



CONNECTING YOU SEAMLESSLY TO THE WORLD

ANNUAL REPORT 2015



OUR VISION

To be the global leader in creating airport cities

OUR MISSION

Together we create joyful experiences by connecting people and businesses



MALAYSIA AIRPORTS TODAY

A Dynamic Team of Nearly

11,000

Employees



Serving

>70

Airlines



Market Capitalisation

RM11.56

Billion as at 18 March 2016



Total Equity

RM8.8

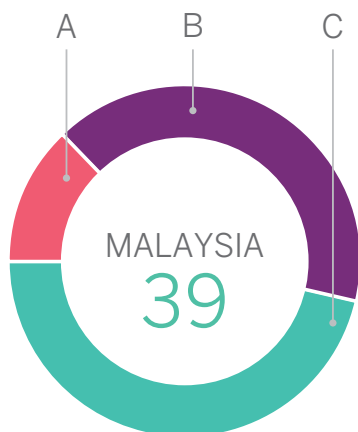
Billion as at 31 December 2015





i-MAHB

Malaysian airports operated by the group



A
International Airports
5

B
Domestic Airports
16

C
STOLPORTS In Malaysia
18

2 Overseas Airport Investments



India

Rajiv Gandhi International
Airport, Hyderabad



Turkey

Istanbul Sabiha Gokcen
International Airport

CONNECTING YOU SEAMLESSLY TO THE WORLD

As the custodian of Malaysia's gateways, we are your connection to the world.
We bring people from all over our vibrant nation together with visitors near and far.

In our more than two decades of serving the nation, we have endeavoured to provide a joyful experience to all our stakeholders by giving solid returns and operating a business that is efficient, sustainable and ethical; a company that prides itself on the quality of its services and the commitment of its management and employees.

As we move forward with our new business strategy, RtS2020, our goal is to transform into a global leader in creating airport cities, thus propelling the company and the nation to greater heights.

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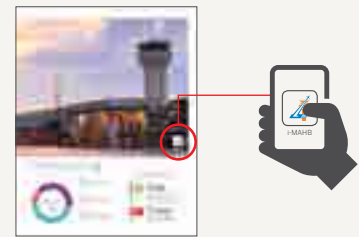
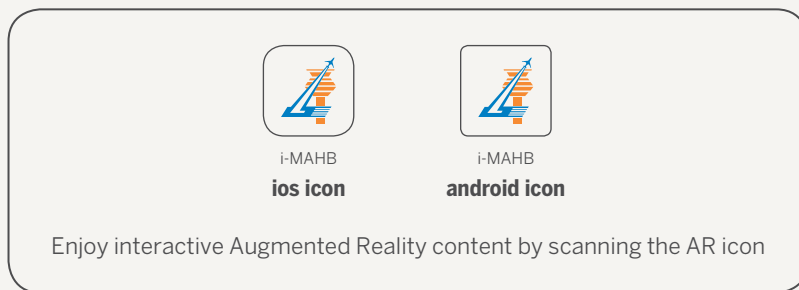
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1. Search for i-MAHB App from Apple App Store or Google Play with your smartphone.
2. Click on the app to install. (Please check your device compatibility before installing)
3. Once installed, click open to launch the Augmented Reality (AR) App.
4. Click the start button from the i-MAHB App to launch the AR camera.
5. Look for the AR icon on the inside flap of the Annual Report cover. Scan this page with the AR camera to enjoy interactive AR content.
6. You may click on the interactive button to explore additional contents.

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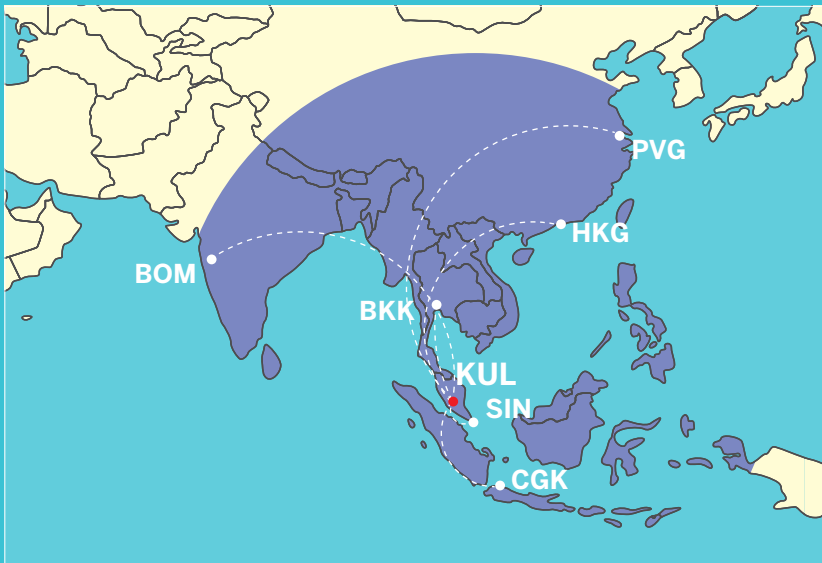
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KUL HUB

ESTABLISHING KUL AS THE PREFERRED ASEAN HUB OFFERING PASSENGERS INCREASED CONNECTIVITY AND A SEAMLESS TRANSFER EXPERIENCE

KLIA IS LOCATED IN THE HEART OF ASEAN –
CONNECTING > 600 MILLION PEOPLE WITHIN 4-5 HOURS FLYING TIME



SECOND LARGEST AIRPORT GROUP IN THE WORLD

112 MILLION
TOTAL PASSENGER HANDLED INCLUDING ISTANBUL SABIHA GOKCEN INTERNATIONAL AIRPORT

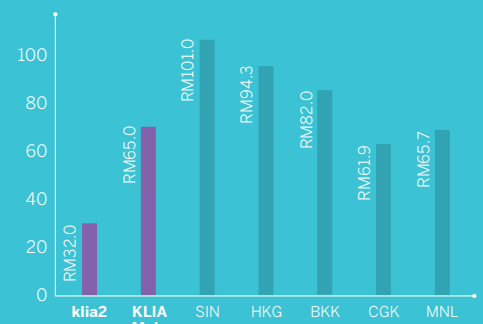
TOTAL PASSENGER TRAFFIC IN KLIA IN 2015

49 MILLION

BEST VALUE IN THE REGION

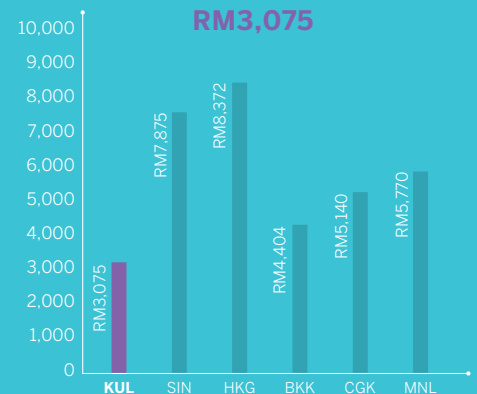
INTERNATIONAL PASSENGER SERVICE CHARGES

KLIA: RM65 klia2: RM32



LANDING CHARGES

RM3,075



Source: IATA



KEY MILESTONES



OPENING OF KLIA

1998



APPOINTMENT OF NEW
MANAGEMENT TEAM

2003



1991



INCORPORATION OF
MALAYSIA AIRPORTS

1999



MALAYSIA AIRPORTS LISTED
ON MAIN BOARD OF
BURSA MALAYSIA SECURITIES
BERHAD

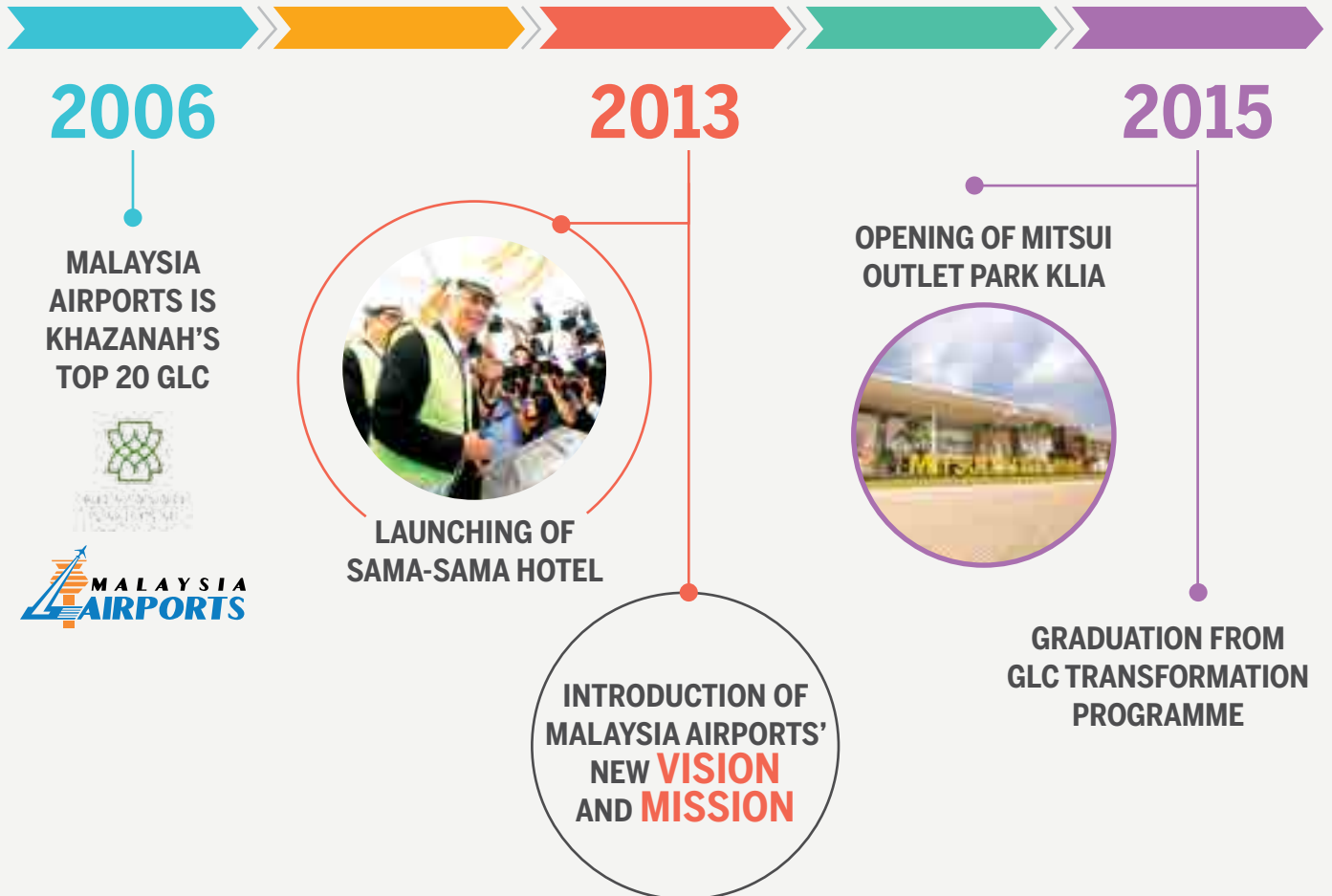
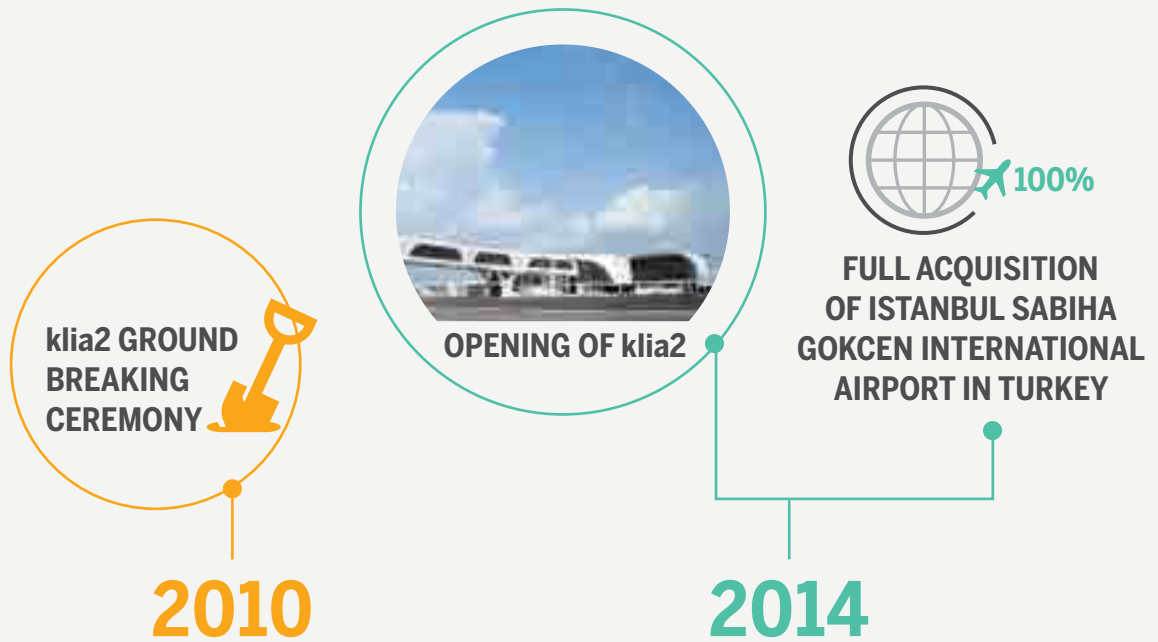
2004



50% MINISTRY OF
FINANCE (INC.) STAKE
TRANSFERRED TO
KHAZANAH NASIONAL



KEY MILESTONES





LETTER FROM THE CHAIRMAN



Dear Shareholders

ON BEHALF OF THE BOARD OF DIRECTORS, IT IS MY PLEASURE TO ENCLOSE HERewith A COPY OF THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF MALAYSIA AIRPORTS HOLDINGS BERHAD (THE COMPANY OR MAHB) FOR THE YEAR ENDED 31 DECEMBER 2015.

The Annual Report also contains the Notice of the 17th Annual General Meeting (the AGM or the Meeting) and a map showing the location of the meeting. The AGM will be held at Gateway Ballroom, Level 1, Sama-Sama Hotel, Kuala Lumpur International Airport, Jalan CTA 4B, 64000 KLIA, Sepang, Selangor Darul Ehsan on Wednesday, 27 April 2016 at 11.00 a.m.



LETTER FROM THE CHAIRMAN

The global economy is picking up and we are moving in tandem with the expected growth this year. As a leading global airport company, one of our priorities is to uphold or preserve our reputation as an aggressive, dynamic and reliable organisation that continues to chart success in a highly competitive global aviation market, where competition is tougher and requires bolder decisions and investments for the benefit of all our stakeholders.

I am pleased to share with you in this report a brief overview of 'Runway to Success 2020 (RtS2020)', our next five-year business plan that will position Malaysia Airports for further growth. The theme of our Annual Report this year - 'Connecting You Seamlessly to the World' is closely aligned to the strategic priorities identified in RtS2020.

The Annual Report and Audited Financial Statements provides a comprehensive statement of our strategic direction; latest undertakings; achievements and awards; corporate responsibilities and government initiatives; as well as the Company's financial disclosure for the shareholders' attention and review. These documents can also be accessed at our corporate website at www.malaysiaairports.com.my.

For the year 2016, seven (7) resolutions are proposed for the consideration at the AGM. The purpose and reasons for each resolution are explained under the Explanatory Notes of the Notice of AGM. I hope that you will find the brief explanations helpful in order to make an informed decision.

In line with the Company's dividend policy to distribute a dividend payout ratio of at least 50% of the consolidated annual net profit after taxation and minority interest annually, subject to availability of distributable reserves, the Board is recommending the payment of a final single-tier dividend of 4.50 sen per ordinary share in respect of the financial year ended 31 December 2015 with a total quantum of final single-tier dividend amounting to RM74.66 million, subject to the shareholders' approval at the AGM.

At the AGM, the Board is recommending the re-election of four (4) Directors who are due for retirement, namely, Dato' Sri Dr Mohmad Isa bin Hussain, Datuk Seri Yam Kong Choy, Datuk Zalekha binti Hassan and Encik Rosli bin Abdullah and being eligible, offer themselves for re-election.

I also believe that you should be able to comprehend the rest of the agenda/proposed resolutions which include, amongst others, the presentation of the Audited Financial Statements, the proposed payment of Directors' fees, and the re-appointment of the auditors, whereby brief explanations are also provided under the "Explanatory Notes" for your understanding.

The Board believes that all the proposed resolutions as set out in the Notice of the AGM are in the best interest of the Company and its shareholders and further recommends that the shareholders to vote in favour of all the resolutions.

Shareholders who are unable to attend the AGM would still be able to exercise their rights to vote, by completing the Proxy Form enclosed in the Annual Report, according to the instructions as provided in the Proxy Form, and submitting it to the Registered Office of the Company at Malaysia Airports Corporate Office, Persiaran Korporat KLIA, 64000 KLIA, Sepang, Selangor Darul Ehsan, not less than 48 hours before the time set for holding the Meeting or any adjournment thereof.

I look forward to meeting all the shareholders at the forthcoming AGM and to share the latest issues and activities concerning the Company.

Yours sincerely,



Tan Sri Dato' Sri Dr Wan Abdul Aziz bin Wan Abdullah
Chairman
Malaysia Airports Holdings Berhad

NOTICE OF THE 17TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 17th Annual General Meeting of Malaysia Airports Holdings Berhad (MAHB or the Company) will be held at Gateway Ballroom, Level 1, Sama-Sama Hotel, Kuala Lumpur International Airport, Jalan CTA 4B, 64000 KLIA, Sepang, Selangor Darul Ehsan on Wednesday, 27 April 2016 at 11.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Directors and Auditors Reports thereon.

Explanatory Note:-

The above Agenda 1 is meant for discussion only as the Audited Financial Statements does not require shareholders' approval under the provision of Section 169(1) of the Companies Act, 1965. As such, this Agenda item is not to be put forward for voting.

2. To declare and approve the payment of a final single-tier dividend of 4.50 sen per ordinary share in respect of the financial year ended 31 December 2015 as recommended by the Directors.

Explanatory Note:-

In accordance with Article 154 of the Company's Articles of Association, the Board is recommending that the shareholders approve the payment of the final dividend. Pursuant to paragraph 8.26 of the Main Market Listing Requirements, the final dividend, if approved, will be paid no later than three months from the shareholders' approval. The Book Closure Date (BCD) will be announced by the Company after the Annual General Meeting.

3. To approve the payment of Directors' fees for the financial year ended 31 December 2015.

Explanatory Note:-

In accordance with Article 112 of the Company's Articles of Association, the Board is recommending that the shareholders approve the payment of Directors' fees totalling RM1,035,000.00 to the Non-Executive Directors for the financial year ended 31 December 2015.

4. To re-elect Dato' Sri Dr Mohmad Isa bin Hussain who shall retire in accordance with Article 129 of the Company's Articles of Association and being eligible, offers himself for re-election.

Explanatory Note:-

Article 129 stipulates that any newly appointed Director shall hold office only until the next following Annual General Meeting of the Company at which the Director is due to retire under these Articles, when he shall retire but shall then be eligible for re-election.

5. To re-elect Datuk Seri Yam Kong Choy who shall retire in accordance with Article 131 of the Company's Articles of Association and being eligible, offers himself for re-election.

6. To re-elect Datuk Zalekha binti Hassan who shall retire in accordance with Article 131 of the Company's Articles of Association and being eligible, offers herself for re-election.

7. To re-elect Rosli bin Abdullah who shall retire in accordance with Article 131 of the Company's Articles of Association and being eligible, offers himself for re-election.

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3

Ordinary Resolution 4

Ordinary Resolution 5

Ordinary Resolution 6

NOTICE OF THE 17TH ANNUAL GENERAL MEETING

Explanatory Note for Ordinary Resolutions 5 to 7:-

Article 131 expressly states that in every subsequent Annual General Meeting, at least one-third of the Directors for the time being shall retire from office and the retiring Directors shall be eligible to seek for re-election thereof.

The Board has conducted assessment on the independence of the Independent Directors who are seeking re-election and is satisfied that the incumbents have complied with the independence criteria applied by the Company and continue to bring independent and objective judgement to the Board deliberations.

8. To re-appoint Messrs. Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

Explanatory Note:-

Pursuant to Section 172 (2) of the Companies Act, 1965, shareholders are required to approve the re-appointment of Auditors who shall hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration thereof. The present auditors, Messrs. Ernst & Young have indicated their willingness to continue their services for another year.

9. To transact any other business of which due notice shall have been given.

By Order of the Board

SABARINA LAILA BINTI DATO' MOHD HASHIM

LS 0004324

Company Secretary

Sepang

Selangor Darul Ehsan

5 April 2016

Notes to the Notice of Annual General Meeting

1. All resolutions at the Meeting will be decided on a show of hands, unless otherwise instructed.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(a), (b) and (c) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in print or writing under the hand of the appointer or his duly constituted attorney, or if such appointer is a corporation, under its common seal or the hand seal of its attorney.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Malaysia Airports Corporate Office, Persiaran Korporat KLIA, 64000 KLIA, Sepang, Selangor Darul Ehsan not less than 48 hours before the time set for holding the Meeting or any adjournment thereof.
5. Please note that in order to attend and vote at the Meeting, a member must be registered in the Record of Depositors at 4.00 p.m. on 20 April 2016 in accordance with Article 48(2) of the Company's Articles of Association. Any changes in the entries on the Record of Depositors after the abovementioned date and time shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
6. Please be reminded that the AGM is a private meeting between the directors, shareholders, proxies, duly authorised representatives and the auditors. As such, non-shareholders are barred from entering the Meeting. However, any disabled shareholder may be allowed to enter the Meeting accompanied by a person who is not a shareholder.
7. Shareholders' attention is hereby drawn to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which allows a member of the Company which is an exempt authorised nominee, as defined under the Securities Industry (Central Depositories) Act, 1991, who holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account) to appoint multiple proxies in respect of each omnibus account it holds.

Ordinary Resolution 7

STATEMENT ACCOMPANYING NOTICE OF THE 17TH ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

1. The Director who is retiring pursuant to Article 129 of the Company's Articles of Association and seeking re-election is as follows:
 - (i) Dato' Sri Dr Mohmad Isa bin Hussain;
2. The Directors who are retiring pursuant to Article 131 of the Company's Articles of Association and seeking re-election are as follows:
 - (i) Datuk Seri Yam Kong Choy;
 - (ii) Datuk Zalekha binti Hassan; and
 - (iii) Rosli bin Abdullah.

The profiles of the above Directors are set out in the section entitled "Board of Directors' Profile" from pages 77 to 91 of this Annual Report. Their shareholdings in the Company are set out in the section entitled "Statement of Shareholdings" on page 357 of this Annual Report.

AGM ADMINISTRATIVE DETAILS

ADMINISTRATIVE DETAILS FOR THE 17TH ANNUAL GENERAL MEETING OF MALAYSIA AIRPORTS HOLDINGS BERHAD

LOCATION OF THE AGM

Gateway Ballroom, Level 1 Sama-Sama Hotel, Kuala Lumpur International Airport,
Jalan CTA 4B, 64000 KLIA, Sepang, Selangor Darul Ehsan

Date: **27 April 2016** Time: **11.00 a.m**

Tel: **03-8787 3333** Fax: **03-8787 5555** Website: **www.samasamahotels.com**

HOW TO GET THERE?

By Car



The Sama-Sama Hotel, Kuala Lumpur International Airport is 80 km from the Kuala Lumpur City Centre, 40 km from Petaling Jaya, and 30 km from Putrajaya/Cyberjaya via the North-South Expressway Central Link (ELITE). Signposts are visibly placed with directions to the right location.

Parking



- Ample parking spaces are available at the Hotel and at the short term car park, KLIA.
- The Company will only bear parking charges incurred by shareholders/proxies attending the AGM who park their vehicles at the car park of Sama-Sama Hotel.
- The validation counter for the parking ticket will be opened after the AGM.

By Express Rail Link



The Express Rail Link service can be boarded at KL Sentral Station to Kuala Lumpur International Airport. A free buggy service is available from Level 2 KLIA to Sama-Sama Hotel.

REGISTRATION



Registration

- Registration will commence at 8.30 a.m. at the front entrance of the Meeting hall.
- Please produce your original Identity Card (IC) to the registration staff for verification.
- Please note that you will not be allowed to register on behalf of another person even with the original IC of that other person is produced/presented.
- Please note that you will not be allowed to enter the meeting room without wearing the identification wristband. After registration, please vacate the registration area immediately and proceed to the meeting venue.

DOOR GIFT



Door Gift Policy

- Door gifts will be distributed upon registration. Each person, whether attending as shareholder or proxy, shall be eligible for one (1) door gift only.
- A shareholder who is also attending as a proxy is entitled to a maximum of two (2) door gifts.
- Where a shareholder appoints two (2) proxies, only the proxy who registers first is eligible for the door gift.

REFRESHMENT



Touch & Go

- Touch & Go card will be distributed to each person, who is present personally, whether attending as shareholder or proxy, shall be eligible for one (1) Touch & Go only.

Refreshment

- Light breakfast will be served before the AGM.
- Brunch will be served after the AGM.



Mobile Phones

Please ensure that your mobile phones are switched off during the Meeting.

KEY FINANCIAL HIGHLIGHTS

Statements of profit or loss

for the financial year ended 31 December 2015

	2015 RM Million	Restated 2014 RM Million	% Change
Revenue	3,870.2	3,343.7	15.7
Operating profit	777.3	410.0	89.6
Gain arising from re-measurement of fair value of investment	-	483.7	-
Gain on bargain purchase	-	314.9	-
Impairment of investment	-	(24.0)	-
Impairment of goodwill	-	(231.3)	-
Finance costs	(741.9)	(151.3)	390.2
Share of results of associates	(0.3)	0.1	(408.8)
Share of results of jointly controlled entities	10.8	(52.7)	(120.4)
Profit before tax and zakat from continuing operations	45.9	749.3	(93.9)
Taxation and zakat	(5.8)	(85.9)	(93.2)
Profit from continuing operations, net of tax	40.1	663.4	(94.0)
Profit attributable to:			
Owners of the parent	40.9	663.4	(93.8)
Minority interests	(0.8)	(0.0)	2,631.0
	40.1	663.3	(94.0)
(Loss)/earnings per share attributable to owners of the parent (sen per share)			
- basic, for profit for the year	(1.09)	49.10	

KEY FINANCIAL HIGHLIGHTS

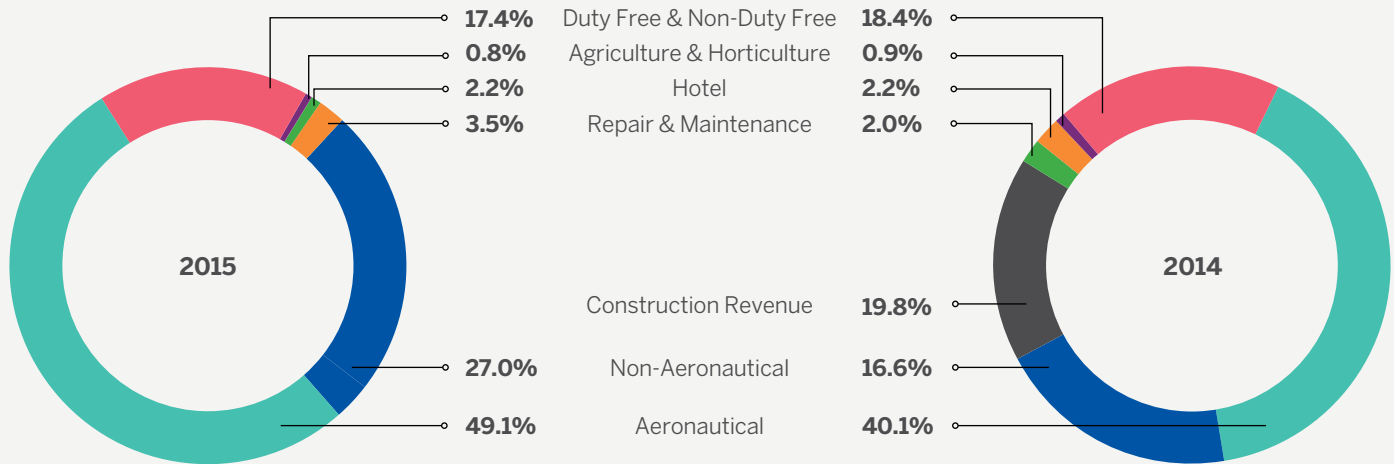
Consolidated statement of financial position

as at 31 December 2015

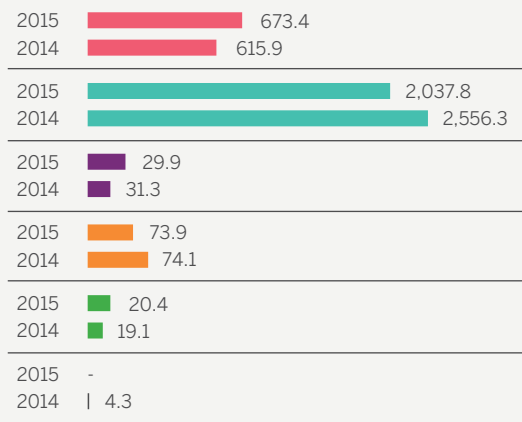
	2015 RM Million	Restated 2014 RM Million	% Change
Assets			
Property, plant and equipment	435.0	426.4	2.0
Investments	441.5	568.8	(22.4)
Intangible assets	17,842.4	17,556.8	1.6
Other non-current assets	696.4	733.9	(5.1)
Current assets	2,576.9	2,912.2	(11.5)
Assets of disposal group classified as held for disposal	0.2	0.1	45.2
Total assets	21,992.3	22,198.2	(0.9)
Equity and liabilities			
Share capital	1,659.2	1,374.2	20.7
Perpetual sukuk	997.8	997.8	-
Share premium	3,455.1	2,373.1	45.6
Retained earnings	2,449.5	2,591.9	(5.5)
Fair value adjustment reserve	5.3	(1.9)	(382.2)
Hedging reserve	(13.5)	-	-
Other reserve	5.1	2.6	92.9
Foreign exchange reserve	282.8	(0.5)	(51,987.3)
	8,841.4	7,337.3	20.5
Non-controlling interest	(0.8)	0.0	(2,262.9)
Total equity	8,840.6	7,337.3	20.5
Non-current liabilities	10,927.7	11,129.7	(1.8)
Current liabilities	2,224.0	3,731.1	(40.4)
Liabilities of disposal group classified as held for disposal	0.0	0.0	(26.9)
Total liabilities	13,151.7	14,860.9	(11.5)
Total equity and liabilities	21,992.3	22,198.2	(0.9)
Net asset per share (RM)	5.33	5.34	(0.21)
Return on assets	0.2%	3.0%	

