR interest rate on the amortising outstanding principal amounts. The principal of the CCIRS is amortised semi-annually in accordance with the repayment of the USD160 million syndicated loan via an exchange of cash flows in USD and RM based on a pre-determined exchange rate of RM3.80 to USD1.00.

notes to the financial statements

31 December 2005 (continued)

29 FINANCIAL INSTRUMENTS (continued)

(d) Fair values

(i) On balance sheet

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

The carrying amounts of financial liabilities with maturity of more than one year at the balance sheet date are set out below:

	Group		Company	
	Carrying amounts RM'000	Fair values RM'000	Carrying amounts RM'000	Fair values RM'000
Trade creditors (Note 25)	16,101	14,826	–	–
Borrowings (Note 26)				
– syndicated loans	532,010	532,010	532,010	532,010
– finance lease liabilities	5,615	6,578	–	–
Loan from a related party (Note 22)	24,269	24,269	–	–
Loan to a subsidiary (Note 16)	–	–	532,010	532,010

In assessing the fair value of non-current trade creditors, borrowings, loan from a related party and loan to a subsidiary, the discounted cash flow method was applied using current market interest rates available to the Group.

(ii) Off balance sheet

The financial derivative instruments are used to manage the foreign exchange and interest rate risks associated with certain non current foreign currency borrowings. The notional principal amounts and net fair value of the financial instruments not recognised in the balance sheet of the Group as at the end of the financial year are as follows:

	Notional Amount RM'000	Fair value gain/(loss) RM'000
Group		
Forward foreign exchange contracts	1,058,400	(1,344)
Interest rate swap	380,010	1,229
Cross currency interest rate swap	418,000	(3,711)

notes to the financial statements

31 December 2005 (continued)

30 ACQUISITION OF SUBSIDIARIES

(a) As at acquisition date

On 29 April 2005, the Group acquired 51% equity interest in PT Natrindo Telepon Seluler, a company incorporated in the Republic of Indonesia, for a cash consideration of USD100million (equivalent to RM380 million). Details of net assets acquired, goodwill and cash flow arising from the acquisition were as follows:

	Note	As at 29 April 2005 (date of acquisition) RM'000
Property, plant and equipment	14	57,430
Spectrum rights	15	168,730
Inventories		248
Debtors		11,655
Deposits with licensed banks		384,484
Cash and bank balances		2,669
Creditors		(16,135)
Borrowings		(30,558)
Fair value of total net assets acquired		578,523
Less: Minority interest		(283,476)
Group's share of net assets		295,047
Goodwill on acquisition	15	84,963
Cost of acquisition		380,010
Cash and cash equivalents of subsidiary acquired		387,153
Less: Cost of acquisition		(380,010)
Net cash inflow of the Group on acquisition		7,143

(b) Effects of the acquisition on the Group's financial results and position

The effects of the acquisition on the Group's financial results and position for the financial year were as follows:

	Period from 29.4.2005 (date of acquisition) to 31.12.2005 RM'000
Income statement	
Revenue	5,012
Operating costs (including amortisation of goodwill)	(80,698)
Loss before taxation	(75,686)
Taxation	—
Loss after taxation	(75,686)
Minority interest	34,311
Loss attributable to shareholders	(41,375)

notes to the financial statements

31 December 2005 (continued)

30 ACQUISITION OF SUBSIDIARIES (continued)

(b) Effects of the acquisition on the Group's financial results and position (continued)

	As at 31.12.2005 RM'000
Balance sheet	
Property, plant and equipment	30,147
Spectrum rights	158,648
Inventories	138
Debtors	16,115
Deposits with licensed banks, cash and bank balances	302,890
Creditors	(13,142)
Minority interest	(239,823)
Group's share of net assets	254,973
Goodwill on acquisition of PT Natrindo Telepon Seluler less amortisation for the financial year	79,300
Increase in Group's net assets	334,273

31 CAPITAL COMMITMENTS

Capital expenditure approved by the Directors and not provided for in the financial statements are as follows:

	Group 2005 RM'000	2004 RM'000
Contracted for	5,110,868	349,214
Not contracted for	1,672,203	1,060,464
	6,783,071	1,409,678
Analysed as follows:		
Property, plant and equipment	2,700,671	1,409,678
Acquisition of a subsidiary	4,082,400	–
	6,783,071	1,409,678

notes to the financial statements

31 December 2005 (continued)

32 OPERATING LEASE COMMITMENTS

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

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Expiring within one year	29,069	35,072	22,870	23,000
Expiring between one and five years	119,923	123,808	117,717	118,313
Expiring after five years	34,442	64,584	34,442	64,584
	183,434	223,464	175,029	205,897

33 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

Usaha Tegas Sdn. Bhd. together with certain entities controlled by or in which Ananda Krishnan Tatparanandam is deemed to have an interest, have the ability to exercise significant influence over the Group.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant transactions. The related party transactions described below were carried out on commercial terms that are no more favorable than that available to other third parties.

	Group	
	2005	2004
	RM'000	RM'000
(a) Sales of goods and services		
<i>Sales of telecommunications services to:</i>		
– MEASAT Broadcast Network Systems Sdn. Bhd. (VSAT, telephony and international bandwidth services)	8,303	8,080
(b) Purchases of goods and services		
<i>Purchases of services from:</i>		
– Tanjong City Centre Property Management Sdn. Bhd. (rental and utility charges)	30,494	24,606
– MEASAT Satellite Systems Sdn. Bhd. (transponder lease rental)	22,379	21,940
– MEASAT Broadcast Network Systems Sdn. Bhd. (CATV, advertising, printing services and video content)	1,679	5,937
– UTSB Management Sdn. Bhd. (secondment and consultancy services)	30,305	27,574
– SRG Asia Pacific Sdn. Bhd. (call handling and telemarketing services)	12,880	11,210

notes to the financial statements

31 December 2005 (continued)

34 CONTINGENT LIABILITIES

The following contingent liabilities have not been provided for in the financial statement.

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
(i) Guarantee given to a third party in respect of services provided to subsidiaries	1,800	1,800	1,800	1,800
(ii) Guarantees given to financial institutions for borrowing facilities granted to a subsidiary	–	608,000	–	608,000
(iii) Indemnity given to financial institutions in respect of bank guarantees issued at the request of the Company and subsidiaries				
– custom duties	2,259	1,817	–	–
– others	17,171	17,025	125	15
	19,430	18,842	125	15
(iv) Irrevocable bank guarantee given to the Malaysian Communications and Multimedia Commission	50,000	50,000	–	–
(v) A subsidiary received a mandatory injunction filed by a customer for reinstatement of premium number mobile telephone services, a prohibitory injunction restraining the subsidiary from barring his mobile telephone line and a claim for damages. The subsidiary is disputing the claim. The Directors are of the opinion that the claim is unlikely to be successful and no provision has been made in the financial statements.				

35 SUBSEQUENT EVENTS

- (a) On 6 January 2006, Global Communications Services Holdings Ltd (“GCSH”), a wholly-owned subsidiary of the Group, subscribed for 63,243,243 new equity shares of Indian Rupees (“Rs”) 10 each in Aircel Limited (“Aircel”) for a cash consideration of USD280 million (equivalent to RM1,060 million), representing 26% of its enlarged issued and paid-up share capital. Aircel is a cellular mobile telephone services provider incorporated in the Republic of India.

The following transactions took place in March 2006:

- (i) GCSH subscribed for 11,828,440 new equity shares of Rs10 each in Deccan Digital Networks Private Limited (“Deccan”), for a cash consideration of Rs118 million (equivalent to RM10 million), representing 25.714% of its enlarged issued and paid-up share capital. Deccan is a joint venture company incorporated in the Republic of India;
- (ii) GCSH acquired an additional 94,864,865 equity shares of Rs10 each in Aircel for a cash consideration of USD424 million (equivalent to RM1,564 million), representing 39% equity interest;

notes to the financial statements

31 December 2005 (continued)

35 SUBSEQUENT EVENTS (continued)

- (iii) GCSH acquired the entire beneficial ownership of 10,000 equity shares of Rs10 each in South Asia Communications Private Limited ("South Asia"), a company incorporated in the Republic of India for a cash consideration of Rs0.1 million (equivalent to RM0.08 million). Simultaneously, GCSH subscribed for an additional 6,207,278 equity shares of Rs10 each in South Asia, for a cash consideration of Rs62 million (equivalent to RM5 million) and for 1,634,461,328 redeemable preference shares of Rs10 each in South Asia for a cash consideration of Rs16,344 million (equivalent to RM1,349 million);
- (iv) South Asia subscribed for 1,634,461,328 cumulative non-convertible redeemable preference shares in Deccan for a cash consideration of Rs16,396 million (equivalent to RM1,353 million); and
- (v) Deccan acquired 85,135,135 equity shares of Rs10 each in Aircel for a cash consideration of Rs16,849 million (RM1,391 million), representing 35% equity interest of Aircel.

As this is a recent acquisition, it is not practicable to disclose information on the fair value of net identifiable assets acquired and the resultant goodwill arising on this acquisition. The operating results, assets and liabilities of Aircel Limited will be consolidated using the acquisition method with effect from 21 March 2006.

- (b) The Departemen Komunikasi dan Informatika, Direktorat Jenderal Pos dan Telekomunikasi ("the Ministry"), had issued on 8th February 2006, a Ministerial Decree on the allocation of 3G spectrum and the basis upon which the spectrum fee would be calculated which now require all operators to pay an upfront fee as well as an ongoing annual fee. The fee to be paid by operators without allocated spectrum was determined on 14 February 2006 through a bidding exercise.

Consequently on 25 April 2006, the Ministry has confirmed the following:

- (i) The payment of the upfront fees of IDR320 billion (equivalent to RM131 million) for 1 block of 2x5 MHz Moda Frequency Division Duplex (FDD) and IDR160 billion (equivalent to RM65 million) for 1x5 MHz Moda Time Division Duplex (TDD) will be deferred to 31 January 2008. The fees payable will also be subjected to interest based on the average Bank of Indonesia interest rate.
- (ii) The annual fee for 1 block of 2x5 MHz FDD and 1x5 MHz of TDD is IDR160 billion (equivalent to RM65 million) and IDR80 billion (equivalent to RM32.5 million) respectively. NTS is allowed to make payments under a structured deferred payment scheme, subject to interest based on the average Bank of Indonesia interest rate. The first annual fee of IDR32 billion (equivalent to RM13 million) for 1 block of 2x5 MHz FDD and IDR16 billion (equivalent to RM6.5 million) for 1x5 MHz of TDD under this deferred payment scheme is to be paid by 10 May 2006.
- (iii) NTS is entitled to a second contiguous block of 2x5 MHz FDD after 1 January 2008 subject to the condition that it has settled all 3G fees and fulfils its commitment to construct the telecommunication network based on the development plan approved by the Indonesian government.

36 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 25 April 2006

statement by directors

pursuant to section 169(15) of the Companies Act, 1965

We, Tan Sri Dato' Megat Zaharuddin bin Megat Mohd Nor and Dato' Jamaludin bin Ibrahim, two of the Directors of Maxis Communications Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 78 to 133 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2005 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with MASB approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

Signed on behalf of the Board of Directors in accordance with their resolution dated 25 April 2006.

TAN SRI DATO' MEGAT ZAHARUDDIN BIN MEGAT MOHD NOR

CHAIRMAN

DATO' JAMALUDIN BIN IBRAHIM

DIRECTOR

Kuala Lumpur

declaration

pursuant to section 169(16) of the Companies Act, 1965

I, Bartho van Otterdyk, the officer primarily responsible for the financial management of Maxis Communications Berhad, do solemnly and sincerely declare that the financial statements set out on pages 78 to 133 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

BARTHO VAN OTTERDYK

Subscribed and solemnly declared by the above named Bartho van Otterdyk at Kuala Lumpur in Malaysia on 25 April 2006, before me.

