47% of Malaysian Enterprises are at the developing stage of Digital Business Progression, slightly behind SE Asia

|	Malaysia	vs. SE Asia	Other Comparisons
Nascent (0-35)	37%	27%	China & Australia 14%
Developing (35-50)	47%	53%	Thailand 60%
Enhancing (50-65)	16%	20%	Australia 46%
Leading (65-100)	0%	0%	China 9%

Malaysia IT spending outlook for 2025+ lagging Worldwide IT spending which is growing **more than 2X** compared to GDP growth

Malaysia IT Spending *
(YOY Growth)

2007

2028

— IT Spending — Real GDP

Worldwide IT Spending **
(YOY Growth)

5x   2x   2x

2007

2026

— IT Spending — Real GDP

IDC   Source: Maxis CxO Study 2025

How Digital Advancements Impact Business Outcomes

Revenue Growth of Berger Paints India vs. Asia Paints (2020-2024)

Source: Maxis CxO Study 2025
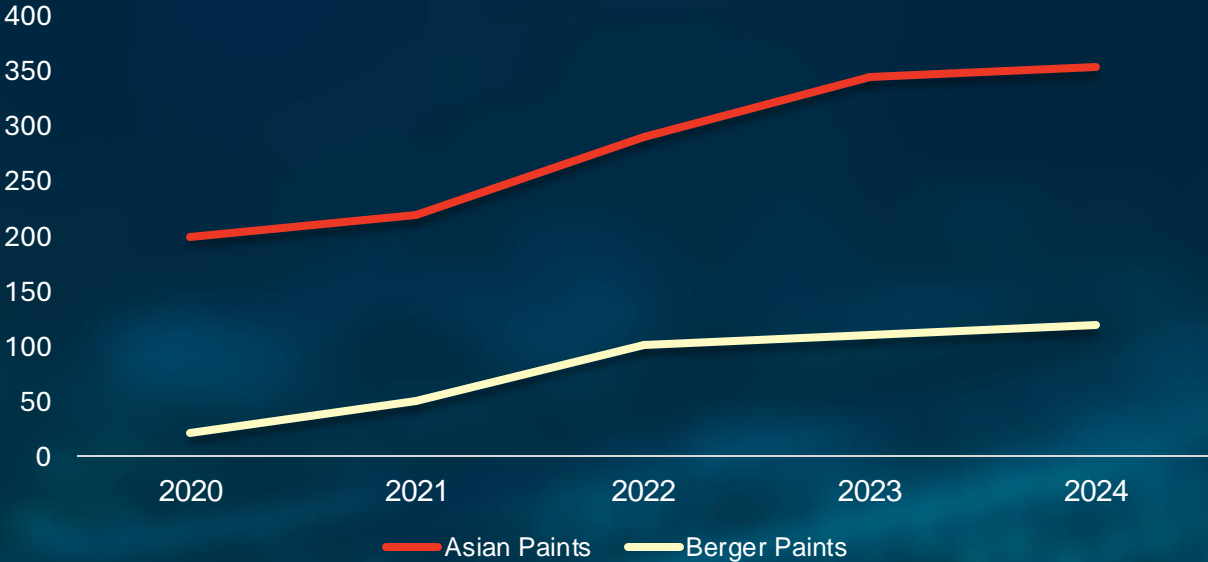
How Digital Advancements Impact Business Outcomes