GROUP SEGMENTAL ANALYSIS

REVENUE



2015 TOTAL REVENUE RM3,870.2 MILLION



MALAYSIA OPERATIONS

Duty Free & Non-Duty Free

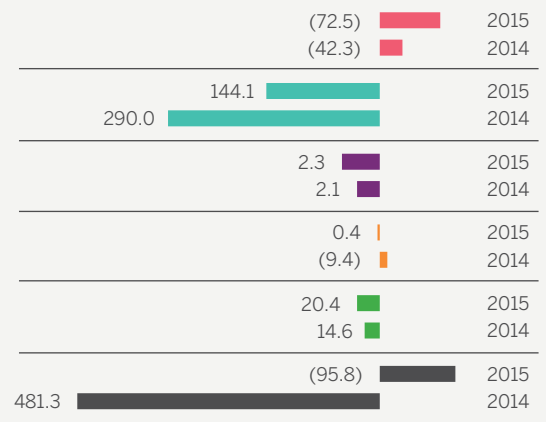
Airport Services

Agriculture & Horticulture

Hotel

Repair & Maintenance

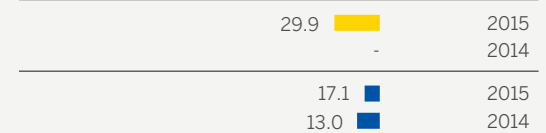
Other[®]



OVERSEAS OPERATIONS

Airport Services

Repair & Maintenance



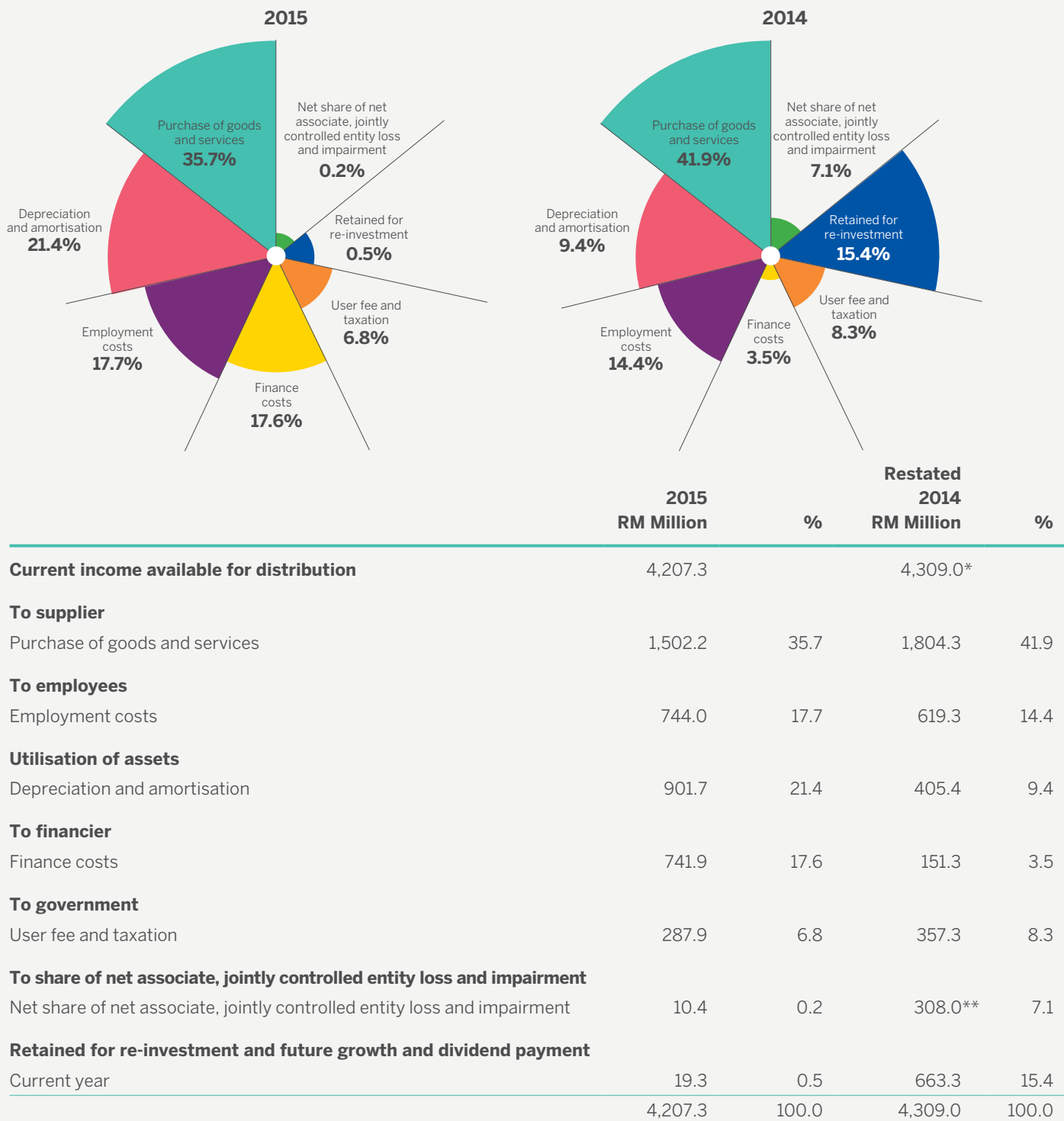
Note: The group segmental analysis above excludes inter-segment transactions.

Airport Services revenues include IC 12 construction revenues amounting to RM662.4 in FY2014.

* Airport Services profit before taxation include IC 12 construction profits amounting to RM28.5 million in FY2014.

® Other profit before taxation includes inter-segment eliminations and consolidation entries.

STATEMENT OF DISTRIBUTION

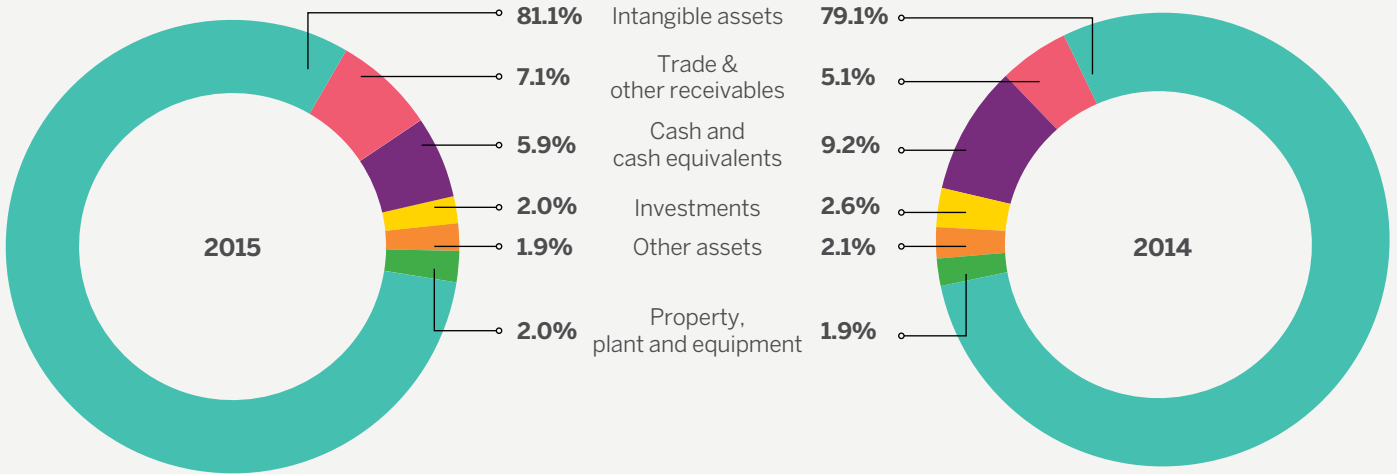


* Included in current income available for distribution are gain arising from re-measurement of fair value of investment (RM483.7 million) and gain on bargain purchase (RM314.9 million) in FY2014.

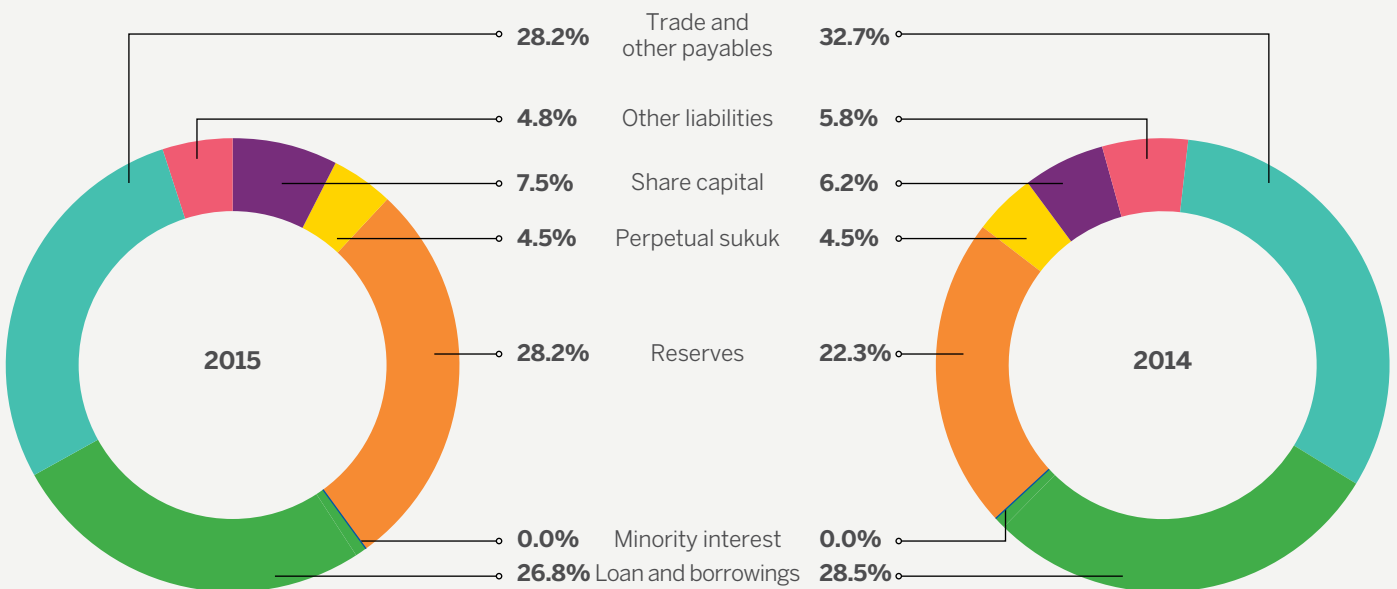
** Included in net share of results of associates & jointly controlled entities and impairment are impairment of investments (RM24.0 million) and impairment of goodwill (RM231.3 million) in FY2014.

STATEMENT OF FINANCIAL POSITION

ASSETS

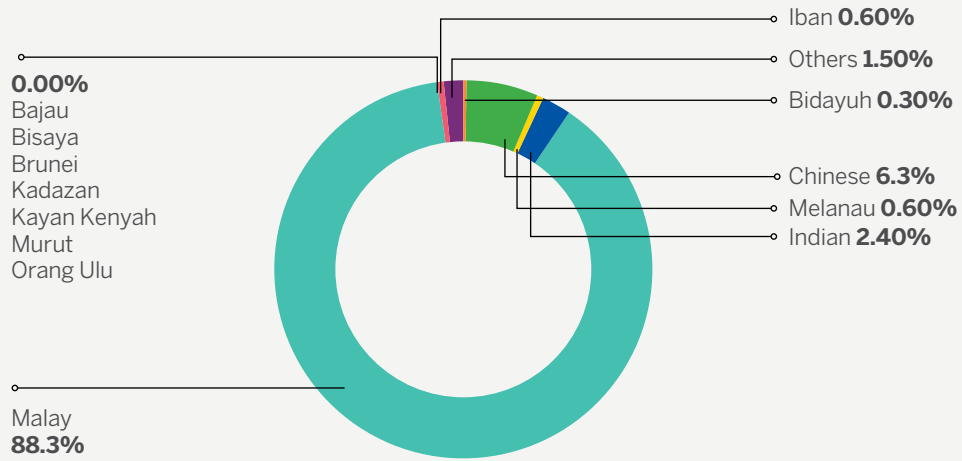


EQUITY AND LIABILITIES

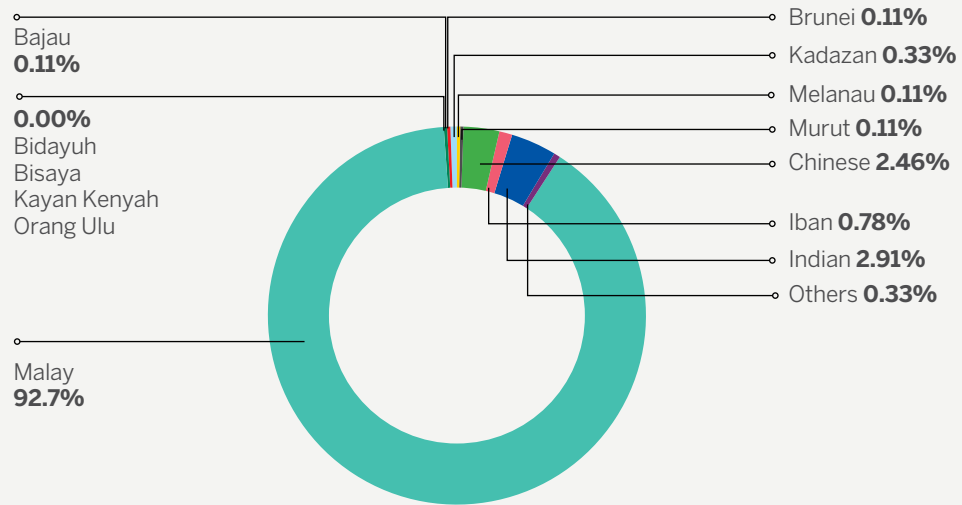


STATEMENT OF WORKFORCE

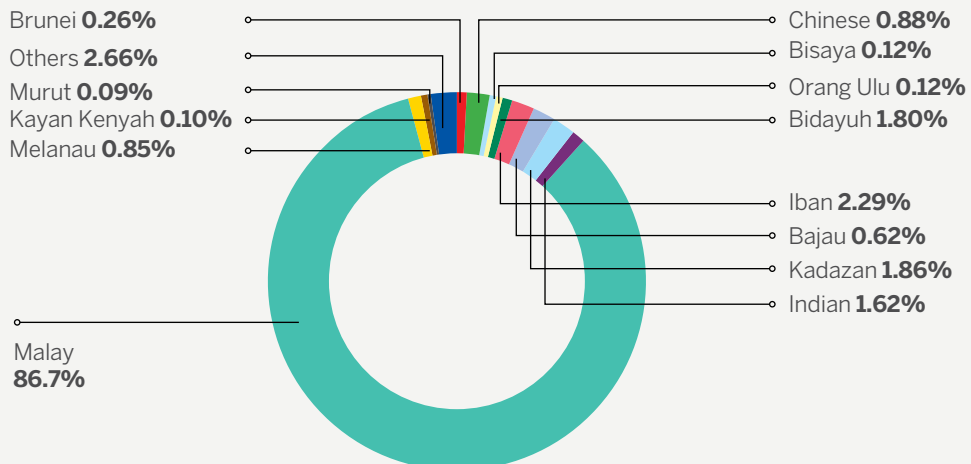
MANAGEMENT



EXECUTIVE



NON-EXECUTIVE



GROUP QUARTERLY PERFORMANCE

Year 2015 In RM Million	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Operating revenue	876.2	940.0	1,017.9	1,036.1	3,870.2
Profit/(loss) before tax and zakat for the continuing operations	39.3	1.7	58.8	(53.9)	45.9
Profit/(loss) net of tax	32.0	(20.1)	68.5	(40.3)	40.1
Earnings per share (sen)	1.28	(3.20)	1.63	(6.15)	(1.09)

Restated Year 2014 In RM Million	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Operating revenue	781.1	1,175.5	675.8	711.3	3,343.7
Profit/(loss) before tax and zakat for the continuing operations	179.0	(37.7)	10.6	597.5	749.3
Profit/(loss) net of tax	128.7	(44.7)	1.6	577.8	663.4
Earnings per share (sen)	10.19	(3.39)	0.12	42.73	49.10

GROUP FIVE-YEAR SUMMARY

Statements of profit or loss

year ended 31 December

	2015 RM Million	Restated 2014 RM Million	2013 RM Million	2012 RM Million	2011 RM Million
Revenue	3,870.2	3,343.7	4,098.8	3,548.1	2,754.8
Profit before tax from continuing operations	45.9	749.3	553.2	602.8	574.2
Taxation and zakat	(5.8)	(85.9)	(175.5)	(208.5)	(173.0)
Profit from continuing operations, net of tax	40.1	663.4	377.7	394.3	401.2
(Loss)/profit for the year from discontinued operations, net of tax	(0.0)	(0.1)	(0.1)	0.2	-
Profit for the year	40.1	663.3	377.5	394.5	401.2
Profit attributable to:					
Owners of the parent	40.9	663.4	377.4	394.5	401.2
Non-controlling interest	(0.8)	(0.0)	0.1	-	-
Profit for the year	40.1	663.3	377.5	394.5	401.2
Earnings per share attributable to equity holders of the Company (sen)					
Basic, for (loss)/profit from continuing operations	(1.09)	49.10	30.80	33.24	36.47
Basic, for (loss)/profit from discontinued operations	-	-	(0.01)	0.02	-
Basic, for (loss)/profit for the year	(1.09)	49.10	30.79	33.26	36.47

GROUP FIVE-YEAR SUMMARY

Statements of Financial Position

year ended 31 December

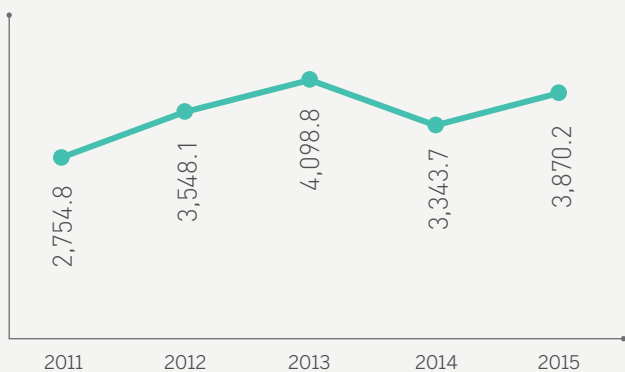
	2015 RM Million	Restated 2014 RM Million	2013 RM Million	2012 RM Million	2011 RM Million
ASSETS					
Non-current assets	19,415.3	19,285.9	9,485.1	7,326.2	5,784.9
Current assets	2,576.9	2,912.2	1,038.2	1,513.5	1,641.9
Assets of disposal group classified as held for disposal	0.2	0.1	0.1	0.1	0.4
Total assets	21,992.3	22,198.2	10,523.3	8,839.8	7,427.2
EQUITY					
Share capital	1,659.2	1,374.2	1,232.4	1,210.0	1,100.0
Perpetual sukuk	997.8	997.8	-	-	-
Share premium	3,455.1	2,373.1	1,409.4	1,320.4	822.7
Retained earnings	2,449.5	2,591.9	2,037.4	1,826.8	1,625.2
Fair value of adjustment reserve	5.3	(1.9)	(0.6)	5.1	0.8
Hedging reserve	(13.5)	-	-	-	-
Other reserve	5.1	2.6	2.5	2.6	2.6
Foreign exchange reserves	282.8	(0.5)	(2.9)	(5.6)	(4.4)
	8,841.4	7,337.3	4,678.3	4,359.3	3,546.9
Non-controlling interest	(0.8)	0.0	-	-	-
Total equity	8,840.6	7,337.3	4,678.3	4,359.3	3,546.9
Non-current liabilities	10,927.7	11,129.7	4,674.5	3,646.9	3,001.5
Current liabilities	2,224.0	3,731.1	1,170.4	833.5	878.7
Liabilities of disposal group classified as held for disposal	0.0	0.0	0.0	0.1	0.1
Total liabilities	13,151.7	14,860.8	5,845.0	4,480.5	3,880.3
Total equity and liabilities	21,992.3	22,198.2	10,523.3	8,839.8	7,427.2
Net asset per share (RM)	5.33	5.34	3.80	3.60	3.22

FIVE-YEAR FINANCIAL HIGHLIGHTS

REVENUE

RM Million

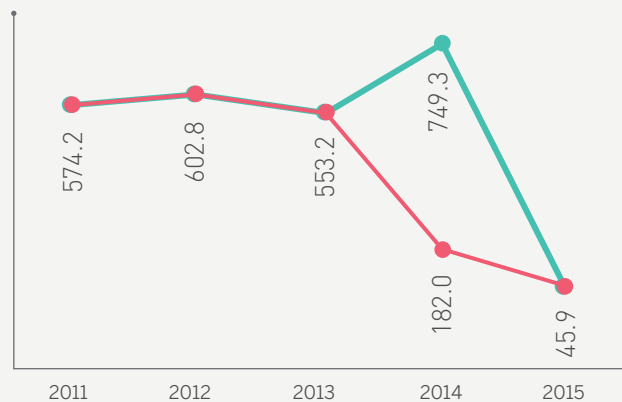
2015 **3,870.2**



PROFIT BEFORE TAXATION

RM Million

2015 **45.9**



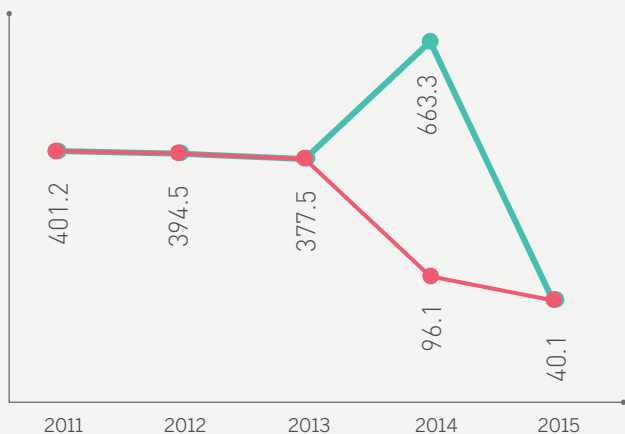
— PBT
 — PBT
 *(excluding net acquisition gains in FY2014)

* Net acquisition gains in FY2014 include gain on bargain purchase, gain arising from re-measurement of fair value of investment and impairment of goodwill totalling RM567.3 million.

PROFIT FOR THE YEAR

RM Million

2015 **40.1**



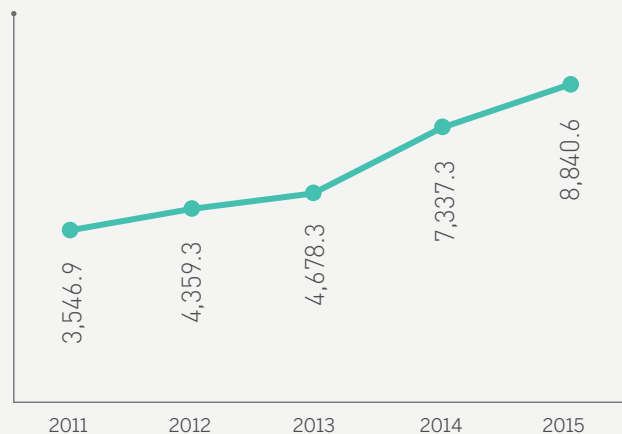
— PAT
 — PAT
 *(excluding net acquisition gains in FY2014)

* Net acquisition gains in FY2014 include gain on bargain purchase, gain arising from re-measurement of fair value of investment and impairment of goodwill totalling RM567.3 million.

TOTAL EQUITY

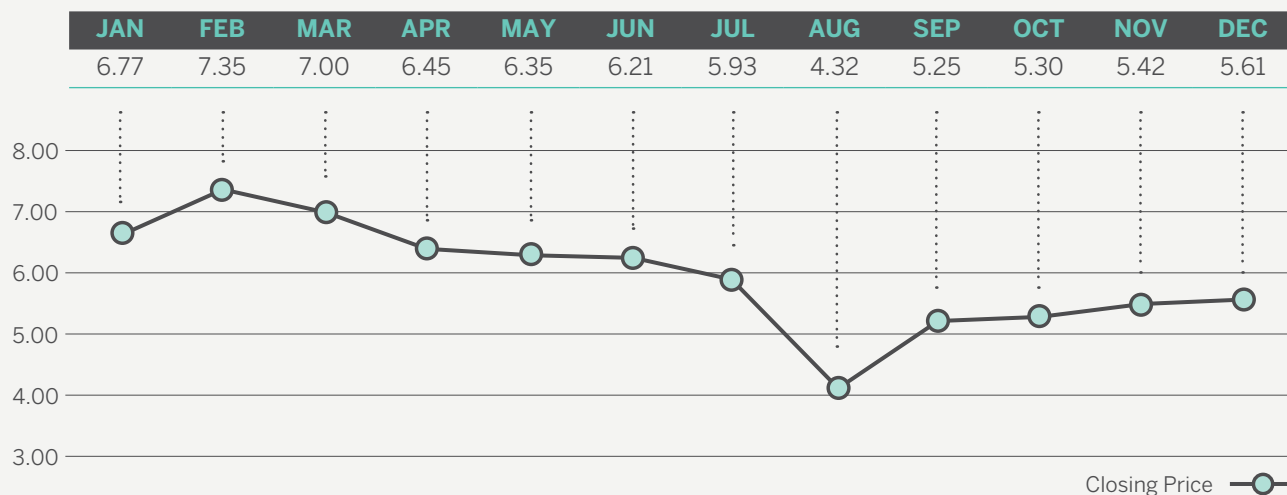
RM Million

2015 **8,840.6**



SHARE PRICE, VOLUME TRADED, MARKET CAPITALISATION

SHARE PRICE MOVEMENT

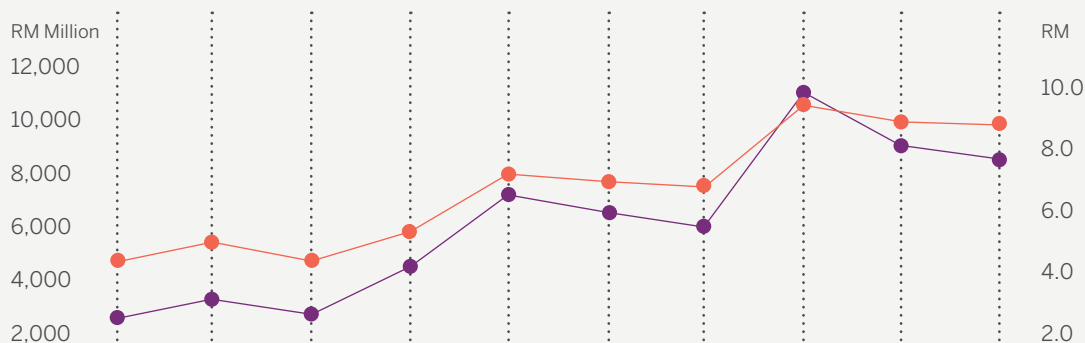


2015 MONTHLY TRADING VOLUME & SHARE PRICE STATISTICS

MONTH	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Volume ('000)	26.91	15.50	31.27	22.24	17.56	13.84	15.04	53.25	30.47	31.82	18.56	32.83
High (RM)	7.08	7.35	7.27	7.08	6.82	6.52	6.66	5.96	5.75	5.65	5.42	5.73
Low (RM)	5.96	6.58	6.74	6.45	6.06	6.10	5.88	4.22	4.23	5.14	5.05	5.21
Closing Price (RM)	6.77	7.35	7.00	6.45	6.35	6.21	5.93	4.32	5.25	5.30	5.42	5.61

MARKET CAPITALISATION

YEAR	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Last closing price for the year	2.16	3.02	2.21	3.97	6.28	5.80	5.21	9.00	6.80	5.61
Market capitalisation (RM Million)	2,376	3,322	2,431	4,367	6,908	6,380	6,304	11,092	9,344	9,308



GROUP FINANCIAL PERFORMANCE

KEY FINANCIAL PERFORMANCE

Malaysia Airports Holdings Berhad (“Malaysia Airports”) had registered earnings before interest, tax, depreciation and amortisation (“EBITDA”) of RM1,679.1 million, representing a growth of 113.4% when compared to the financial year ended 31 December 2014 (“FY2014”). As a result, Malaysia Airports outperformed its financial headline KPI for FY2015. The achievement was on the back of a 44.3% growth in revenue, primarily arising from the Group’s Turkish operations in Istanbul Sabiha Gökçen Uluslararası Havalimani Yatırım Yapım Ve İşletme A.S. (“ISG”) and LGM Havalimani İşletmeleri Ticaret ve Turizm A.S. (“LGM”).