AHMAD B. LAYA

(No. W259)

COMMISSIONER FOR OATHS

report of the auditors

to the members of Maxis Communications Berhad (Company No. 158400-V)

We have audited the financial statements set out on pages 78 to 133. These financial statements are the responsibility of the Company's Directors. It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and MASB approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and the Company as at 31 December 2005 and of the results and cash flows of the Group and the Company for the financial year ended on that date;

and

- (b) the accounting and other records and the registers required by the Act to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The name of the subsidiaries of which we have not acted as auditors are indicated in Note 17 to the financial statements. We have considered the financial statements of these subsidiaries and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of section 174 of the Act.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

ERIC OOI LIP AUN
(No. 1517/06/06 (J))
Partner of the firm

Kuala Lumpur
25 April 2006

size of shareholdings

as at 14 April 2006

Size of Holdings	No. of shareholders	% of shareholders	No. of shares held	% of issued shares
Less than 100	328	2.65	2,427	0.00
100 – 1,000	7,532	60.88	6,747,225	0.27
1,001 – 10,000	3,396	27.45	12,908,508	0.52
10,001 – 100,000	698	5.64	23,567,516	0.94
100,001 – 125,107,599*	414	3.35	1,625,895,268	64.98
125,107,600 and above **	4	0.03	833,031,056	33.29
Total	12,372	100.00	2,502,152,000	100.00

* Less than 5% of issued shares

** 5% and above of issued shares

Distribution table according to category of shareholders

as at 14 April 2006

Category of shareholders	No. of shareholders	% of shareholders	No. of shares held	% of issued shares
Individuals	10,445	84.42	26,680,313	1.07
Bank / Finance Companies	46	0.37	267,246,100	10.68
Investment Trusts / Foundations / Charities	8	0.07	85,400	0.00
Other Types of Companies	219	1.77	1,541,174,439	61.59
Government Agencies / Institutions	6	0.05	6,143,400	0.25
Nominees	1,648	13.32	660,822,348	26.41
Total	12,372	100.00	2,502,152,000	100.00

directors' interests in shares

based on the register of directors' shareholdings as at 14 April 2006

The interests of the Directors of Maxis in the shares and options over shares in the Company based on the Company's Register of Directors' Shareholdings are as follows :-

In the Company

Name	No. of ordinary shares of RM0.10 each		% of issued shares	
	Direct	Indirect	Direct	Indirect
Tan Sri Dato' Megat Zaharuddin bin Megat Mohd. Nor	—	—	—	—
Dato' Seri Syed Anwar Jamalullail	9,000	—	0.0004	—
Lord Killearn	100,000 ⁽¹⁾	—	0.0040	—
Augustus Ralph Marshall	500,000 ⁽²⁾	—	0.0200	—
Tan Poh Ching	500,000 ⁽³⁾	—	0.0200	—
Chan Chee Beng	506,000	—	0.0202	—
Dato' Jamaludin bin Ibrahim	750,000 ⁽⁴⁾	—	0.0300	—

	Option over number of shares of RM0.10 each	
	No. of Option Shares	Price per Option Share
Dato' Jamaludin bin Ibrahim	1,443,578	RM4.36
	368,000	RM5.13
	304,000	RM8.15
	496,000	RM8.69

NOTES :-

- ⁽¹⁾ Of the 100,000 ordinary shares of RM0.10 each, 85,000 ordinary shares of RM0.10 are held through a nominee, namely, HSBC Nominees (Asing) Sdn Bhd and 15,000 ordinary shares of RM0.10 each are registered in his own name.
- ⁽²⁾ Held through a nominee, namely, CIMSEC Nominees (Tempatan) Sdn. Bhd.
- ⁽³⁾ Held through a nominee, namely, RHB Capital Nominees (Tempatan) Sdn. Bhd.
- ⁽⁴⁾ Of the 750,000 ordinary shares of RM0.10 each, 100,000 ordinary shares of RM0.10 each are held through a nominee, namely, RHB Capital Nominees (Tempatan) Sdn Bhd, 500,000 ordinary shares of RM0.10 each are held through a nominee, namely, Citigroup Nominees (Tempatan) Sdn Bhd [formerly known as Citicorp Nominees (Tempatan) Sdn Bhd] and 150,000 ordinary shares of RM0.10 each are registered in his own name.

list of 30 largest shareholders

as at 14 April 2006

No	Name	Share	%
1	MAXIS HOLDINGS SDN BHD	397,849,171	15.90
2	TEGAS PURI SDN BHD	167,378,718	6.69
3	WILAYAH RESOURCES SDN BHD	133,901,584	5.35
4	BESITANG BARAT SDN BHD	133,901,583	5.35
5	BESITANG SELATAN SDN BHD	117,164,175	4.68
6	HSBC NOMINEES (ASING) SDN BHD - EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.S.A.)	107,654,500	4.30
7	EMPLOYEES PROVIDENT FUND BOARD	92,064,600	3.68
8	KUMPULAN WANG AMANAH PENCEN	90,450,000	3.62
9	RIA UTAMA SDN BHD	83,689,359	3.34
10	TETAP EMAS SDN BHD	83,689,359	3.34
11	NUSANTARA MAKMUR SDN BHD	74,514,359	2.98
12	HSBC NOMINEES (ASING) SDN BHD - EXEMPT AN FOR J.P. MORGAN BANK LUXEMBOURG S.A.	68,814,700	2.75
13	CABARAN MUJUR SDN BHD	61,665,722	2.47
14	WANGI TERANG SDN BHD	59,732,025	2.39
15	MUJUR ANGGUN SDN BHD	50,214,543	2.01
16	LEMBAGA TABUNG HAJI	49,393,600	1.97
17	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD - SKIM AMANAH SAHAM BUMIPUTERA	48,810,100	1.95
18	ANAK SAMUDRA SDN BHD	43,689,359	1.75
19	DUMAI MAJU SDN BHD	43,689,359	1.75
20	CIMSEC NOMINEES (TEMPATAN) SDN BHD - SECURITY TRUSTEE (KCW ISSUE 2)	38,787,600	1.55
21	TEGAS SARI SDN BHD	35,148,789	1.41
22	USAHA KENANGA SDN BHD	20,853,534	0.83
23	PERMODALAN NASIONAL BERHAD	18,392,900	0.74
24	HSBC NOMINEES (ASING) SDN BHD - TNTC FOR MONDRIAN EMERGING MARKETS EQUITY FUND L.P.	17,466,600	0.70
25	HSBC NOMINEES (ASING) SDN BHD - EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.K.)	15,533,200	0.62
26	VALUECAP SDN BHD	15,098,400	0.60
27	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD - AMANAH SAHAM MALAYSIA	13,816,800	0.55
28	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD - AMANAH SAHAM DIDIK	13,314,800	0.53
29	HSBC NOMINEES (ASING) SDN BHD - BBH AND CO BOSTON FOR GMO EMERGING MARKETS FUND	11,569,560	0.46
30	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD - GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	11,000,000	0.44
		2,119,248,999	84.70

information on substantial shareholders

(excluding bare trustees) as at 14 April 2006

The direct and indirect shareholdings of the shareholders holding more than 5% in Maxis based on the Register of Substantial Shareholders as at 14 April 2006 are as follows:-

Substantial Shareholders	Number of Ordinary Shares of RM0.10 each Direct	%	Number of Ordinary Shares of RM0.10 each Indirect	%
Maxis Holdings Sdn Bhd	397,849,171	15.90	—	—
Global Multimedia Technologies (BVI) Ltd	—	—	397,849,171 ⁽¹⁾	15.90
East Asia Telecommunications Ltd	—	—	397,849,171 ⁽¹⁾	15.90
Worldwide Communications Technologies Ltd	—	—	397,849,171 ⁽¹⁾	15.90
Eridanes International N.V.	—	—	397,849,171 ⁽²⁾	15.90
Pacific Fortune Sdn Bhd	—	—	167,378,718 ⁽³⁾	6.69
MAI Holdings Sdn Bhd	—	—	167,378,718 ⁽⁴⁾	6.69
Wilayah Resources Sdn Bhd	133,901,584	5.35	—	—
Wilayah Bintang Sdn Bhd	—	—	133,901,584 ⁽⁵⁾	5.35
Tegas Puri Sdn Bhd	167,378,718	6.69	—	—
Tegas Mahsuri Sdn Bhd	—	—	167,378,718 ⁽⁶⁾	6.69
Besitang Barat Sdn Bhd	133,901,583	5.35	—	—
Besitang (M) Sdn Bhd	—	—	133,901,583 ⁽⁷⁾	5.35
Usaha Tegas Equity Sdn Bhd	—	—	552,346,060 ⁽⁸⁾	22.07
Usaha Tegas Sdn Bhd	—	—	552,346,060 ⁽⁹⁾	22.07
Pacific States Investment Limited	—	—	552,346,060 ⁽¹⁰⁾	22.07
Excorp Holdings N.V.	—	—	552,346,060 ⁽¹¹⁾	22.07
PanOcean Management Limited	—	—	552,346,060 ⁽¹¹⁾	22.07
Ananda Krishnan Tatparanandam	—	—	1,177,305,974 ⁽¹²⁾	47.05
Harapan Nusantara Sdn Bhd	—	—	329,775,665 ⁽¹³⁾	13.18
Tun Haji Mohammed Hanif bin Omar	300,000	0.012	331,775,665 ^{(14) & (15)}	13.26
Dato' Haji Badri bin Haji Masri	—	—	329,775,665 ⁽¹⁴⁾	13.18
Mohamad Shahrin bin Merican	130,000	0.0052	329,775,665 ⁽¹⁴⁾	13.18
Hj. Affendi bin Tun Hj Mohd Fuad Stephens	—	—	329,775,665 ⁽¹⁴⁾	13.18

information on substantial shareholders

(excluding bare trustees) as at 14 April 2006 (continued)

Notes:-

- (1) Deemed to have an interest by virtue of its direct interest in Maxis Holdings Sdn Bhd ("MHSB").
- (2) Eridanes International N.V. ("EINV") is deemed to have an interest in the shares in Maxis held by MHSB by virtue of EINV being entitled to exercise 100% of the votes attached to the voting shares in each of Global Multimedia Technologies (BVI) Ltd ("GMT"), East Asia Telecommunications Ltd ("EAT") and Worldwide Communications Technologies Ltd ("WCT").
- (3) Pacific Fortune Sdn Bhd ("PFSB")'s deemed interest in the shares in Maxis arises by virtue of its direct equity interest of 100% each in Ria Utama Sdn Bhd ("RUSB") and Tetap Emas Sdn Bhd ("TESB") respectively (collectively, "PFSB Subsidiaries"). The PFSB Subsidiaries hold in aggregate 6.69% direct equity interest in Maxis.
- (4) MAI Holdings Sdn Bhd ("MAIH") is deemed to have an interest in all of the shares in Maxis in which PFSB has an interest, by virtue of MAIH's direct equity interest of 100% in PFSB. See Note (3) above.
- (5) Wilayah Bintang Sdn Bhd is deemed to have an interest in all of the shares in Maxis held by Wilayah Resources Sdn Bhd by virtue of its direct equity interest in Wilayah Resources Sdn Bhd.
- (6) Tegas Mahsuri Sdn Bhd is deemed to have an interest in all of the shares in Maxis held by Tegas Puri Sdn Bhd by virtue of its direct equity interest in Tegas Puri Sdn Bhd.
- (7) Besitang (M) Sdn Bhd is deemed to have an interest in all of the shares in Maxis held by Besitang Barat Sdn Bhd by virtue of its direct equity interest in Besitang Barat Sdn Bhd.
- (8) Usaha Tegas Equity Sdn Bhd ("UTES")'s deemed interest in the shares in Maxis arises by virtue of its direct equity interests of 100% each in Wilayah Bintang Sdn Bhd, Tegas Mahsuri Sdn Bhd, Besitang (M) Sdn Bhd and Besitang Utara Sdn Bhd which are the holding companies of Wilayah Resources Sdn Bhd, Tegas Puri Sdn Bhd, Besitang Barat Sdn Bhd and Besitang Selatan Sdn Bhd (collectively, "UT Subsidiaries"). The UT Subsidiaries hold in aggregate 22.07% direct equity interest in Maxis. See Notes (5) to (7) above.
- (9) Usaha Tegas Sdn Bhd ("UTSB") is deemed to have an interest in all of the shares in Maxis in which UTES has an interest, by virtue of UTSB being entitled to exercise 100% of the votes attached to the voting shares of UTES. See Note (8) above.
- (10) Pacific States Investment Limited ("PSIL") is deemed to have an interest in all of the shares in Maxis in which UTSB has an interest, by virtue of PSIL being entitled to exercise 99.99% of the votes attached to the voting shares of UTSB. See Note (9) above.
- (11) The shares in PSIL are held by Excorp Holdings N.V. ("Excorp") which is in turn held by PanOcean Management Limited ("PanOcean"). PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of Ananda Krishnan Tatparanandam ("TAK") and foundations including those for charitable purposes. Although PanOcean and TAK are deemed to have an interest in the shares in Maxis in which PSIL has an interest, they do not have any economic or beneficial interest over such shares, as such interest is held subject to the terms of the discretionary trust.
- (12) TAK is deemed to have an interest by virtue of :-
 - (i) his controlling interest in MAI Sdn Berhad, the immediate holding company of Terang Equity Sdn Bhd which in turn has a direct equity interest of 100% in Wangi Terang Sdn Bhd;
 - (ii) his controlling interest in MAIH, the immediate holding company of PFSB which in turn has a direct equity interest of 100% each in RUSB and TESB respectively. See Note (4) above;