Maybank vs. RHB Bank % Revenue Growth
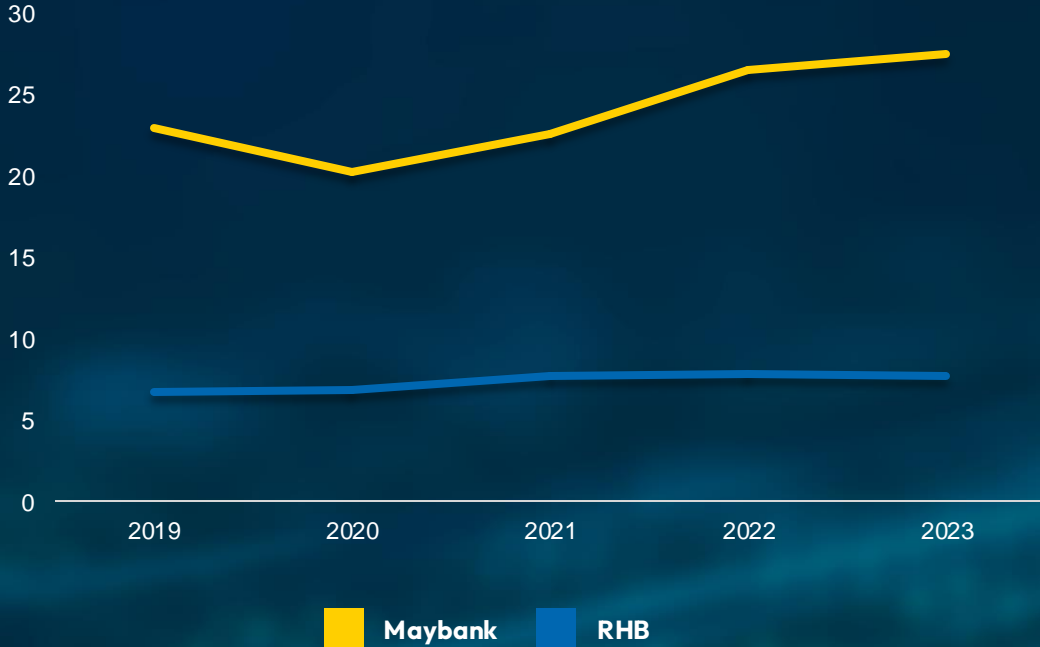
Source: Maxis CxO Study 2025
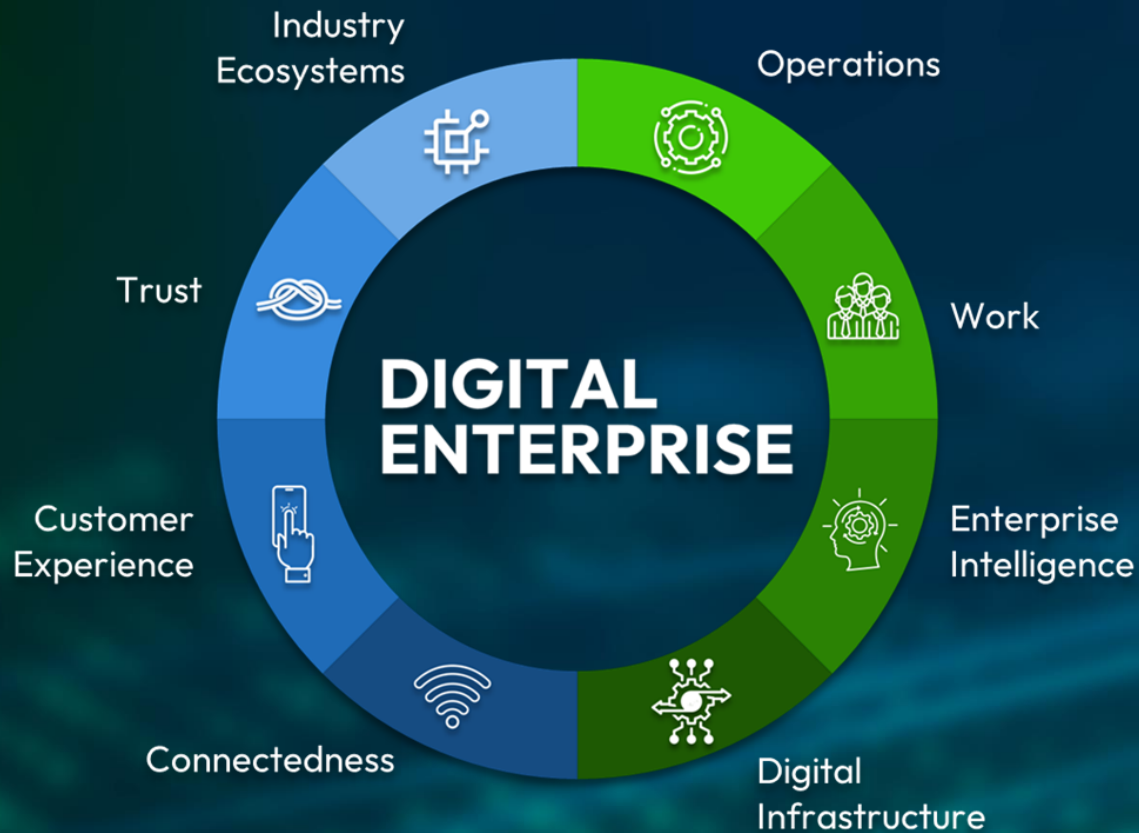
Companies' digital era competitiveness is evaluated through their business models and organizational models, data prowess, and operational processes.