IC INTERPRETATION 12: SERVICE CONCESSION ARRANGEMENT

Malaysia Airports adopted IC Interpretation 12: Service Concession Arrangements (IC 12) effective 1 January 2011. IC 12 addresses the accounting for “public-private” arrangements whereby a private sector operator involved in the construction and/or upgrading of infrastructure assets such as schools, roads and airports to be used in providing public service. The operator provides construction services to the grantor in exchange for an intangible asset, i.e. a right to collect revenue in accordance with the service concession arrangements.

Under IC 12, Malaysia Airports (the operator) provides construction services to the Government of Malaysia (the grantor) in exchange for an intangible asset, i.e. a right to collect revenue in accordance with the Operating Agreements. In accordance with the Financial Reporting Standard 138: Intangible Assets (FRS 138), Malaysia Airports recognises the intangible asset at its fair value. The fair value of the intangible asset is calculated by including certain mark-up on the actual cost incurred, estimated to reflect a margin based on the nature of works involved and consistent with other similar construction work. Malaysia Airports has applied mark-up of 4.5% and 7.5% on the construction costs incurred in respect of klia2 and Penang International Airport respectively.

In line with the requirement of Financial Reporting Standard 111: Construction Contracts (FRS 111), Malaysia Airports recognises the construction revenues and costs by reference to the stage of completion of the construction works of klia2, which is a public sector infrastructure asset and service, currently being undertaken by Malaysia Airports. In FY2014, Malaysia Airports recognised the construction revenues in relation to the aforesaid project amounting to RM662.4 million. Malaysia Airports also recognised the construction costs amounting to RM633.9 million for klia2 in FY2014. klia2 was completed in May 2014.

GROUP PROFITABILITY

Excluding the effects of IC 12, Malaysia Airports registered revenue of RM3,870.2 million for FY2015 which was 44.3% higher than the RM2,681.3 million registered in its corresponding period in FY2014. Excluding the adjustments from the acquisition of ISG and LGM under FRS 3: Business Combinations, Profit before tax (PBT) had decreased by 70.1% to RM45.9 million while profit after tax (PAT) had also decreased by 40.5% to RM40.1 million from RM67.5 million in FY2014.

The higher operating revenues were attributable to improved results from the airport operations segment which grew by 44.2% to RM3,618.4 million. Revenue in non-airport operations segments grew by 46.8% to RM251.8 million. Despite the higher operating profits, Malaysia Airports recorded lower PBT and PAT due to the full year impact of finance cost for Malaysian operations by 77.3% or RM268.3 million and the PBT loss from ISG of RM172.0 million mainly due to the loss of RM201.9 million recognised primarily due to the amortisation of fair value for the concession rights, also contributing significantly to the lower PBT and PAT was the one-off acquisition net gains of RM567.3 million in FY2014.

GROUP FINANCIAL PERFORMANCE

Excluding the results of ISG and LGM and the one-off acquisition net gains of RM567.3 million in FY2014, the Group's PBT was 42.0% or RM35.9 million higher than the previous year. This is mainly due to the net gain on disposal of the Delhi International Airport Limited ("DIAL"), amounting to RM22.1 million in May 2015 and a realised gain on foreign exchange of RM63.5 million, represented by the repayment of the EUR279.2 million loan following the weakening of the Euro against Ringgit in April 2015 offset against the higher operating costs.

OPERATIONS REVIEW

Airport operations revenue continued to be driven by passenger growth of 4.7% in 2015. Total aircraft movements grew 5.8%.

The 44.2% increase in revenue generated by airport operations segment was mainly driven by aeronautical revenue which had improved by 41.6% to RM1,899.3 million due to ISG's aeronautical revenue of RM476.9 million and lower airline incentives by 55.2%. The improvement in aeronautical revenue was also attributed to the recognition of Marginal Cost Support for Passenger Service Charge ("MARCS PSC") as the PSC rates are lower than the benchmark rate as stipulated in the Operating Agreements signed with the Government. Higher aircraft movements also contributed to the increase in aeronautical revenue through landing revenue which increased by 1.7% to RM361.1 million in FY2015.

As mentioned above, higher finance, depreciation and amortisation costs curtailed the impact of improved revenues, thus causing a reduction in PBT.

Non-aeronautical revenue recorded a growth of 47.1% to RM1,719.0 million on the back of improved performance in the rental businesses. Revenue from rental of space, advertising and other commercial segments grew 88.9% to RM1,046.5 million, contributed by ISG's duty free business and higher occupancy rate and higher rental resulting from increase in rental space at klia2. Malaysia Airports' own retail business registered a growth of 9.4%.

TYPES OF REVENUE: AERONAUTICAL AND NON-AERONAUTICAL REVENUE

Malaysia Airports' revenue base can be broadly classified under aeronautical and non-aeronautical revenues. Aeronautical revenue is mainly derived from airport operations business which entails the collection of passenger service charge (PSC), landing and parking fees, and other ancillary charges to airlines. Meanwhile, the non-aeronautical revenue is broadly derived from commercial activities in the airport operations business, and the non-airport operations business.

Commercial activities in the airport operations business comprises revenue from lease of commercial spaces (rental), operations of duty free and non-duty free outlets, management of food and beverages (F&B) outlets, management and operations of airport parking facilities, advertising business, the Airside Transit Hotel and the Free Commercial Zone at KLIA.

The non-airport operations business include revenue derived from Sama-Sama Hotel operations, agriculture and horticulture activities, project and repair maintenance services and other activities that may be described in the Group's financial statement.

Excluding construction revenue, total non-aeronautical business continues to be a key in MAHB's earnings driver, accounting for 44.4%, or RM1,719.8 million, to the Group's revenue and this is in line with the Group's long term plan to further grow this branch of business.

BUSINESS SEGMENTS

The Group's business segment is divided into 2 sub-groups i.e. airport operations and non-airport operations.

Airport operations comprise of airport services and operations of duty free and non-duty free outlets. Airport services include aeronautical revenue generated from operating, managing and maintaining designated airports in Malaysia and the recent acquired ISG Airport and providing airport related activities; and non-aeronautical revenue derived from rental and other commercial activities. The revenues generated from operations of duty free and non-duty free outlets are non-aeronautical revenue.

The non-airport operations comprise of agriculture and horticulture activities, hotel operations and project and repair maintenance services. All non-airport operations income is non-aeronautical revenue.

Business Segment	FY2015 (RM'000)	FY2014 (RM'000)	Variance (%)
i) Airport operations	3,618,369	3,172,165	14.1
Airport Services:			
Aeronautical	1,899,348	1,341,075	41.6
Non-aeronautical (Rental & others)	1,046,500	553,997	88.9
Construction revenue	-	662,405	-100.0
Duty free and non-dutiable goods	672,520	614,688	9.4
ii) Non-airport operations	251,839	171,556	46.8
Hotel	86,018	74,136	16.0
Agriculture and horticulture	29,915	31,304	-4.4
Project and repair maintenance	135,907	66,116	105.6
Total revenue	3,870,207	3,343,721	15.7

SEGMENTAL REVENUE**Airport operations**

(a) Airport services: This business segment comprises of aeronautical revenue from collection of PSC, landing and parking fees, and other ancillary charges to airlines; and non-aeronautical revenue generated from rental and other commercial activities. Aeronautical revenue increased by 41.6% to RM1,899.3 million in line with the acquisition of ISG and in tandem with growth in passenger and aircraft traffic. The improvement was also attributed to the recognition of MARCS PSC as the PSC rates are lower than the benchmark rate as stipulated in the Operating Agreements signed with the Government. The growth in aeronautical revenue is also contributed by the increase in landing revenue which grew 1.7% as a result of higher growth in aircraft movements.

Another contributing factor to the growth is the lower Airline Incentives of RM48.2 million in FY2015 compared to RM107.6 million that was recorded in the previous year. Revenue from rental space, advertising and other commercial segments grew 88.9% to RM1,046.5 million, contributed by ISG's duty free business and higher occupancy rate and higher rental resulting from increase in rental space at klia2.

GROUP FINANCIAL PERFORMANCE

(b) Operations of duty free and non-duty free outlets: This business segment includes the operations of duty free and non-duty free outlets and management of F&B outlets at designated airports. This business segment grew by 9.4%, to RM672.5 million in FY2015.

Non-airport operations

(a) Agriculture and horticulture: The agriculture and horticulture business segment activities include the cultivation and sale of oil palm and other agriculture products. The lower revenue contribution is due to the lower price attained for Fresh Fruit Bunch (“FFB”) per tonne, despite the higher production volume (2015:67,056MT/RM440.23 vs. 2014:63,458MT/RM487.38) resulted in revenue contribution from the agriculture and horticulture segment to decrease to RM29.9 million in FY2015, which was 4.4% lower than the RM31.3 million registered in FY2014.

(b) Hotel: The Hotel segment manages and operates the Sama-Sama Hotel in Malaysia and the ISG airport hotel in Turkey. The hotel segment revenue increased by 16.0% to RM86.1 million, mainly attributed to the Turkish hotel operations.

(c) Project and repair maintenance services: The main activities include provision of mechanical, electrical and civil engineering services and the airport business consulting, maintenance and technical services. This segment recorded a very strong growth of 105.6% in revenue to RM135.9 million in FY2015, mainly due to new facility management work won including the provision of facility maintenance and IT services at the new Doha International Airport.

SEGMENTAL PROFITABILITY

1. Airport operations

(a) Airport services: Despite the increase in the airport services revenue, the segmental PBT declined by 50.3% to RM144.1 million in FY2015 compared to RM290.0 million reported in FY2014. This was mainly attributed to finance, depreciation and amortisation costs curtailed the impact of improved revenues, thus causing a reduction in PBT.

(b) Operations of duty free and non-duty free outlets: This segment incurred a loss before tax of RM72.5 million in FY2015 from a loss before tax of RM42.3 million in FY2014, due to lower growth in sales on the back of the challenging aviation market and increase in operating expenditure including rental, utilities and staff costs arising from the increase in retail space during the year.

2. Non-airport operations

(a) Agriculture and horticulture: The agriculture and horticulture business PBT had increased to RM2.3 million from a PBT of RM2.1 million in FY2014 due to higher production output despite lower price attained for FFB per tonne.

(b) Hotel: The hotel business recorded profit before-tax of RM0.4 million in FY2015, an improvement compared to loss before-tax of RM9.4 million recorded in FY2014. This was mainly due to strong contributions from Turkey.

(c) Project and repair maintenance services: This segment recorded a PBT of RM37.5 million in FY2015 compared to a PBT of RM27.6 million in FY2014, mainly due to new projects that were secured.

ECONOMIC PROFIT

Economic Profit (EP) is used as a yardstick to measure shareholder value. EP is a measure of value created by a business during a single period reflecting how much return a business makes over its cost of capital, that is, the difference between the Company’s rate of return and cost of capital. The Group recorded an economic loss of RM598.0 million for FY2015 as compared to a loss of RM18.9 million in FY2014. The higher economic loss in 2015 was mainly due to higher average invested capital contributed by ISG’s and LGM’s assets.

DIVIDENDS

MAHB has declared and paid a single tier interim dividend amounting to RM66.4 million (4.0 sen per ordinary share) in cash.

The board will propose a final dividend in respect of the financial year ended 31 December 2015 of 4.50 sen per ordinary share amounting to RM74.7 million for shareholders' approval at the forthcoming Annual General Meeting.

HEADLINE KEY PERFORMANCE INDICATORS ('KPIs') FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2016 ('FY2016')

The Headline KPIs are targets or aspirations meant to drive MAHB's performance in 2016. These Headline KPIs are disclosed publicly on a voluntary basis, signalling MAHB's commitment towards transparent performance measures and good corporate governance.

These Headline KPIs shall not be construed as forecasts, projections or estimates of MAHB or representations of any future performance, occurrence or matter as the Headline KPIs are merely a set of well-intended targets and positive aspirations of future performance aligned to the Company's strategy, mission and objectives.

The Headline KPIs are set based on the assumption that there will be no significant changes in the prevailing economic and political conditions, present legislation and/or government regulations, as well as with the expectation that business will continue to grow as expected.

FY2016 Headline KPIs

MAHB's Headline KPIs for FY2016 are as follows:-

FINAL	FY2015
(i) EBITDA	RM1,716.0 million
MAHB Group (excluding Turkey)	RM902.1 million
Overseas business Turkey Operations	EUR180.9 million (RM813.9 million-constant currency)
(ii) Airport Service Quality Awards	Above 40 million pax category: KLIA Ranking Top 10

Malaysia Airport's EBITDA KPI for the financial year ending 2016 is RM1,716.0 million upon the consolidation of ISG and LGM. The Group's EBITDA KPI (excluding Turkey operations) for the financial year ending 2016 is RM902.1 million and overseas business (Turkey Operations - ISG & LGM) is EUR 180.9 million (or RM813.9 million). The increase in EBITDA will be in tandem with the expected growth in passenger movements, both in Malaysia and Turkey.

Despite expected prudent spending behaviour due to slow economy situation globally, we are confident that our business in Malaysia will continue to grow in tandem with expected increase in passenger movement. Combined with aggressive controls over spending (cost optimisation), Malaysia Airport is positive that 2016 EBITDA of RM902.1 million is achievable.

The consolidation of ISG and LGM will strengthen the Group's foothold and influence as an airport manager and airport operator and also reinforce our strategic position as a world class airport manager and operator.

AIRPORT PERFORMANCE BENCHMARK

Airports tend to operate under different circumstances in terms of aviation activities, commercial activities, site constraints, governance and ownership structure, etc., and as a result, there are no specific performance indicators that individual airports would find consistently relevant and useful. For example, privatised airports are likely to focus on different financial performance indicators than non-profit government-owned airports. Larger airports are likely to focus on different performance indicators than smaller airports. Airports with large developable land areas are likely to focus on different performance indicators than tightly constrained airports in large urban areas. As such benchmarking becomes relatively complex. These are well-illustrated in the International Civil Aviation Organisation's (ICAO) Airports Economics Manual and Airport Council International's (ACI) Guide to Airport Performance Measures.

Even among airports with similar characteristics, managers may have different views regarding which performance indicators are most important, and how many performance indicators the airport should track. A smaller set of closely monitored performance indicators tend to be a more effective performance management tool than a larger set of performance indicators that attracts less focus.

Airport benchmarking is divided into two types of comparisons; firstly the internal or self-benchmarking, where an airport compares its performance with itself over time; and secondly external or peer benchmarking where an airport compares its performance against other airports, either at a single point in time or over a period of time. Malaysia Airport's Annual Report and the accompanying Sustainability Report cover both these areas to some detail. In addition, this section attempts to cover only those areas of benchmarking not covered elsewhere in this report but considered being of some relevance to the esteemed stakeholders and shareholders.

When comparing one airport to another, some of the typical factors that drive different results and should be considered in making comparisons including passenger volume, capacity constraints, mix of international and domestic traffic, mix of local and transfer passengers, mix of passenger carrier service (network, low-cost, charter), mix of passenger versus cargo activity, degree of outsourcing, range of services provided by the airport, airport development programme status, weather conditions, geographic location, urban versus rural location, physical size of the airport, public transportation access and usage, regulatory environment, local labour conditions, and ownership and governance structure.

Internal benchmarking, where an airport compares its performance with itself over time, is less complex than external benchmarking because the number of variables that change at an airport from one year to another is limited. However, year-over-year comparisons may not be simple as the variables involved may have changed. The complexities involved in making airport comparisons do not suggest that external benchmarking is totally meaningless but rather to show that many indicators will be useful primarily for internal benchmarking and even internal benchmarking should be viewed not as an end in itself. For external benchmarking results to be meaningful, it is essential to find truly comparable "peer" airports in terms of the many factors that drive the indicator and many performance indicators measure or include as a denominator, passengers, aircraft movements, or other factors which are largely beyond the airport's control.

The common benchmarks reflected in the ICAO and ACI documents are as below:

- (i) Core measurements that shows the activity level at the airports such as passengers and categories of passengers, aircraft movements, cargo movements, airlines and destinations.
- (ii) Safety and security statistics such as runway accidents and incursions, bird strikes, occupational injuries etc. Safety indicators are used to track airfield safety issues as well as safety issues involving other portions of the airport, including roadways, and general employee safety. Security indicators may be used to track security violations, thefts and crimes, and responsiveness.

AIRPORT PERFORMANCE BENCHMARK

- (iii) Service quality levels such as customer satisfaction, delay statistics, and security, passport, check in and baggage clearing times. Service quality indicators focus both on how passengers perceive the level of service provided by the airport, and on objective measures of service delivery.
- (iv) Productivity/cost effectiveness such as passengers/aircraft movements per employee, aircraft movements per gate, total cost per passenger/aircraft movement, operating cost per work load unit etc. These indicators of airport efficiency measure the resources used to produce a certain volume of activity, e.g., departures per gate or total passengers per airport employee.
- (v) Financial and commercial measurements such as aeronautical/non-aeronautical revenue per passenger/aircraft, non-aeronautical operating revenue as a percentage of total revenue, EBIDTA per passenger etc. Financial/commercial performance indicators are used to track the airport's financial performance, including airport charges, airport financial strength and sustainability, and the performance of individual commercial functions.
- (vi) Environmental-related such as carbon footprint, waste reduction percentage, utilities/energy usage per passenger, water consumption per passenger etc. Environmental indicators are used to track an airport's progress in minimising the environmental impacts of its operations.

ICAO produces annually, airport financial statistics but it is published not early enough, while the financial information on airports is limited and difficult to obtain. In addition, for airport operators that are listed, the available data from published accounts is for the whole Group. Even Malaysia Airports' published accounts does not carry detailed accounts of individual airports. Other organisations which have done airport benchmarking include ACI, Skytrax and International Air Transport Association (IATA). LeighFisher produces regular reports on airports performance and charges but the reports are not current due to late reporting of financials by airports. Nevertheless, the reports are indeed a good source for benchmarking reference. The reports continue to indicate Malaysia as having one of the lowest airport charges in the world. Data obtained from IATA suggest that KL International Airport (KLIA) is competitive in terms of passenger service charges and passenger security service charges and landing charges compared against other airports in the region.

The traffic performance of some airports in the region is as follows:

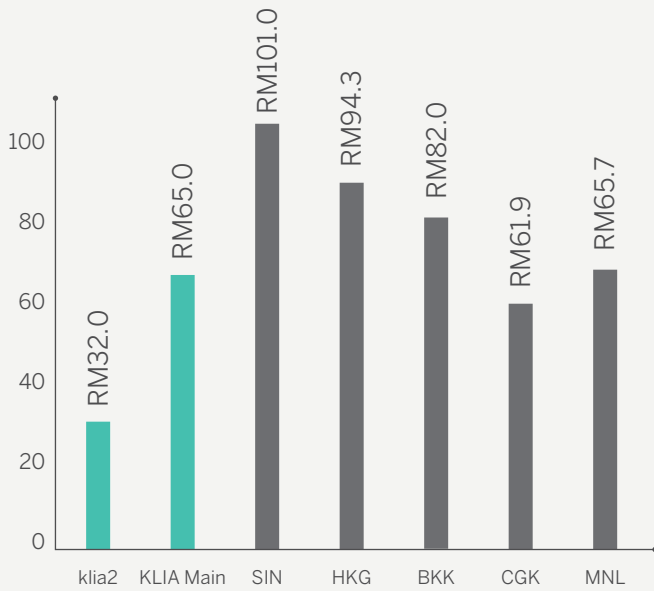
AIRPORT	2015 (MILLION)	% CHANGE
Hong Kong International Airport (HKG)	68.33	8.3
Changi International Airport Singapore (SIN)	55.45	2.5
Soekarno-Hatta International Airport Jakarta (CGK)	54.05	-5.5
Suvarnabhumi Airport Bangkok (BKK)	52.81	13.8
Incheon International Airport Seoul (ICN)	49.41	8.2
KL International Airport (KUL)	48.94	0.0

AIRPORT PERFORMANCE BENCHMARK

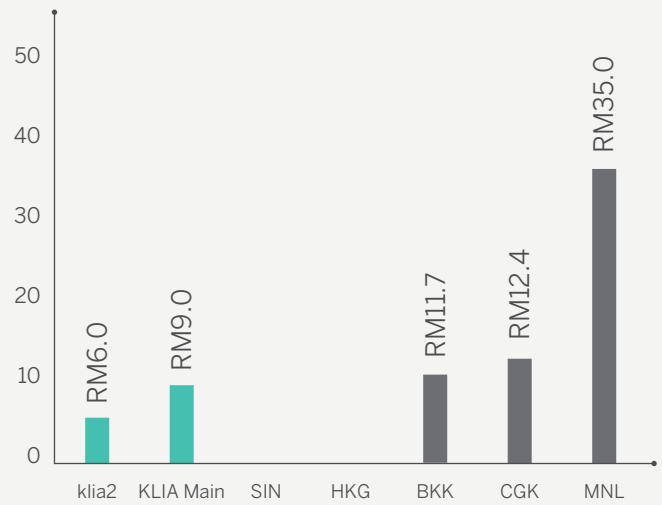
Source: ACI (Preliminary)

Benchmarking of airport charges provides a glimpse of airlines and passengers cost for using an airport. Aircraft landing and passenger service charges at some airports in the region is as follows:

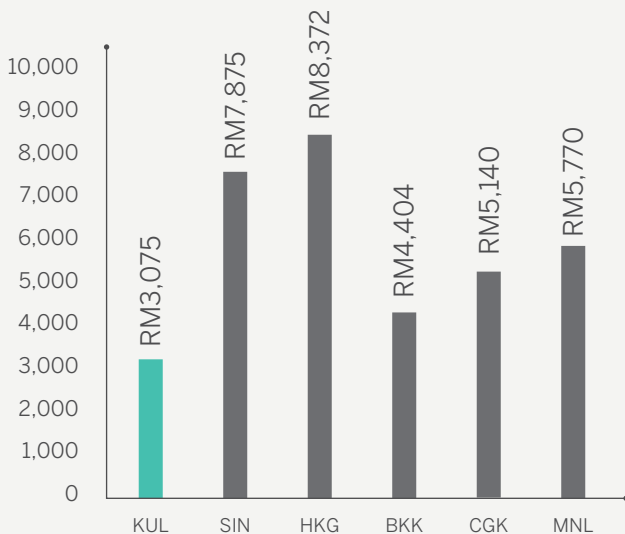
INTERNATIONAL PASSENGER SERVICE & RELATED CHARGES OF PASSENGERS



DOMESTIC PASSENGER SERVICE & RELATED CHARGES OF PASSENGERS



LANDING CHARGES (A330-300)



With respect to benchmarking of airport charges, airports globally structure their charges in different ways. Some airports may have higher charges than other airports due to revenue optimisation reasons, charge structure reasons as well as due to provision of higher level of facilities and services. For measure of productivity, airports which are congested may appear to have higher productivity, in the form of higher passenger and aircraft movements per hour when in fact they reduce the economic efficiency of commercial aviation.

DIVIDEND POLICY

Dividend policy is one of Malaysia Airports' most important financial policies as shareholders' equity is an important source of a company's working capital.

A good dividend policy always serves in the best interests of the company and its shareholders.

A company may use dividends as a signal to inform investors regarding the stability and growth prospects of the company. Apart from maximisation of shareholders' wealth, the company may be able to earn the confidence of its shareholders and attract prospective investors to invest in its shares, which further increases the value of the company. A dividend policy may also reduce investors' uncertainty as they seek to secure income from stable or steadily increasing dividend.

Commencing from the financial year ended 31 December 2007, Malaysia Airports adopts a dividend policy with a dividend payout ratio of at least 50% of the consolidated annual net profit after taxation and minority interest, subject to availability of distributable reserves. The rationale for the dividend policy is as follows:

- (i) to return excess cash of Malaysia Airports to shareholders
- (ii) improves the return on equity of the Group
- (iii) consistent with best practices of public listed companies

The summary of dividends declared and paid to the shareholders of Malaysia Airports for the financial years ended 31 December 2006 to 2015 are tabulated below:

Dividends declared from 2006 to 2015

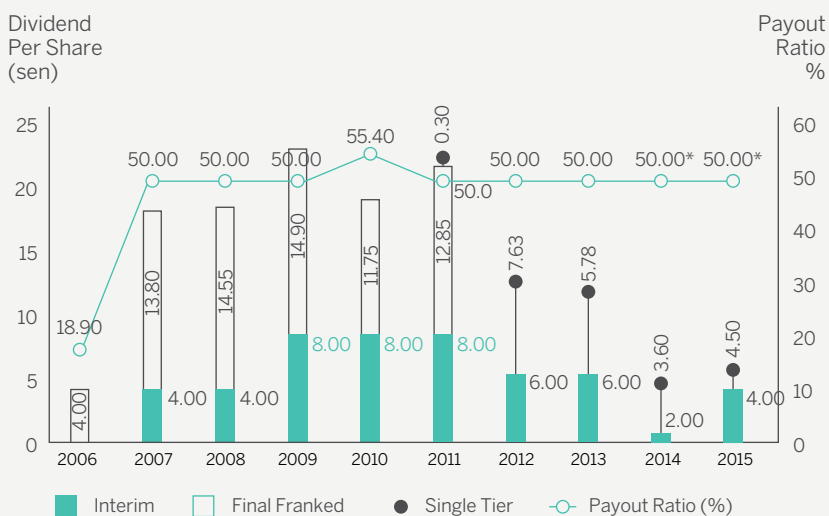
Financial Year	Interim Dividend (sen)		Final Dividend (sen)		Payout Ratio (%)*
	Franked	Single Tier	Franked	Single Tier	
2006			4.00		18.90%
2007	4.00		13.80		50.00%
2008	4.00		14.55		50.00%
2009	8.00		14.90		50.00%
2010	8.00		11.75		55.40%
2011	8.00		12.85	0.30	50.00% ¹
2012		6.00		7.63	50.00% ¹
2013		6.00		5.78	50.00% ¹
2014		2.00		3.60	50.00% ¹
2015		4.00		4.50	50.00%

* The dividend payout ratio of 50% is based on adjusted core net profit of the company (excluding exceptional items & one-off items).

¹ Excluding IC 12.

DIVIDEND POLICY

DIVIDEND PER SHARE (SEN)



* The dividend payout ratio of 50% is based on adjusted core net profit of the company (excluding exceptional items & one-off items)

The graph above shows that Malaysia Airports has been able to maintain high dividend levels resulting from the robust earnings of the Company. The dividend payments signal management's expectation of high future earnings as well as commitment to rewards its shareholders.

The details of the past six DRP exercises completed by the Company is as shown in the table below:

Financial Year	Type of dividend	Dividend per share	Total dividend amount (RM Million)	Number of shares made available for investment	Number of shares re-invested	Subscription (%)
2012	Interim	6.00	72.60	15,343,229	7,088,046	46.2%
	Final	7.63	92.86	18,060,421	15,355,833	85.0%
2013	Interim	6.00	73.95	9,169,678	8,102,473	88.4%
	Final	5.78	78.87	10,901,346	9,553,502	87.6%
2014	Interim	2.00	27.48	4,479,556	2,391,485	53.4%
	Final	3.60	59.47	9,909,098	7,342,222	74.1%

DIVIDEND REINVESTMENT PLAN

In our commitment to reward shareholders as well as to strengthen the Group's capital base, Malaysia Airports had established a dividend reinvestment plan (DRP). The DRP allows shareholders of Malaysia Airports to reinvest their dividends into new ordinary share(s) of RM1.00 each in Malaysia Airports Shares. The rationale for the DRP is as follows:

- (i) enhance shareholders' value via the subscription of new MAHB Shares where the new MAHB Shares issued typically bears a discount
- (ii) provide the shareholders with greater flexibility in meeting their investment objectives by providing a choice of receiving cash or reinvesting in Malaysia Airports
- (iii) dividends that are reinvested are utilised to fund the continuing business growth of the Group
- (iv) improve liquidity of Malaysia Airports' shares traded on the Main Market of Bursa Malaysia Securities Berhad

FINANCIAL CALENDAR

FINANCIAL YEAR 2015

GENERAL MEETING

5 April 2016

NOTICE OF 17TH ANNUAL
GENERAL MEETING

27 April 2016

17TH ANNUAL GENERAL
MEETING

QUARTERLY RESULTS ANNOUNCEMENTS

5 May 2015Unaudited consolidated
results for the 1st quarter ended
31 March 2015.**30 July 2015**Unaudited consolidated
results for the 2nd quarter ended
30 June 2015.**27 October 2015**Unaudited consolidated
results for the 3rd quarter ended
30 September 2015.**17 February 2016**Unaudited consolidated
results for the 4th quarter ended
31 December 2015.

HEADLINE KEY PERFORMANCE INDICATORS ANNOUNCEMENT

17 February 2016

2016 Headline Key Performance Indicators.

DIVIDENDS

Final Single-Tier Dividend of 3.60 sen per ordinary share of RM1.00 each**6 May 2015**Notice of
book closure date.**21 May 2015**

Entitlement date.

18 June 2015Payment date of
which the Dividend
Reinvestment Plan was
applied to the dividend
payment.**Single-Tier Interim Dividend of 4 sen per ordinary share of RM1.00 each****4 August 2015**Notice of
book closure date.**14 August 2015**

Entitlement date.

28 August 2015

Payment date.

INVESTOR RELATIONS

At Malaysia Airports, we dedicate our efforts in continuously creating and maximising values for our esteemed shareholders. We understand the importance to continuously engage our existing shareholders and prospective investors to keep them up to date with insights, strategies, business performance and latest developments within the Group. Our comprehensive Investor Relations Programme was implemented to consistently deliver effective, timely and transparent communication with the investment community.

QUARTERLY FINANCIAL RESULTS AND ANALYST BRIEFING

Malaysia Airports organises presentations with teleconferencing facilities during quarterly financial results briefings to the media, equity and fixed income analysts as well as the fund managers. Our proactive Investor Relations initiatives ensure timely dissemination of relevant information to the public and investment community for better understanding of the financial, operational performance as well as key strategies of the Group.