- (iii) the deemed interest of PanOcean. See Note (11); and
 - (iv) his controlling interest in EINV, the immediate holding company of EAT, GMT and WCT which in turn collectively hold shares in MHSB. See Note (2) above.
- (13) Harapan Nusantara Sdn Bhd (“Harapan Nusantara”) is deemed to have an interest in all of the shares in Maxis in which Mujur Anggun Sdn Bhd, Cabaran Mujur Sdn Bhd, Anak Samudra Sdn Bhd, Dumai Maju Sdn Bhd, Nusantara Makmur Sdn Bhd, Usaha Kenanga Sdn Bhd and Tegas Sari Sdn Bhd (the “Harapan Nusantara Subsidiaries”) have an interest, by virtue of Harapan Nusantara being entitled to control the exercise of 100% of the votes attached to the voting shares in each of the Harapan Nusantara Subsidiaries. The Harapan Nusantara Subsidiaries hold their respective interests in Maxis as trustees under discretionary trusts for Bumiputera objects. As such, Harapan Nusantara does not have any economic interest in these shares held by the Harapan Nusantara Subsidiaries as such interest is held subject to the terms of the discretionary trusts for Bumiputera objects.
- (14) Deemed to have an interest in the shares in Maxis in which Harapan Nusantara has an interest, by virtue of his 25% direct equity interest in Harapan Nusantara. See Note (13) above. However, he does not have any economic interest in the shares held by the Harapan Nusantara Subsidiaries as such interest is held subject to the terms of the discretionary trusts for Bumiputera objects.
- (15) Tun Haji Mohammed Hanif bin Omar is deemed to have an interest over an additional 2,000,000 shares in Maxis held by Dian Tiara Sdn Bhd (“DTSB”) by virtue of his direct equity interest of 99% in DTSB.

list of properties held

by Maxis Communications Berhad as at 31 December 2005

Postal Address	Approximate Age of Building	Tenure Date of Acquisition	Remaining Lease Period (Expiry of lease)	Current Use	Land Area (sq. metre)	Built-up Area (sq. metre)	Net Book Value as at 31 December 2005 (RM'000)
Plot 12155 (Lot 13) Jalan Delima 1/ 1 Subang Hi-Tech Industrial Park 40000 Shah Alam Selangor	10 years	Freehold (land and building) 9 May 1994	—	Telecommunications operations centre and office	11,230	10,061	25,747
Lot 4059, Jalan Riang 20 Taman Gembira Industrial Estate 81100 Johor Bahru Johor	13 years	Freehold (land and building) 21 July 1994	—	Telecommunications operations centre and office	2,022	2,531	5,730
Lot 4046, Jalan Riang 20 Taman Gembira Industrial Estate 81100 Johor Bahru Johor	8 years	Freehold (land and building) 21 July 1994	—	Telecommunications operations centre and office	2,042	1,546	
No. 127-527 Jalan SS6/ 12 Kelana Jaya Petaling Jaya 47301 Selangor	21 years	Freehold (land and building) 12 December 1994	—	Telecommunications operations centre	372	1,858	3,968
No. 26 Jalan Perdagangan 10 Taman Universiti 81300 Skudai Johor	11 years	Freehold (land and building) 2 March 1995	—	Telecommunications operations centre	2,294	409	1,301
Lot 2537 & 2538 Lorong Jelawat 6 Kawasan Perusahaan Seberang Jaya 13700 Seberang Jaya Penang	9 years	Leasehold (land and building) 5 January 1995	68 years (18 August 2073)	Telecommunications operations centre and office	3,661	2,259	7,698
Lot 11301, Jln Lebuhraya Kuala Lumpur – Seremban Batu 8, Mukim Petaling 57000 Kuala Lumpur Wilayah Persekutuan	9 years	Sub-lease (land and building) 9 August 1999	20 years (28 July 2025)	Telecommunications operations centre and office	11,592	5,634	19,708
Lot 25 Lorong Burung Keleto Inanam Industrial Estate Inanam 88450 Kota Kinabalu Sabah	5 years	Leasehold (land and building) 11 May 2000	91 Years (31 December 2096)	Telecommunications operations centre and office	16,149	3,372	21,815
Lot 2323, Off Jalan Daya Pending Industrial Estate Bintawa, 93450 Kuching Sarawak	5 years	Leasehold (land and building) 28 September 2000	36 years (17 February 2042)	Telecommunications operations centre and office	10,122	3,382	19,874

list of properties held

by Maxis Communications Berhad as at 31 December 2005

Postal Address	Approximate Age of Building	Tenure Date of Acquisition	Remaining Lease Period (Expiry of lease)	Current Use	Land Area (sq. metre)	Built-up Area (sq. metre)	Net Book Value as at 31 December 2005 (RM'000)
PT 31093 Taman Perindustrian Tago Jalan KL-Sg. Buluh Mukim Batu Gombak, Selangor	8 years	Freehold (land and building) 2 July 1996	—	Telecommunications operations centre	2,830	3,290	2,763
Lot 943 & 1289 No. Lot Pemaju - 46 Rawang Integrated Industrial Park Selangor	8 years	Freehold (land and building) ⁽¹⁾ 12 April 1997	—	Central Technical Office	10,611	1,535	3,370
8101 Taman Desa Jasmin Block 12B Bandar Baru Nilai Labu, Negeri Sembilan	8 years	Freehold (land and building) 28 December 1996	—	Central Technical Office	2,378	1,736	1,359
No 1 Taman Perindustrial Subang (Lion Industrial Park) Seksyen 22 40000 Shah Alam Selangor	11 years	Freehold (land and building) 24 October 1995	—	Warehouse	17,721	1,886	7,378
Plot 80 C Bayan Lepas Industrial Park IV Penang	7 years	Leasehold (land and building) 27 July 1996	52 years (10 July 2057)	Incomplete Building	8,106	5,416	1,888
Lot 26A, Jalan Kilang SEDCO Industrial Estate Kolombong 88450 Kota Kinabalu Sabah	21 years	Leasehold (land and building) 27 January 1996	29 years (31 December 2034)	Telecommunications operations centre	2,840	1,178	2,458
Lot 989, Section 66 Jalan Jentera, Pending Industrial Estate 93450 Kuching, Sarawak	28 years	Leasehold (land and building) 9 May 1996	29 years (2 February 2035)	Telecommunications operations centre	2,614	800	1,562
No. 997, Solok Perusahaan 3 Perai Industrial Estate 13600 Perai Pulau Pinang	26 years	Leasehold (land and building) 13 March 1995	66 years (28 September 2071)	Telecommunications operations centre	1,784	699	855

Note:

Revaluations of properties have not been carried out on any of the above properties to date.

⁽¹⁾ The title deed pertaining to the freehold land is in the process of being transferred to Maxis Broadband Sdn. Bhd.

disclosure of recurrent related party transactions

At the Extraordinary General Meetings held on 7 June 2004 and 23 June 2005 respectively, the Company had obtained shareholders' mandates to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

In accordance with Paragraph 10.09(1)(b) of the Listing Requirements of Bursa Securities and Section 4.1.5 of Practice Note No. 12/2001 issued by Bursa Securities, the details of recurrent related party transactions entered into during the financial year ended 31 December 2005 pursuant to the shareholders' mandates are as follows:-

Company in the Maxis Group involved	Transacting Party	Nature of transaction	Related Party
MMSB #	MIT	<ul style="list-style-type: none"> • Purchase of services and contents by MMSB and the right to use the WAP-STK platform granted by MIT 	<ul style="list-style-type: none"> • <u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri, AF, MSM • <u>Directors</u> RM, TPC, CCB
MMSSB#	MIT	<ul style="list-style-type: none"> • Purchase of services and contents by MMSSB to be accessed by mobile devices using the MBSB network, including among others the WAP-STK platform granted by MIT – Transaction & Content Fee 	
MBSB#	MIT	<ul style="list-style-type: none"> • Purchase of services and contents by MBSB to be accessed by mobile devices using the MBSB network, including among others the WAP-STK platform granted by MIT – Transaction Fee 	
MMSB#	MIT	<ul style="list-style-type: none"> • Purchase of services by MMSB for the development and system integration work by MIT to link all major retail banks to the WAP-STK platform 	
		<ul style="list-style-type: none"> • Purchase of services by MMSB for the development of Mobile Service Portal by MIT – Transaction Fee 	
MMSSB	MIT	<ul style="list-style-type: none"> • Purchase of services by MMSSB - development of Video Streaming Services across 2.5G and 3G network including platform and transaction fee 	

Nature of relationship	Shareholders' mandate obtained at the EGM held on 7 June 2004		Shareholders' mandate obtained at the EGM held on 23 June 2005	
	Unutilised mandate as at 1 January 2005 (RM)	Incurred from 1 January 2005 to 22 June 2005 (RM)	Approved/mandated on 23 June 2005 (RM)	Incurred from 23 June 2005 to 31 December 2005 (RM)
Please refer to Note 1.	(1,845,088)	(1,632,830)	N/A	N/A
	N/A	N/A	(1,000,000)	(639,098)
	N/A	N/A	(2,500,000)	(1,384,433)
	(1,300,000)	(76,000)	N/A	N/A
	(500,000)	(3,742)	N/A	N/A
	(2,700,000)	(300,000)	N/A	N/A

disclosure of recurrent related party transactions (continued)

Company in the Maxis Group involved	Transacting Party	Nature of transaction	Related Party
MMSSB	MIT	<ul style="list-style-type: none"> Provision of electronic bill presentment and payment ("EBPP") services for Maxis via MIT's EBPP system: <ul style="list-style-type: none"> Connection & Maintenance Fee Transaction Fee 	<ul style="list-style-type: none"> <u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri, AF, MSM <u>Directors</u> RM, TPC, CCB
MMSSB	AMP	<ul style="list-style-type: none"> Agreement for External Content Provider Aggregator - an existing service which enables third party content providers to provide premium SMS/WAP/MMS content to Maxis subscribers by linking their content server to: <ul style="list-style-type: none"> Maxis Short Messaging Service Centre ("SMSC") WAP gateway Multimedia Message Service Centre ("MMSC") E-STK 	<ul style="list-style-type: none"> <u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri, AF, MSM <u>Directors</u> RM, TPC, CCB
MBSB	MBNS	<ul style="list-style-type: none"> Supply of services - the provision of services to MBNS for 2 skyline VSAT links and 2 leased lines to Kuching and Kota Kinabalu 	<ul style="list-style-type: none"> <u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri, AF, MSM
MMSSB	MBNS	<ul style="list-style-type: none"> Purchase of services by MMSSB - right position of video content and production services for Maxis Video sharing services Promotional activities with MBNS involving the provision of broadcast related media services e.g. television and radio bookings, sponsorships, promotional air-time and event packages to MMSSB Agreement for External Content Provider Aggregator - an existing service which enables third party content providers to provide premium SMS/WAP/MMS content to Maxis subscribers by linking their content server to: <ul style="list-style-type: none"> Maxis SMSC WAP gateway MMSC E-STK 	<ul style="list-style-type: none"> <u>Directors</u> RM, TPC, CCB
MMSB	MBNS	<ul style="list-style-type: none"> Usage of Maxis' Menara Sunway Contact Centre as MBNS's backup call centre 	

Nature of relationship	Shareholders' mandate obtained at the EGM held on 7 June 2004		Shareholders' mandate obtained at the EGM held on 23 June 2005	
	Unutilised mandate as at 1 January 2005 (RM)	Incurred from 1 January 2005 to 22 June 2005 (RM)	Approved/mandated on 23 June 2005 (RM)	Incurred from 23 June 2005 to 31 December 2005 (RM)
Please refer to Note 1.	N/A N/A	N/A N/A	(420,000) (48,000)	(159,461) (10,047)
Please refer to Note 2.	N/A	N/A	(800,000)	(105,016)
Please refer to Note 3.	1,031,273	699,038	N/A	N/A
	(186,130)	(156,000)	N/A	N/A
	(10,325,255)	(2,329,498)	N/A	N/A
	N/A	N/A	(7,000,000)	(3,763,514)
	N/A	N/A	25,576	4,676

disclosure of recurrent related party transactions (continued)