CEO Agenda for the Digital Enterprise

- Industry Ecosystems
- Operations
- Trust
- Work
- Customer Experience
- Enterprise Intelligence
- Connectedness
- Digital Infrastructure

DIGITAL ENTERPRISE

4 Pillars of the Digital Business Framework

DIGITAL BUSINESS MODELS

ORGANIZATION

DATA

OPERATIONAL PROCESSES

Companies' digital era competitiveness is evaluated through their business models and organizational models, data prowess, and operational processes.

Malaysia Enterprise Ranking in the 4 Pillars

1. Operational Processes — **-39**

2. Digital Business Models — **-36**

3. Data — **-27**

4. Organization — **-26**

Source: Maxis CxO Study 2025

8
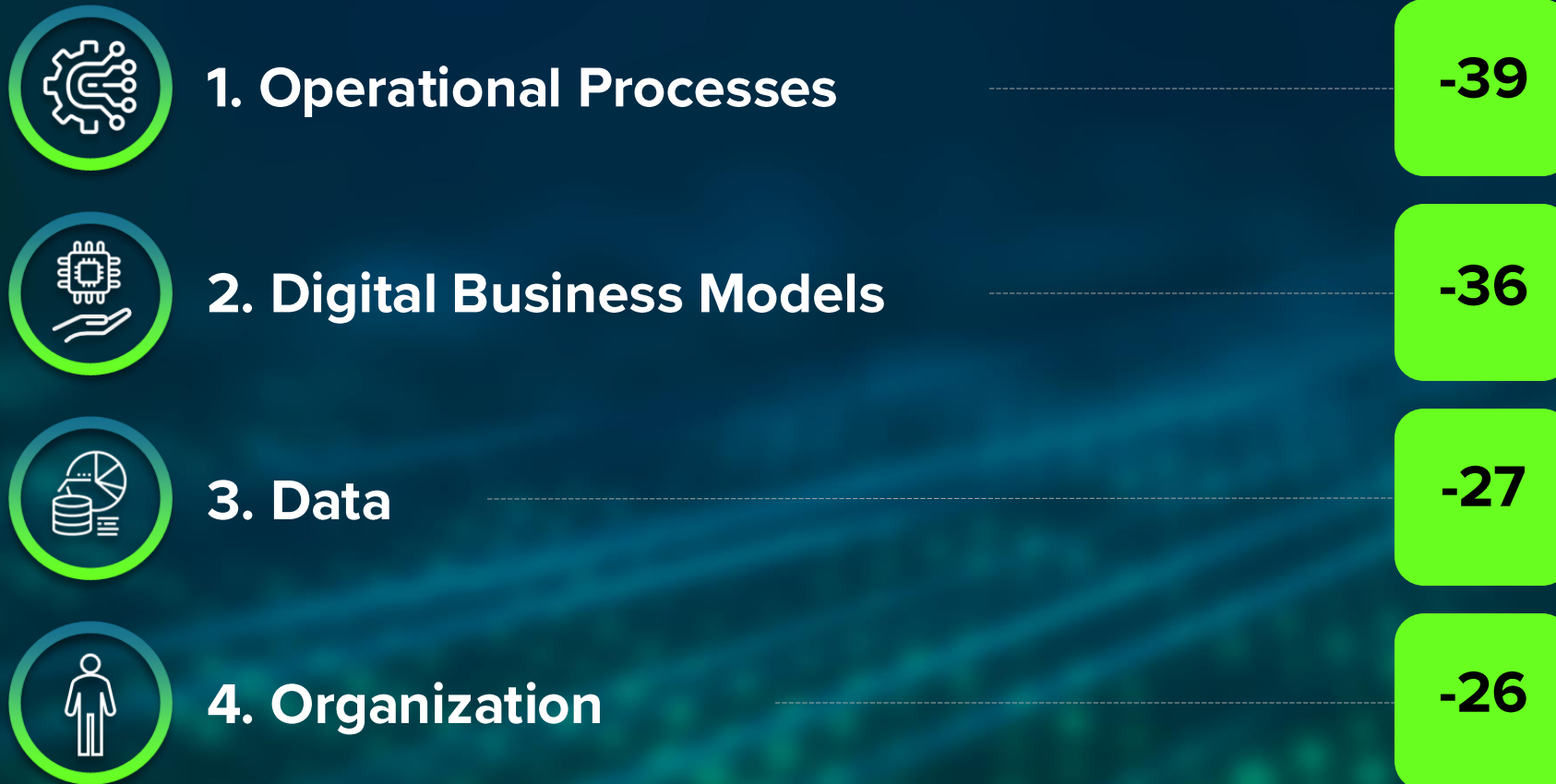
How Malaysian Firms Differ When Looking At Business Outcomes