Malaysia Airports also further emphasises on timely disclosure through the circulation of investor presentation. Presentation of financial results and performance are prepared in a concise and transparent manner and are made available on our website in conjunction with the release of financial results announcement to Bursa Malaysia Securities Berhad. Hardcopies of the presentations are disseminated to participants who attended the briefings.

INVESTOR ENGAGEMENT

• One-on-one Meetings, Conference Calls and Investor Conferences

The Chief Financial Officer and Investor Relations team have been actively participating in meetings and conference calls with institutional investors, fund managers, analyst and rating agencies held in Malaysia as well as abroad. We participated in over 350 meetings, conference calls and large group presentations organised by local and foreign research houses, as an effort to continuously reaching out to wider investors base.

In addition to the above, the Investor Relations team has been actively engaging retail investors and the public by participating in Permodalan Nasional Berhad's 16th edition of Minggu Saham Amanah Malaysia on 19-27 April in Sibul and Khazanah's GLC Open Day on 7-9 August in Kuala Lumpur. An Investor Relations Day was also held on 11 August at klia2 which was participated by research analysts and institutional shareholders.



QR CODE
Scan this QR code to view MAHB's Investor Relations Portal.

The team's efforts have not come unnoticed, as the company and its representative had bagged awards by Institutional Investor 2015 All-Asia Executive Team for the Best Investor Relations Company and Best Investor Relations Professional (Industrials), being the only Malaysian ranked recipient.

• Investor Relations Portal

In further efforts to enhance access by various stakeholders, the Investor Relations unit maintains an Investor Relations portal, on the company's website, <http://www.malaysiaairports.com.my>. The website offers an effective communication platform with a wide range of information for shareholders, prospective investors and the general public including the key financial highlights, annual reports, financial results, investor presentation, press releases, and disclosures to Bursa Malaysia Securities Berhad.

• Investor feedback

To further strengthen the relationship with the investing community, we value their feedback or enquiries which can be communicated directly to us via our dedicated email address at investorrelations@malaysiaairports.com.my.

The Investor Relations team endeavours to provide timely responses to feedback or queries by ongoing engagement and direct communication with the stakeholders.

CREDIT RATING

Malaysia Airports is committed towards sound financial position and robust balance sheet. In FY2015, Malaysia Airports continues to exhibit strong fundamentals; evident by its strong investment grade credit ratings:

Rating Agency	Credit Rating
RAM	AAA
Moody's	A3

The Group is committed to maintain the above ratings, which is achieved via prudent and pragmatic capital management approach taken by the Group in the course of doing its business.

Investor Relations Contact:- Zeid Abdul Razak, Investor Relations

Tel : +603 8777 7495

Fax : +603 8777 7830

E-Mail : investorrelations@malaysiaairports.com.my

CONFERENCES, ROADSHOWS AND EVENTS

6 JANUARY

CIMB Annual Malaysia Corporate Day,
Kuala Lumpur

7 JANUARY

DBS Pulse of Asia Conference,
Singapore

8 JANUARY

Credit Suisse ASEAN Conference,
Singapore

16 JANUARY

RHB ASEAN Corporate Day,
Kuala Lumpur

5 - 11 FEBRUARY

ISG Refinancing Roadshow in
Singapore, Istanbul, Dubai
and Abu Dhabi

23 - 24 MARCH

Credit Suisse Asian Investment
Conference, Hong Kong

19 - 27 APRIL

PNB 16th Minggu Saham Amanah
Malaysia, Sibul

20 - 21 APRIL

RHB Signature Infrastructure
Conference, Phuket

23 APRIL

Bursa Malaysia Invest Malaysia,
Kuala Lumpur

4 JUNE

Citibank ASEAN Conference,
Singapore

9 - 11 JUNE

Global Airport Development
Conference, Kuala Lumpur

17 JUNE

Bursa Malaysia In The Spotlight
Profiling, Kuala Lumpur

7 - 9 AUGUST

Khazanah GLC Open Day,
Kuala Lumpur

11 AUGUST

Investor Relations Day, klia2

23 NOVEMBER

JPMorgan Asia Rising Dragons
1x1 Forum, Kuala Lumpur

EQUITY RESEARCH COVERAGE

Affin Hwang Investment Bank Bhd	JPMorgan Securities (Malaysia) Sdn. Bhd.
Alliance DBS Research Sdn. Bhd.	KAF-Seagroatt & Campbell Securities Sdn. Bhd.
AmResearch Sdn. Bhd.	Kenanga Investment Bank Berhad
Barclays Research	Macquarie Capital Securities (Malaysia) Sdn. Bhd.
BNP Paribas Capital (Malaysia) Sdn. Bhd.	Maybank Investment Bank Berhad
CIMB Investment Bank Berhad	MIDF Research
Citi Research	Nomura Securities Malaysia Sdn. Bhd.
CLSA Limited	RHB Research Institute Sdn. Bhd.
Credit Suisse Securities (Malaysia) Sdn. Bhd.	TA Securities Holdings Berhad
Goldman Sachs Global Investment Research	UBS Securities Malaysia Sdn. Bhd.
Hong Leong Investment Bank Berhad	UOB Kay Hian Pte Ltd
HSBC Global Research	



ENHANCING PASSENGER EXPERIENCE IN **kliA2**

FREE BUGGY SERVICE

24 UNITS



42 WALKALATORS IN **kliA2** BY 2016

23 + 19

UNITS
(EXISTING)

UNITS
(BY END 2016)



TOTAL AIRPORT EXPERIENCE

EMBEDDING A CUSTOMER-CENTRIC CULTURE IN AIRPORT OPERATIONS TO PROVIDE AN INNOVATIVE AIRPORT EXPERIENCE FOR ALL PASSENGERS, AIRLINES AND RETAILERS



PASSENGER : NON-PASSENGER
(AIRPORT USER)

2:1

TOTAL AIRLINE INCENTIVES PAYOUT

RM560 MILLION

SINCE 2004



BEST SOCIAL MEDIA ENGAGEMENT AWARD

BY MALAYSIA SOCIAL MEDIA CHAMBERS



BEST DUTY-FREE SHOPPING DESTINATION AWARD 2015

BY TRAVEL + LEISURE





CHAIRMAN'S STATEMENT

TAN SRI DATO' SRI DR WAN ABDUL AZIZ WAN ABDULLAH
CHAIRMAN



DEAR SHAREHOLDERS

I AM DELIGHTED TO REPORT THAT DESPITE A DIFFICULT OPERATING ENVIRONMENT AS A RESULT OF THE RUCTIONS IN THE GLOBAL ECONOMY, MALAYSIA AIRPORTS ACHIEVED ANOTHER YEAR OF HEALTHY REVENUE GROWTH, RECORDING A 44.3%* INCREASE TO RM3,870.2 MILLION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (FY2015) WITH EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) OF RM1,679.1 MILLION, ALMOST DOUBLE THAT OF FINANCIAL YEAR ENDED 31 DECEMBER 2014 (FY2014)*.

Istanbul Sabiha Gokcen International Airport (ISG), on the eastern side of Istanbul and now wholly-owned by Malaysia Airports, was a stand-out performer in contributing to the revenue and EBITDA growth. Our operations in ISG contributed more than 40% to the Group's EBITDA.

The release of our new business plan, Runway to Success 2020 (RtS2020) will ensure that Malaysia Airports is poised for further growth. I am excited to share with you our strategies for

the future, but first I would like to provide an insight into how Malaysia Airports fared over the past year.

The economic environment was challenging; even as the slump in oil prices heralded cheaper airfares, concerns grew about the health of the Chinese economy. At home, Malaysians grappled with the sharp decline in the value of the Ringgit, and a rise in the cost of living triggered partly by the implementation of a Goods and Services Tax in April 2015.



Strong growth experienced in ISG which registered double digit growth of 19.7%

We also felt the impact of Malaysia Airlines restructuring, while China passenger numbers have not yet fully recovered from the disappearance of MH370 nearly two years ago.

With the inclusion of ISG, Malaysia Airports handled a total of 112.0 million passengers in FY2015. The company had forecast passenger traffic growth of 3% year-on year in its FY2015 KPI for its Malaysia operations. While growth had remained modest at 0.6% for our Malaysia operations in FY2015, the Group's traffic performance was compensated by the strong growth experienced in ISG which registered double digit growth of 19.7%. This had resulted in a total 4.8% growth when compared to FY2014 passenger traffic numbers.


At Kuala Lumpur International Airport, marking its 17th year in business, passenger movements remained steady at 48.9 million passengers. klia2 terminal grew 9.5% in its first full year of operations, handling 26.3 million passengers while passenger movements at KLIA Main Terminal fell 9.2% to 22.6 million passengers, as Malaysia Airlines' cut routes and frequencies.

I am also pleased to note that many of our domestic airports, including Langkawi International Airport, Penang International Airport and Sultan Abdul Aziz Shah Airport, Subang also reported growth in passenger traffic. Sultan Azlan Shah Airport, Ipoh and Melaka Airport both experienced more than double the amount of passenger traffic compared to FY2014. These were the results of improvements to facilities, and the ongoing efforts to liberalise the ASEAN aviation industry.

The Group continues to benefit from the arrival of new airlines, and I am delighted that we were able to attract five new operators in FY2015, including some of the most respected in the industry. Their arrival is testament to Kuala Lumpur's potential, underlined by some of the most competitive aeronautical charges in the region, and a range of attractive airline incentives.

2015 INDUSTRY OVERVIEW

The last year was an increasingly difficult one for the global economy, with growth easing to 3.1% in 2015, compared with 3.3% in 2014, according to the IMF. China's slowdown and economic restructuring, the gradual relaxation of the United States of America's extraordinarily accommodative monetary policy and the slump in commodity prices, particularly oil, all weighed on the world economy.



MAHB PERFORMANCE

Revenue

↑
44.3%*
🔍

to RM 3,870.2 mil

EBITDA

↑
113.4%*
📊

to RM 1,679.1 mil

Passenger Traffic

↑
4.8%
👤

million passengers

* Excluding the effects of IC 12 in FY2014

CHAIRMAN'S STATEMENT



However, cheap oil helped reduce airfares, even after accounting for the distortions caused by the rise in the value of the US Dollar, according to IATA, which helped boost passenger numbers. Global passenger traffic, measured as revenue per passenger kilometre, grew 6.5%, the highest since 2010.

It is heartening to see that demand rose in all parts of the world, with passenger traffic in the Asia-Pacific – of most importance to us - up 8.2%, the fastest growth among the three main aviation regions. In Europe, international traffic also climbed, as did capacity.

Malaysia's economy, one of the most open in the world, was not spared the impact of the global slowdown. As an oil

exporter – oil accounts for 30% of the country's revenues - the sharp drop in prices raised budgetary concerns, and contributed to a hefty depreciation in the Malaysian Ringgit.

However, the government continues to push ahead with reforms under the Economic Transformation Programme (ETP), which is designed to turn Malaysia into a high income economy by 2020. The ETP is built around key industry clusters – including aviation - with the aim of developing local champions, attracting foreign investment and creating new jobs.

Malaysia Airports takes its nation-building role seriously. We are committed to supporting government development

Malaysia Airports takes its nation-building role seriously. We are committed to supporting government development plans, and are an active partner in a number of government initiatives



plans, and are an active partner in a number of government initiatives, particularly as aviation is so crucial to so many aspects of the economy – from trade to tourism and skills development.

Aviation has also been identified as a key industry at the regional level, following ASEAN's adoption of the Asean Economic Community (AEC) at the end of 2015. Malaysia was an early advocate of open skies, which allows



carriers to fly without restriction to cities in other ASEAN nations, and the region is moving closer to the realisation of the ASEAN Single Aviation Market. Liberalisation has not only boosted demand for air travel, it has also fuelled the development of low-cost carriers across the region, with Malaysia's AirAsia leading the way. Malaysia Airports was the first to recognise the potential of the budget sector when it opened the Low-Cost Carrier Terminal (LCCT) in 2006, and with klia2, we are proud to have the world's largest terminal dedicated to low cost carriers. klia2 is designed to cater to as many as 45 million passengers a year, so we are well-placed to benefit from the expected increase in demand.

RtS2020 comprises two main thrusts – one is to strengthen our core business; and the other to expand and diversify our operations

A SUSTAINABLE BUSINESS STRATEGY

The volatility in the world economy has only underlined the need for a business strategy that can deliver results even in difficult economic times. Malaysia Airports is committed to fostering a sustainable business that delivers growth over the longer term and positions us to capitalise on future opportunities; while continuously being responsible towards the people and environment. Building a sustainable business ensures we have a firm financial base from which to grow and make further investments, creating benefits for all our stakeholders – from shareholders to employees and customers. This vision is outlined in our new five-year strategic business plan, Runway to Success 2020 (RtS2020). Our goal is to become the 'Global Leader in Creating Airport Cities' through the continuous improvement of our airport operations with a focus on service excellence, the development of complementary non-aeronautical sectors of our business, and by making strategic overseas investments.

RtS2020 comprises two main thrusts – one is to strengthen our core business; and the other to expand and diversify our operations. In strengthening our core, we have identified two strategic priorities –

CHAIRMAN'S STATEMENT

the establishment of KUL* as a hub; and improving the airport experience for all our stakeholders.

Apart from offering the best value in the region in terms of aeronautical charges, Kuala Lumpur's location within four to five hours flight time from various Asia Pacific destinations creates enormous potential for it to serve as a regional hub, especially with the current volatility in fuel prices and long-haul flight economics. The elevation of KLIA as a hub will focus on strategic route development, seamless connectivity and capacity expansion of our terminals.

As a service organisation, it is crucial for our growth strategy to focus on embedding a customer-centric culture in our airport operations in order to provide an innovative airport experience to passengers, airlines and retailers. This will have the effect of transforming KLIA into a digitised, efficient and differentiated hub, improving both aeronautical and non-aeronautical revenue.

The second thrust focuses on the strategic priorities of the development of Aeropolis; as well as focused and synergistic international investments. Airports are important links to global markets and crucial to a country's competitiveness. As such, our Aeropolis development is closely linked to Malaysia's development agenda. Clustered around three key areas - cargo and logistics; business and aviation parks; and MICE (meetings, incentives, conventions and exhibitions) and leisure, Aeropolis is envisaged not only as a hub for aviation, aerospace and logistics, but also as an engine for tourism growth.

Our plans took a significant step forward in November 2015, when the Ministry of Finance approved our request for a 60-year land lease extension at KLIA, and our other airports, on a rolling basis.

The initial development of the more than 1,214 hectares of land at the Aeropolis are already underway. The first phase of the Mitsui Outlet Park, on a 180,000 square meter plot near to Malaysia Airports' head office, opened in May 2015, and is intended as a pacesetter for the Aeropolis development value and commercial potential. By the end of 2015, the mall was drawing an average of 400,000 visitors a month.

Aeropolis' air cargo and logistics centre will be built on the site of the former LCCT and aims to improve connectivity within Malaysia and around the region, lifting cargo growth to 8% a year by 2020. Again, the project supports major federal government initiatives under the Logistics and Trade Facilitation Masterplan (2015 - 2020).

We also plan to attract and nurture aviation-focused businesses, including fixed base operators (FBO), maintenance, repair and operations (MRO) and original equipment manufacturers (OEM), mirroring the National Aerospace Blueprint (2015 - 2030). The aim is to capture about 50% of Southeast Asia's MRO business and create some 40,000 jobs centred on KLIA and the airports at Subang and Melaka.



The second strategic priority under the expand and diversify thrust is positioned to drive international investments within a structured framework to build a balanced diversified portfolio of international assets whilst exporting core airport consultancy and operator services.

Malaysia Airports became the first Asian airport operator to fully own a European airport when it took full control of ISG at the end of 2014. We believe ISG offers promising growth opportunities and significant financial upside. Meanwhile, we aim to capitalise on the trend towards privatisation around the world by investing in airport assets that can be repositioned and leverage on our airport management skills to improve their efficiency and profits.

* IATA Code for Kuala Lumpur International Airport



OUR COMMITMENT

Sustainability and good corporate governance are part of Malaysia Airports' business DNA. Our success was acknowledged in the GLC Transformation Programme (GLCTP), a ten-year plan to transform Malaysia's government-linked companies into high performing entities, from which Malaysia Airports graduated in August 2015 as the second top performing GLC in terms of total shareholder returns.

The programme recognised our ability to create value in what is a highly regulated industry, and acknowledged the Board's increasing effectiveness in improving corporate governance by defining frameworks for procurement, leadership development and social responsibility. I am proud to report that our Board is extremely hands-on in relation to its work.

Since 2014, an officer from the Malaysian Anti-Corruption Commission has been seconded to Malaysia Airports, which provides an independent avenue for employees to raise issues that concern them. The chairs of our Procurement and Whistleblowing Committees are also independent, reporting directly to the Board. The Group's Integrity Unit has embarked on a series of workshops to address questions of corruption, fraud and criminality.

CHAIRMAN'S STATEMENT

Malaysia Airports is attracting attention among ESG funds and was one of the first 24 stocks chosen for the FTSE4Good Bursa Malaysia index



In early 2015, we reinforced our commitment to integrity by extending the signing of the Corporate Integrity Pledge to the senior management team of Malaysia Airports. One example of our commitment to transparent business practices is the publication of monthly progress reports on klia2's special maintenance programme to address soil settlement and water ponding issues.

With the acquisition of ISG, we have also made sure that our corporate governance guidelines are aligned across the Group.

Malaysia Airports is committed to investing in its nearly 11,000 employees. They are key to our company's long-term success and we do not take them for granted. Malaysia Airports strives to recruit, nurture and retain the best talent by providing clear opportunities for career progression, and professional development. Some

18 employees graduated in September 2015 from the MBA/DBA programme developed in collaboration with the Arshad Ayub Graduate Business School, UiTM and Malaysia Institute of Transport. I am extremely proud to report that four of our candidates made the Dean's List.

In tandem with corporate Malaysia, we are also committed to bringing more women into senior leadership roles. As of FY2015, a third of our senior management team was female, but only two of ten board members. We aim to achieve 30% female representation on our Board as soon as noticeable.

As a sign of our commitment to the environment, Malaysia Airports aims to be a significant and direct contributor to the government's target of reducing carbon emissions intensity by 40% by 2025. In 2014, we had invested RM200 million in a solar power system at KLIA, the largest in Malaysia.

The GLCTP in its final report found Malaysia Airports Greenhouse Gas Emissions per employee dropped by 19% from 2004 – 2014, while energy consumption per employee declined by 6%, placing us among the best performing GLCs.

We joined the Airport Carbon Accreditation programme in 2015, which includes some 137 airports around the world, committed to reducing emissions by investing in new technologies in others such as electricity generation, lighting and air-conditioning provision.

These efforts have not gone unnoticed. Malaysia Airports is attracting attention among ESG funds and was one of the first 24 stocks chosen for the FTSE4Good Bursa Malaysia index, which was launched in December 2014 and measures environmental, social and governance practices at publicly-listed companies.

OUTLOOK FOR 2016

At Malaysia Airports, we are prepared for 2016 to be another challenging year, but are confident that our business will continue to expand.

We are positioning ourselves for longer-term growth and, as we look towards 2020, we have set ourselves what we consider to be ambitious but achievable targets, some of which have been mentioned in the earlier part of my statement.

ISG is a crucial part of our future growth, promising highly attractive returns over the longer-term. Turkey is the sixth most-visited country in the world and Istanbul is fast becoming a major transit hub. The construction for the airport's second runway is underway and will at least double ISG's airside capacity by 2018.

We are also mindful of the need for us to be more pro-active in our communications with all our stakeholders, from investors to airlines, vendors and passengers.

Our airports are the gateway to Malaysia, and we are an active partner in the development of this nation. It is our duty as responsible corporate citizens to ensure that we are at all times, open, honest and transparent in what we do.

THE BOARD

Throughout 2015, the Board proved an invaluable resource to the success of Malaysia Airports operations.

In particular, I would like to thank Dato' Siti Zauyah binti Md Desa and Dato' Sri Dr Ismail bin Haji Bakar, as well as his alternate, Datuk Ruhaizah binti Mohamed Rashid for their invaluable service. Dato' Siti Zauyah had stepped down in May 2015 while Dato' Sri Dr Ismail had stepped down in December 2015. I also would like to take this opportunity to welcome Dato' Sri Dr Mohamad Isa bin Hussain who was appointed to the Board in May 2015.

I am confident that the Board's expertise will help move the company forward as it sets out to achieve the vision of RtS2020.

APPRECIATION

Finally, I would like to record my deepest appreciation to all those who have helped ensure the continued success of Malaysia Airports throughout 2015.

To the Government of Malaysia and the regulatory agencies for mapping out the regulatory framework that will guide our future development.

To our valued customers, vendors, bankers and business partners, we look forward to your continued support.

To Malaysia Airports' management team – my sincere thanks for your leadership, commitment and contribution towards ensuring the company's continued growth.

To our dedicated employees in Malaysia and elsewhere in the world, for their commitment to Malaysia Airports and all that it aims to achieve.

And last, but by no means least, our shareholders, big and small, for the trust and confidence that you have placed in us. I can assure you that Malaysia Airports will continue to deliver sustainable growth as it embarks on the next exciting phase of its development.

Thank you.



Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah
Chairman

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

DATUK BADLISHAM BIN GHAZALI
MANAGING DIRECTOR



DEAR SHAREHOLDERS

THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (FY2015) WAS THE FIRST YEAR IN WHICH THE RESULTS FROM OUR TURKISH OPERATIONS WERE CONSOLIDATED INTO THE ACCOUNTS. MALAYSIA AIRPORTS IS NOW THE SECOND LARGEST AIRPORT OPERATOR GROUP IN THE WORLD IN TERMS OF NUMBER OF PASSENGERS HANDLED WHEN WE RECORDED 112.0 MILLION PASSENGERS FOR FY2015.

Despite challenging economic conditions in FY2015, sustained passenger growth in Istanbul Sabiha Gokcen International Airport (ISG), Turkey, as well as higher rental and retail sales contributed to a 44.3%* revenue growth compared to the financial year ended 31 December 2014 (FY2014).

There was a decline in profit before tax (PBT) for FY2015 - among others, resulting from our investments in

ISG. We are confident that our international growth strategy will provide revenue to capitalise on the growing global aviation industry for further growth in years to come.

This confidence in our future is reflected in our proposal of a final dividend payment of 4.50 sen per ordinary share for FY2015 as opposed to 3.60 sen per ordinary share for FY2014.

* Excluding the effects of IC 12 in FY2014



HIGHLIGHTS OF THE FINANCIAL YEAR 2015

- ★ With the acquisition of ISG, Malaysia Airports is now the second largest airport operator group in the world in terms of passengers handled. Our Turkish operations contributed RM700.5 million, or more than 40% to the Group's earnings before interest, tax, depreciation and amortisation (EBITDA).
 - ★ Passenger movements across all airports operated by Malaysia Airports in Malaysia and Turkey rose 4.8% to 112.0 million passengers. In Malaysia, passenger numbers rose by 0.6% to 83.8 million passengers. December remained the busiest month of the year in Malaysia with passenger movements crossing the eight million mark. Movements at ISG, rose 19.7% to 28.3 million passengers.
 - ★ Malaysia Airports recorded revenue of RM3,870.2 million in FY2015, compared with RM2,681.3 million* for FY2014.
 - ★ EBITDA almost doubled* in FY2015, to RM1,679.1 million, significantly higher than our KPI for the year, which was RM1,552.4 million.
- 
 - ★ Malaysia Airports recorded 1,021,520 commercial aircraft movements across the group in FY2015, an increase of 5.9% from FY2014. Movements in Malaysia rose 3.0% to 815,340, while movements at ISG increased 19.3% to 206,180.
 - ★ In April 2015, Malaysia Airports successfully refinanced ISG's EUR500 million debt at a reduced rate of interest using an innovative reverse flex mechanism winning the International Financing Review (IFR) Asia Loan of the Year by Thomson Reuters.
 - ★ The Mitsui Outlet Park KLIA (MOP KLIA), a retail outlet park and a model for the development of KLIA Aeropolis was opened officially at the end of May. By December it was attracting 400,000 people a month

- ★ Kuala Lumpur International Airport (KLIA) retained its position as the world's number two airport in its category of 40 - 50 million passengers per annum (mppa) in the Skytrax 2015 World Airport Awards. The airport took tenth place in the staff service category. Meanwhile, klia2 was recognised at number five under the Low-Cost Airline Terminal category.
 - ★ In 2015, Langkawi International Airport (LIA) received Airports Council International (ACI) ASQ Award for Best Airport in Asia Pacific 2014 for the 0-2 mppa category. LIA has now moved into 2-5 mppa category.

* Excluding the effects of IC 12 in FY2014

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

According to IATA, 2015 was a boom year for aviation, as lower airfares encouraged more people to travel. Global passenger traffic, measured as revenue passenger kilometres (RPK), rose 6.5%, faster than both the ten-year global average growth rate and the fastest since 2010. Airfares were about 5% lower than in 2014, after adjusting for distortions caused by the appreciation of the US Dollar.

Demand grew in all parts of the world, with Asia-Pacific carriers recording the biggest increase of 8.2%. Improved connectivity helped boost demand, according to IATA. Across the globe, all domestic markets showed growth, with India recording a 24% jump in demand.

In Europe, international traffic climbed 5.0% in 2015, as consumer confidence improved. Load factors rose to 82.6%, the highest of any region in the world. Meanwhile, demand rose 3.1% in North America and 13.0% for Middle Eastern carriers.

Air travel and GDP growth are closely correlated. In 2015, the world economy expanded an estimated 3.1%, according to the IMF. ASEAN countries, with a combined population of more than 600 million people, saw economic growth across the region at 4.5%. In Malaysia growth slowed to 5%, according to the central bank, as oil prices dropped and the implementation of GST affected consumer spending in the middle of the year.

Nevertheless, lower oil prices are expected to have had a positive effect on the airline industry's bottom line. IATA estimates the airlines' fuel bill to be about USD180 billion with Brent at USD55 per barrel, and had expected airlines' profits to double to USD33 billion in 2015.

While the sharp drop in oil prices has helped the aviation industry, at Malaysia Airports, we continuously strive to ensure that the services we provide to airlines remain as efficient as possible. Shorter turnaround times and smooth traffic flow, due to KLIA's three runway configuration, all help reduce fuel burn and, as a result, costs for the airlines.

FINANCIAL PERFORMANCE

In recording its revenue, Malaysia Airports recognises construction revenues and costs of public sector infrastructure assets and services being undertaken by the Group in relation to their stage of completion. This is part of the company's obligations under the IC Interpretation 12: Service Concession Arrangements (IC 12) and Financial Reporting Standard 111: Construction Contracts (FRS 111), which were adopted on 1 January 2011. Excluding the effects of IC 12, revenue for the year was RM3,870.2 million, which was 44.3% higher from FY2014.

By the same token, Malaysia Airports recorded earnings before interest, tax, depreciation and amortisation (EBITDA) of RM1,679.1 million in FY2015, up 113.4%* from FY2014, and above the KPI target of RM1,552.4 million that we had set for the year. Strong revenue growth, primarily from airport operations in Turkey, boosted EBITDA.

With the completion of klia2, Malaysia Airports did not recognise any construction revenue in FY2015. Construction revenue was RM662.4 million in FY2014 when construction of klia2 was completed.

Airport operations revenue rose 44.2% to RM3,618.4 million, supported by the rapid growth at ISG, as well as a stronger performance from commercial operations in Malaysia. Our operations in Turkey contributed RM908.0 million to airport operations revenue.

Despite the rise in revenue, PBT fell to RM45.9 million in FY2015, compared with RM749.3 million in FY2015 primarily due to one-off net gains arising from the acquisition of our Turkish operations totalling RM567.3 million in FY2014. Excluding this and the amortisation on concession rights in Turkey as well as a revaluation associated with the Group's investment in ISG and LGM Havalimani Isletmeleri Ticaret Ve Turizm A.S (LGM), the Group PBT rose by RM65.8 million, or 36.1%.



* Excluding the effects of IC 12 in FY2014

**MANAGING DIRECTOR'S
REVIEW OF OPERATIONS**


The increased revenue in FY2015 reflected the continued strength of the Group's core airport business. Malaysia Airports reported an 8.0% increase in airport operations revenue in Malaysia, thanks to the expansion of both aeronautical and non-aeronautical activities.

In Malaysia, sustained passenger and aircraft movements, supported by airlines' deployment of larger wide-bodied aircraft which incur higher charges, as well as a reduction in airline incentives and an increase in the Marginal Cost Support (MARCS) for the Passenger Service Charge helped lift aeronautical revenue by 6.1% to RM1,422.4 million in FY2015. EBITDA for the Malaysian operations rose by 24.4% to RM978.6 million. Landing and parking revenue rose 1.7% while PSC rose by 0.9% over the year.

The MARCS PSC reflects the difference between the actual PSC and the benchmark PSC. Under the Operating Agreement (OA) signed with the Government of Malaysia in February 2009, benchmark PSC rates are revised every five years, according to a calculation laid out in the OA. The second tariff cycle revision came into effect on 12 February 2014. MARCS PSC of RM87.7 million was recognised in FY2015, 9.2% more than in FY2014.

The decline in PBT for the year under review reflects the costs of our investments in Turkey. The accounts of ISG and LGM recognised a combined loss of RM172.0 million primarily from the amortisation of fair value for the concession rights. Without that, the two companies recorded a PBT of RM29.9 million.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

No construction profits were recognised in 2015. After removing the results from ISG and LGM, PBT was RM217.9 million, compared with RM720.8 million in FY2014.