Company in the Maxis Group involved	Transacting Party	Nature of transaction	Related Party
MBSB	MSS	<ul style="list-style-type: none"> Rental of assets - Transponder lease rental payable by MBSB to MSS for the use of satellite bandwidth of MEASAT 1 and MEASAT 2 	<ul style="list-style-type: none"> <u>Major Shareholders</u> TAK, MAIH, THO <u>Directors</u> RM, CCB
		<ul style="list-style-type: none"> Rental of assets - Rental payable by MBSB to MSS for BTS site 	
MMSSB	TGV	<ul style="list-style-type: none"> Promotional activities involving the subsidising of movie tickets, sponsorship of shows and booking of halls for MMSSB's customers 	<ul style="list-style-type: none"> <u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean, TAK, AF <u>Directors</u> RM, TPC, CCB
Maxis	TGV	<ul style="list-style-type: none"> Purchase of TGV tickets for Klang Valley Broadband ("KVB") roadshows and promotional campaigns for launch of new services 	
Maxis	TCCPM	<ul style="list-style-type: none"> License fee payable by Maxis to TCCPM for signage space and Maxis' right to name the building i.e. Menara Maxis 	<ul style="list-style-type: none"> <u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean, TAK, AF <u>Directors</u> RM, TPC, CCB
		<ul style="list-style-type: none"> Rental of Level 8, Menara Maxis inclusive of service charge by TCCPM to Maxis 	
		<ul style="list-style-type: none"> Rental of Ground Floor, Menara Maxis inclusive of service charge by TCCPM to Maxis 	
Maxis	UTP	<ul style="list-style-type: none"> Development Management Fees for dining facility on Level 24 and an Auditorium on Level 25, Menara Maxis 	<ul style="list-style-type: none"> <u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean, TAK, MSM <u>Directors</u> RM, TPC, CCB
MMSB [#]	SRGAP	<ul style="list-style-type: none"> Purchase of services - the provision of call handling and other tele-marketing services to MMSB by SRGAP 	<ul style="list-style-type: none"> <u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean, TAK, MSM <u>Directors</u> RM, TPC, CCB
MMSSB [#]	SRGAP	<ul style="list-style-type: none"> Purchase of services - the provision of call handling and other tele-marketing services to MMSSB by SRGAP 	

Nature of relationship	Shareholders' mandate obtained at the EGM held on 7 June 2004		Shareholders' mandate obtained at the EGM held on 23 June 2005	
	Unutilised mandate as at 1 January 2005 (RM)	Incurred from 1 January 2005 to 22 June 2005 (RM)	Approved/mandated on 23 June 2005 (RM)	Incurred from 23 June 2005 to 31 December 2005 (RM)
Please refer to Note 4.	(13,887,144)	(10,893,689)	(21,988,000)	(11,712,324)
	(14,320)	(12,110)	(28,600)	(13,090)
Please refer to Note 5.	(481,404)	(27,277)	(270,000)	Nil
	(30,000)	(2,250)	N/A	N/A
Please refer to Note 6.	(446,400)	(288,333)	(650,000)	(311,667)
	N/A	N/A	(1,050,000)	(460,896)
	N/A	N/A	(1,300,000)	(592,597)
Please refer to Note 7.	(328,800)	(15,120)	N/A	N/A
Please refer to Note 8.	(5,738,083)	(5,639,947)	N/A	N/A
	N/A	N/A	(16,000,000)	(7,239,584)

disclosure of recurrent related party transactions (continued)

Company in the Maxis Group involved	Transacting Party	Nature of transaction	Related Party
Maxis	UTHSB	<ul style="list-style-type: none"> Corporate Food & Beverage at Level 24 & Rental of Auditorium at Level 25, Menara Maxis for internal and external briefings and promotions by Maxis from UTHSB 	<ul style="list-style-type: none"> <u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean, TAK, MSM <u>Directors</u> RM, TPC, CCB
MMSSB	BLSB	<ul style="list-style-type: none"> Transfer of Hotlink starter kits, RM100 Top up tickets ("TUT"), RM60 TUT, RM30 TUT to BLSB at an agreed price for the purpose of making these items as BonusLink on-the-spot redemption gifts 	<ul style="list-style-type: none"> <u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean, TAK, MSM <u>Directors</u> RM, TPC, CCB
MBSB	AKSB	<ul style="list-style-type: none"> Rental of assets - Rental payable by MBSB to AKSB for BTS site 	<ul style="list-style-type: none"> <u>Major Shareholder</u> TAK <u>Director</u> RM
MBSB	AJSB	<ul style="list-style-type: none"> Rental of assets - Rental payable by MBSB to AJSB for BTS site 	<ul style="list-style-type: none"> <u>Major Shareholders</u> TAK
		<ul style="list-style-type: none"> Electricity charges incurred by MBSB payable to AJSB 	<ul style="list-style-type: none"> <u>Director</u> RM
MBSB	HTP	<ul style="list-style-type: none"> Supply of services - the provision of SkyNet and SkyLine VSAT and leased lines to HTP 	<ul style="list-style-type: none"> <u>Director</u> DJI
		<ul style="list-style-type: none"> Commissioning of 2Mb Domestic Private Leased Circuit ("DPLC") by MBSB between Point A in Kangar and Point B in Butterworth for HTP internal network requirement 	
		<ul style="list-style-type: none"> Estimated value of DPLC Projects from HTP (Combination of 64k/128k/512k) 	
MBSB	OSB	<ul style="list-style-type: none"> Rental payable by MBSB to OSB for one equipment room for Fixed Network 	<ul style="list-style-type: none"> <u>Major Shareholder</u> THO

Nature of relationship	Shareholders' mandate obtained at the EGM held on 7 June 2004		Shareholders' mandate obtained at the EGM held on 23 June 2005	
	Unutilised mandate as at 1 January 2005 (RM)	Incurred from 1 January 2005 to 22 June 2005 (RM)	Approved/mandated on 23 June 2005 (RM)	Incurred from 23 June 2005 to 31 December 2005 (RM)
Please refer to Note 9.	N/A	N/A	(350,000)	(126,564)
Please refer to Note 10.	N/A	N/A	500,000	8,768
Please refer to Note 11.	(32,800)	(25,373)	N/A	N/A
Please refer to Note 12.	(12,800)	(17,300) *	N/A	N/A
	(3,062)	(2,381)	N/A	N/A
DJI is a Director of Maxis and a director of HTP (within the 12 months preceding the date on which the terms of the transaction were agreed upon). He is also a shareholder of Maxis and HTP.	233,102	614,013 *	1,850,000	657,295
	N/A	N/A	150,000	12,590
	N/A	N/A	200,000	25,920
THO is a major shareholder of Maxis and also a director of GB, the holding company of OSB. He is also a shareholder of GB.	(12,300)	(8,650)	(22,500)	(9,350)

disclosure of recurrent related party transactions (continued)

Company in the Maxis Group involved	Transacting Party	Nature of transaction	Related Party
MBSB	AMPT	<ul style="list-style-type: none"> Rental of assets - Rental of equipment room payable by MBSB to AMPT 	<ul style="list-style-type: none"> <u>Major Shareholder</u> THO
		<ul style="list-style-type: none"> Payment of electricity bill by MBSB to AMPT 	
MBSB	ALDSB	<ul style="list-style-type: none"> Rental of assets - Rental payable by MBSB to ALDSB for BTS site 	<ul style="list-style-type: none"> <u>Major Shareholder</u> THO
MBSB	AHSB	<ul style="list-style-type: none"> Rental of assets - Rental payable by MBSB to AHSB for BTS site 	<ul style="list-style-type: none"> <u>Major Shareholder</u> THO
MMSB#	AMF	<ul style="list-style-type: none"> Rental of assets - Rental payable by MMSB to AMF for BTS site 	<ul style="list-style-type: none"> <u>Major Shareholder</u> THO
MBSB#	AMF	<ul style="list-style-type: none"> Rental of assets - Rental payable by MBSB to AMF for BTS site 	
MBSB	GHB	<ul style="list-style-type: none"> Rental of assets - Rental payable by MBSB to GHB for BTS site 	<ul style="list-style-type: none"> <u>Major Shareholder</u> THO
MBSB	RFS	<ul style="list-style-type: none"> BTS electricity charges incurred by MBSB payable to RFS 	<ul style="list-style-type: none"> <u>Major Shareholder</u> THO
MBSB	WPSB	<ul style="list-style-type: none"> Rental of assets - Rental payable by MBSB to WPSB for BTS site at Awana Kijal Golf & Beach Resort 	<ul style="list-style-type: none"> <u>Major Shareholder</u> THO

Nature of relationship	Shareholders' mandate obtained at the EGM held on 7 June 2004		Shareholders' mandate obtained at the EGM held on 23 June 2005	
	Unutilised mandate as at 1 January 2005 (RM)	Incurred from 1 January 2005 to 22 June 2005 (RM)	Approved/mandated on 23 June 2005 (RM)	Incurred from 23 June 2005 to 31 December 2005 (RM)
THO is a major shareholder of Maxis and also a director of AMMB Holdings Berhad ("AMMB"), the ultimate holding company of AMPT. THO does not have any equity interests in AMMB and AMPT.	(9,880)*	(10,957)*	(46,800)	(11,843)
	(11,415)	(484)	(12,000)	(615)
ALDSB is a 54.8% indirect subsidiary of GB. THO is a major shareholder of Maxis and also a director of GB. He is also a shareholder of GB.	(1,524)*	(76,120)*	(195,000)	(82,280)
THO is a major shareholder of Maxis and also a director of AMMB, the ultimate holding company of AHSB. THO does not have any equity interests in AMMB and AHSB.	(7,800)	(8,650)*	(22,000)	(9,350)
THO is a major shareholder of Maxis and also a director of AMF. THO does not have any equity interest in AMF.	(5,200)	(5,767) *	N/A	N/A
	N/A	N/A	(24,000)	(9,083)
THO is a major shareholder of Maxis and also a director of RW, the holding company of GHB. He is also a shareholder of RW.	(40,873)	(44,974) *	(116,000)	(48,614)
THO is a major shareholder of Maxis and also a director of RW, the ultimate holding company of RFS. He is also a shareholder of RW.	(7,445)	(10,568) *	(36,000)	(10,453)
THO is a major shareholder of Maxis and also a director of RW, the ultimate holding company of WPSB. He is also a shareholder of RW.	N/A	N/A	(36,000)	(18,283)

disclosure of recurrent related party transactions (continued)

Company in the Maxis Group involved	Transacting Party	Nature of transaction	Related Party
MBSB	GCC	• Rental of assets - Rental payable by MBSB to GCC for BTS site	• <u>Major Shareholder</u> THO
		• Electricity charges incurred payable to GCC by MBSB	
MBSB	RW	• Rental of assets - Rental payable by MBSB to RW for BTS site	• <u>Major Shareholder</u> THO
		• Electricity charges incurred by MBSB payable to RW for the rental of two equipment rooms	
MBSB	PSB	• Rental of assets - Rental payable by MBSB to PSB for BTS site	• <u>Major Shareholder</u> THO
MBSB	FWHRSB	• Rental of assets - Rental payable by MBSB to FWHRSB for BTS site	• <u>Major Shareholder</u> THO
MBSB	GSB	• Rental of assets - Rental payable by MBSB to GSB for BTS site	• <u>Major Shareholder</u> THO
MBSB	Genting Sanyen	• Rental of assets - Rental payable by MBSB to Genting Sanyen for BTS site	• <u>Major Shareholder</u> THO
MBSB	ADB	• Rental of assets - Rental payable by MBSB to ADB for BTS site	• <u>Major Shareholder</u> THO

Note

As a result of the reorganisation of the business activities of certain subsidiaries of Maxis as announced on 8 August 2003, the transactions have been entered into by another wholly-owned subsidiary of Maxis or the agreements evidencing the transactions have been novated from a Maxis Group company to another wholly-owned subsidiary of Maxis.

* The exceeded amount has been approved by the Audit Committee and Board of Directors of Maxis.