Malaysian Enterprises Focus Areas

- Improved Employee Productivity
- Faster Innovation
- Cost Savings
- Improved Business Resilience
- Improved Business Agility
- Faster Time To Market

Transactional & Basic

Leading Digitalized Enterprises Focus Areas

- Revenue Growth
- Increased Profits
- Improved Customer Satisfaction
- Increased Operational Efficiency
- Reduced Business Risk
- Increased Sustainability

Incremental Growth to the Business

Source: Maxis CxO Study 2025

76% of Malaysia-based enterprises faced digital project challenges

Technology Limitations

Digital Skills Shortages

Regulatory Compliance Risks

BFSI
- Privacy & Security Concerns

Manufacturing
- Lack of internal skills

Transportation & Logistics
- Legacy systems and resistance to change

Retail / Services
- Lack of management support & resistance to change

Technology Limitations

Remote access and collaboration technologies

IoT and mobility solutions

Cloud and digital infrastructure

BFSI
- Cloud & digital infra
- Data management & analytics
- Cybersecurity

Manufacturing
- Remote access & collab tech
- Cybersecurity
- Connectivity

Transportation & Logistics
- IoT and Mobility
- Connectivity
- Data management & analytics

Retail / Services
- Remote access & collab tech
- IoT and Mobility
- Cloud & digital infra

60% of APAC Organizations will experience digital skills shortages that cause project delays by 2027, slowing AI technology implementations into the following year."