The lower PBT reflects the one-off gain arising from the re-measurement of the fair value of investment in ISG and LGM of RM483.7 million; the difference between the carrying amount of previously held equity interest and the fair value of the assets at the acquisition date. In FY2014, the Group had also recognised a gain on bargain purchase of RM314.9 million arising from the acquisition of ISG, and an impairment of goodwill from the purchase of LGM of RM231.3 million. Excluding the ISG and LGM results, as well as the acquisition adjustments, the Group PBT was 19.7% higher than in FY2014. A one-off gain on foreign exchange arising from the translation of the bridging loan, and the gain from the sale of our stake in Indira Gandhi International Airport, Delhi, India (DIAL), contributed to the PBT.

In Malaysia, the significant expansion of retail and commercial space with the opening of klia2 – more than four times larger than the old Low-Cost Carrier Terminal (LCCT) – underpinned growth in non-aeronautical revenue, which rose 10.3% to RM1,288.8 million in FY2015. Retail revenue climbed 9.4% to RM672.5 million, while income from the rental of space, advertising and other commercial operations grew 11.2% to RM616.2 million despite weaker consumer sentiment. Including ISG, rental and royalties revenue was up 47.2%, thanks to its duty free business.

Malaysia Airports non-airport operations saw total revenue rise by 46.8% in the year under review to RM251.8 million. LGM contributed RM12.2 million of the RM80.3 million revenue increase.

Excluding LGM, non-airport revenue rose 39.7% to RM239.7 million in FY2015, compared with RM171.6 million in FY2014. Revenue for project and repair maintenance more than doubled to RM135.9 million, thanks to higher revenue at MACS Middle East LLC, which provides maintenance and IT services at the Doha International Airport in Qatar.



Revenue from hotel operations was at RM73.9 million. The occupancy rate at Sama-Sama Hotel softened to 69% in FY2015 compared with 75% the year before. The average room rate rose to RM392.09 a night in 2015, compared with RM371.30 a night. Revenue at Malaysia Airports agriculture business dropped 4.4% to RM29.9 million, even as output increased, because the price of fresh fruit bunches (FFB) dropped to RM440.23 per tonne in FY2015, compared with RM487.38 per tonne in FY2014.





ECONOMIC PROFIT

The Economic Profit statement is provided on a voluntary basis. It is a measure of value created by a business during a single period and reflects the amount of return a company makes over its cost of capital.

Malaysia Airports recorded an economic loss of RM598 million for FY2015 compared with an economic loss of RM18.9 million in the previous year. The loss was due to the increase in average invested capital contributed by ISG and LGM's assets.

TRAFFIC PERFORMANCE

Passenger Movements

Malaysia Airports' Turkish and Malaysian operations registered 112.0 million passenger movements in FY2015. International traffic rose 2.0% to 49.7 million passengers, while domestic traffic rose 7.1% to 62.4 million passengers.

Growth was most marked at ISG, passenger movements rose 19.7% overall to 28.3 million passengers, with ISG retaining its position as Europe's fastest growing airport. Domestic passengers rose 23.6% and international, 12.8%.

In Malaysia, growth was more subdued. Overall, the Group's local airports registered 83.8 million movements, an increase of 0.6% over 2014. International movements declined marginally by 0.3% to 40.0 million passengers, while domestic passengers rose by 1.4% to 43.8 million passengers. This was partly contributed by challenging economic conditions and Malaysia Airlines routes rationalisation.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

KLIA handled 48.9 million passengers in FY2015, the same as in FY2014. Passenger volumes at KLIA Main Terminal fell 9.2% to 22.6 million (international passengers fell 7.4% and domestic by 14.9%) as Malaysia Airlines reduced capacity.

Total passenger numbers at klia2, the world's largest terminal dedicated to low cost carriers, rose 9.5% to 26.3 million passengers, as Malindo Air and AirAsia stepped up their operations. International passenger traffic rose 8.7% to 17.2 million while domestic passenger numbers increased by 11.2% to 9.1 million.

KLIA as a whole recorded double-digit increases in passenger traffic from India, Pakistan, the Philippines, Qatar and Thailand, and single-digit growth from Saudi Arabia, Singapore, the United Kingdom, Cambodia, Vietnam and China. We are particularly encouraged by the performance of secondary cities such

as Chongqing, Fuzhou, Tianjin, Xian, Xiamen and Zhengzhou where passenger growth was in the double and triple digits, suggesting the return of the China market.

Beyond KLIA, Malaysia Airports' other facilities reported steady passenger growth, notably at Langkawi International Airport; Penang International Airport; Sultan Ismail Petra Airport, Kota Bharu; Sultan Abdul Aziz Shah Airport, Subang and Sultan Abdul Halim Airport, Alor Setar. Terminal One at Kota Kinabalu International Airport was officially launched by the Prime Minister of Malaysia in September 2015 with AirAsia moving its operations there in December. Sultan Azlan Shah Airport, Ipoh and Melaka Airport both reported passenger numbers more than doubled albeit from a low base after airport upgrades lured new carriers.

Aircraft Movements

Overall aircraft movements at our airports increased by 5.8% to 1.04 million movements; a positive indication of the continuing demand for air travel despite the weaker economic conditions.

In Malaysia, domestic aircraft movements rose 3.2% to 519,855, while international movements increased by 2.6% to 295,485, as we welcomed new airlines and our existing carriers increased route frequencies. British Airways, All Nippon Airways and Air China all returned to KLIA in 2015. Another noticeable feature of the year was the expansion of charter and scheduled routes from Kota Kinabalu direct to North East Asia.



MANAGING DIRECTOR'S REVIEW OF OPERATIONS

Growth remained in double-digits at ISG throughout the year, with 206,180 movements in FY2015, compared with 172,808 in 2014, a rise of 19.3%. International air traffic rose 14.3% to 76,548 while domestic aircraft movements increased by 22.5% to 129,632.

Cargo Movements

Cargo movements at our facilities declined to 974,370 metric tonnes in 2015. This is in line with the general air cargo performance across the world.

OVERSEAS VENTURES

ISG, Istanbul's second airport is a key focus of our overseas ventures. We believe the airport, the only one on the "Asian side" of the Bosphorus, offers a highly attractive long-term growth story in which Malaysia Airports is able to take a lead role.



The Group completed the acquisition of its 100% stake in the airport, named after Turkey's first female fighter pilot, at the end of 2014, following EGM approval for both the acquisition and an accompanying rights issue. The refinancing of its EUR500 million term loan was successfully completed in April 2015.

BNP Paribas Fortis SA/NV, CIMB Bank Berhad, Labuan Offshore Bank and Deutsche Bank AG, Singapore were jointly the mandated lead arranger for the loan, which drew interest from 19 banks, along with firm commitments of EUR1 billion during syndication. As a result, Malaysia Airports was able to reduce the margin on the loan from 2.75% p.a. over Euribor to 2.5% p.a. over Euribor through an interest margin reduction mechanism, known as a reverse flex structure. The ISG deal was the first such exercise by a corporate borrower outside the United States of America.

Overall passenger numbers at ISG grew faster than the targeted 15%. Of that, international and domestic passenger movements both exceeded expectations. ISG was the world's fastest growing airport in 2009 and 2010, as well as in 2013 and 2014 and has been Europe's fastest growing for the past seven years.

ISG has a 20+2-year concession from the Turkish government to operate the airport on a design-build-operate agreement, which began in May 2008. Our aim is to expand ISG in order to cater to more than 60 million passengers a year by 2020. The construction of the second runway which is already underway, is expected to at least double ISG's airside capacity. The runway construction is funded by the Turkish government.



The airport is a second hub for Turkish Airlines, and the main hub for low cost carrier Pegasus Airlines. Some 51 airlines offer direct flights to 39 domestic and 97 international destinations from ISG, which was named Airport of the Year by CAPA (15-25 mppa) in 2014. Qatar Airways became an ISG customer in May 2013, and Emirates started a daily flight between ISG and Dubai, in December 2015.

While we are mindful of the potential for increased competition once the existing Ataturk airport is replaced, we are confident that ISG's strategic location and easy accessibility from Istanbul provide it with a competitive edge. We also believe that over the medium term there is the potential to raise tariffs. ISG increased its share of the Istanbul market to 31.6% in 2015, compared with 29.4% in 2014.

In May, we sold our remaining 10% stake in DIAL to GMR Airports Ltd. for USD80 million. More than 20 years after our first overseas foray, our long-term strategy is to look for international investments that would give us a significant amount of control.

RUNWAY TO SUCCESS 2020 (RtS2020)



The year 2014 marked the conclusion of Malaysia Airports' five-year strategic business plan, Runway to Success 2010-2014 (RtS 2010-2014). Over the five years of the plan, we transformed ourselves into one of the world's largest private sector airport operators, becoming the only Asian airport operator to run a European airport.

A key milestone in RtS 2010-2014 was the opening of klia2, the world's largest terminal dedicated to low cost carriers. The innovative addition of a shopping mall annexe to the terminal had served to enhance passenger experience and boosted non-aeronautical revenue. As part of the KLIA airport systems, klia2 strengthens KLIA's position as an attractive regional hub. With three independent runways and a combined capacity of 75 mppa (KLIA Main Terminal: 30 mppa; klia2: 45 mppa), KLIA is able to cater for future growth to accommodate the continued demand in air travel.

Our successes have been benchmarked internationally, and recognised at home where we graduated from the GLC Transformation Programme in August 2015 as the second top performing GLC in terms of shareholder return. Over the past decade, Malaysia Airports' shareholder return has been more than 500% and, our market capitalisation has grown more than six times over the same period.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

The Group is now embarking on Runway to Success 2020 (RtS2020), with the aim of becoming a 'Global Leader in Creating Airport Cities'. We have set ourselves ambitious targets, but we are confident they can be achieved.

In formulating RtS2020, we aim not only to support Malaysia's own national development plans, but also to leverage on the potential provided by our land bank. As airports become an increasingly important link to global markets and a major factor in a country's competitiveness, KLIA's extensive land bank provides us with a unique opportunity to establish a platform for business and trade that will enhance our operations and contribute to our country's future growth.

The plan has two key thrusts; firstly, to strengthen our core airport business and, secondly, to expand and diversify our operations.

In strengthening our airport business, we will intensify our efforts to establish KUL* as a preferred ASEAN hub by providing excellent connectivity and seamless transfers. Our target is to attract more than 17 new airlines to KUL* over the next five years, improving flight connectivity in the high-growth short to medium-haul market and expanding long haul destinations.



By 2020, we aim to reduce transfer times for full service and low-cost carrier passengers by between 18% and 40% by enabling airside transfers. More efficient use of check-in counters, a redesign of passenger flow and retail areas as well as the expansion of the contact pier and main terminal building at KLIA Main Terminal should also help us meet our target of adding capacity between 20 and 25 mppa on top of the current 30 mppa.

As a service organisation, our customers are our priority. Whether travellers, airlines, retailers or visitors, they will benefit from increased attention to service as we strive to create a 'Total Airport Experience'.

* IATA Code for Kuala Lumpur International Airport

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

Notable initiatives include improved wayfinding in and around the airport terminals, themed gates and personalised service for premium passengers. We are also working on digital enhancements that will enable airport users to book car parking more easily, navigate their way around the airport with the assistance of time-to-gate notifications, and shop online.

The second thrust of RtS2020 – expanding and diversifying our business – focuses on the development of the Aeropolis, and strategic investments overseas.

The KLIA Aeropolis is a key enabler of our vision to be a 'Global Leader in Creating Airport Cities', and focuses on the development of logistics, aviation and technology parks complemented by world-class commercial and retail complexes. Our aim is not only to establish KLIA as a preferred ASEAN hub but also a destination in its own right; the ultimate airport city. Already, with the opening of gateway@klia2 shopping mall and the Mitsui Outlet Park KLIA (MOP KLIA), we are seeing more non-passengers making the trip to the airport and its vicinity. Our data has shown that there was a ratio of 2:1 passenger to non-passenger who visits klia2 in any given month. Meanwhile, the first phase of MOP KLIA which

opened in May 2015, involving 140 shops over 25,000 square metres, recorded some 400,000 visitors in December 2015.

The Aeropolis is also closely aligned with Malaysia's development agenda, with trade and logistics being a pillar of the government's Economic Transformation Programme (ETP), mapped out in the Logistics and Trade Facilitation Masterplan (2015 - 2020) and the 2nd Malaysia National Aerospace Industry Blueprint (2015 - 2030). The government's approval in November 2015 to grant our request for a 60-year land lease extension at KLIA and our other airports on a rolling basis, was an enormous boost to the initiative.



The Aeropolis plan envisages development will take place in phases over the next 15 to 25 years, bringing in about RM7 billion in investments.

Under Aeropolis, cargo and logistics will be expanded whereby we are targeting annual cargo growth of 8% a year by 2020.

Apart from this, three dedicated aviation parks will be developed, each with their own area of specialisation, at Subang, KLIA, and Melaka. It is planned that KLIA will focus on high-end maintenance, repair and operations (MRO), Subang will become a centre for private jets and helicopters, and Melaka will take on lower to mid-tier MRO activities. Under this initiative, we aim to capture about 50% of Southeast Asia's MRO market and create some 40,000 jobs, underpinning the government's plan to develop an aviation support industry as part of the country's ETP.

The Aeropolis plan will also leverage on the country's strategic development plans for tourism which aims to quadruple tourist receipts from RM19 billion in 2013 to RM79 billion in 2025.

MOP KLIA will be expanded in two phases, in 2018 and 2021, and will eventually accommodate 260 outlets covering a combined area of more than 46,000 square metres. We also envisage the development of theme parks and retail/commercial parks, modelled after successful joint ventures with Mitsui Fudosan Co. Ltd., which owns 70% of MOP KLIA and has a proven track record in both property development and retail through its operation of 12 factory outlets in Japan.



By 2020, the project is expected to have created 2,577 jobs and generated some RM221 million in Gross National Income. Again, this initiative supports the national development agenda. Outlet parks are a specific focus of the government's Entry Point Project 3 (EPP3), under the ETP.

The second priority in this part of the RtS2020 plan is to diversify our business through strategic overseas acquisitions. We aim to build a portfolio of airport-related assets by seeking out the best opportunities internationally and leveraging on our proven expertise in airport management to improve their financial performance.

With ISG, we are already the first Asian airport operator to fully own a European airport. As I mentioned earlier, we believe that the airport offers significant growth potential. As we scout for new opportunities, we will be looking for a significant degree of management control in whichever business we acquire.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

ENHANCING OUR AIRPORTS

Malaysia Airports has a policy of continual improvement at its facilities.

At Sultan Ismail Petra Airport, Kota Bharu, the country's third busiest domestic airport, the terminal exceeded its capacity of 1.5 million passengers per annum in 2014, creating congestion.

The expansion and upgrading at Kota Bharu will ensure the facility meets the targets set out in the 11th Malaysia Plan providing the capacity to handle four million passengers a year. Under the plan, the terminal will be expanded and its facilities improved. A multi-storey car park will also be built and the roads outside the terminal improved.

On the airside, future expansion includes runway extension to 2,500 metres, additional parking bays and a new taxiway. The funding for the project was approved by the government in Budget 2016.

Mukah Airport will also be developed to support the anticipated passenger growth resulting from the development of Mukah as a smart city under the Sarawak Corridor of Renewable Energy (SCORE) initiative. The new airport will be built with a capacity of 0.5 mppa inclusive of a 1,500-metre runway to cater to 3C ATR72 aircraft operations.

Enhancing Passenger Experience

In order to improve passenger experience, we have already taken measures to ensure that KLIA Main Terminal is able to handle up to 30 mppa as opposed to its design capacity of 25 mppa. We are currently improving our use of resources to ensure customers



enjoy a smoother experience at check-in, security, immigration and customs especially during peak periods. Further ahead, we are considering the possibility of an extension to the Main Terminal Building with additional parking apron to cater for additional capacity between 20 and 25 mppa in preparing for the growth in passenger numbers that we have laid out in RtS2020. Meanwhile, refurbishment of toilets at KLIA Main Terminal was undertaken to provide better experience for airports users.

The opening of the klia2 terminal on 2 May 2014 was a milestone for Malaysia Airports, ensuring a more enjoyable travelling experience to passengers on low-cost carriers and reducing congestion. In response to customer feedback, we have installed 23

walkalators to reduce walking time to the gate – with 19 more to be installed by the end of 2016, improved signboards and introduced a free buggy service for passengers.

At Penang International Airport, we implemented a flash flood mitigation system to address flooding issues. The system included the construction of an on-site detention tank with a collection sump and catch pits that can successfully drain out excess water within 30 minutes during heavy rain.



MANAGING DIRECTOR'S REVIEW OF OPERATIONS

We are also working to resolve the depression and ponding issues that have arisen at the terminal. A Joint Inspection Committee comprising representatives from Department of Civil Aviation (DCA), Malaysia Airports and relevant airlines meets regularly to ensure that klia2 complies with safety standards laid down by the regulators.

We are proposing upgrades for Sultan Abdul Aziz Shah Airport, Subang, which breached its capacity of 1.5 million passengers a year in 2013 and continues to attract more travellers.

Langkawi International Airport unveiled a new VIP annexe '*Kompleks Lang Merah*' on 17 March 2015. The single-storey complex includes immigration, customs and quarantine services, and also offers free WiFi to VIP passengers.

Sultan Azlan Shah Airport, Ipoh welcomed Tiger Air on 29 May 2015 which flies four times a week between Singapore and Ipoh, using an Airbus A320.

AIR SERVICES DEVELOPMENT

Attracting Airlines to our Runways

Malaysia Airports has benefited from sustained economic expansion in emerging markets such as China, India, ASEAN and the wider Asia-Pacific, which has helped fuel the growth of the aviation industry.

Malaysia Airlines, the national carrier, has now embarked on a turnaround plan that is designed to create a leaner, more Asian-focused, and profitable airline. In the wake of the twin disasters of 2014, the company was taken private, and routes and frequencies reduced by a third. AirAsia X has also been restructuring, reducing capacity on its medium-haul routes from klia2, while Air France cited low yields for its decision to suspend its four weekly flights between Kuala Lumpur and Paris.

Malaysia Airports passenger numbers continued to sustain with the new airlines and increased operations from AirAsia, Malindo Air and foreign airlines. Malaysia Airlines' new code-sharing agreement with Emirates is a welcome move and we are confident this will help improve KLIA's connectivity further.

The Group pursues a number of strategies to encourage more airlines to fly to Malaysia, whether to KLIA/klia2 or one of the country's four other international airports, working closely with airline partners on market intelligence and traffic forecasts as well as providing carriers with the opportunity to market their promotional packages and fares through a dedicated section called Airlink within the KL Lifestyle magazine. The Airline Incentive Programme has also proved an effective tool in bringing in business and our aeronautical and landing charges remain the most competitive in the region, across all aircraft types.



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China was a key focus of our efforts in 2015, with Malaysia Airports undertaking a number of trade missions to the country in collaboration with Tourism Malaysia and the Ministry of Transport. As a result, Shanghai Airlines, a unit of China Eastern Airlines, started a three times a week service connecting Kota Kinabalu with Shanghai in July and China's national carrier, Air China, started operations between Kuala Lumpur and Beijing in October, flying four times a week using an Airbus A330-300.

British Airways resumed operations on 28 May after a break of 14 years. The carrier, flying daily to London, has recently upgraded its aircraft to the new Boeing 787 Dreamliner. All Nippon Airways, Japan's biggest airline and highly-regarded for the quality of its service, began daily services between Kuala Lumpur and Tokyo on 1 September.

Under Rts2020, we aim to attract more than 17 new airlines to KLIA over the next five years.

COMMERCIAL PERFORMANCE

Our Commercial Services division is responsible for the Group's retail offerings as well as the provision of services such as banking, lounges and hospitality to the passengers who use our terminals. As well as reviewing and improving the mix of retailers and service providers in order to boost the amount of money each passenger spends, the division is also responsible for marketing and advertising initiatives that are designed to increase awareness and engender loyalty among our frequent flyers. The division aims to put the customer first and ensure those who use our airports enjoy world-class services and the best experience possible.

Despite the difficult conditions and weaker regional and global economies, the Commercial Services division, recorded growth of 12% thanks to our tenant retention programme. Our decision to self-manage the car parks at Penang and Langkawi International Airports through a fully-automated system also helped the division's performance, boosting revenue in that area by 69%.

In FY2015, occupancy at KLIA Main Terminal reached 96% with the Brand Platform initiative resulting in a number of new outlets at the airport including a branch of the world famous toy shop, Hamleys, and the Fashion Gallery under the luxury Valiram Group. We also introduced a new sleeping service, SnoozeKL, and completed the renewal of our retail and food and beverage tenancies at KLIA Main Terminal with 153 contracts (covering 90% of the lots in the terminal) extended for three years. The remaining lots are undergoing a tender exercise.

At klia2 where some 12% of the 257,845 square metre mega terminal is devoted to commercial use, occupancy rose up to 80%, with 36% of commercial space leased to Bumiputera retailers. Retail at the terminal offers upper middle brands, including Furla, Oroton and LeSportSac.

Enhancing Engagement

The annual Indulge Till You Fly (ITUF) Campaign, themed 'Indulge & Relax', concluded in March 2015 with the Grand Winner receiving a stay at a private pool villa for four people at the Intercontinental Bali Resort in Indonesia. The campaign held at KLIA was designed to showcase the dual nature of our facilities – transportation hubs and lifestyle destinations.

Malaysia Airports has been an enthusiastic adopter of digital technology for its marketing campaigns, and we are now using augmented reality games to further our engagement with our customers. As a result of our new digital initiatives, sales were 81% above target and competition entries 360% more.

The ITUF Campaign continues to win major recognition as a marketing tool and was a finalist in the Excellence in Shopper Marketing and Event Management categories in Advertising and Marketing's Marketing Excellence Awards 2015.

Nurturing Small Businesses

The Entrepreneur Development Programme is designed to nurture small and medium sized enterprises owned by Bumiputera and is part of Malaysia Airports' Corporate Social Responsibility (CSR) initiatives. It is our response to the government's call for government-linked companies to participate in the Bumiputera Economic Empowerment Plan.

The Programme provides a platform for these SMEs to gain experience of retailing and services in an international airport environment. The entrepreneurs' performance is closely monitored to ensure it meets Malaysia Airports' standards in terms of quality products and service excellence.

The Group has designated 17 outlets at klia2 for the programme. Five were tendered out prior to the opening while a further six were awarded after the terminal opened. The outlets include fruit and vegetable retailer Agro Bazaar as well as spa operator, Santai Reflexology.

Including the CSR programme, Bumiputeras control 36% of klia2's retail lots. We expect to have at least 50% Bumiputera participation by 2020.



OPERATIONS PERFORMANCE

Sustainability of Airport Systems and Facilities

The Engineering division has embarked on a number of initiatives to maintain and improve the group's airport infrastructure to ensure we offer the most efficient and secure service to airlines as well as to the passengers who use our facilities. These are discussed each year at our engineering seminar, which is attended by all engineering personnel from across the company.

Malaysia Airports' Asset Management Programme reflects industry best practice and recognises that airport service levels are highly dependent on the proper maintenance and efficient operation of the facility infrastructure from runways and taxiways to specialised systems such as passenger boarding bridges, baggage handling systems, airfield lighting and fire safety vehicles.

In 2015, we started developing a life cycle cost structure for major assets including baggage handling systems, airfield ground lighting and passenger boarding bridges at KLIA, Penang International Airport, Kota Kinabalu International Airport and Kuching International Airport. This cost structure will help us determine the optimal operating and capital costs of maintaining the assets throughout their useful life.

In 2015, 19 baggage and passenger screen units were replaced at Kota Kinabalu International Airport and Kuching International Airport. Meanwhile, at KLIA, the In Line Baggage Screening will be replaced with a system which is in compliance with the European Civil Aviation Conference Standard 3. We also refurbished the air-conditioning systems in a number of our airport terminals including Langkawi International Airport and Miri Airport. Apart from this, in line with our green commitments, we have taken steps to improve energy efficiency at our facilities to reduce utility costs.

Measures include upgrading the building management system at KLIA in 2015, which controls air-conditioning, electrical power and lighting.

Additionally, we have also been preparing for the Energy Management System (EnMS) certification. This certification which adheres to the ISO 50001 EnMS standard is a globally accepted framework for managing energy, providing technical and management strategies for enterprises to increase energy efficiency, reduce costs, and improve environmental performance.

We embarked on measures to address ponding and differential settlement at klia2 in 2015 with precast slab installation and overlaying works. In October 2015, we started using the grouting injection method, which we found not only to be more effective, but also less disruptive to airport operations.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS



We successfully completed work to fill cracks, voids and honeycombs either in, or underneath the concrete in 11 areas of the parking apron in 2015, two more than anticipated. The work will continue into 2016 in 39 areas, including parking bays and four taxiway locations.

Malaysia Airports has adopted a proactive approach to communications on the detail and progress work, providing monthly updates to airlines and customers, and also posting the progress report on the company's website.

SAFETY AND SECURITY

Safety and security are crucial to passenger confidence and the continued success of the global aviation industry. Malaysia Airports takes this responsibility extremely seriously, and strives to ensure its facilities are secure by making full use of the latest technology, working in close collaboration with the police and intelligence services and ensuring our staff are properly, and effectively, trained.

Malaysia Airports is proud that KLIA is certified in full compliance with the International Civil Aviation Organisation (ICAO) Standards and Recommended Practices (SARPs) under the Universal Security Audit Programme (USAP) conducted by ICAO auditors.

Our airports are now equipped with the latest generation Walk Through Metal Detector, while x-ray machines for both cabin and check-in baggage have been upgraded. Heightened security checks, following the detention in Malaysia of suspected Islamic State supporters, has led to an increase of 20% in the confiscation of prohibited items.

ETHICS AND INTEGRITY

Corporate Integrity Unit

Malaysia Airports places a premium on good governance and is committed to operating a highly-principled business, reflected in its adoption of the Code of Ethics and Conduct. The Group has a clear whistleblowing policy and requires asset declarations from its employees as well as a strict 'no gift' policy.

The company's Corporate Integrity Unit (CIU), an independent body, has completed an assessment on corporate integrity that will serve as a blueprint for the Group's integrity plan and risk assessment.

The CIU also acts as the secretariat for the Whistleblowing Programme, which is designed to provide staff with a safe and secure environment in which to raise concerns regarding possible wrongdoing. Malaysia Airports is also implementing the Integrity Pact developed by anti-corruption group Transparency International. The pact involves a declaration by employees involved in the procurement process as well as by the vendors themselves and is expected to enhance the professionalism and integrity of our procurement processes. In retail and services, we have found open tender exercises to be the most effective way of securing the best brands and products for our airports.

CREATING A CONDUCTIVE WORKPLACE

Malaysia Airports had 10,783 staff on its payroll at the end of December 2015.

It is our goal that Malaysia Airports is an "employer of choice." As such, we invest heavily in training and career development and ensure that our best workers are properly recognised, particularly those who go beyond the scope of their duties.

The Employee of the Year award, initiated in 2013, is given to an individual who has shown exemplary achievement and contributed significantly to the company's development. It is based on four criteria: high performance in the employee's annual performance

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

appraisal, active involvement in company improvement initiatives, participation in company-organised initiatives and representation of the company at the state, national or international level. Meanwhile, Heroes of the Quarter is a recognition programme to reward extraordinary staff performance on a quarterly basis.

Employees who show their commitment to a healthy lifestyle by not taking any sick leave are also rewarded – 251 staff received the “No MC Award” in 2015. Long-term service of between 10 and 20 years is also recognised, with 569 staff conferred the Loyal Service Award in May 2015.

In addition, Malaysia Airports operates comprehensive career development programmes and participates in the Skim Latihan 1Malaysia (SL1M), a government-backed initiative. In 2015, we re-branded this initiative as the Airport Apprentice programme, providing selected graduates with a seven-month introduction to all aspects of the airport business. Some 150 trainees joined the Airport Apprentice programme in 2015.

The Group also seeks a harmonious relationship with its employees through their unions.

A RM140 monthly cost of living allowance was introduced on 1 January 2014 for 7,000 non-executive staff under an agreement with the union, Kesatuan Pekerja-Pekerja Malaysia Airports Berhad Semenanjung, Sabah and Labuan and Sarawak. The collective agreement also includes a salary adjustment, and improved allowances.

Malaysia Airports' employees also enjoy first class facilities to ensure their health and well-being including an on-site gymnasium at the corporate headquarters, a football field and a netball court. A child care centre and nursery opened in 2016 with the capacity to care for as many as 200 children up to the age of six.

OUTLOOK FOR 2016

Malaysia Airports expects its operations to record healthy growth in 2016. The IMF is predicting global GDP will rise 3.4% in 2016, and 3.6% in 2017, while ICAO and IATA are projecting global passenger traffic to expand 6.3% and 6.9% respectively in 2016. For the Asia Pacific, IATA is even more optimistic, with growth estimated at 8%, supported by lower fuel prices and improved airline profitability.

Undoubtedly, uncertainty persists in the global economy but we believe we are well-positioned to benefit, particularly as the Aeropolis begins to draw in new investments and provide new engines of growth.

The Philippines' recent ratification of the ASEAN Open Skies agreement should also fuel growth in South East Asian travel. As we work to make KLIA the regional hub of choice under RtS2020, there is also enormous potential in India and China, and Malaysia's decision to allow Chinese visitors visa-free travel, and introduce e-Visas for select countries, will also boost confidence.

The return of British Airways, ANA and Air China bodes well for Malaysia Airports, as does Malaysia Airlines' extensive partnership with Emirates. Malindo Air, which has positioned itself as an affordably priced full-service carrier, transferred its jet operations to

KLIA Main Terminal on March 15, 2016, citing enhanced connectivity and service for its premium passengers. It is also introducing new services to Hong Kong, Ho Chi Minh City and Lahore.

We are expecting passenger traffic at our Malaysian operations to rise 2.5% to 86.0 million passengers in 2016. At ISG, passenger traffic is expected to again record double-digit growth.

WORDS OF APPRECIATION

Before I conclude, I would like to thank Malaysia Airports' Board of Directors for their guidance and expertise in helping the company achieve its goals in what has again proved a challenging environment. I would also like to record my appreciation to the Board for putting their trust in the Senior Management team.