Nature of relationship	Shareholders' mandate obtained at the EGM held on 7 June 2004		Shareholders' mandate obtained at the EGM held on 23 June 2005	
	Unutilised mandate as at 1 January 2005 (RM)	Incurred from 1 January 2005 to 22 June 2005 (RM)	Approved/mandated on 23 June 2005 (RM)	Incurred from 23 June 2005 to 31 December 2005 (RM)
THO is a major shareholder of Maxis and also a director of RW, the holding company of GCC. He is also a shareholder of RW.	(46,700)	(41,808)	(120,000)	(45,192)
	(427)	(6,491) *	(15,000)	(7,193)
THO is a major shareholder of Maxis and also a director of RW. He is also a shareholder of RW.	(55,698)	(325,799) *	(720,000)	(354,322)
	(37,731)*	(61,744) *	(144,000)	(75,850)
THO is a major shareholder of Maxis and also a director of RW, the ultimate holding company of PSB. He is also a shareholder of RW.	N/A	N/A	(28,800)	(12,342)
THO is a major shareholder of Maxis and also a director of RW, the holding company of FWHRB. He is also a shareholder of RW.	N/A	N/A	(87,000)	(37,400)
THO is a major shareholder of Maxis and also a director of RW, the ultimate holding company of GSB. He is also a shareholder of RW.	N/A	N/A	(130,000)	(54,417)
Genting Sanyen is a 97.7% indirect subsidiary of GB. THO is a major shareholder of Maxis and also a director of GB. He is also a shareholder of GB.	N/A	N/A	(52,000)	(46,800)
ADB is a 54.8% subsidiary of GB. THO is a major shareholder of Maxis and also a director of GB. He is also a shareholder of GB.	N/A	N/A	(79,200)	(45,410)

disclosure of recurrent related party transactions (continued)

ABBREVIATIONS

ADB	:	Asiatic Development Bhd
AF	:	Hj. Affendi bin Tun Hj. Mohd Fuad Stephens
AHSB	:	AmProperty Holdings Sdn Bhd
AJSB	:	Arena Johan Sdn Bhd
AKSB	:	Asas Klasik Sdn Bhd
ALDSB	:	Asiatic Land Development Sdn Bhd
AMF	:	AmFinance Berhad
AMP	:	Airtime Management and Programming Sdn Bhd
AMPT	:	AmProperty Trust Management Bhd
BLSB	:	BonusKad Loyalty Sdn Bhd
CCB	:	Chan Chee Beng
Dato' Badri	:	Dato' Haji Badri bin Haji Masri
DJI	:	Dato' Jamaludin bin Ibrahim
Excorp	:	Excorp Holdings N.V.
FWHRSB	:	First World Hotels & Resorts Sdn Bhd
GB	:	Genting Berhad
GCC	:	Genting Golf Course Berhad
Genting Sanyen	:	Genting Sanyen Industrial Paper Sdn Berhad
GHB	:	Genting Highlands Berhad
GSB	:	Genasa Sdn Bhd
HTP	:	HeiTech Padu Berhad
MAIH	:	MAI Holdings Sdn Bhd
MBNS	:	MEASAT Broadcast Network Systems Sdn Bhd
MBSB	:	Maxis Broadband Sdn Bhd
MIT	:	Multimedia Interactive Technologies Sdn Bhd
MMSB	:	Maxis Mobile Sdn Bhd
MMSSB	:	Malaysian Mobile Services Sdn Bhd
MSM	:	Mohamad Shahrin bin Merican
MSS	:	MEASAT Satellite Systems Sdn Bhd
OSB	:	Oakwood Sdn Bhd
PanOcean	:	PanOcean Management Limited
PSB	:	Papago Sdn Bhd
PSIL	:	Pacific States Investment Limited
RFS	:	Resorts Facilities Services Sdn Bhd
RM	:	Augustus Ralph Marshall
RW	:	Resorts World Berhad
SRGAP	:	SRG Asia Pacific Sdn Bhd
TAK	:	Ananda Krishnan Tatparanandam
TCCPM	:	Tanjong City Centre Property Management Sdn Bhd
TGV	:	Tanjong Golden Village Sdn Bhd
THO	:	Tun Haji Mohammed Hanif bin Omar
TPC	:	Tan Poh Ching
UTHSB	:	UT Hospitality Services Sdn Bhd
UTP	:	UT Projects Sdn Bhd
UTSB	:	Usaha Tegas Sdn Bhd
WPSB	:	Widuri Pelangi Sdn Bhd

NOTES:

(1) MIT

MIT is a wholly-owned subsidiary of ASTRO ALL ASIA NETWORKS plc ("Astro").

UTSB, PSIL, Excorp, PanOcean and TAK who are major shareholders of Maxis ("Major Shareholders"), are also major shareholders of Astro. In addition, TAK is a director of PanOcean, Excorp and UTSB.

RM, TPC and CCB who are Directors of Maxis ("Directors") and shareholders of Maxis, are also directors of UTSB. CCB is also a director of certain subsidiaries of Maxis. RM, TPC and CCB do not have any equity interest in UTSB or in MIT.

RM and TPC are directors and shareholders of Astro. In addition, RM is the Deputy Chairman and the Group Chief Executive Officer of Astro. TPC is also a director of a subsidiary of Astro.

THO, Dato' Badri, AF and MSM who are Major Shareholders, are also major shareholders of Astro. In addition, Dato' Badri is the Chairman and a director of Astro and also several subsidiaries of Astro while AF is a director of certain subsidiaries of Astro. MSM is a person connected to a director of Astro.

Dato' Mohamed Khadar bin Merican ("Dato' Khadar"), a director and shareholder of Astro, is a person connected to MSM.

(2) AMP

AMP is a wholly-owned subsidiary of Astro.

Directors, RM, TPC and CCB and Major Shareholders, UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri, AF and MSM are regarded as having an interest in the transactions between MMSSB and AMP. Please refer to Note 1 above for their respective relationships with Astro.

RM, TPC and CCB do not have any equity interest in AMP.

Dato' Khadar, a director and shareholder of Astro, is a person connected to MSM.

(3) MBNS

MBNS is a wholly-owned subsidiary of Astro.

Directors, RM, TPC and CCB and Major Shareholders, UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri, AF and MSM are regarded as having an interest in the transactions between Maxis group and AMP. Please refer to Note 1 above for their respective relationships with Astro.

RM, TPC and CCB do not have any equity interest in MBNS.

Dato' Khadar, a director and shareholder of Astro, is a person connected to MSM.

disclosure of recurrent related party transactions (continued)

(4) MSS

MSS is a wholly-owned subsidiary of MEASAT Global Berhad ("MEASAT Global"), the ultimate holding company of which is MAI Holdings Sdn Bhd ("MAIH").

TAK and MAIH, each being Major Shareholder, are also major shareholders of MEASAT Global and hence of MSS.

RM, who is a Director, is also a director of MEASAT Global and MSS. RM has direct equity interest in Maxis but does not have any equity interest in MEASAT Global or in MSS. In addition, THO, a Major Shareholder, is also a director of MSS. THO does not have any equity interest in MEASAT Global or in MSS.

CCB, a Director of Maxis and certain subsidiaries of Maxis, is also a director of certain subsidiaries of MSS. CCB has a direct equity interest in Maxis but does not have any equity interest in MEASAT Global or in MSS.

(5) TGV

TGV is a joint venture company of Tanjong Public Limited Company ("Tanjong"), via Tanjong Entertainment Sdn Bhd, a wholly-owned subsidiary of Tanjong.

UTSB, PSIL, Excorp, PanOcean and TAK are major shareholders of Maxis and Tanjong. In addition, TAK is also a director of PanOcean, Excorp and UTBS.

RM, TPC and CCB who are Directors, are also directors of UTBS. RM, TPC and CCB have direct equity interest in Maxis but do not have any equity interest in UTBS. In addition, RM and TPC are also Executive Director and Non-Executive Director of Tanjong respectively whilst CCB is also a director of certain subsidiaries of Maxis and a subsidiary of Tanjong.

AF, a Major Shareholder, also has deemed equity interest in Tanjong.

(6) TCCPM

TCCPM is a wholly-owned subsidiary of Tanjong Property Management Sdn Bhd which in turn is a wholly-owned subsidiary of Tanjong through Tanjong Asset Holdings Sdn Bhd.

Directors, RM, TPC and CCB and Major Shareholders, UTBS, PSIL, Excorp, PanOcean, TAK and AF are regarded as having an interest in the transaction between Maxis and TCCPM. Please refer to Note 5 above for their respective relationships with Tanjong.

RM, TPC and CCB do not have any equity interest in TCCPM.

(7) UTP

UTP is a wholly-owned subsidiary of UTBS.

UTBS, PSIL, Excorp, PanOcean and TAK are major shareholders of Maxis and UTP. TAK is also a director of PanOcean, Excorp and UTBS.

RM, TPC and CCB who are Directors, are also directors of UTBS. CCB is also a director of certain subsidiaries of Maxis. RM, TPC and CCB have direct equity interest in Maxis but do not have any equity interest in UTBS or in UTP.

MSM, a Major Shareholder, is also a director of UTP. MSM does not have any equity interest in UTBS or in UTP.

(8) SRGAP

SRGAP is a wholly-owned subsidiary of UTSB.

Directors, RM, TPC and CCB and Major Shareholders, UTSB, PSIL, Excorp, PanOcean, TAK and MSM are regarded as having an interest in the transactions between Maxis group and SRGAP. Please refer to Note 7 above for their respective relationships with UTSB.

RM, TPC and CCB do not have any equity interest in UTSB or in SRGAP.

MSM is a director of SRGAP. MSM does not have any equity interest in UTSB or in SRGAP.

(9) UTHSB

UTHSB is a wholly-owned subsidiary of UTSB Management Sdn Bhd which in turn is wholly-owned by UTSB.

Directors, RM, TPC and CCB and Major Shareholders, UTSB, PSIL, Excorp, PanOcean, TAK and MSM are regarded as having an interest in the transaction between Maxis and UTHSB. Please refer to Note 7 on the previous page for their respective relationships with UTSB.

RM, TPC and CCB do not have any equity interest in UTSB or in UTHSB.

MSM is a director of UTHSB. MSM does not have any equity interest in UTSB or in UTHSB.

(10) BLSB

BLSB is an associated company of UTSB which has an equity interest of 25% in BLSB.

Directors, RM, TPC and CCB and Major Shareholders, UTSB, PSIL, Excorp, PanOcean, TAK and MSM are regarded as having an interest in the transaction between MMSSB and BLSB. Please refer to Note 7 on the previous page for their respective relationships with UTSB.

RM, TPC and CCB and MSM do not have any equity interest in UTSB or in BLSB.

(11) AKSB

AKSB is a 75% subsidiary of KLCC Property Holdings Berhad ("KLCCP").

RM, who is a Director and shareholder of Maxis, is also a director and shareholder of KLCCP and also a director of AKSB. RM does not have any equity interest in AKSB.

TAK, who is a Major Shareholder, is also a shareholder of KLCCP.

(12) AJSB

AJSB is a 100% subsidiary of KLCCP.

Director, RM and Major Shareholder, TAK are regarded as having an interest in the transaction between MBSB and AJSB. Please refer to the Note 11 above for their respective relationships with KLCCP.

additional disclosures

(I) Material Contracts

The following disclosures are made in compliance with Part A of Appendix 9C of the Listing Requirements of Bursa Securities:-

- (i) A shareholders' agreement dated 25 August 2004 was entered into between Maxis, MBNS Multimedia Technologies Sdn Bhd ("MMT") and Advanced Wireless Technologies Sdn Bhd ("AWT") upon completion of the exercise of the option by MMT to subscribe for 833,334 ordinary shares representing 25% of the enlarged issued and paid-up share capital of AWT for a cash consideration of RM833,334; and
- (ii) Pursuant to the shareholders' agreement referred to in paragraph (i) above, MMT and AWT entered into a loan agreement dated 24 November 2005 wherein MMT agreed to contribute to the funding requirements of AWT in proportion to MMT's 25% shareholding in AWT. This loan by MMT amounting to RM24,166,666 was granted to AWT for a term of five years and was utilized by AWT to repay Maxis a portion of Maxis' existing loan of RM97,499,998 to AWT.

The nature of the relationship between Maxis, MMT and AWT is as follows:-

MMT is a wholly-owned subsidiary of Astro.

Usaha Tegas Sdn Bhd ("UTSB"), Pacific States Investment Limited ("PSIL"), Excorp Holdings N.V. ("Excorp"), PanOcean Management Limited ("PanOcean") and Ananda Krishnan Tatparanandam ("TAK"), who are major shareholders of Maxis ("Major Shareholders"), are also major shareholders of MMT via Astro. In addition, TAK is a director of PanOcean, Excorp and UTSB.

Augustus Ralph Marshall ("RM"), Tan Poh Ching ("TPC") and Chan Chee Beng ("CCB"), who are Directors and shareholders of Maxis, are also directors of UTSB. CCB is also a director of certain subsidiaries of Maxis. RM, TPC and CCB do not have any equity interest in UTSB, AWT or in MMT.

RM and TPC are directors and shareholders of Astro. In addition, RM is the Deputy Chairman and the Group Chief Executive Officer of Astro. TPC is also a director of a subsidiary of Astro.

Tun Haji Mohammed Hanif bin Omar ("THO"), Dato' Haji Badri bin Haji Masri ("Dato' Badri"), Hj. Affendi bin Tun Hj. Mohd Fuad Stephens ("AF") and Mohamad Shahrin bin Merican ("MSM"), who are Major Shareholders, are also major shareholders of Astro. In addition, Dato' Badri is the Chairman and director of Astro and also a director of MMT and several other subsidiaries of Astro while AF is a director of certain subsidiaries of Astro. MSM is a person connected to a director of Astro.

Dato' Mohamed Khadar bin Merican, a director and shareholder of Astro is a person connected to MSM.

Rohana binti Tan Sri Datuk Hj. Rozhan ("RR"), a director of MMT and several other subsidiaries of Astro and a shareholder of Astro, is also a director of AWT. RR does not have any equity interest in MMT or in AWT.