IDC

16 months
average delay to digital initiatives due to lack of IT skills

Weakened Competitiveness

Reduced Business Performance
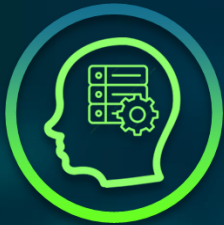
Delayed Digital Transformation

Lessons from Digital-First CEO Leaders

1. Use Tech-To-Compete

2. Incentivizing a customer-centric culture
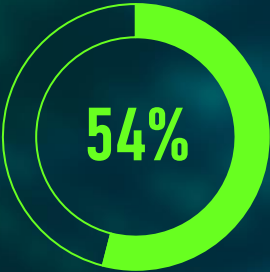
3. Data-driven decision making

4. Reskilling the labour force

AI Has Huge Business Impacts, and will Create More Jobs

> "There may be disagreements about how much to invest in AI, but not doing AI would be risky."
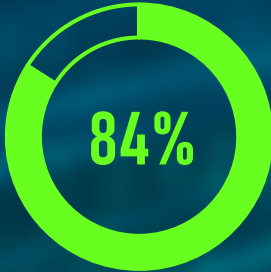
Kim Jun-hwan,
Head of Digital Part (Group CDO & CIO),
Shinhan Financial Group

Source: Yonhap News

54%

BUSINESS IMPACT

Agree that AI will have significant impact to their business model or competitive positioning
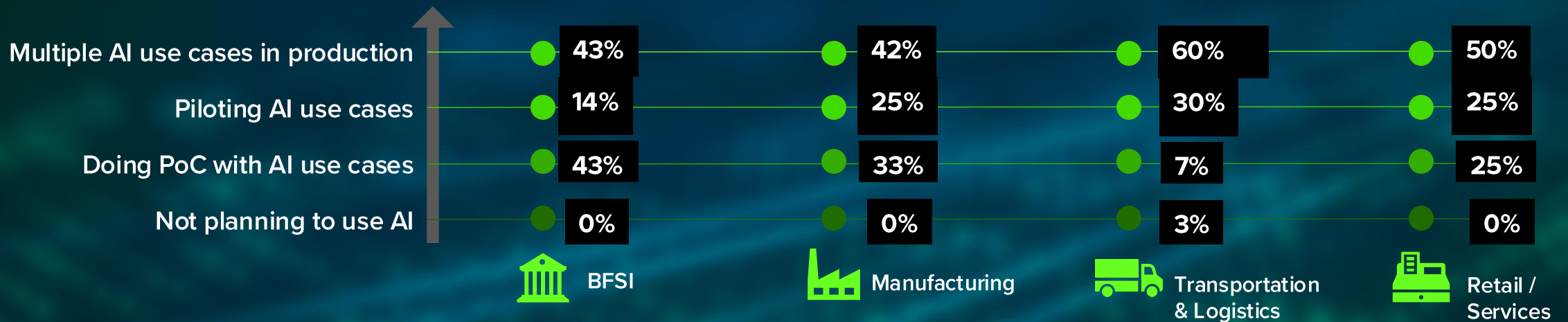
84%