Appreciations is also due to my colleagues in senior management, as well as the company's employees in Malaysia and Turkey for their hard work and dedication in helping Malaysia Airports realise its ambitions.

On behalf of the Group, I would like to take this opportunity to extend my sincere thanks and appreciation to all our airline partners, vendors, suppliers, joint venture partners and government agencies. I would also like to thank our shareholders, and customers for their continued support.



Datuk Badlisham bin Ghazali
Managing Director

SUBSIDIARIES' PERFORMANCE



KL AIRPORT HOTEL SDN. BHD

KL Airport Hotel Sdn. Bhd. (KLAH) owns and operates the Sama-Sama group of hotels (Sama-Sama Hotel). Its flagship property and deluxe five star hotel - located within the vicinity of the KL International Airport - offers modern, chic and comfortable rooms as well as a rejuvenating experience and the ultimate in convenience for both business and leisure travellers alike. The other two Sama-Sama Express, at KLIA Main Terminal and klia2, extend Sama-Sama's exceptional hospitality to transit travelers, offering a convenient solution to Refresh, Relax and Renew.

FY2015 was a challenging year for the Sama-Sama Group, given the tough economic conditions globally and regionally. The weakening Ringgit as well

as the implementation of GST, meant Malaysians were also more prudent with their spending. Malaysia Airlines' twin tragedies in 2014, and the airline's subsequent routes rationalisation also affected business volume at the hotel.

In 2015, Sama-Sama Hotel had signed an exclusive identification affiliation agreement with Worldhotels AG, which supports the hotel with its global distribution system, reservation and marketing services. With 35 sales offices worldwide, Sama-Sama Hotels intends to use this opportunity to expand its corporate, MICE and leisure businesses. Some 25 airlines, including AirAsia, participate in Worldhotels partnership network through its frequent flyer programme.

The company, recognised as one of the best companies to work for in Malaysia, has also stepped up staff training to ensure even greater levels of guest satisfaction. The hotel brand promise 'Making Meaningful Connections' build up the importance of working together and ensuring the high standard of service is delivered and each associate doing their best in ensuring hotel guests enjoyed their stay. In 2015, Sama-Sama Hotel won the 'Best Luxury Airport Hotel' from the World Luxury Hotel Awards for the third year in a row. The hotel was named among the 'Top 10 Luxury Hotels in Malaysia' in 2014 & 2015 by TripAdvisor Travellers' Choice and also received a TripAdvisor 'Certificate of Excellence'. The Sama-Sama Express KLIA was recommended on Holiday Check as one of the 'Best Rated Hotels' while Sama-Sama Express klia2 won a 'Bravo Badge' and was voted 'Excellent' by the TripAdvisor's travellers.



MALAYSIA AIRPORTS (PROPERTIES) SDN. BHD.

Malaysia Airports (Properties) Sdn. Bhd. handles the Group's non-passenger related revenue (excluding aviation and hangar services). It also manages the Southern Common Amenities and Facilities area, and acts as an enforcement unit that monitors and reviews the Fixed Asset Management Policy, manages the Staff Home Stay and Child Care Centre for the MAHB Group and provides facilities management for the MAHB Corporate Office at KLIA.

Malaysia Airports (Properties) Memorandum of Association was amended during the year under review to enable the company to carry out the business of child care and child-minding at the Group's new crèche and kindergarten facility for staff, which opened in 2015 at the corporate headquarters.

A specialist pre-school company has been appointed to operate and manage the facility beginning January 2016.

Meanwhile, the development of AirAsia House, consisting of AirAsia's headquarters, a staff car park and office on a plot of land at KL International Airport will mean more revenue from lease and service rental once the work is completed. Since this is a private sector project, Malaysia Airports (Properties) has been involved in the preparation of the agreement on the lease rental, which includes the construction of the road and covered walkway from AirAsia headquarters to klia2.

MALAYSIA AIRPORTS (SEPANG) SDN. BHD.

Malaysia Airports (Sepang) Sdn. Bhd. is responsible for managing and operating our airport in Sepang.

Prior to its opening, klia2 secured the Aerodrome Certification from the Department of Civil Aviation (DCA) Malaysia in April 2014. The certification verified that klia2, especially the runway, aircraft parking, taxiways, terminal building structure and the area around the terminal complies with the International Civil Aviation Organisation (ICAO) Annex 14, Volume 1 and Airport Standards Directive 103 (ASD 103). As part of the aerodrome certification process, klia2 is audited annually by the DCA. klia2 also received its Fire Certification for the main terminal and satellite building from the Fire and Rescue Department Malaysia (JBPM), indicating Malaysia Airports' commitment in ensuring klia2 is fully compliant with the Fire Services Act 1988 and Uniform Building By-Laws, 1984.

The company continues in its effort to ensure a green airport. Malaysia Airports' was named one of Malaysia's Top 30

SUBSIDIARIES' PERFORMANCE

Green Catalysts for its installation of solar photovoltaic technology at KLIA Main Terminal, and incorporation of green features at klia2. KLIA joined the Airport Carbon Accreditation Programme under Airports Council International (ACI) and was certified to be at the Reduction level after decreasing KLIA's carbon emissions intensity in daily operations and development by 42.9%, according to the Greenhouse Gas (GHG) Inventory and Carbon Management Plan. The programme has four levels of certification. Reduction (carbon management towards a reduced carbon footprint) is the second level.

The company also received the Gold Class II award in the MSOSH Occupational Safety and Health Awards in November 2015. The award recognises companies that achieve commendable health and safety records and show improvement in the occupational health and safety process.

MALAYSIA AIRPORTS (NIAGA) SDN. BHD.

Malaysia Airports (Niaga) Sdn. Bhd. or better known as ERAMAN Malaysia is the premier duty free and travel retail operator at Malaysia Airports. MA (Niaga) offers a wide range of world-class products ranging from chocolates to liquor, wine and spirits, self-professed skincare and fragrances as well as tobacco and tobacco products in the country's international airports. Despite fewer arrivals from China and the impact of less steady consumer sentiment in Malaysia, the total sales saw good growth with the total revenue in year-to-date (YTD) October 2015 increasing 8.8% to RM538 million as compared to RM495 million in YTD October 2014. Marketing initiatives during major festivals as well

as strategic campaigns such as 'Spend and Win' facilitated in boosting sales. MA Niaga also seek to drive sales by collaborating with its brand principals through the first-of-its-kind campaign, tying in promotion and lucky draw elements that offer extravagant prizes such as Peugeot 308. The campaign which was held from September till October 2015 had increased its sales by 22% against the preceding period.

MA Niaga, operating 31 retail and 11 food and beverage outlets, aims to focus on its core 'duty free' retail business while enhancing its brand portfolio of Bibik Heritage, a Peranakan concept restaurant besides managing three franchise outlets for Gloria Jean's Coffee, Pastamania restaurant and Bar Metropole, a joint venture with Bacardi Asia Pacific in klia2. We were also recognised as 'The Belgian Fastest Growing Duty Free Operator Award 2015' for Chocolates & Confectionaries. MA (Niaga) participated in the Tax Free World Association Exhibition in Cannes and the Tax Free World Association Asia Pacific Conference in Singapore in 2015. The TWFA is the world's biggest duty free and travel retail association.

MAB AGRICULTURE-HORTICULTURE SDN. BHD.

A certified ISO9001:2008 company, MAB Agriculture-Horticulture Sdn. Bhd. (MAAH) is mainly involved in the cultivation and management of oil palm and coconut plantation covering 6,698.40 hectares and 126.78 hectares respectively.

During the year under review, MAAH replanted 300.00 hectares of oil palm at KLIA. As part of Malaysia

Airports' commitment in maximising land utilisation at our airports, new oil palm plantations were established at Miri and Bintulu, covering an area of 639.98 hectares. These green areas not only provide recurring revenue, they also help mitigate the effects of noise pollution and provide a pleasant view for surrounding areas.

Sales of oil palm fresh fruit bunches accounted for 88% of MAAH's total turnover, while coconut and landscape activities made up the remainder. MAAH expects to make a positive contribution to overall Group revenue in 2016, given the expected higher crop yield and an increase in the Crude Palm Oil (CPO) price.

MALAYSIA AIRPORTS CONSULTANCY SERVICES SDN. BHD.

Malaysia Airports Consultancy Services Sdn. Bhd. (MACS) has a proven track record in managing and providing consultancy in the airport business at home and overseas. Its first international project was in Cambodia 20 years ago when it won the contract to operate two airports in the Kingdom.

In August 2015, Pioneer Aerodrome Services awarded MACS a contract to provide training programmes for terminal and airside operations at Yangon International Airport and Nay Pyi Taw International Airport in Myanmar.

In October 2015, MACS was appointed by PETRONAS to conduct a comprehensive review and strategic assessment of Kerteh Airport against ICAO and DCA standards.

SUBSIDIARIES' PERFORMANCE

MACS had also completed training in the area of handling and operating an Ultra Large Fire Tender for 15 naval officers at the Malaysia Airports Training Centre in November and December 2015, at the request of the National Security Council.

MACS was appointed as a consultant to the Airport Service Quality programme in 2006, starting with KLIA before extending the initiative to Penang and Langkawi International Airports. Istanbul Sabiha Gokcen International Airport in Turkey was included in the scheme in 2015.

The company also provided consultancy services in 2015 to conduct a study for passenger movement trend at Kuah Ferry Terminal in Langkawi.

MALAYSIA INTERNATIONAL AEROSPACE CENTRE (MIAC) SDN. BHD.

Malaysia International Aerospace Centre Sdn. Bhd. (MIAC) is intended as a catalyst in realising the Malaysian government's aim of making the country a global aerospace hub, as well as to provide facilities and infrastructure to industry players at competitive rates.

With the launch of the 2nd National Aerospace Blueprint 2015-2030 (NABP 2) in March 2015, MIAC has started to re-align its business plan with the government's Economic Transformation Programme and the Group's aerospace corridor concept.

Over the last decade, MIAC has focused on land development around the Sultan Abdul Aziz Shah Airport (L TSAAS) at

Subang, which covers approximately 300 acres. Development clusters include maintenance, repair & overhaul (MRO), helicopters, fixed-base operations (FBO) and general aviation, aerospace training, aerospace technology, and a commercial and business centre.

Over the last decade, MIAC has focused on land development (aerospace industry) around the Sultan Abdul Aziz Shah Airport (L TSAAS) at Subang, which covers approximately 300 acres. Development clusters include maintenance, repair & overhaul (MRO), a helicopter centre (for rotor wing operations), the Aerospace Technology Park, the Aerospace Training & Education Centre, and the commercial and business centre.

L TSAAS, also known as Skypark Terminal, has become a hub for both commercial turbo-propeller flights as well as private and corporate aircraft. MIAC also helped establish Spirit Aerosystem's first aircraft components and aero-structure assembly facility outside the USA and Europe, which is based at a site adjacent to the runway at Subang.

BHIC Aero Services (BHICAS) and PLUS began operations at the helicopter centre in 2015, joining Airbus Helicopter Malaysia, the world's most prominent and integrated aerospace company; and four other local and international companies. The centre includes an all-weather heliport, six helipads, MRO workshops, a hangar and the first helicopter simulator in the Asia-Pacific region. The centre is being upgraded to meet existing usage and future demand.

In October 2015, MIAC had its first session with the newly-formed National Aerospace Industry Coordinating Office (NAICO), which is responsible for the progress and growth of the country's aerospace industry under the ETP.

URUSAN TEKNOLOGI WAWASAN SDN. BHD.

Urusan Teknologi Wawasan Sdn. Bhd. offers integrated facilities management services with a record dating back more than 16 years. Certified with ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007, and backed by more than 500 qualified and experienced staff, UTW has strategically positioned itself as one of the nation's leading providers of asset and facilities management solutions.

UTW continues to perform an important role in ensuring KLIA remains one of the best international airports in the world. In 2015, UTW embarked on the installation of new LED lamps and a Customer Real Time Feedback Survey System (CRFSS) to enhance customer experience at both KLIA and klia2.

Over the years UTW has expanded its customer base, winning contracts with clients outside the Malaysia Airports group including KLCC Twin Towers & Tower 3, Masjid As-Syakirin KLCC, Sepang International Circuit, Sime Darby Plantation Commercial Buildings, Airbus Helicopters Malaysia and Mitsui Outlet Park KLIA.

CORPORATE RESPONSIBILITY



At Malaysia Airports, we put strong emphasis on managing our business honestly and responsibly. We have always been in constant search for innovative ways and practices to conduct and administer the impact of our business to those around us, be it in terms of profits, people or the planet itself.

We are also continuously committed in creating sustainable world-class aviation gateways; as we focus on four key areas of corporate responsibility in our business operations namely marketplace development, workplace development, community development and environmental sustainability.



For more information, refer to our Sustainability Report 2015.

MALAYSIA AIRPORTS' SEVENTH SUSTAINABILITY REPORT (2015)

Malaysia Airports' seventh Annual Sustainability Report is available as a complement to this Annual Report. Written in accordance with the Global Reporting Initiative (GRI) G4.0 framework and the GRI Airport Operator's Sector Supplement (AOSS), this report also contains some Standard Disclosures, which are in compliance with the GRI G4 sustainability reporting guidelines. This report has been assured by SIRIM QAS International Sdn. Bhd., an independent third party agency to ensure the accuracy and reliability of all the information published.

Guided by milestones as stated in our Business Direction document Runway to Success 2020 (RtS2020), we will constantly strive to help us shape our sustainability programme accordingly in our journey. As we commit to uphold the highest level of ethics and integrity in all our business transactions, we also continue to enhance our policies and procedures, particularly with regards to our procurement practices and risk management. Responsible environmental practices also remain at the forefront of the way we conduct our day-to-day business. At the top of our environmental priority list are resource management and effort to reduce waste.

Malaysia Airports continues to celebrate its most precious assets - its people. We are proud to have among our talented workforce, some of the most knowledgeable people in the aviation industry today. A variety of events and initiatives took place throughout the year not only to show our appreciation towards our employees, but also to enhance their professional and personal development. This year's Sustainability Report pays tribute to some of our company's longest-serving employees, recognising employees' notable contribution at the workplace, encouraging innovative ideas and solutions to face challenges in the aviation industry, providing higher education opportunity to generate greater productivity and skills amongst employees and facilitating our adopted schools to improve students' English proficiency level through our community development programme.

As we aim to create joyful experiences by connecting people and businesses, we continuously strive to enhance our customer experience while leveraging on technology innovations at our airports. Ultimately, we believe that ensuring a joyful experience at our airports make an excellent business sense.



MARKETPLACE DEVELOPMENT

As an airport operator, our stakeholders include the airlines, passengers, government agencies, suppliers, business partners, media and other members of the public who either utilise our facilities or are connected to our business. Hence, we are proud to develop strategic partnerships with our suppliers and vendors whether they are budding entrepreneurs or established business operators. We are also very committed in helping entrepreneurs develop their businesses across all our airports under our Vendor Development Programme. The scheme aims to give the best vendors – those who are reliable and competitive – the opportunity to participate in procurement activities at Malaysia Airports, whether in the provision of services, works or supply.



COMMUNITY DEVELOPMENT

Malaysia Airports' flagship community programme, Beyond Borders, is a nationwide school adoption initiative. Started in 2007, it aims to enhance self-esteem among under-privileged students by raising awareness about the importance of English language. At Beyond Borders, academic success is not the only measure of child development, we also seek to nurture children who are healthy, competitive and creative. Under the tagline 'Give Them Wings, Let Them Fly', the initiative is a partnership between selected schools and its overall school community which seeks to raise standards through engagement and support with the children, teachers and parents.



WORKPLACE DEVELOPMENT

At Malaysia Airports, business is not only about profits. We believe in providing a working environment where employees are not only valued, but also encouraged to reach their full potential. Our business success is highly dependent on the skills and talents of our people. Therefore, we also constantly strive to develop an organisation where respect, teamwork and effective communication are valued attributes. Our commitment to this philosophy is demonstrated through our Workplace Development Programme, which aims to create a healthy, safe and secure working environment for our employees. As part of the initiative, we offer training as well as educational and talent development programmes to our employees that not only offer the opportunity for our people to advance in their careers, but also enhance and hone their leadership skills while ensuring that our workforce is challenge-ready. On top of this, our employees participate in a yearly engagement survey conducted by an independent party in order to measure engagement level and solicit feedback.



ENVIRONMENTAL SUSTAINABILITY

Efficient energy management is the cornerstone of Malaysia Airports' commitment towards environmental responsibility. We are determined to run a sustainable business operation that is fully compliant with the laws and policies laid down by the Malaysian government. Our Energy Management Policy provides a framework for the whole organisation to manage energy more effectively, reduce consumption to the lowest practicable level while maintaining the demanding safety standards required of every airport operation. One of our top environmental management priorities also includes reducing carbon emissions at the airports and we are committed to ensuring our operations comply with the Environment Quality Act. We are also working towards carbon neutral growth and a carbon-free future as a signatory to the Aviation Industry Commitment to Action on Climate Change.

MITSUI OUTLET PARK KLIA SEPANG



AEROPOLIS

STIMULATING ECONOMIC ACTIVITIES THROUGH LOGISTICS, AEROSPACE AND M.I.C.E. & LEISURE SEGMENTS WITH A STRONG FOCUS ON DEVELOPMENT WITHIN THE 100 SQ KM LAND BANK SURROUNDING KLIA

OVER **140** SHOPS*
AT MITSUI OUTLET PARK (MOP) KLIA



* First phase



AEROPOLIS DEVELOPMENT IS AN
ECONOMIC GENERATOR

RM7 BILLION
IN POTENTIAL INVESTMENTS

40,000
JOBS CREATED

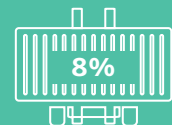


400,000

VISITORS AT MOP KLIA
IN DECEMBER 2015

IN SUPPORT OF
NATIONAL TARGET

RM79 BILLION
TOURIST RECEIPTS IN 2025



INCREASING CARGO
GROWTH TO

8%

ANNUALLY BY 2020

**AEROSPACE
TECHNOLOGY PARKS**

**CARGO /
LOGISTICS**

KLIA

klia2

**M.I.C.E.
AND LEISURE**



BOARD OF DIRECTORS

1 **TAN SRI DATO' SRI DR WAN
ABDUL AZIZ BIN WAN ABDULLAH**

Chairman/Non-Independent
Non-Executive

2 **DATUK MOHD BADLISHAM BIN
GHAZALI**

Managing Director/Non-Independent
Executive

3 **JEREMY BIN NASRULHAQ**

Senior Independent Non-Executive

4 **DATO' MOHD IZANI BIN GHANI**

Non-Independent Non-Executive

5 **TUNKU DATO' MAHMOOD FAWZY
BIN TUNKU MUHIYIDDIN**

Non-Independent Non-Executive



BOARD OF DIRECTORS

6 DATUK SERI YAM KONG CHOY
Independent Non-Executive



7 DATUK ZALEKHA BINTI HASSAN
Independent Non-Executive



8 ROSLI BIN ABDULLAH
Independent Non-Executive

9 DATO' SRI DR MOHMAID ISA BIN HUSSAIN
Non-Independent Non-Executive

10 NORAZURA BINTI TADZIM
(Alternate Director to Dato' Sri Dr Mohmad Isa bin Hussain)
(Non-Independent Non-Executive)
(Appointed w.e.f. 29 May 2015)
(Alternate Director to Dato' Siti Zauyah binti Md Desa)
(Non-independent Non-Executive)
(Ceased w.e.f. 29 May 2015)



BOARD OF DIRECTORS

11 DATO' SITI ZAUYAH BINTI MD DESA

Non-Independent Non-Executive
(Resigned w.e.f. 29 May 2015)

12 DATO' SRI DR ISMAIL BIN HJ BAKAR

Non-Independent Non-Executive
(Resigned w.e.f. 16 December 2015)

13 DATUK RUHAIZAH BINTI MOHAMED RASHID

(Alternate Director to Dato' Sri Dr Ismail bin Hj Bakar)
Non-Independent Non-Executive
(Ceased w.e.f. 16 December 2015)

14 TAN SRI BASHIR AHMAD BIN ABDUL MAJID

Advisor to the Board

15 SABARINA LAILA BINTI DATO' MOHD HASHIM

Company Secretary



BOARD OF DIRECTORS' PROFILE

TAN SRI DATO' SRI DR WAN ABDUL AZIZ BIN WAN ABDULLAH

Chairman
Non-Independent Non-Executive



Tan Sri Dato' Sri Dr Wan Abdul Aziz bin Wan Abdullah, Malaysian, aged 63, was appointed to the Board of MAHB as a Non-Independent Non-Executive Director and Chairman of MAHB on 7 June 2012. He chairs the Board Finance and Investment Committee and Board Risk Management Committee of MAHB. He was the Chairman of the Board Procurement Committee from 2012 until 2014. He is also the Chairman of Malaysia Airports Consultancy Services Sdn. Bhd., K.L. Airport Hotel Sdn. Bhd., MAB Agriculture-Horticulture Sdn. Bhd., Istanbul Sabiha Gokcen International Airport Investment Development and Operation Inc. and LGM Airport Operations Trade and Tourism Inc. all are wholly-owned subsidiaries of MAHB.

He began his career in the Administrative and Diplomatic Service as Assistant Director of the Economic Planning Unit in the Prime Minister's Department in 1975. He was later promoted to the position of Senior Assistant Director, Macroeconomics in 1984, Senior Assistant Director, Human Resource Section and Director, Energy Section in 1988. In the same year, he was seconded to the World Bank Group in Washington DC, USA, representing South East Asia Group as an Alternate Executive Director. He then served the Ministry of Finance as Deputy Secretary in the Economics and International Division in 2001. He later served the Economic Planning Unit in the Prime Minister's Department as Deputy Director General, Macro Planning Division in 2004. In 2005, he was appointed as the Deputy Secretary General of Treasury (Policy), Federal Treasury in the Ministry of Finance. In 2007, he was appointed as Secretary General of Treasury in the Ministry of Finance, the position he held until August 2012. He also served as an Executive Director of Islamic Development Bank Group based in Jeddah from 2011 until 2013.

He holds a Bachelor of Economics (Hons) in Applied Economics from University of Malaya and a Master of Philosophy in Development Studies from the Institute of Development Studies, University of Sussex, UK. He also holds a Doctor of Philosophy (Ph.D) in Economics from the School of Business and Economic Studies, University of Leeds, UK. In 2004, he attended the Advanced Management Program at Harvard Business School, Harvard University, USA.

He is currently Chairman of Bank Pembangunan Malaysia Berhad, Pembinaan BLT Sdn. Bhd., Sime Darby Motors Sdn. Bhd. and GOM Resources Sdn. Bhd., a subsidiary of Puncak Niaga Holdings Berhad. He is also the Deputy Chairman of Sime Darby Berhad and sits on the Boards of Permodalan Nasional Berhad and RAM Holdings Berhad.

BOARD OF DIRECTORS' PROFILE

DATUK BADLISHAM BIN GHAZALI

Managing Director
Non-Independent Executive



Datuk Badlisham Bin Ghazali, Malaysian, aged 53, was appointed as Managing Director of MAHB on 23 June 2014. He is currently the Chairman of Malaysia Airports (Sepang) Sdn. Bhd. and Malaysia Airports Sdn. Bhd.

He began his career with Hewlett Packard Group (HPG) after his graduation from the USA in 1987. His career in HPG progressed well where he was steadily promoted over 18 years of service until reaching his last position there as the Director and Country General Manager of Hewlett Packard Technology Solutions Group in 2005.

Datuk Badlisham was appointed as the Chief Executive Officer (CEO) and Non-Independent Director of the Multimedia Development Corporation (MDeC) on 16 January 2006. At the helm of MDeC, Datuk Badlisham led the development of the National ICT Initiatives for Malaysia. The MSC Malaysia Initiative has evolved and grown, giving rise to over 3,400 ICT companies that are innovative and globally competitive via a thriving ICT ecosystem in Malaysia. The Digital Malaysia Initiative is underway towards a growing and robust digital economy for Malaysia.

As the CEO of MDeC, he was also a member of the Ministry of Education's Cluster School Advisory Board and co-chair person with Y. Bhg. Tan Sri KSN (Ketua Setiausaha Negara) on the Flagship Coordination Committee (FCC) and co-chair of the Ministry of Education Smart School Programme.

He graduated with a Bachelor of Science Degree majoring in Computer Science from the University of Northern Illinois, USA and a Diploma in Computer Science from Universiti Teknologi MARA (UiTM).

Datuk Badlisham currently sits on the Boards of MAHB wholly-owned subsidiaries companies namely Malaysia Airports (Niaga) Sdn. Bhd., K.L. Airport Hotel Sdn. Bhd., Malaysia Airports Capital Berhad and Malaysia Airports Capital (Labuan) Limited and MAHB (Mauritius) Private Limited. He also sits on the Boards of GMR Hyderabad International Airport Limited, GMR Male International Airport Private Limited, Delhi International Airport Private Limited, LGM Airport Operations Trade and Tourism Inc., Istanbul Sabiha Gokcen International Airport Investment Development and Operation Inc. and Sepang International Circuit Sdn. Bhd.

**JEREMY BIN
NASRULHAQ**

Senior Independent Non-Executive



Jeremy bin Nasrulhaq, Malaysian, aged 62, was appointed to the Board of MAHB as an Independent Non-Executive Director on 15 August 2007 and was subsequently appointed as Senior Independent Non-Executive Director on 22 March 2013. Following his appointment, he took on the role of Chairman, Board Nomination and Remuneration Committee of MAHB. He is the Chairman of Malaysia Airports (Niaga) Sdn. Bhd. and Urusan Teknologi Wawasan Sdn. Bhd. He also chairs the Whistleblowing Independent Committee.

He is a member of Board Audit Committee and Board Finance & Investment Committee of MAHB.

He had held several key financial and supply chain positions in Unilever and the Fast-Moving Consumer Goods (FMCG) industry, throughout a period of 30 years, which include having served as the Regional Finance Officer for Unilever Asia Retail Foods in Singapore, Supply Chain Director for Unilever Malaysia, Commercial Director-cum-National Finance Director for Unilever Malaysia (where his portfolio covered Finance, IT, Legal and Logistics) and lastly Supply Chain Director for Unilever Malaysia and Singapore, a post he held until April 2007. He was also the Chairman for Safety, Health and Environment (S.H.E.) for the company. He sat on the Boards of Unilever (M) Holdings Sdn. Bhd. and Unilever Foods (M) Sdn. Bhd. He was trained in various fields in the UK, Thailand, Philippines, Indonesia, India and Singapore.

During his tenure with Unilever, he also led several regional and global functional teams. He worked in Unilever Indonesia, Surabaya, for a couple of years. He also had a brief stint as General Manager (Operations) in Boustead Trading Sdn. Bhd. He is currently a Director of Sweetet Development Sdn. Bhd., a Company with its head office in Hong Kong where he represents the company and its brands in the modern and general retail industry in Malaysia.

Besides Unilever, he served as Committee Member on a few local national organisations such the Malaysian International Chamber of Commerce and Industry (MICCI) and Federation of Malaysian Manufacturers (as Board member of GS1 Advisory Board and on the MAFMAG Committee). He had also served on the councils of Malaysian Institute Accountants (MIA) and Chartered Institute of Management Accountants (CIMA), Malaysia Division for several years.

He is a Fellow Member of CIMA, UK and formerly served as Deputy President on the Malaysian CIMA Council. He is a registered Chartered Accountant of MIA. He also holds a Bachelor of Science Degree (with Distinction) in Agribusiness Science from Universiti Putra Malaysia. He is a member of MIA's Professional Accountants in Business Committee (PAIB Committee).

BOARD OF DIRECTORS' PROFILE

DATO' MOHD IZANI BIN GHANI

Non-Independent Non-Executive



Dato' Mohd Izani bin Ghani, Malaysian, aged 48, was appointed to the Board of MAHB as a Non-Independent Non-Executive Director on 21 March 2011. He is a member of the Board Audit Committee, Board Finance and Investment Committee and Board Nomination and Remuneration Committee of MAHB. He is also a member of Istanbul Sabiha Gokcen International Airport Investment Development and Operation Inc. and LGM Airport Operations Trade and Tourism Inc.

Dato' Mohd Izani graduated from the London School of Economics and Political Science (LSE), UK in 1991 with Bachelor of Science (Economics) specialising in Accounting and Finance. After graduating from LSE, he pursued his professional accounting qualification from the Association of Chartered Certified Accountant and was admitted to fellowship in 1998. He is also a member of the Malaysian Institute of Accountants. He is currently the Executive Director and Chief Financial Officer of Khazanah Nasional Berhad.

He is also a Director of Bank Muamalat Malaysia Berhad and Fajar Capital Limited. In addition, he sits on the Board of several special purpose companies which are wholly-owned by Khazanah Nasional Berhad, namely Rantau Abang Capital Berhad, Feringghi Capital Ltd, Klebang Capital Ltd, Lido Capital Ltd and Cenang Capital Ltd.

**TUNKU DATO' MAHMOOD FAWZY BIN
TUNKU MUHIYIDDIN**

Non-Independent Non-Executive



Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin, Malaysian, aged 57, was appointed to the board of MAHB on 5 December 2012 as a Non-Independent Non-Executive Director and is a member of the Board Finance and Investment Committee.

Tunku Mahmood, received his BA (Hons) Business Studies from the Polytechnic of Central London, Masters in Business Administration from the University of Warwick, the Diploma in Marketing from the Chartered Institute of Marketing. He is a member of the Institute of Public Accountants Australia, Malaysian Institute of Management, and Malaysian Institute of Corporate Governance.