(II) Transactions Through Media Agencies

Media agencies have placed media airtimes, publications and programme sponsorships on behalf of Maxis amounting to RM19,306,000 (2004: RM19,763,000) with the Astro group, the amount of excluded from the related party transactions disclosed elsewhere in this Annual Report. The Astro group is licensed to operate satellite Direct-to-Home television and FM radio services, and undertakes a number of other multimedia services in Malaysia. These transactions are negotiated between the media buying agencies and Astro based on terms consistent with prevailing rates within the media industry.

glossary

2G/2.5G	Second generation or 2G refers to the digital wireless communications system that uses circuit switching technology. GSM is one of the most widely used 2G mobile system. 2.5G uses packet switching technology and offers high speed data transmission rates of up to 115 kbps. 2G mobile system can be upgraded to become 2.5G mobile system. GPRS is an example of a 2.5G system
3G	The third generation (3G) digital wireless communications system uses packet switching technology and offers higher speed data transmission rates (between 144 kbps to 2 Mbps) than available under 2G and 2.5G. The International Telecommunications Union has established the IMT-2000 to be adopted for 3G. CDMA 2000 and W-CDMA are two of the leading 3G technologies that are currently being developed
ADSL	Asymmetric Digital Subscriber Line is a digital subscriber line using copper loop enhanced technology, which is asymmetric, provides faster transmission rates downstream than upstream. It is suited to fast internet access where requests for web pages and e-mails generally require less bandwidth than the receipt of multimedia and web pages
ARPU	Average Revenue Per User is the average of the monthly revenue per user in a financial year, each calculated by dividing (i) the monthly revenue (net of rebates) less roaming partner revenue and non-recurring fees by (ii) the monthly average number of active subscribers
Bandwidth	A measure of data sent through a connection. The greater the bandwidth, the greater the information carrying capacity. Bandwidth is expressed in bits per second for digital devices
Base station	A multi-circuit transceiver located within a cell used for communicating between mobile telephones within the cell and the BSC or MSC
Bit	The smallest amount of information that can be transmitted representing a 1 or 0. It is a basic unit for data communications
Broadband	Transmission capacity having a bandwidth greater than 128 kbps, capable of high speed data transmission, not including ISDN
BSC	In a mobile network, the Base Station Controller (BSC) controls several cells and handles cell set-up and management
BTS	Base Transceiver Station (BTS) is radio equipment contained in a base station that is used for transmitting and receiving signals to and from a mobile telephone within a single cell
Bursa Securities	Bursa Malaysia Securities Berhad (Company No. 635998-W)
Board	Board of Directors of Maxis
CAGR	Compound Annual Growth Rate – interest rate at which a given present value would “grow” to a given future value in a given amount of time
Churn	The termination of service by subscribers, both voluntary and involuntary
Churn rate	The churn rate is calculated by dividing the monthly termination of subscribers by the monthly average number of total net subscribers
CDMA	Code Division Multiple Access is a digital wireless transmission technology

glossary (continued)

EBITDA	EBITDA represents profit before interest income, finance cost, taxation, depreciation, amortisation and allowance for write down of identified network costs. EBITDA should not be viewed as an alternative measure of operating results or cash flows from operating activities. EBITDA has been used as it is commonly used in the telecommunications industry worldwide as an indicator of operating performance, liquidity and as a financial measure of the potential capacity of a company to incur and service debt. EBITDA may not be comparable to similarly titled measures used by other companies
EDGE	Enhanced Data Rates for Global Evolution is a 3G technology that delivers broadband-like data speeds to mobile devices
Frequency	The number of cycles per second, measured in hertz, of a periodic oscillation or wave in radio wave propagation
GPRS	General Packet Radio Service is an enhancement of the GSM system that supports packet switching and offers higher speed data transmission rates than 2G; also referred to as 2.5G
GSM	Global System for Mobile communication is one of the most widely used standards for mobile communication, initially developed to standardise the use of mobile technology in Europe
Group	Maxis Communications Berhad and its subsidiaries
HSDPA	High-Speed Downlink Packet Access – a mobile telephony protocol and is sometimes referred to as a 3.5G technology
IMSI	International Mobile Subscriber Identity – a unique number that is associated with all GSM and UMTS network mobile phone users
Internet	The interconnection of servers worldwide that provides communications and application services to an international base of business, consumers, education, research, government and other organisations
IP	Internet Protocol is a standard that keeps track of network addresses for different nodes, routes outgoing messages, and recognises incoming messages
ISDN	Integrated Services Digital Network
IVR	Interactive Voice Response – a generic term for transaction systems allowing phone callers to use an ordinary tone dialing to interact with computer through speech or dialled instructions
kbps	One thousand bits per second
LAN	Local Area Network is a short distance data communications network (usually within a building)
Malaysian Mobile or MMSSB	Malaysian Mobile Services Sdn Bhd (Company No. 73315-V)
MASA	Maxis Authorised Service Agent
MASB	Malaysian Accounting Standards Board
Maxis or the Company	Maxis Communications Berhad (Company No. 158400-V)
Mbps	One million bits per second

MBNS	MEASAT Broadcast Network Systems Sdn Bhd (Company No. 240064-A)
MBSB	Maxis Broadband Sdn Bhd (Company No. 234053-D)
MEWCM	Ministry of Energy, Water and Communications Malaysia
MMS	Multimedia Messaging Service – a technology for transmitting not only text message but also various kinds of multimedia content
MMSB	Maxis Mobile Sdn Bhd (Company No. 229892-M)
MNCC	Malaysian National Computer Confederation
MOSTI	Ministry of Science, Technology & Innovation Malaysia
MSC	Mobile Switching Centre is a switching centre in a mobile network that keeps track of users, processes calls and routes calls to users through the BSCs
MSISDN	Mobile Station International ISDN Number – a standard international number used to identify a given subscriber
POTs	Plain old telephone service refers to the standard telephone network
PTT	Push To Talk is a two-way communication service that works like a walkie-talkie
Roaming	When mobile customers leave their own mobile carrier's home network and move on to other mobile operators' networks
SME	Small and Medium Industries – (i) Manufacturing related services and agro-based industries with full time employees not exceeding 150 or with annual turnover not exceeding RM25 million (ii) Services, primary agriculture and information & communication technology with full-time employees not exceeding 50 or annual sales turnover not exceeding RM5 million
SMS	Short Message Service is a service whereby mobile telephone users may send text messages. In GSM systems, a text message can have a maximum of 160 characters
Switch	A sophisticated computer in a telephony network or data communications network that connects networks automatically in response to signals that are carried to it
USSD	Unstructured Supplementary Service Data – a global system for mobile (GSM) communication technology that is used to send text between mobile phones and applications programme in the network
VSAT	Very Small Aperture Terminal is a small earth station used in satellite communication for transmission of data, voice and video
WAP	Wireless Application Protocol is an open, global protocol that is designed to send web pages to wireless devices and allows users to access information instantly
W-CDMA	Wideband Code Division Multiple Access is CDMA technology for 3G system and is designed to be backward compatible with GSM standard
WLAN	Local Area Networks (LANs) that transmit and receive data over the air
WIMAX	A standards based wireless technology that provides high-throughput broadband connections over long distance

Contact Information & Maxis Centres

CUSTOMER SERVICE

- **Enquiries and Assistance for any Maxis service (24 hours a day, 7 days a week)**
Dial 123 on any Maxis phone or (603) 7492 2123 on any other phone or fax (603) 7492 2950 or email us at customercare@maxis.com.my
- **Enquiries and Assistance for Hotlink Services (24 hours a day, 7 days a week)**
Dial 1 300 820120 on any phone
- **Enquiries and Assistance for Smart Access**
Dial 1 800 82 8182 on any phone
- **Pay-by-Phone Service**
Dial 1 800 82 1222 on any phone (registration required)
- **Collections**
Dial 1 800 82 1228 on any phone

MAXIS BUSINESS SOLUTIONS

- **Enquiries and Assistance for any Maxis Business Solution**
Dial 1919 on any Maxis phone or 1 800 82 1919 on any phone

COMPANY INFORMATION

- **General Line Tel: (603) 2330 7000**
- **Corporate Affairs Tel: (603) 2330 7170/ 6511**
Fax: (603) 2330 0586/ 0008
Maxis Communications Berhad (Co. No. 158400-V)
Level 18, Menara Maxis
Kuala Lumpur City Centre
Off Jalan Ampang
50088 Kuala Lumpur, Malaysia
Tel: (603) 2330 7000
www.maxis.com.my

KUALA LUMPUR

Ampang

Lot 44, Jalan Mamanda 9
Ampang Point
68000 Ampang

Cheras

69, Jalan Manis 4
Taman Segar, Cheras
56100 Kuala Lumpur

KLCC

Maxis Centre, KLCC
Ground Floor, Menara Maxis
50088 Kuala Lumpur

Selayang

Ground and 1st Floor
69 Jalan 2/ 3A
Pusat Bandar Utara
Off Jalan KM 12, Jalan Ipoh
68100 Batu Caves

Taman Tun Dr Ismail

43, Jalan 2/ 71
Off Jalan Tun Mohd Fuad
TTDI, 60000 Kuala Lumpur

SELANGOR

Klang

34, Persiaran Sultan Ibrahim
41300 Klang

Taipan-USJ

61, Jalan USJ 10/ 1A
Taipan Triangle
47620 UEP Subang Jaya

PERAK

Ipoh

129 Jalan Kampar
30250 Ipoh

Taiping

Lot 85, Jalan Taiping Utara
Taman Taiping Utara
36000 Kamunting

JOHOR

Batu Pahat

Ground Floor
Wisma Abdul Rahman 1918
1 Jalan Kundang
Taman Bukit Pasir
83000 Batu Pahat

Johor Bahru Maxis i-centre

L3-62, Aras
Abdullah Ibrahim
Plaza Kotaraya
80000 Johor Bahru

Taman Molek

Ground Floor
Units 12 & 14
Jalan Molek 1/9
Taman Molek
81100 Johor Bahru

PAHANG

Kuantan

B-306, Jalan Beserah
25300 Kuantan

PULAU PINANG

Penang Maxis i-centre

Units S-1-B and S-2-A
The Northam
55 Jalan Sultan Ahmad Shah
10050 Pulau Pinang

Bayan Baru

Unit 15-G-10
Block A Bayan Point
Medan Kampung Relau
11900 Pulau Pinang

Prai

52 Jalan Todak 4
Pusat Bandar
Seberang Jaya
13700 Prai

NEGERI SEMBILAN

Seremban

14 Jalan Kong Sang
70000 Seremban

MELAKA

32, 32A, 32B
Jalan Merdeka
Taman Melaka Raya
75000 Melaka

KEDAH

Alor Star

18D & E, Wisma Kurnia
Lebuhraya Darulaman
05100 Alor Setar

Langkawi

1, Persiaran Mutiara
Kelana Emas
07000 Langkawi

KELANTAN

Kota Bharu

51 & 52, Jalan Kebun Sultan
15000 Kota Bharu

SABAH

Kota Kinabalu

Lot 7, Blok B
Damai Plaza, Phase 3
88300 Kota Kinabalu

SARAWAK

Kuching

Lot 24 & 25 (Grd, 1st, 2nd Floor)
Al Idrus Commercial Centre
Jalan Satok, 93400 Kuching

Miri

2377 (Grd Floor, 1st, 2nd)
and 2378 (Ground Floor)
Jalan Boulevard 1
Boulevard Commercial Centre
98000 Miri

Maxis Authorised Service Agents (MASA)

CENTRAL REGION

NO	LOCATION	APPROVED MASA DEALERS	ADDRESS	CONTACT NO
1	Kuala Lumpur	COMPU-COMM SDN BHD	9, Jalan Ambong Kiri 2, Kepong Baru 52100 Kuala Lumpur	Tel: 03 - 6250 1900 Fax: 03 - 6250 1911
2	Kuala Lumpur	EICAS COMM (M) SDN BHD	130, Jalan Cerdas Taman Connaught Cheras 56000 Kuala Lumpur	Tel: 03 - 9101 6911 Fax: 03 - 9100 1619
3	Kuala Lumpur	NEFION COMMUNICATIONS CENTRE	Lot 40, Grd Flr Pandan Kapital Persiaran MPAJ Off Jln Pandan Utama 55100 Kuala Lumpur	Tel: 03 - 4296 8288 Fax: 03 - 4280 7233
4	Kuala Lumpur	ONE TO ONE COMMUNICATIONS SDN BHD	Lot G8, Grd Flr Parkson Grand, Plaza OUG Off Jln Klang Lama 58200 Kuala Lumpur	Tel: 03 - 7981 1463 Fax: 03 - 7981 1392
5	Kuala Lumpur	ONE TO ONE COMMUNICATIONS SDN BHD	GC 006, Grd. Flr. Bukit Bintang Plaza Jalan Bukit Bintang 55100 Kuala Lumpur	Tel: 03 - 2141 3121 Fax: 03 - 2144 6121
6	Kuala Lumpur	ORANGE MOBILE (M) SDN BHD	8, Jalan 7/108C, Taman Sg. Besi 57100 Kuala Lumpur	Tel: 03 - 7987 2337 Fax: 03 - 7980 1440
7	Kuala Lumpur	TAKACOM CELLULAR	F095, 1st Flr, Mid Valley Megamall Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur	Tel: 03 - 2287 0255 Fax: 03 - 2287 0255
8	Kuala Lumpur	THE HELLO STATION	10, Jalan Telawi 3, Bangsar Baru 59100 Kuala Lumpur	Tel: 03 - 2283 2022 Fax: 03 - 2284 7600
9	Kuala Lumpur	WEB CATERPILLAR SDN BHD	50, Jalan 2/23A, Danau Kota Off Jalan Genting Kelang 53300 Kuala Lumpur	Tel: 03 - 4143 8828 Fax: 03 - 4143 6828
10	Kuala Lumpur	YES'S COMM ENTERPRISE SDN BHD	Lot G23 Maju Junction Shopping Centre 1001 Jalan Sultan Ismail 50250 Kuala Lumpur	Tel: 03 - 2300 2006 Fax: 03 - 2300 2005
11	Kuala Lumpur	ACTION TELE NET CENTER SDN BHD	G77 & G78 Grd. Flr Alamanda Putrajaya Shopping Centre Jalan Alamanda, Precint 1 62000 Putrajaya	Tel: 03 - 8888 6515 Fax: 03 - 8888 8515