AI AUGMENTED WORK

Agree that AI will create more jobs than it eliminates over the next 5 years
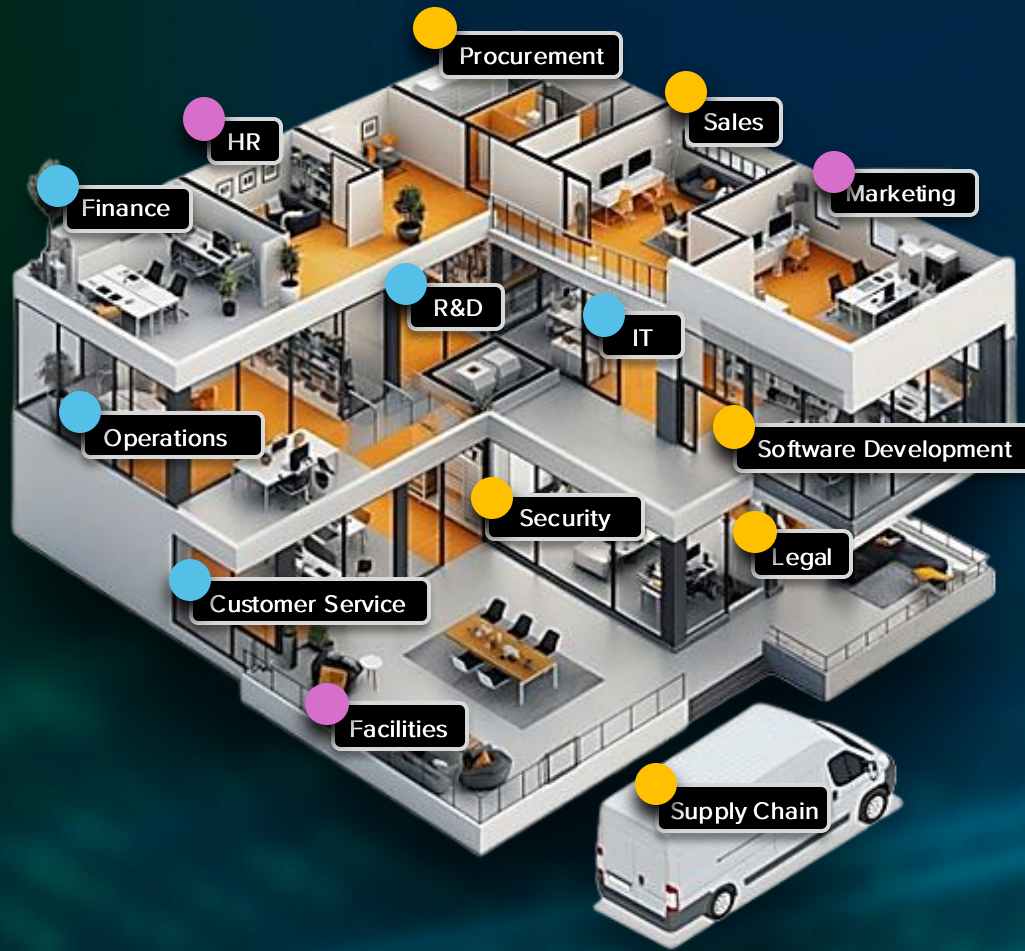
State of AI Adoption

> "AI spending will grow at **1.6x** the rate of overall digital technology spending in the next three years, generating an APAC economic impact of over **$1.2 trillion** by the end of 2027."
> - IDC

Stages of AI Adoption among MY Enterprises

	BFSI	Manufacturing	Transportation & Logistics	Retail / Services
Multiple AI use cases in production	43%	42%	60%	50%
Piloting AI use cases	14%	25%	30%	25%
Doing PoC with AI use cases	43%	33%	7%	25%
Not planning to use AI	0%	0%	3%	0%

Priority functions for AI in the next 18 months

Procurement
Sales
HR
Marketing
Finance
R&D
IT
Operations
Software Development
Security
Legal
Customer Service
Facilities
Supply Chain

Revenue growth
Operational efficiency
Faster innovation

- BFSI
- Manufacturing
- Construction & Property
- Agriculture

Increased sustainability
Reduced business risk
Improved customer satisfaction

- Energy and resources
- Transport & Logistics
- Retail trade
- Services

Time to market
Employee productivity
Cost savings

- Automotive
- Oil & Gas
- Other retail and services

Source: Maxis CxO Study 2025

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Challenges with AI Implementation

Security Concerns

Lack of Knowledge

Limited 3rd Party Data to Train Models

Main concerns for these industries:

BFSI   Manufacturing   Transportation & Logistics   Retail / Services

Lessons from AI Leaders

1

Approach AI with a Unified Governance Framework

2

Standardize on an AI Technology Architecture

3

Train all employees in skills for Human-AI Augmentation

4

Treat Data as a Product

Key Takeaways

Reimagine new products & services with a customer-centric approach

Digital Business Models

Organization

Enable future ways of working with an AI augmented workforce

View data as **a product and build a data-driven business culture**

Data

Operational Processes

Make business operations more responsive by leveraging digitally connected products/services, assets, people & trading partners