Tunku Mahmood is a professional company director and is currently a director of Telekom Malaysia Berhad, Packet One Networks (Malaysia) Sdn. Bhd., Hong Leong Assurance Berhad, Hong Leong MSIG Takaful Berhad, Hong Leong Asset Management Berhad, and Blue Stone Technology Sdn. Bhd. He was previously a Non-Executive Director of Energy Africa Limited, Pos Malaysia Berhad, SapuraKencana Petroleum Berhad/ Kencana Petroleum Berhad, and Ethos Capital One Sdn. Bhd.

Tunku Mahmood draws on a wealth of governance, management, and cross border experience in telecommunications, investment management and private equity activity, oil and gas, marine and aviation logistics, corporate advisory, banking and financial services, across several international locations including the United Kingdom, New Zealand, South Africa and Malaysia.



BOARD OF DIRECTORS' PROFILE

DATUK SERI YAM KONG CHOY

Independent Non-Executive



Datuk Seri Yam Kong Choy, Malaysian, aged 62, was appointed to the Board of MAHB as an Independent Non-Executive Director on 1 December 2013. He is a member of the Board Audit Committee, Board Finance and Investment Committee and Board Risk Management Committee of MAHB.

Datuk Seri Yam had an illustrious career spanning more than 30 years in construction, real estate and corporate sectors, helping two (2) different award winning public listed property companies as their Chief Executive Officer (CEO) and Managing Director prior to his retirement in 2008. He was also voted the "CEO of the Year 2002" for Malaysia by American Express Corporate Services and Business Times.

Datuk Seri Yam was trained as a building engineer in United Kingdom with various companies including the British Civil Service. Upon his return to Malaysia, he had served in various large organisations which were actively involved in the development of hotels, resorts, shopping malls, golf courses, international schools, residential and mixed developments in Malaysia, Australia, United Kingdom, Mauritius and South Africa.

He currently serves in various government and non-government organisations, including as Chairman of InvestKL Corporation, the Immediate Past President of the Real Estate and Housing Developers' Association and until recently a member of the Advisory Board to the City of Kuala Lumpur and a member of the NKEA Steering Committee for the transformation of Greater Kuala Lumpur and Klang Valley. He is also a member of the Board of Trustees of Standard Chartered Foundation and a Director of the British Malaysian Chamber of Commerce.

Datuk Seri Yam also sits on the Board of Paramount Corporation Berhad, Sunway Berhad, Cahya Mata Sarawak Berhad, Standard Chartered Bank Malaysia Berhad, Standard Chartered Saadiq Berhad, and two (2) Government incorporated companies, namely Construction Labour Exchange Centre Berhad and Malaysia Property Incorporated. Datuk Seri Yam graduated in Building and Management Studies from the University of Westminster, United Kingdom and is qualified as a Fellow of the Chartered Institute of Building and also a Fellow of the Royal Institution of Chartered Surveyors.

**DATUK ZALEKHA
BINTI HASSAN**

Independent Non-Executive



Datuk Zalekha binti Hassan, Malaysian, aged 62, was appointed to the Board of MAHB as an Independent Non-Executive Director on 1 January 2014. She is the Chairman of the Board Procurement Committee and a member of the Board Nomination and Remuneration Committee of MAHB.

She began her career in the Malaysian civil service in 1977, as an Assistant Director in the Training and Career Development Division of the Public Service Department. She continued to serve the Malaysian Government in several ministries including the Ministry of Health, the Ministry of Social Welfare and the Ministry of National Unity and Social Development.

She later joined the Ministry of Finance (MOF) in 1997 as Senior Assistant Director of the Budget Division and continued to serve in various capacities including with the Government Procurement Division until her retirement in May 2011 as MOF's Deputy Secretary-General (Operations). She was also the Government Procurement Advisor in MOF, from June 2011 until June 2013.

She graduated with a Bachelor of Arts (Hons) from University of Malaya. In 2006, she attended the Advance Management Program at Harvard Business School, Harvard University, USA.

She is presently an Independent Non-Executive Director of Telekom Malaysia Berhad.



BOARD OF DIRECTORS' PROFILE

ROSLI BIN ABDULLAH

Independent Non-Executive



Rosli bin Abdullah, Malaysian, aged 62, was appointed to the Board of MAHB as an Independent Non-Executive Director on 1 January 2014. He chairs the Board Audit Committee and is a member of Board Nomination and Remuneration Committee, Board Procurement Committee and Board Risk Management Committee of MAHB. He is also a member of Malaysia Airports Consultancy Services Sdn. Bhd., Istanbul Sabiha Gokcen International Airport Investment Development and Operation Inc. and LGM Airport Operations Trade and Tourism Inc.

He has held various positions in the public and private sectors such as the Accountant General's office at the State and Federal Treasury Departments, Ministry of Finance from 1976 to 1983, Chief Accountant in the Ministry of Works from 1981 to 1983 and Ministry of Education from 1983 to 1987. He was attached to the Public Services Department and was Chief Accountant at the Government Pension Department and Secretary to the Teachers Provident Fund from 1989 to 1991.

He was appointed as Bursar of Universiti Putra Malaysia from 1991 to 1993; and Director of Corporate Services at the Accountant General Department from 1993 to 1994. He was the Financial Controller/General Manager of Finance at Kuala Lumpur International Airport Berhad from 1994 to 1996 before joining Putrajaya Holdings Sdn. Bhd. from 1996 to 2008 as Senior General Manager.

He obtained a Bachelor in Economics (Hons) and a Post-Graduate Diploma in Accounting from University of Malaya. He also holds a Master in Business Administration from Universiti Kebangsaan Malaysia.

He is a member of the Malaysian Institute of Accountants (MIA) and formerly served as Chief Executive Officer of MIA for three (3) years from 2009 until 2011 and Registrar of MIA for five (5) years from 2008 until 2012.

He currently sits on the Boards of Keretapi Tanah Melayu Berhad, Time Engineering Berhad, and Global Maritime Venture Berhad and its Group of Companies.

**DATO' SRI DR MOHMAD
ISA BIN HUSSAIN**

Non-Independent Non-Executive



Dato' Sri Dr Mohmad Isa bin Hussain, Malaysian, aged 58, was appointed as a Non-Independent Non-Executive Director of MAHB on 29 May 2015. He also sits on the Board Procurement Committee and Board Finance and Investment Committee of MAHB.

Dato' Sri Dr Mohmad Isa is currently serves as Deputy Secretary General (Investment), Ministry of Finance (MOF).

Prior to his current position, he has held various positions in several ministries, amongst others, as Assistant Director in the Prime Minister's Department in 1983 and subsequently appointed as Assistant Director at the Pahang State Economic Planning Unit of Pahang in 1985.

He then joined MOF, holding various positions, including as Assistant Secretary in the Government Procurement Division from 1990 to 1995 and as Senior Assistant Director of the Budget Management Division from 1995 until 2000. In 2004, he assumed the position of Deputy Under Secretary of Investment, MOF (Inc.) and Privatisation Division.

Thereafter, he moved to the Ministry of Transport Malaysia in 2008 as Deputy Secretary General (Operation). He was subsequently appointed as Interim Head of the Public Land Transportation Commission (SPAD) from 2009 to 2010. Prior to assuming his current position, he was appointed as Deputy Under Secretary in Government Investment Companies (GIC) Division of MOF from 2010 to January 2015 and as Under Secretary of the same Division from January 2015 to July 2015.

Dato' Sri Dr Mohmad Isa holds a Doctor of Philosophy (Ph.D) (Finance) from University Putra Malaysia. He also holds a Master in Business Administration (MBA) (Finance) from University Kebangsaan Malaysia, Bachelor of Economics (Hons) (Applied Statistics) from University of Malaya and a Post-graduate Diploma in Public Management from National Institute of Public Administration.

Dato' Sri Dr Mohmad Isa also sits on the Board of several companies owned by MOF, Incorporated, amongst others are EXIM Bank Berhad, FELCRA Berhad, Permodalan FELCRA Sdn. Bhd., Telekom Malaysia Bhd, Destini Bhd, Pos Malaysia Bhd, Syarikat Jaminan Kredit Perniagaan and Syarikat Jaminan Pinjaman Perumahan.



BOARD OF DIRECTORS' PROFILE

NORAZURA BINTI TADZIM

(Alternate Director to Dato' Sri Dr Mohmad Isa bin Hussain)
(Non-Independent Non-Executive) (Appointed w.e.f 29 May 2015)
(Alternate Director to Dato' Siti Zauyah binti Md Desa)
(Non-independent Non-Executive) (Ceased w.e.f. 29 May 2015)



Norazura binti Tadzim, Malaysian, aged 38, was appointed to the Board of MAHB as Alternate Director to Dato' Sri Dr Mohmad Isa bin Hussain on 29 May 2015. She also sits on the Board of Malaysia Airports (Sepang) Sdn. Bhd., a wholly-owned subsidiary of MAHB.

She has served as Assistant Secretary in various sectors in Investment, MKD and Privatisation Division, Ministry of Finance, namely Infrastructure (Land Transport), Infrastructure (Port/Maritime) and Technology & Industry. She is currently the Principal Assistant Secretary, Government Investment Companies Division (Air Transport). Currently, she is a Director of Keretapi Tanah Melayu Berhad.

She graduated from Universiti Teknologi MARA with a Bachelor of Business Administration (Hons) (Finance) in 2001 and holds a Diploma in Public Administration from National Institute of Public Administration (INTAN) in 2006.



**DATO' SITI ZAUYAH BINTI
MD DESA**

Non-Independent, Non-Executive
(Resigned with effect from 29 May 2015)



Dato' Siti Zauyah binti Md Desa, Malaysian, aged 56, was appointed to the Board of MAHB as a Non-Independent Non-Executive Director since 6 June 2014 until 29 May 2015.

She started her career as a Quantity Surveyor with the Public Works Department in 1982 after graduating from the University of Reading, United Kingdom with Bachelor of Science (Hons) in Quantity Surveying, and later moved on to hold several other positions with a higher learning institution and several private sectors before pursuing her Diploma in Public Administration from the National Institute of Public Administration (INTAN). Upon graduation, she joined the Ministry of Finance Malaysia (MOF) and served in the Contract Management Division as Assistant Secretary from 1989 to 1993 before pursuing her Master in Business Administration (International Banking) at University of Manchester, United Kingdom.

She continued to serve as Assistant Secretary with the Tax Division and Finance Division at MOF before being promoted as Principal Assistant Secretary in 2001. In 2003, she was seconded to the Asian Development Bank, Manila as Director's Advisor until August 2006. Upon her return, she continued her service with MOF in the Loans Management Division and was appointed as the Deputy Secretary (Economy, Public Transportation and Infrastructure), Investment, MOF (Inc.) & Privatisation Division in April 2008. She was promoted as Secretary, Loan Management Division in November 2012 and later assumed the position of Secretary, Government Investment Company Division on 13 January 2014. On 12 December 2014, she was promoted as the Director of National Budget Office and on 2 February 2016, was further promoted to her current position as Deputy Secretary General (Policy) to the Treasury.

She currently holds directorships in Johor Corporation, Malaysia Debt Ventures Berhad, Majlis Amanah Rakyat, Bank Kerjasama Rakyat Malaysia Berhad and DanaInfra Nasional Berhad.



BOARD OF DIRECTORS' PROFILE

DATO' SRI DR ISMAIL BIN HJ BAKAR



Non-Independent Non-Executive
(Resigned with effect from 16 December 2015)



Dato' Sri Dr Ismail bin Hj Bakar, Malaysian, aged 56, was a Non-Independent Non-Executive Director of MAHB since 16 February 2015 until 16 December 2015.

Dato' Sri Dr Ismail holds a Bachelor of Economics (Hons) in Applied Economics from University of Malaya, and obtained his Master of Business Administration (MBA) and a Doctor of Philosophy (Ph.D.) in Economics from the University of Hull, UK. He also has a Diploma in Public Administration from National Institute of Public Administration (INTAN).

He is a member of the Chartered Institute of Purchasing and Supply (CIPS), UK and an Adjunct Professor of the School of Engineering and Entrepreneurship of University Malaysia Perlis (UNIMAP).

Dato' Sri Dr Ismail was the Secretary General for the Ministry of Transport before being appointed as the Secretary General for Ministry of Agriculture & Agro Based Industry on 16 December 2015.

Prior to his current position, he has held various positions in several ministries, amongst others, as Assistant Secretary, Contract and Supply Division, Ministry of Finance Malaysia (MOF), Assistant Director, Anti Narcotic Task Force, Malaysia, Assistant Secretary, Economic and International Division (External Trade and Balance and Payment), MOF, Assistant Secretary, Economic and International Division (Capital Market, Money Market and Banking Section), MOF, Principal Assistant Secretary, Economic and International Division (Public Finance Section), MOF, Head of Planning, Research and Policy, Government Procurement, MOF, Head of Section, Government Procurement, MOF and Deputy Secretary General (Policy), Ministry of Defence Malaysia.

In 2013, he was appointed as the Director of the National Strategic Unit, Treasury, MOF and was subsequently appointed as the Director of National Budget, National Budget Office, Treasury, MOF. He was also appointed as the Senior Advisor to the Executive Director (SEA Group), World Bank from 2008 to 2010.

Dato' Sri Dr Ismail resigned as a member of the Board of MAHB and Board Committees namely Board Procurement Committee and Board Risk Management Committee on 16 December 2015. He also resigned as a member on the Boards of Malaysia Airports (Sepang) Sdn. Bhd. and Malaysia Airports Sdn. Bhd., both wholly-owned subsidiaries of MAHB, on 16 December 2015.

**DATUK RUHAIZAH BINTI
MOHAMED RASHID**

Alternate Director to Dato' Sri Dr Ismail bin Hj Bakar
Non-Independent Non-Executive
(Ceased with effect from 16 December 2015)



Datuk Ruhaizah binti Mohamed Rashid, Malaysian, aged 58, was an Alternate Director to Dato' Sri Dr Ismail bin Hj Bakar since 16 February 2015 until 16 December 2015.

Prior to her current position, she has held various positions in several ministries, amongst others, as Assistant Director, Economic Planning Unit, Prime Minister's Department, Assistant Director, Highway Planning and Research Unit, Ministry of Works, and various positions in Ministry of Transport Malaysia such as Assistant Secretary (MKJR), Land Division, Principal Assistant Secretary, International Administration Unit, Principal Assistant Secretary, Policy Planning Unit, Corporate and International Division, Deputy Director General, Road Transport Department and Chief Coordinator of NKRA Unit. She was also appointed as General Manager at Railway Asset Corporation from 2005 to 2008.

Datuk Ruhaizah is currently the Deputy Secretary General (Policy) for the Ministry of Transport. She holds a Bachelor of Economic Studies from University Kebangsaan Malaysia and a Diploma in Public Administration, National Institute of Public Administration (INTAN).

Datuk Ruhaizah has ceased as Alternate Director to Dato' Sri Dr Ismail bin Hj Bakar effective from 16 December 2015.

**Notes:**

None of the Director has any:

1. Family relationship with any other Director and/or Major Shareholder of MAHB;
2. Conflict of interest with MAHB; and
3. Conviction for offences within the past ten (10) years.

Details of the Directors' attendance at Board meetings are set out in the Statement on Corporate Governance on pages 124 to 147.

BOARD OF DIRECTORS' PROFILE

TAN SRI BASHIR AHMAD BIN ABDUL MAJID



Advisor to the Board



Tan Sri Bashir Ahmad bin Abdul Majid was the Advisor of MAHB since 9 June 2014.

Tan Sri Bashir Ahmad began his career with Malaysia Airlines, the Malaysia's national carrier. Over a 29 year period, he served as Director of Corporate Planning, Senior Vice President of Commercial and eventually Executive Vice President of the airline.

In 2001, Tan Sri Bashir was appointed as the Aviation Advisor to the Ministry of Transport Malaysia and he held the position till his appointment as Managing Director of Malaysia Airports from 7 June 2003 until 6 June 2014.

Apart from MAHB's Main Board and Board Committees, he also previously sat on the Boards of Hyderabad International Airport, Delhi International Airport (India) and Istanbul Sabiha Gokcen Airport (Turkey).

Tan Sri Bashir Ahmad is the current Immediate Past President of Airport Council International's (ACI) Asia-Pacific Region and also sits on its World Governing Board as Advisor.

He graduated with a Bachelor of Arts Degree (Hons) from University of Malaya.

**SABARINA LAILA BINTI
DATO' MOHD HASHIM**

Company Secretary



Sabarina Laila binti Dato' Mohd Hashim, is currently General Manager, Secretarial and Legal Services and the Company Secretary for MAHB and its Group of Companies. She obtained a Degree in Bachelor of Laws from University of Malaya and was admitted to the High Court of Malaya as an advocate and solicitor in 1992. She also obtained a Masters of Science Degree in Corporate Governance from London South Bank University, UK.

She is licensed by the Companies Commission of Malaysia and is an Affiliate of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).

She joined MAHB in 1995 as a Legal Advisor. Prior to joining MAHB, she was a practicing lawyer specialising in Corporate and Commercial law and was also a company secretary to several private limited companies.

She is also at present the secretary for all five Board Committees of MAHB.

GROUP SENIOR MANAGEMENT



1

Datuk Badlisham Bin Ghazali
Managing Director

2

Dato' Abd Hamid Mohd Ali
Chief Operating Officer

3

Raja Azmi Raja Nazuddin
Chief Financial Officer

4

Dato' Azmi Murad
Executive Director ISG & LGM

5

Muhamad Khair Mirza
Senior General Manager
Planning

6

Ir. Suradini Abdul Ghani
Senior General Manager
Non-Aviation Business

7

Ir. Mohd Zaifuddin Idris
Senior General Manager
Technical Services

8

Md. Shamsuri Md Isa
Senior General Manager
Human Resources

9

Mohammad Nazli bin Abdul Aziz
Senior General Manager
Commercial Services

10

Mohammad Suhaimi Abdul Mubin
General Manager
Malaysia Airport Sdn. Bhd.

11

Zainol Mohd Isa
General Manager
Malaysia Airports (Sepang) Sdn. Bhd.

12

**Mohamed Sallauddin
Mohamed Shah @ Mat Sah**
General Manager
Airline Marketing

13

Sabarina Laila Dato' Mohd Hashim
General Manager,
Secretarial & Legal Services and
Company Secretary

14

Nasrein Fazal Sultan
General Manager
Internal Audit

15

Rokmah Abdullah
General Manager
Procurement & Contract

16

Ir. Khairiah Salleh
General Manager
Engineering

GROUP SENIOR
MANAGEMENT

17



Nik Anis Nik Zakaria
General Manager
Corporate Communications

18



Nornajihah Ismail
General Manager
Finance Services

19



Veelayudan Krishnan Nair
General Manager
Special Projects

20



Nor Azlina Mohd Isa, IAP
General Manager
Planning & Development

21



Abd Malik Mohd Yunus
General Manager
Airport Fire & Rescue Services

22



Randhill Singh
General Manager
Corporate Planning

23



Ahmad Tarmizi Mohd Hashim
General Manager
Malaysia Airports Consultancy Services
Sdn. Bhd.

24



Mohd Nasir Ismail
General Manager
MAB Agriculture-Horticulture Sdn. Bhd.

25



Brian Iskandar Zulkarim
General Manager
Transformation Management Office

26



Zulhikam Ahmad
General Manager
Malaysia Airports (Niaga) Sdn. Bhd.

27



Radin Asrul Adza Radin Soenarno
General Manager
Information Technology

28



Rosli Mohd Isa
General Manager
Aviation Security

29



Datuk Abdullah Kadir Bacha
General Manager
Stakeholder Relations & Regulatory Affairs

GROUP SENIOR MANAGEMENT PROFILE

1

DATUK BADLISHAM GHAZALI

Managing Director

Profile is presented on page 78.

2

DATO' ABD HAMID MOHD ALI

Chief Operating Officer

Dato' Abd Hamid holds a Bachelor Degree in Civil Engineering from University of Glasgow and a Master of Science Degree in Airport Planning and Management from Loughborough University of Technology, United Kingdom. With 35 years of experience in airport planning, development, operations and maintenance, Dato Abd Hamid was involved in many of the company's transformation initiatives such as the site selection and drafting the Master Plan for KLIA and Subang Aerospace Park. He has also set up many MAHB joint ventures both locally and abroad including Cambodia, India, Kazakhstan, Turkey, Male and Qatar.

As a civil engineer, he has extensive experience in fast track airport development projects. Among the more prominent ones were the construction of Formula One Racing Circuit in KLIA, development of Langkawi International Airport, MAHB Corporate Headquarters and the construction of klia2. He was also the Chairman of Operations and Development Committee for Istanbul Sabiha Gokcen Airport, Turkey, when the airport was constructed in 2008. He was also involved in the consultancy and management services of airports in Middle East and Central Asia. He held several senior positions at the Department of Civil Aviation and KL International Airport Berhad. In MAHB, he has held the positions of General Manager of MACS, Executive Director of Urusan Teknologi Wawasan Sdn. Bhd. (a subsidiary of MAHB), Senior General Manager of MA (Sepang) and Senior General Manager of Technical Services, before assuming his current position.

3

RAJA AZMI RAJA NAZUDDIN

Chief Financial Officer

Raja Azmi joined MAHB in 2016. Prior to this, he had held the positions of Executive Director and Group Chief Financial Officer of UDA Holdings Berhad. His previous work experiences included as Managing Director/Chief Executive Officer of Zelan Berhad, Group Finance Director of UEM Group Berhad, and Executive Director of Time Engineering Berhad. He also held positions as Chief Financial Officer of Tronoh Consolidated Malaysia Berhad and Group Financial Controller of Sapura Telecommunications Berhad. Raja Azmi started his career back in 1987 with Coopers & Lybrand Malaysia before moving on to Malaysian Tobacco Company Berhad as an Internal Auditor and Marketing Accountant. He holds a Master of Business Administration from the University of Bath, UK. He is also a member of the Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Accountants (MIA).

4

DATO' AZMI MURAD

Executive Director ISG & LGM

Dato' Azmi started his aviation career in 1970 with the Department of Civil Aviation as an Air Traffic Controller. From 1984 until April 1998, Dato' Azmi was the Airport Manager for several domestic and international airports in Malaysia. When KLIA opened in 1998, he was appointed the Head of Operations for Malaysia Airports (Sepang) Sdn. Bhd. His 14 years of experience as Airport Manager at various airports has provided him with substantial experience and management acumen of airport operations. He then held various senior management positions covering different portfolios, namely General Manager of Sepang International Circuit in 2000, General Manager of Corporate Communications and Air Traffic Services in 2001, and later General Manager of Malaysia Airports (Sepang) Sdn. Bhd. from 2004 to 2006. Dato' Azmi was the Chairman of the Airport Council International World Facilitation and Services Standing Committee until November 2011. He was also the Chairman of MAHB Whistleblowing Independent Committee. He is a permanent member of Jawatankuasa Pusat Sasaran Penting (JPSP) and Jawatankuasa Pasukan Penyelaras Aktiviti Menentang Penyeludupan (JPPAMP) under Ministry of Home Affairs. In 2015, he was appointed to his current position and is now based in Istanbul, Turkey.

**GROUP SENIOR
MANAGEMENT PROFILE**

5

MUHAMAD KHAIR MIRZA

Senior General Manager Planning

Muhamad Khair Mirza joined MAHB in 2011 and was focused on the business-side of the aviation-related units (Airline Marketing and Research & Planning) and the overall group-level activities (Corporate Planning and Overseas Ventures). Additionally, he also carries responsibilities in leading horizontals serving corporate-level and operational business units (Corporate Quality Management, Information Technology and Risk Management) Khair carved out a niche in Equities and broader transactions whilst at AmResearch and then Maybank from 2005, after five years at Euromonitor International having risen to a regional research head position for industries including Travel & Tourism, Retail Industry, Consumer Foodservice and Trends Monitoring. In both instances, Khair served customers both locally and internationally across various industries assisting in both broader business decision-making and detailed tactical assessments. Khair graduated from the University of Warwick, UK with a second upper degree, having read the multi-disciplinary Economics and International Studies.

6

IR. SURADINI ABDUL GHANI

Senior General Manager Non- Aviation Business

Ir. Suradini is responsible for three subsidiaries namely, K.L Airport Hotel Sdn. Bhd., Malaysia Airports Agriculture Sdn. Bhd and Malaysia Airports Properties Sdn. Bhd. Over the past 24 years, she has served in various departments in MAHB including as Head of Engineering at KLIA, General Manager of Malaysia Airports Consultancy Services Sdn. Bhd. and Senior General Manager Human Resource Services. Her experience covers engineering design and supervision, operation and maintenance of airport facilities, airport planning, project and contract management, airport consultancy and operation and management of airports abroad. She is a member of the Malaysian Institute of Human Resource Management (MIHRM), member of the Institute of Engineers Malaysia and a member of the Board of Engineers Malaysia. She is also a Professional Electrical Engineer.

She holds a Bachelor of Science Degree in Electrical & Electronics Engineering from the University of Nottingham, UK, Postgraduate Diploma in Airport Engineering from Nanyang Technological University, Singapore and Master in Business Administration (MBA) from Universiti Teknologi MARA (UiTM). She started her career as an Electrical Engineer with the Public Works Department in 1983 and later joined the Department of Civil Aviation Malaysia which was subsequently privatised to MAHB in 1992.

7

IR. MOHD ZAIFUDDIN IDRIS

Senior General Manager Technical Services

Ir. Mohd Zaifuddin joined MAHB in 2010 and led the project management team for klia2. He holds a Bachelor of Science Degree in Civil Engineering and a Master of Science Degree in Civil Engineering (Geotechnical) from University of Texas at El Paso, USA. He is a Professional Engineer with the Board of Engineers, Malaysia and has more than 28 years of experience in the construction industry. He has been a consultant for many highways, infrastructures and building projects locally and in the United Kingdom under Rendel Palmer and Tritton, UK Ltd. He worked as a director of a consultancy and construction company and was the project director during the construction of the Formula One Circuit at KLIA.

8

MD. SHAMSURI MD ISA

Senior General Manager Human Resources

Md. Shamsuri graduated with a Bachelor of Science in Business Administration majoring in Human Resource Management & Marketing with a minor in Counselling Psychology from Drexel University of Pennsylvania, USA and Masters of Science in Management Psychology from University of Nottingham, UK. He is also a Certified Member of British Psychology Society (BPS). He has diverse experience on strategic and operational human resources in various multinational and government-linked organisations. Prior to his appointment in MAHB, he was with Khazanah Nasional Berhad and was responsible for the development and implementation of national talent management practices, organisation and resources development.

GROUP SENIOR MANAGEMENT PROFILE

9

MOHAMMAD NAZLI ABDUL AZIZ

Senior General Manager Commercial Services

Mohammad Nazli joined MAHB in 2016. He is a Chartered Building Professional who graduated from the University of New South Wales, Australia and started his career in quantity surveying and project management. He was instrumental in the initial planning, marketing and sales of the award-winning 2,300 acres Bukit Jelutong mixed development project, Kumpulan Guthrie Berhad's maiden foray into property development. Nazli was later attached to TDM Berhad, a listed vehicle of the Terengganu State Government, overseeing their business expansion into the property, F&B and healthcare industries, both in Malaysia and the South East Asia region. In 2004, he was appointed as Senior General Manager, Commercial of KLCC Property Holdings Berhad, managing top-end commercial real estate and in charge of the operations of the various development components within the KLCC precinct. His wealth of experience in large scale property development, commercial real estate and retail will be essential to the on-going KLIA Aeropolis master plan.

10

MOHAMMAD SUHAIMI ABDUL MUBIN

General Manager Malaysia Airports Sdn. Bhd.

Mohammad Suhaimi graduated with a Bachelor Degree in Economics from University of Malaya in 1989 and a Graduate Diploma in Aviation and Airport Management from the National University of Singapore. He was accredited under the ACI-ICAO Airport Management Professional Accreditation Program as an International Airport Professional (IAP) in 2011. He started his career with the Department of Civil Aviation (DCA) at Subang International Airport in 1990 and continued to bring his expertise and experience to MAHB after its corporatisation. Suhaimi has more than 20 years of experience and has held several managerial positions at domestic and international airports. He is currently a Director on the Board of Malaysia Airports (Properties) Sdn. Bhd.

11

ZAINOL MOHD ISA

General Manager Malaysia Airports (Sepang) Sdn. Bhd.

Zainol graduated with an Electrical Engineering (Power) Degree from Universiti Teknologi Malaysia and obtained a Postgraduate Corporate Diploma in Airport Engineering from Universiti Teknologi MARA (UiTM) under the Malaysia Airports Corporate Development Programme (MACDP). He is a certified International Airport Professional (IAP) and a Member of the Institute of Value Management Malaysia (IVMM). He is responsible for the management of KLIA, which includes klia2, cargo and Aeropolis. He began his career with the Public Works Department (JKR), then seconded to the Department of Civil Aviation (DCA) in 1981 and joined MAHB when it was privatised in 1992. He now has 35 years of experience in airport operations and maintenance, planning and development, project management including pioneering event operation management for MotoGP and Formula 1, planning and development of LCCT and klia2, formulation of National Airport Master Plan (NAMP), the study and preparation for A380 new large aircraft operations and airport development works at Kota Kinabalu, Kuching, Penang, Sandakan, Labuan, Kuala Terengganu and others. He was also involved in the airport certification programme, value management, knowledge management and various studies for operations excellence. He led the team to catapult Langkawi International Airport into achieving the Asia Pacific Best Airport (Small Airport) for two consecutive years, 2013 and 2014.