Maxis Authorised Service Agents (MASA) (continued)

CENTRAL REGION – CONTINUED

NO	LOCATION	APPROVED MASA DEALERS	ADDRESS	CONTACT NO
12	Selangor	ASHITA COMMUNICATION SDN BHD	144, Persiaran Raja Muda Musa 42000 Port Klang Selangor	Tel: 03 - 3165 5679 Fax: 03 - 3165 5012
13	Selangor	CELNET SDN BHD	12, Jalan Yoong Shook Lin 46200 Petaling Jaya, Selangor	Tel: 03 - 7958 8900 Fax: 03 - 7958 8363
14	Selangor	GENTEL COMMUNICATION SDN BHD	L2-75A, 2nd Floor The Mines Shopping Fair Seri Kembangan, 43300 Selangor	Tel: 03 - 8941 2880 Fax: 03 - 8941 3885
15	Selangor	GET-A-PHONE MARKETING SDN BHD	GK18K, Ground Floor, IOI Mall Batu 9, Jalan Puchong Bandar Puchong Jaya 47100 Selangor	Tel: 03 - 5882 2020 Fax: 03 - 5882 1212
16	Selangor	JIWTEK TELECENTRE SDN BHD	92, Jalan Batu Unjur 1 Taman Bayu Perdana 41200 Klang, Selangor	Tel: 03 - 3324 2526 Fax: 03 - 3324 7079
17	Selangor	KTS COMMUNICATION SDN BHD	GL 17, Shaw Point Centre Jalan Raja Hassan 41400 Klang, Selangor	Tel: 03 - 3348 8041 Fax: 03 - 3348 8040
18	Selangor	ONE TO ONE COMMUNICATIONS SDN BHD	61, Jalan SS2/75 47300 Petaling Jaya, Selangor	Tel: 03 - 7873 5887 Fax: 03 - 7873 0476
19	Selangor	P & D MOBILE CENTRE SDN BHD	LG 5, Lower Grd Flr. Plaza Metro, Kajang, Section 7 Jalan Tun Abdul Aziz, 43000 Kajang Selangor	Tel: 03 - 8739 3799 Fax: 03 - 8739 9664
20	Selangor	PHONE STAR MARKETING SDN BHD	5, Jalan PJS 8/5 Dataran Mentari Bandar Sunway 41650 Petaling Jaya, Selangor	Tel: 03 - 5635 1878 Fax: 03 - 5635 6818
21	Selangor	SPEED POWER MOBILEWORLD SDN BHD	15, Jalan Maxwell 48000 Rawang, Selangor	Tel: 03 - 6091 5266 Fax: 03 - 6092 6266
22	Selangor	WOP DOT MOBILE SDN BHD	Lot LG 13, Digital One Lower Grd, Subang Parade 5, Jalan SS16/11 47500 Subang Jaya Selangor	Tel: 03 - 5621 5090 Fax: 03 - 5621 5090

NORTHERN REGION

NO	LOCATION	APPROVED MASA DEALERS	ADDRESS	CONTACT NO
1	Perak	EXCLUSIVE TELECOMMUNICATION SDN BHD	Lot F38, 1st Floor, Jaya Jusco Kinta City Shopping Centre 31400 Ipoh, Perak	Tel: 05 - 547 3023 Fax: 05 - 549 5530
2	Perak	EXCLUSIVE TELECOMMUNICATION SDN BHD	12, Jalan Balai 31900 Kampar, Perak	Tel: 05 - 465 0605 Fax: 05 - 465 0605
3	Perak	MEGA-STAR ENTERPRISE	27, Jalan Damai, Taman Damai 34200 Parit Buntar, Perak	Tel: 05 - 717 5039 Fax: 05 - 717 6782
4	Perak	METRO COMM MARKETING ENTERPRISE	71, Jalan Sultan Abdul Jalil 30300 Ipoh, Perak	Tel: 05 - 243 3288 Fax: 05 - 255 9828
5	Perak	MILLION TELECOMMUNICATION SDN BHD	Ground Floor, Lot No. 28 Medan Silibin, 30300 Ipoh, Perak	Tel: 05 - 526 1388 Fax: 05 - 526 1266
6	Perak	NSS AUTOMATION TRADING	27G, Jalan Intan 2, Bandar Baru Teluk Intan, Perak	Tel: 05 - 623 6439 Fax: 05 - 623 6210
7	Perak	TAC-ON COMMUNICATION SALES & SERVICES SDN BHD	183, Taman Sitiawan Maju 1 Jalan Lumut 32000 Sitiawan, Lumut Perak	Tel: 05 - 692 9159 Fax: 05 - 691 5875
8	Kedah	BK TELECOMMUNICATION	G4 & 5 Grd. Flr. Star Parade Jalan Teluk Wanjah 05150 Alor Setar, Kedah	Tel: 04 - 733 0331 Fax: 04 - 734 2003
9	Kedah	CHAMP TRADING & COMMUNICATION SYSTEMS	23K, Tingkat Bawah Jalan Kampung Baru 08000 Sg. Petani, Kedah	Tel: 04 - 421 1008 Fax: 04 - 423 2128
10	Kedah	NETRA COMMUNICATION SDN BHD	8, Jalan Teoh Moh Soo 09000 Kulim, Kedah	Tel: 04 - 490 3728 Fax: 04 - 490 1004
11	Perlis	EASYRING TRADING	8, Jalan Selampit 01000 Kangar, Perlis	Tel: 04 - 977 6682 Fax: 04 - 976 6682
12	Penang	E-COMMUNICATION SDN. BHD.	288-D-1-3, Fortune Court Jalan Thean Teik, 11500 Penang	Tel: 04 - 828 9000 Fax: 04 - 829 9000
13	Penang	MEGA-STAR ENTERPRISE	Lot G10, Grd Flr. Kompleks Megamall 2828 Jalan Baru, Bandar Prai Jaya 13600 Seberang Prai, Penang	Tel: 04 - 397 6166 Fax: 04 - 397 2899
14	Penang	NORTHERN POINT CELLULAR & ACCESSORIES	G33-34, Grd Floor Prangin Mall-Komtar Jalan Dr Lim Chwee Leong 10100 Penang	Tel: 04 - 263 6896 Fax: 04 - 262 8767
15	Penang	RAYSON COMMUNICATION & TRADING	6965, Jalan Ong Yi How Kawasan Perindustrian Raja Uda 12300 Butterworth, Penang	Tel: 04 - 332 9111 Fax: 04 - 323 4333
16	Penang	WEELY ENTERPRISE	1385, Grd Flr., Jalan Padang Lallang Taman Mutiara, 14000 Bukit Mertajam Penang	Tel: 04 - 538 1828 Fax: 04 - 537 4818

Maxis Authorised Service Agents (MASA) (continued)

SOUTHERN REGION				
NO	LOCATION	APPROVED MASA DEALERS	ADDRESS	CONTACT NO
1	N. Sembilan	NANG HONG COMM. SDN BHD	135, Jalan Dato Bandar Tunggal 70000 Seremban Negeri Sembilan	Tel: 06 - 767 6555 Fax: 06 - 761 2999
2	Melaka	MIX MOBILE TELECOMMUNICATION (M) SDN BHD	10, Jln Delima Raya 1 Taman Delima Raya Bukit Baru, 75150 Melaka	Tel: 06 - 231 1311 Fax: 06 - 231 1511
3	Melaka	WEE SHIEN TRADING SDN BHD	G8, Blok Dahlia 1 Jalan Zahir 6, Taman Malim Jaya 75250 Melaka	Tel: 06 - 336 8006 Fax: 06 - 336 2008
4	Johor	CINITRON TELE & ELECTRIC	10, Jalan Dato Rauf 86000 Kluang Johor	Tel: 07 - 776 8222 Fax: 07 - 772 8222
5	Johor	FRIENDSHIP TELECOMMUNICATION SDN BHD	40, Jalan Perwira 1 Taman Ungku Tun Aminah 81300 Skudai, Johor	Tel: 07 - 556 3633 Fax: 07 - 557 3633
6	Johor	G-ONE COMMUNICATION SDN BHD	7, Jalan Suria 3 Bandar Baru Seri Alam 81750 Masai, Johor	Tel: 07 - 252 6733 Fax: 07 - 252 3833
7	Johor	IN COMMUNICATION SYSTEM MARKETING	151, Jalan Sutera Taman Sentosa 80150 Johor Baru	Tel: 07 - 333 8555 Fax: 07 - 331 8555
8	Johor	LE VANTAGE CELLULAR COMM SDN BHD	9, Jalan Permas 10/1 Bandar Baru Permas Jaya 81750 Johor Baru	Tel: 07 - 386 3086 Fax: 07 - 386 2948
9	Johor	SEGAMAT TIAN HUAT SDN BHD	104, Jalan Genuang 85000 Segamat Johor	Tel : 07 - 932 6326 Fax : 07 - 932 7327
10	Johor	SHINING TELECOMMUNICATION SDN BHD	Lot G-63, Grd Flr. IOI Mall Bandar Putra Lebuh Putra Utama 81000 Kulai	Tel: 07 - 598 5988 Fax: 07 - 598 6988
11	Johor	STEVEN TELE-WORLD CENTRE SDN BHD	75-3, Jalan Arab 84000 Muar Johor	Tel: 06 - 954 2282 Fax: 06 - 954 4282
12	Johor	SUPERIOR MOBILE (PONTIAN) SDN BHD	182, Jalan Bakek 82000 Pontian Johor	Tel: 07 - 688 3388 Fax: 07 - 688 3399

EAST COAST

NO	LOCATION	APPROVED MASA DEALERS	ADDRESS	CONTACT NO
1	Terengganu	LP PHONE SDN BHD	201, Jalan Sultan Zainal Abidin 20000 Kuala Terengganu Terengganu	Tel: 09 - 631 6477 Fax: 09 - 631 0892
2	Terengganu	TCT SALES & SERVICE SDN BHD	KCP 43, Kemaman Centre Point FASA 1, Jalan Limbong 24000 Kemaman, Terengganu	Tel: 09 - 858 2862 Fax: 09 - 858 2863
3	Pahang	KG LOW TRADING	2, Jalan Haji Kassim 28400 Mentakab, Pahang	Tel: 09 - 277 8012 Fax: 09 - 277 9012

EAST MALAYSIA

1	Sabah	ATURFAX MARKETING & SERVICES	Ground Floor, No. 2902 Jalan Perbandaran Karim Estate 91000 Tawau, Sabah	Tel: 089 - 763 000 Fax: 089 - 761 989
2	Sabah	CDJ TELECOMMUNICATION SERVICES	Ground Floor, Block 3 Lot 6, Bandar Indah, Mile 5 Jln Labuk, 90000 Sandakan, Sabah	Tel: 089 - 273 311 Fax: 089 - 215 895
3	Sarawak	ERITEL TELECOMMUNICATIONS CO.	Ground Floor, Shoplot 1555 No. 40, Jalan Keranji 96000 Sibu, Sarawak	Tel: 084 - 322 446 Fax: 084 - 324 646
4	Sarawak	MOBILE 2000	5, (Lot 3077), Ground Floor Jalan Court, Bintulu, Sarawak	Te: 086 - 314 939 Fax: 086 - 336 564
5	Labuan	LABUAN PHONE SHOP SDN. BHD.	Ground Floor, U 0411 Block 2 Jalan Bunga Dahlia 87000 WP Labuan, Sabah	Tel: 087 - 582 233 Fax: 087 - 582 266

notice of annual general meeting

NOTICE IS HEREBY GIVEN THAT the Nineteenth (19th) Annual General Meeting of MAXIS COMMUNICATIONS BERHAD ("the Company") will be held on Thursday, 1 June 2006 at 10.00 a.m. at Sapphire Room, Level 1, Mandarin Oriental, Kuala Lumpur, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia for the following purposes:

Agenda

- 1 To consider the Directors' Report and the Financial Statements for the financial year ended 31 December 2005 and the Auditors' Report thereon. **Please refer to Note A.**
- 2 To declare a final gross dividend of 16.67 sen per ordinary share less Malaysian Income Tax at 28% for the financial year ended 31 December 2005. **Resolution 1**
- 3 To re-elect the following Directors who retire by rotation pursuant to Article 114 of the Company's Articles of Association:
 - (i) Y. A. M. Dato' Seri Syed Anwar Jamalullail **Resolution 2**
 - (ii) The Lord Killearn **Resolution 3**
- 4 To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 4**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolution:-

- 5 **Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965** **Resolution 5**

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per cent (10%) of the issued share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies, if required, being obtained for such allotment and issue."

NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of the shareholders at the Nineteenth (19th) Annual General Meeting to be held on Thursday, 1 June 2006, a final gross dividend of 16.67 sen per ordinary share less Malaysian Income Tax at 28% for the financial year ended 31 December 2005 will be paid on 16 June 2006 to Depositors registered in the Record of Depositors at the close of business on 2 June 2006.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- (a) shares transferred to such Depositor's securities account before 4.00 p.m. on 2 June 2006 in respect of transfers; and
- (b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

DIPAK KAUR
LS 5204
Company Secretary

10 May 2006
Kuala Lumpur

notice of

annual general meeting (continued)

NOTES:

- A. This Agenda item is meant for discussion only as the provisions of Section 169(1) of the Companies Act, 1965 and the Company's Articles of Association do not require a formal approval of the shareholders and hence, is not put forward for voting.

PROXY

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote for him/her provided that the number of proxies appointed shall not be more than two except in the circumstances set out in note 4. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall:
 - i) in the case of an individual, be signed by the appointor or by his/her attorney; and
 - ii) in the case of a corporation, be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.
3. Where a member appoints more than one proxy the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
4. Where a member of the Company is an authorised nominee, it may appoint at least one proxy in respect of each securities account it holds to which ordinary shares in the Company are credited. Each appointment of proxy by an authorised nominee shall be by a separate instrument of proxy which shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.
5. The instrument appointing a proxy must be deposited at the registered office of the Company at Level 18, Menara Maxis, Kuala Lumpur City Centre, off Jalan Ampang, 50088 Kuala Lumpur, Malaysia, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting or in the case of a poll, not less than 24 hours, before the time appointed for the taking of the poll; otherwise the instrument of proxy shall not be treated as valid and the person so named shall not be entitled to vote in respect thereof. Fax copies of the duly executed form of proxy are not accepted.
6. A proxy may vote on a show of hands and on a poll. If the form of proxy is returned without an indication as to how the proxy shall vote on any particular matter the proxy may exercise his discretion as to whether to vote on such matter and if so, how.
7. The lodging of a form of proxy does not preclude a member from attending and voting in person at the meeting should the member subsequently decide to do so.

TOLL FREE LINE

A toll free line has been set-up to attend to all queries from shareholders pertaining to the Form of Proxy and all other matters relating to the Nineteenth (19th) Annual General Meeting. The toll free number is **1800 828 001** and will be valid from 10 May 2006 till 7 June 2006.

EXPLANATORY NOTE ON SPECIAL BUSINESS:

Resolution pursuant to Section 132D of the Companies Act, 1965 (Resolution 5)

This Ordinary Resolution, if passed, is to give the Directors of the Company flexibility to issue and allot shares for such purposes as the Directors in their absolute discretion consider to be in the interest of the Company, without having to convene a general meeting subject to the limitation that the aggregate number of shares to be issued do not exceed ten per cent (10%) of the issued share capital of the Company for the time being. This authority will expire at the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

statement accompanying the notice of annual general meeting

made pursuant to Paragraph 8.28(2) of the Listing Requirements of Bursa Securities

EXPLANATORY NOTE ON SPECIAL BUSINESS:

Resolution pursuant to Section 132D of the Companies Act, 1965 (Resolution 5)

This Ordinary Resolution, if passed, is to give the Directors of the Company flexibility to issue and allot shares for such purposes as the Directors in their absolute discretion consider to be in the interest of the Company, without having to convene a general meeting subject to the limitation that the aggregate number of shares to be issued do not exceed ten per cent (10%) of the issued share capital of the Company for the time being. This authority will expire at the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

DIRECTORS WHO ARE STANDING FOR RE-ELECTION AT THE NINETEENTH (19TH) ANNUAL GENERAL MEETING OF THE COMPANY

Pursuant to Article 114 of the Company's Articles of Association are Dato' Seri Syed Anwar Jamalullail and Lord Killearn.

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

During the financial year under review, nine (9) board meetings were held. The attendance of the Directors were as follows:

	Attendance
Tan Sri Dato' Megat Zaharuddin bin Megat Mohd. Nor	9 out of 9 meetings held
Dato' Seri Syed Anwar Jamalullail	9 out of 9 meetings held
Lord Killearn	8 out of 9 meetings held
Augustus Ralph Marshall	9 out of 9 meetings held
Tan Poh Ching	7 out of 9 meetings held
Chan Chee Beng	9 out of 9 meetings held
Dato' Jamaludin bin Ibrahim	9 out of 9 meetings held

DETAILS OF PLACE, DATE AND TIME OF THE NINETEENTH (19TH) ANNUAL GENERAL MEETING

Place : Sapphire Room, Level 1
Mandarin Oriental, Kuala Lumpur
Kuala Lumpur City Centre
50088 Kuala Lumpur, Malaysia

Date and time : Thursday, 1 June 2006 at 10.00 a.m.

DETAILS OF DIRECTORS WHO ARE STANDING FOR RE-ELECTION

Details of the Director who is standing for re-election is set out below:

Name	Dato' Seri Syed Anwar Jamalullail
Age	54
Nationality	Malaysian
Qualification	A Chartered Accountant and Certified Practising Accountant. He holds a Bachelor of Arts (Accounting) degree from Macquarie University, Sydney, Australia.
Position in the Company	Independent Non-Executive Director
Working experience and occupation	<p>He is the Chairman of DRB-Hicom Berhad. He also sits on the Boards of Nestle (Malaysia) Berhad, Bangkok Bank Berhad and various private companies. In September 2001, he was appointed Chairman of the Investment Panel of Lembaga Tabung Haji.</p> <p>He started his career as a financial accountant with Malaysia Airlines System Berhad in 1975, then joined Price Waterhouse (Australia) as Senior Auditor in 1979. Three years later he joined D & C Nomura Merchant Bank Berhad as Manager, Investment. In 1985, he joined Amanah Merchant Bank Berhad as Manager, Corporate Finance. After pursuing his own business from 1989 to October 1998, he joined Amanah Capital Partners Berhad as Group Managing Director, resigning on 1 March 2002. He served as the Chairman of Malaysian Resources Corporation Berhad and Media Prima Berhad until his resignation on 12 January 2005 and 12 March 2005 respectively.</p>
Any other directorships of public companies	<ol style="list-style-type: none"> 1) DRB-Hicom Berhad 2) Nestle (Malaysia) Berhad 3) Bangkok Bank Berhad
The securities holdings in the Company and its subsidiaries	<p>In the Company: Direct shareholding of 9,000 ordinary shares of RM0.10 each (0.00036%).</p> <p>In the subsidiaries: Nil</p>
The family relationship with any director and/or major shareholder of the Company	None
Any conflict of interest that he has with the Company	He does not have any conflict of interest with the Company.
List of convictions for offences within the past 10 years other than traffic offences, if any	None
Participation in Board Committees	<ol style="list-style-type: none"> 1) Audit Committee 2) Remuneration Committee 3) Nomination Committee

statement accompanying the notice of annual general meeting

made pursuant to Paragraph 8.28(2) of the Listing Requirements of Bursa Securities (continued)

DETAILS OF DIRECTORS WHO ARE STANDING FOR RE-ELECTION (continued)

Details of the Director who is standing for re-election is set out below:

Name	Lord Killearn
Age	64
Nationality	British
Qualification	He was educated at Eton College, United Kingdom.
Position in the Company	Independent Non-Executive Director
Working experience and occupation	<p>He is currently a Non-Executive Director of Shanghai Real Estate Limited and a Director of The Ton Poh Emerging Thailand Fund.</p> <p>After 6 years in the Scots Guards, he spent a year with Chase Manhattan Bank in London before joining Cazenove in 1968. He was responsible for establishing the Cazenove office in Hong Kong in 1974, and became a partner of Cazenove on 1 May 1979 with responsibility for Asia until his retirement on 30 April 2002. He was Non-Executive Chairman of Henderson Global Investors until his resignation on 10 March 2005.</p>
Any other directorships of public companies	Nil
The securities holdings in the Company and its subsidiaries	<p>In the Company: Direct shareholding of 15,000 and 85,000 held through a nominee, totaling 100,000 ordinary shares of RM0.10 each (0.0040%).</p> <p>In the subsidiaries: Nil</p>
The family relationship with any director and/or major shareholder of the Company	None
Any conflict of interest that he has with the Company	He does not have any conflict of interest with the Company.
List of convictions for offences within the past 10 years other than traffic offences, if any	None
Participation in Board Committees	1) Audit Committee 2) Remuneration Committee 3) Nomination Committee

FORM OF PROXY

Maxis Communications Berhad (158400-V) (Incorporated in Malaysia)

I/We NRIC No./Company No
(FULL NAME IN BLOCK LETTERS AS PER IDENTITY CARD/BUSINESS REGISTRATION CERTIFICATE) (COMPULSORY)

of
(ADDRESS)

telephone no being a member of Maxis Communications Berhad ("the Company"), hereby appoint

..... NRIC No.
(FULL NAME IN BLOCK LETTERS AS PER IDENTITY CARD) (COMPULSORY)

of
(ADDRESS)

and/or NRIC No.
(FULL NAME IN BLOCK LETTERS AS PER IDENTITY CARD) (COMPULSORY)

of
(ADDRESS)

or failing him/her, THE CHAIRMAN OF THE MEETING as my/our proxy/proxies to vote for me/us and on my/our behalf at the Nineteenth (19th) Annual General Meeting of the Company to be held on Thursday, 1 June 2006 at 10.00 a.m. at Sapphire Room, Level 1, Mandarin Oriental, Kuala Lumpur, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia and at any adjournment thereof. I/We indicate with an "v" or "x" in the spaces below how I/we wish my/our vote to be cast:

AGENDA			
1	To consider the Financial Statements and the Reports of Directors and Auditors thereon.		
	ORDINARY RESOLUTIONS	FOR	AGAINST
2	Declaration of final dividend (Resolution 1)		
3	Re-election of Y.A.M. Dato' Seri Syed Anwar Jamalullail (Resolution 2)		
4	Re-election of The Lord Killern (Resolution 3)		
5	Re-appointment of Auditors (Resolution 4)		
6	Special Business Authority to issue shares pursuant to Section 132D of the Companies Act, 1965 (Resolution 5)		

Subject to the abovestated voting instructions, my/our proxy may vote or abstain from voting on any resolution as *he/*she/*they may think fit.

If appointment of proxy is under hand Signed by *individual member/*officer or attorney of member/*authorised nominee of (beneficial owner)	No. of shares held : Securities Account No: (CDS Account No.) (Compulsory) Date :	The proportions of my/our holding to be represented by my/our proxies are as follows: First Proxy No. of Shares : Percentage : %
If appointment of proxy is under seal The Common Seal of was hereto affixed in accordance with its Articles of Association in the presence of :- Director Director/Secretary in its capacity as *member/*attorney of member/*authorised nominee of (beneficial owner)	SEAL No. of shares held : Securities Account No.: (CDS Account No.) (Compulsory) Date :	Second Proxy No. of Shares: Percentage :%

NOTES TO FORM OF PROXY:

- A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote for him/her provided that the number of proxies appointed shall not be more than two except in the circumstances set out in note 4. A proxy need not be a member of the Company.
- The instrument appointing a proxy shall:
 - in the case of an individual, be signed by the appointor or by his/her attorney; and
 - in the case of a corporation, be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.
- Where a member appoints more than one proxy the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- Where a member of the Company is an authorised nominee, it may appoint at least one proxy in respect of each securities account it holds to which ordinary shares in the Company are credited. Each appointment of proxy by an authorised nominee shall be by a separate instrument of proxy which shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.

* Delete if inappropriate

- The instrument appointing a proxy must be deposited at the registered office of the Company at Level 18, Menara Maxis, Kuala Lumpur City Centre, off Jalan Ampang, 50088 Kuala Lumpur, Malaysia, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting or in the case of a poll, not less than 24 hours, before the time appointed for the taking of the poll; otherwise the instrument of proxy shall not be treated as valid and the person so named shall not be entitled to vote in respect thereof. Fax copies of the duly executed form of proxy are not accepted.
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STAMP

Company Secretary

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