12

MOHAMED SALLAUDDIN MOHAMED SHAH @ MAT SAH

General Manager Airline Marketing

Mohamed Sallauddin graduated with a Bachelor of Science Degree in Accountancy and Computer Science from Northern Illinois University, USA in 1985. He also holds a Master in Business Administration (MBA) (Strategic Management) Degree from the International Business School, Universiti Teknologi Malaysia. His association with the aviation industry began when he was recruited by Malaysia Airlines as a Management Trainee in 1986. He further enriched his aviation repertoire when he joined Malaysia's first aircraft manufacturing company Composite Technology Research Malaysia (CTRM) Sdn. Bhd. in 1997, which afforded him the opportunity to serve in general aviation

**GROUP SENIOR
MANAGEMENT PROFILE**

sectors in the USA and Australia. His employment with MAHB in 2001 saw him joining the cadres that led the marketing of the international gateways managed by MAHB. This eventually allowed him to lead MAHB to organise Asia's first World Route Development Forum in Kuala Lumpur in 2008. He is highly committed to make KLIA as the Next Generation Hub for both commercial airlines and travellers, which is aligned to MAHB's vision. He currently serves as a Council Member of the Institute of Marketing Malaysia since 2007 and was also Executive Board Member of the Pacific Asia Travel Association (PATA) for 2013-2015. His present appointment as Deputy Chairman of the PATA Malaysia Chapter underlines his belief that aviation and tourism are complementary to each other in generating sustainable air travel.

13

SABARINA LAILA DATO' MOHD HASHIM

General Manager Secretarial & Legal Services,
and Company Secretary

Sabarina Laila is currently General Manager, Secretarial and Legal Services and the Company Secretary for MAHB and its Group of Companies. She obtained a Degree in Bachelor of Laws from University of Malaya and was admitted to the High Court of Malaya as an advocate and solicitor in 1992. She also obtained a Masters of Science Degree in Corporate Governance from London South Bank University, UK. She is licensed by the Companies Commission of Malaysia and is an Affiliate of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). She joined MAHB in 1995 as a Legal Advisor. Prior to joining MAHB, she was a practicing lawyer specialising in corporate and commercial law and was also a company secretary to several private limited companies. She is also at present the secretary for all five Board Committees of MAHB.

14

NASREIN FAZAL SULTAN

General Manager Internal Audit

Nasrein holds a Bachelor of Accounting (Hons) from Universiti Kebangsaan Malaysia. She is a Chartered Accountant (CA) registered with the Malaysian Institute of Accountants (MIA), and a Chartered Member of the Institute of Internal Auditors Malaysia (IIA). In 2013, she obtained the Certification in Risk Management Assurance (CRMA) from the Institute of Internal Auditors Incorporated. She was appointed to her current position in July 2005. Before joining Malaysia Airports in 1998, she was the Finance Manager of a subsidiary of the Sime Darby Group and, prior to that, she held several senior positions in the Finance division at SIRIM.

15

ROKMAH ABDULLAH

General Manager Procurement & Contract

Rokmah graduated with a Bachelor of Accounting (Hons) from Universiti Kebangsaan Malaysia and is a Chartered Accountant registered with the Malaysian Institute of Accountants (MIA). She joined MAHB in 1992 as an accountant at Subang International Airport. In 1995, she led the Internal Audit Division before heading the Procurement and Contract Unit in 1998. She attained her current position in February 2006. Prior to joining MAHB, Rokmah served as Finance and Administration Manager and Company Secretary at a retail company.

GROUP SENIOR MANAGEMENT PROFILE

16

IR. KHAIRIAH SALLEH

General Manager Engineering

Ir. Khairiah holds a Bachelor of Science Degree in Civil Engineering from Old Dominion University, Virginia, USA. Ir. Khairiah is a Professional Engineer with the Board of Engineers Malaysia and a Member of the Institute of Engineers Malaysia. She represents the industry for the Engineering Accreditation Council, Board of Engineers Malaysia. She promotes reliability engineering and localised the total productive maintenance under world-class maintenance for KLIA and other airports in the Group. She is also known for her knowledge in energy efficiency, energy management and asset management. Her diversified expertise covers most of professional engineering services, such as engineering study and analysis (O&M), planning, design, construction, commissioning, operation, maintenance and management of engineering works and projects. She was highly involved with the operational readiness and airport transfers for klia2 in addition to her current portfolio of Engineering Operations and Maintenance of airport systems and facilities for KLIA and other airports managed by MAHB.

17

NIK ANIS NIK ZAKARIA

General Manager Corporate Communications

Nik Anis holds a Bachelor of Science Degree in Economics from Northern Illinois University, USA, and has 26 years of working experience in various capacities. This includes managing sales and marketing, customer service and operations and corporate communications in a public listed IT company prior to joining MAHB in 2009. Her corporate communications portfolio includes marketing and brand communication, employee communication, customer satisfaction management, corporate responsibility programs, public relations and media relations. She is a former president of International Association of Business Communicators (IABC) Malaysia Chapter, a global association that promotes communication excellence within the industry.

18

NORNAJIHAH ISMAIL

General Manager Finance Services

Nornajihah is a registered Chartered Accountant with Malaysian Institute of Accountants (MIA) as well as a fellow member of the Association of Chartered Certified Accountants (ACCA). She recently graduated with Airport Concentration with a Master in Business Administration (MBA) and received the distinguished Vice Chancellor Award from Universiti Teknologi MARA (UiTM).

She also holds a Degree in Accounting and Finance from South Bank University, London and a Diploma in Accounting from Universiti Teknologi MARA (UiTM). She joined MAHB in 2006 as Senior Manager, Finance drawing on a vast experience and knowledge in Group accounting and auditing. In 2008, she was appointed as Cross Functional Team Leader for Spend Management initiatives. In recognition of her capabilities, she was selected to participate in the Khazanah-GLC Talent Exchange Programme in 2008 and subsequently seconded for one year to Tenaga Nasional Berhad. She played a key role in transforming the Finance division of MAHB Group and successfully led the entire team to implement a centralised Finance Shared Service, Automated Vendor Invoice Management and Business Partnering unit for the Group. She is actively involved as the Chairperson of Cross Functional Team for Malaysia Airports Group Budget Challenge, a member of the Management Procurement Committee, a member of Internal Audit Management Committee and also a Board member of Malaysia International Aerospace Centre Sdn. Bhd., Malaysia Airports Capital Berhad and Malaysia Airports Cities Sdn. Bhd.

She has been entrusted to cover for the role and responsibilities of the Chief Financial Officer from September 2015 to January 2016 Prior to MAHB, she was the Head of Group Accounts in Padiberas Nasional Berhad.

**GROUP SENIOR
MANAGEMENT PROFILE**

19

VEELAYUDAN KRISHNAN NAIR

General Manager Special Projects

Veelayudan holds a Bachelor of Science Degree in Agribusiness Science from Universiti Putra Malaysia. He began his career in the Malaysian civil service as Assistant Director in the Malaysian Administrative Modernisation Planning Unit (MAMPU) at the Prime Minister's Department in 1983. He later joined the Department of Civil Aviation in 1986 and continued to serve Malaysia Airports upon its corporatisation in 1992. During his 26 years in the aviation industry, he has held a variety of positions such as Assistant Director of Air Transport Operations, Head of Administration, Finance and Public Relations, as well as Head of Terminal Operations at the Subang International Airport. In 1996, he was tasked to set up the Research and Planning division and has been heading it since. He carries out economic, statistical and strategic analysis for the company and provides business intelligence and input on matters related to traffic performance, traffic forecasts, charges and other air transport economics-related matters. He sits on the Board of Malaysia Airports (Sepang) Sdn. Bhd.

20

NOR AZLINA MOHD ISA

General Manager Planning & Development

Nor Azlina graduated from University of Malaya in 1999 with an Honours Degree in Civil Engineering and obtained a Postgraduate Diploma in Business Administration specialising in Airport Engineering Management from National University of Singapore in 2007, through Malaysia Airports Specialist Development Programme. She recently obtained her Master's Degree in Business Administration from Universiti Utara Malaysia. She has led the airport planning activities of various development projects in Malaysia as well as overseas. She has vast experience in airport master planning and was involved in the preparation of the National Airport Master Plan in year 2008. Nor Azlina obtained her International Airport Professional (IAP) designation in 2011 and is currently serving the IAP Community of Practice (IAP CoP) as a Board Member. She is also a member of the Institute of Value Management Malaysia (IVMM) and the Board of Engineers Malaysia (BEM).

21

ABD MALIK MOHD YUNUS

General Manager Airport Fire & Rescue Services

Abd Malik holds a Diploma in Mechanical Engineering from Universiti Teknologi MARA (UiTM), a Master of Science in Emergency Response and Planning from Universiti Putra Malaysia, and a Graduate Diploma in Airport Management from the National University of Singapore under the Malaysia Airports-Airport Management Development Programme (AMDP). He has vast experience in Airport Fire and Rescue Services (AFRS) since his first appointment in the Department of Civil Aviation. He was given the task to head AFRS in Penang International Airport and KL International Airport (KLIA) and was directly involved in the establishment of AFRS service during KLIA construction. He is a certified Green Book safety officer from Department of Occupational Safety and Health, and was involved in achieving OHSAS certification for Malaysia Airports (Sepang) Sdn. Bhd. during his tenure as Safety Officer. Abd Malik was seconded to Ibrahim Nasir International Airport, Maldives as the General Manager, Airport Rescue and Fire Fighting before being appointed to his current position.

22

RANDHILL SINGH

General Manager Corporate Planning

Randhill joined MAHB in January 2008. He was in the Transformation Management Office managing the organisation-wide Continuous Improvement Program, which was aligned with Khazanah Nasional's GLC Transformation agenda. Randhill moved into the Corporate Planning Division in December 2009 where he was involved in the development of MAHB's five-year business plan entitled Runway to Success 2010-2014. He also oversees Malaysia Airports' real estate development, centered on the KLIA Aeropolis plan and heads the Malaysia International Aerospace Centre (MIAC) Sdn. Bhd., a wholly-owned subsidiary of MAHB. Prior to joining MAHB, Randhill started his career as a Civil Engineer in a consulting firm. He then ventured into entrepreneurship – first setting up a business publishing and distributing educational material, and then establishing and managing a master franchise business of a US-based company providing services in restoration and disaster recovery. Randhill holds a Master of Business Administration (MBA) and an Honours Degree in Civil Engineering, both from University of Malaya. He has also completed the ACI-ICAO Airport Management Professional Accreditation Programme (AMPAP) and obtained his International Airport Professional (IAP) certification in 2011.

GROUP SENIOR MANAGEMENT PROFILE

23

AHMAD TARMIZI MOHD HASHIM

General Manager Malaysia Airports Consultancy Services Sdn. Bhd.

Ahmad Tarmizi holds a Master of Business Administration (MBA) from Keele University, UK and a Postgraduate Diploma in Airport Management from the International Aviation Management Training Institute (IAMTI), Canada. Prior to his appointment as MACS's General Manager, he was MAHB's Technical Director and Senior Airport Consultant. He started his career with the Department of Civil Aviation as an Air Traffic Controller. When the KLIA project was announced, Tarmizi was selected to be a project manager in the KLIA Shadow Management Group (SMG). Prior to joining MAHB, Tarmizi was in Montreal, Canada, heading International Air Transport Association's (IATA) Airport Development and Terminal Design. In IATA, he expanded his credentials to include Airport Master Planning, Airport Certification, Airport Benchmarking, Airport Operational Readiness and Transfer, Airport Capacity Studies and much more. Throughout his career, Tarmizi has been involved in more than 30 airport projects and the most notable being: KLIA (Malaysia), Incheon (Korea), Ataturk Istanbul (Turkey), Harare (Zimbabwe), Wilmington (USA), and Sheremetyevo Moscow (Russia). Under his leadership, MACS successfully penetrated not only into the Middle East market by securing two airport projects in Qatar but also into non airport industry in the provision of Data Gathering and Simulation Works Phase II at Kuah Ferry Terminal in Langkawi. Tarmizi also holds the position of Chief Executive Officer of MACS Middle East LLC in Qatar.

24

MOHD NASIR ISMAIL

General Manager MAB Agriculture-Horticulture Sdn. Bhd.

Mohd Nasir holds a Bachelor of Science in Engineering (Mechanical) from Plymouth Polytechnic, UK and has more than 30 years of plantation and agriculture experience. Prior to joining the Group in 1998, he held several positions in Sime Darby Plantations, including a senior post with PT-Sime Indo Agro based in Indonesia.

25

BRIAN ISKANDAR ZULKARIM

General Manager Transformation Management Office

Brian Iskandar holds a Master of Business Administration and a Bachelor of Science Degree in Mechanical Engineering. In 1997, Brian became a Computerised Maintenance Management System Consultant (CMMS) serving clients throughout Massachusetts, New Jersey, Connecticut, Rhode Island and New York of the USA. In Malaysia, Brian held the post of Regional Director (Asia) for an international company specialising in Chemical, Biological, Radioactive and Nuclear (CBRN) and Explosives and Narcotics detection and identification systems. During this time, Brian became a certified professional Radiation Protection Officer (RPO). He was the CEO of a multimodal international logistics company before joining MAHB in 2009. He held the post of General Manager (Overseas Ventures) for MAHB for two years and in 2011, he was appointed to lead Urusan Teknologi Wawasan Sdn. Bhd. (UTW). Since then, UTW registered a cumulative growth of 453% with an average growth of 151% year-on-year. This immediately catapulted UTW to be within the top five facilities management company in the country. Brian was also one of the key people involved in the klia2 Operational Readiness and Airport Transfer (ORAT) in 2014 to oversee the successful facilities management and operations of the new terminal. Brian was appointed to his current position in 2015.

**GROUP SENIOR
MANAGEMENT PROFILE**

26

ZULHIKAM AHMAD

General Manager Malaysia Airports (Niaga) Sdn. Bhd.

Zulhikam graduated with a Bachelor Degree (Hons) in Accountancy from Nanyang Technological University, Singapore in 1996. Although a certified public accountant, he has instead found his passion in retail. With more than 12 years' experience in a leading oil and gas company, Zulhikam started as a graduate trainee and was subsequently groomed to take on various roles within the organisation. He previous portfolio included Finance, Sales and Marketing, HSSE (Health, Safety, Security and Environment), as well as Training and Learning Development for Malaysia, Singapore and Asia Pacific. His last position before joining Malaysia Airports was as General Manager, Sales and Operations of 7-Eleven stores in Malaysia where he has served for five years from 2010 to 2015.

27

RADIN ASRUL ADZA RADIN SOENARNO

General Manager Information Technology

Radin Asrul Adza graduated with a Bachelor of Science in Electrical Engineering from University of Texas in 1990 and a Masters of Engineering Management from George Washington University in 1992. He is a certified ITIL Service Manager. With 20 years working experience under his belt, he has honed his leadership capabilities and ICT technical competencies through roles in leading local, regional and global ICT strategy, operations and projects for both the MNC and GLC sectors.

28

ROS LI MOHD ISA

General Manager, Aviation Security

Rosli holds a Bachelor of Science (Hons) degree from Universiti Sains Malaysia was appointed to his current position in 2015. He was seconded from Royal Malaysia Police (RMP) where his previous position was as Head of Special Investigation and Technical of Eastern Sabah Security Command (ESSCOM) in Lahad Datu. He started his career with RMP in 1985. With over 31 years of service, he has held various positions in administrative and operations in RMP. He was the Deputy Officer in Charge of Police District Kubang Pasu before being appointed as Deputy Officer in Charge of Criminal Investigation Intelligence & Operations Pulau Pinang. He was appointed as Officer in Charge of Police District Hulu Perak and then as Deputy Officer in Charge of Criminal Investigation Intelligence & Operations Johor. He was then appointed as Officer in Charge of Police District Sandakan and not long after that, as Deputy Officer in Charge of Criminal Investigation Intelligence & Operations Selangor. He has also served as an advisor to the Sierra Leone Police in Criminal Investigations while serving the United Nation Missions in Sierra Leone (UNAMSIL). He was part of the pioneer group when ESSCOM was established and held the post of Head of Special Investigation and Technical for two years.

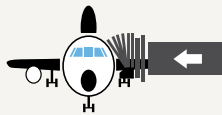
29

DATUK ABDULLAH KADIR BACHA

General Manager Stakeholder Relations & Regulatory Affairs

Datuk Abdullah was appointed to his current position in 2016. Datuk Abdullah has over 39 years of working experience, of which 33 years were spent serving the Government of Malaysia in a number of key positions at the Federal level as well as in other agencies such as Multimedia Development Corporation (MDeC). Prior to joining MAHB, he was the CEO of Alkarismi Technologies Sdn. Bhd. and Director of a few IT companies under the AIBukhary Group such as Altel Sdn. Bhd., MYTV Broadcasting Sdn. Bhd. and Puncak Semangat Sdn. Bhd.

CORPORATE PROFILE



MALAYSIA HAS COME A LONG WAY SINCE THE COUNTRY RECORDED ITS FIRST FLIGHT MORE THAN A CENTURY AGO WITH FIVE INTERNATIONAL AIRPORTS IN MALAYSIA AND ONE IN TURKEY, 16 DOMESTIC AIRPORTS AND 18 SHORT TAKE-OFF AND LANDING PORTS, MALAYSIA AIRPORTS IS NOW THE SECOND LARGEST AIRPORT GROUP IN THE WORLD IN TERMS OF NUMBER OF PASSENGERS HANDLED.



Once a state-run airport operator, Malaysia Airports Berhad was corporatised in 1992 and listed on the Malaysian Stock Exchange (Bursa Malaysia) seven years later, becoming the first Asian airport operator to go public and only the sixth in the world to do so. It now employs nearly 11,000 people in Malaysia and around the world.

Our core business is the management, operation, maintenance and development of airports. The company draws its revenue from aeronautical operations – aircraft landing and parking fees, passenger service charges and other airline charges – and commercial activities from airport-related services such as duty free shops and other retail outlets, hotel operations and commercial leasing.

Each airport that is managed by Malaysia Airports is unique with widely different requirements – some of the Short Take Off and Landing Ports (STOLports) for example, are remote landing strips with few services, but the company's portfolio also includes full service international airports providing multiple runways and a fully-integrated travel experience.

Over the past three decades the company has developed a business model that focuses not only on the airports portfolio, but also on optimising the commercial opportunities presented by the travel and aviation industry. As we move forward, our vision is to be a global leader in creating airport cities – providing world-class aeronautical services while fully utilising surrounding land banks to develop malls, hotels and leisure facilities to ensure a joyful experience not only for the contemporary traveller, but also for all Malaysia Airports' clients and business partners.



The expansion of Malaysia Airports' commercial activities has not only allowed us to keep aviation charges at a competitive level, but also to maintain robust returns to shareholders. Moreover, the model has allowed us to cross-subsidise the vital, but less lucrative operations of our smaller landing strips and airports where communities depend on air transport to connect with the outside world. Malaysia Airports sees the continuing operation of these remote airbases as a crucial part of its responsibility as a worthy corporate citizen.

A slew of awards and accolades is testament to our continued success in the aviation business. The KL International Airport won the world's number two airport (40-50 million passengers per annum) in Skytrax 2015. Langkawi International Airport won 'Best Airport' in Asia Pacific under the 0-2 million passengers category at ASQ Airports Council International in its 2014, while Istanbul Sabiha Gokcen International Airport was recognised as the fastest growing airport in Europe in 2015.

In moving forward, Malaysia Airport's next five-year business plan is encapsulated in its Runway to Success 2020 (RtS2020) document where priority will be put on the establishment of KLIA as a preferred

ASEAN hub, improving airport experience for all stakeholders, the development of Aeropolis and strategic investments overseas.

KL INTERNATIONAL AIRPORT

KL International Airport, the premier gateway to Malaysia, opened in June 1998 with the capacity to handle as many as 25 mppa. Its capacity is currently being enhanced through minor reconfiguration such as more efficient use of check-in counters and redesign of passenger flow and retail areas to allow it to handle up to 30 mppa. With its world-class facilities, KLIA is now recognised as one of South East Asia's leading aviation hubs offering direct connections to more than 120 destinations worldwide from both the Main Terminal and klia2. The airport is the only one in the region to offer three independent runways. Total passenger traffic at KLIA and klia2 was 48.9 million passengers in 2015.

KLIA is located in Sepang, in the western state of Selangor about 50 kilometers from the capital city, Kuala Lumpur. It is easily accessible via a network of highways that connect the airport to the rest of Peninsula Malaysia. An express rail link

CORPORATE PROFILE

(ERL) connects KLIA to the city in only 28 minutes and other forms of public transport, including buses, taxis and limousines are readily available.

KLIA has won numerous awards since it opened nearly two decades ago. It is one of Malaysia Airports' strategic priority to establish KLIA as the preferred ASEAN hub offering passengers increased connectivity and seamless transfer experience.

With the opening of klia2, KLIA has strengthened its position as a Next Generation Hub in the heart of ASEAN – a geographical area of some 600 million people all within a maximum flying time of just four to five hours. Together, KLIA Main Terminal and klia2 offer long and short-haul capability with facilities that integrate both full-service and low-cost carrier operations. With a land bank measuring 10km by 10km, there is also ample room for expansion, as well as space for a fourth runway.

klia2

Malaysia Airports was proud to welcome its first passengers and airlines to klia2, the world's largest terminal dedicated to low cost carriers, in 2014. The 257,000 square meter building with aerobridges and support facilities was built at a cost of RM4 billion, replacing the Low-Cost Carrier Terminal (LCCT), and redefining the budget traveller experience with world-class services and connectivity. Situated just two kilometers from KLIA Main Terminal, klia2 has 128 check-in counters, 52 self-check-in kiosks and a fully automated baggage handling system. A dedicated runway and control tower ensure efficient aircraft operations.



A crucial component of Malaysia Airports' goal of becoming a global leader in creating airport cities, klia2 is designed to handle as many as 45 million passengers a year, and has the flexibility to expand based on capacity growth, airline projections and trends in the travel industry. The terminal is designed not only for customer comfort and convenience, but also to ensure an exceptional travelling and retail experience.

Some 35,200 square meters of space is dedicated to retail including food and beverage outlets and a supermarket as part of Malaysia Airports' "Airport in a Mall; Mall in an Airport" concept.

Passengers also enjoy seamless connectivity between the airport and to the city centre through the ERL, which also provides onward travel to Kuala Lumpur. Buses, taxis and ample covered car parks are also available to both travellers and staff.

ISTANBUL SABIHA GOKCEN INTERNATIONAL AIRPORT

Istanbul Sabiha Gokcen International Airport (ISG) is Istanbul's second airport, the only one on the "Asian side" of the Bosphorus. Malaysia Airports' involvement in ISG began in 2008 in the planning and development of its new terminal. The Group had gradually increased its stake over the subsequent years which culminated in a full acquisition in 2014.

ISG was the world's fastest growing airport in 2009, 2010, 2013 and 2014 and Europe's fastest growing airport for the past seven years.

Its currently capacity is at 33 mppa with 51 airlines offering direct flights to 39 domestic and international destinations from ISG. A second runway is currently being constructed, and together with further terminal expansion, ISG's capacity will be increased to more than 60 mppa by 2020. In 2015, ISG handled 28.3 million passengers.

CORPORATE INFORMATION

BOARD OF DIRECTORS

**TAN SRI DATO' SRI DR WAN ABDUL AZIZ
BIN WAN ABDULLAH**

*(Chairman/
Non-Independent Non-Executive)*

DATUK MOHD BADLISHAM BIN GHAZALI

*(Managing Director/
Non-Independent Executive)*

JEREMY BIN NASRULHAQ

(Senior Independent Non-Executive)

DATO' MOHD IZANI BIN GHANI

(Non-Independent Non-Executive)

**TUNKU DATO' MAHMOOD FAWZY
BIN TUNKU MUHIYIDDIN**

(Non-Independent Non-Executive)

DATUK SERI YAM KONG CHOY

(Independent Non-Executive)

DATUK ZALEKHA BINTI HASSAN

(Independent Non-Executive)

ROS LI BIN ABDULLAH

(Independent Non-Executive)

DATO' SRI DR MOHMAD ISA BIN HUSSAIN

*(Non-Independent Non-Executive)
(Appointed w.e.f. 29 May 2015)*

NORAZURA BINTI TADZIM

*(Alternate Director to Dato' Sri Dr
Mohmad Isa bin Hussain)
(Non-Independent Non-Executive)
(Appointed w.e.f. 29 May 2015)
(Alternate Director to Dato' Siti Zauyah
binti Md Desa)
(Non-independent Non-Executive)
(Ceased w.e.f. 29 May 2015)*

DATO' SITI ZAUYAH BINTI MD DESA

*(Non-Independent Non-Executive)
(Resigned w.e.f. 29 May 2015)*

DATO' SRI DR ISMAIL BIN HJ BAKAR

*(Non-Independent Non-Executive)
(Resigned w.e.f. 16 December 2015)*

DATUK RUHAIZAH BINTI MOHAMED RASHID

*(Alternate Director to Dato' Sri Dr Ismail
bin Hj Bakar)
(Non-Independent Non-Executive)
(Ceased w.e.f. 16 December 2015)*

COMPANY SECRETARY

**SABARINA LAILA BINTI
DATO' MOHD HASHIM**

(LS 0004324)

REGISTERED OFFICE

MALAYSIA AIRPORTS CORPORATE OFFICE

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64000 KLIA, Sepang
Selangor Darul Ehsan
Tel : 603-8777 7011
Fax : 603-8777 7512
E-mail : sabarina@malaysiaairports.com.my

WEBSITE

www.malaysiaairports.com.my

SHARE REGISTRAR

**SECURITIES SERVICES (HOLDINGS)
SDN. BHD.**

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel : 603-2084 9000
Fax : 603-2094 9940/2095 0292

PRINCIPAL BANKERS

CIMB Bank Berhad
Malayan Banking Berhad
Citibank Berhad

AUDITORS

MESSRS. ERNST & YOUNG

Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel : 603-7495 8000
Fax : 603-2095 9076/78

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad
Stock code : 5014
Stock Name : AIRPORT

GROUP CORPORATE STRUCTURE

MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)

Investment holding.

100% MAHB

Malaysia Airports Sdn. Bhd.
(230646-U)

Management, operations and maintenance of designated airports and provision of airport related services in Malaysia other than KL International Airport (KLIA), Low Cost Carrier Terminal (LCCT) and klia2. The designated airports comprise:-

- 4 international airports (Pulau Pinang, Langkawi, Kuching and Kota Kinabalu)
- 16 domestic airports
- 18 Short Take-off and Landing Ports (STOLports)

100% MAHB

Malaysia Airports (Sepang) Sdn. Bhd.
(320480-D)

Management, operations, maintenance and development of KLIA, LCCT and klia2 in Sepang and provision of airport related services.

30% MA (Sepang)

MFMA Development Sdn. Bhd.
(1053024-K)

Development operation and maintenance of a factory outlet centre and its complementary components known as "Mitsui Outlet Park KLIA".

100% MAHB

Malaysia Airports Consultancy Services Sdn. Bhd. (375245-X)

Provision of maintenance and technical services in connection with the airport industry.

49% MACS

Malaysia Airports Consultancy Services Middle East LLC
(62645)

Facilities maintenance services at airports.

100% MACS

Urusan Teknologi Wawasan Sdn. Bhd.
(459878-D)

Provision of mechanical, electrical and civil engineering services at KLIA, Sepang.

100% MAHB

Malaysia International Aerospace Centre Sdn. Bhd.
(438244-H)

Planning, management and marketing for the development of Malaysia International Aerospace Centre at Sultan Abdul Aziz Shah Airport and other airports in Malaysia.

100% MAHB

Malaysia Airports (Niaga) Sdn. Bhd.
(281310-V)

Operating duty free, non-duty free outlets and providing management services in respect of food and beverage outlets at airports.

100% MA (Niaga)

Eraman (Malaysia) Sdn. Bhd.
(324329-K)

Dormant. Intended principal activity is general trading.

100% MA (Niaga)

Malaysia Airports (Mauritius) Private Limited (59049 C1/GBL)

Investment holding.

100% MAHB

Malaysia Airports (Properties) Sdn. Bhd. (484656-H)

Provision of non-passenger related services which involves property management and establishing fixed asset requirements.

100% MA (Properties)

K.L. Airport Hotel Sdn. Bhd.
(330863-D)

Owner of the hotel known as Sama-Sama Hotel, KLIA; Sama-Sama Express, KLIA; and Sama-Sama Express, klia2

51% KLAH**Sama-Sama Hospitality Management Sdn. Bhd.** (1029991-A)

Ceased operation/Dormant.

100% MA (Properties)**MAB Agriculture-Horticulture Sdn. Bhd.** (467902-D)

Cultivation and selling of oil palm and other agriculture products, and engaging in horticulture activities.

20% MA (Properties)**Kuala Lumpur Aviation Fueling System Sdn. Bhd.** (395396-X)

Development, management and operations of aviation fuelling system at KLIA, Sepang.

100% MAHB**Airport Ventures Sdn. Bhd.** (512527-U)

Investment holding.

100% AV**Malaysia Airports Technologies Sdn. Bhd.** (512262-H)

Operations and maintenance services of information and communication technology business ventures.

100% MA Technologies**Malaysia Airports MSC Sdn. Bhd.** (516854-V)

Investment holding.

100% MAHB**MAHB (Mauritius) Private Limited** (64825 C1/GBL)

Investment holding management.

100% MAHB**Malaysia Airports Capital Berhad** (906593-U)

Investment holding management.

100% MAHB**Malaysia Airports Capital (Labuan) Limited** (LL07679)

Investment holding management.

100% MAHB**Malaysia Airports (Labuan) Private Limited** (LL05298)

Investment holding management.

23% MA (Labuan)**GMR Malè International Airport Private Limited** (C0490/2010)

Operation, management and development and provision of airport related services.

100% MAHB**MA Construction (Labuan) Private Limited** (LL08348)

Investment holding management.

20% MAHB**Istanbul Sabiha Gokcen International Airport Investment Development and Operation Inc.** (656447)

Operation, management, development and provision of airport related services.

30% MAHB**Segi Astana Sdn. Bhd.** (916663-H)

Development, management and operations of property.

23% MAHB**Airport Cooling Energy Supply Sdn. Bhd.** (923025-D)

Development, management and operations of chilled water plant.

20% MAHB**LGM Airport Operations Trade and Tourism Inc.** (689548)

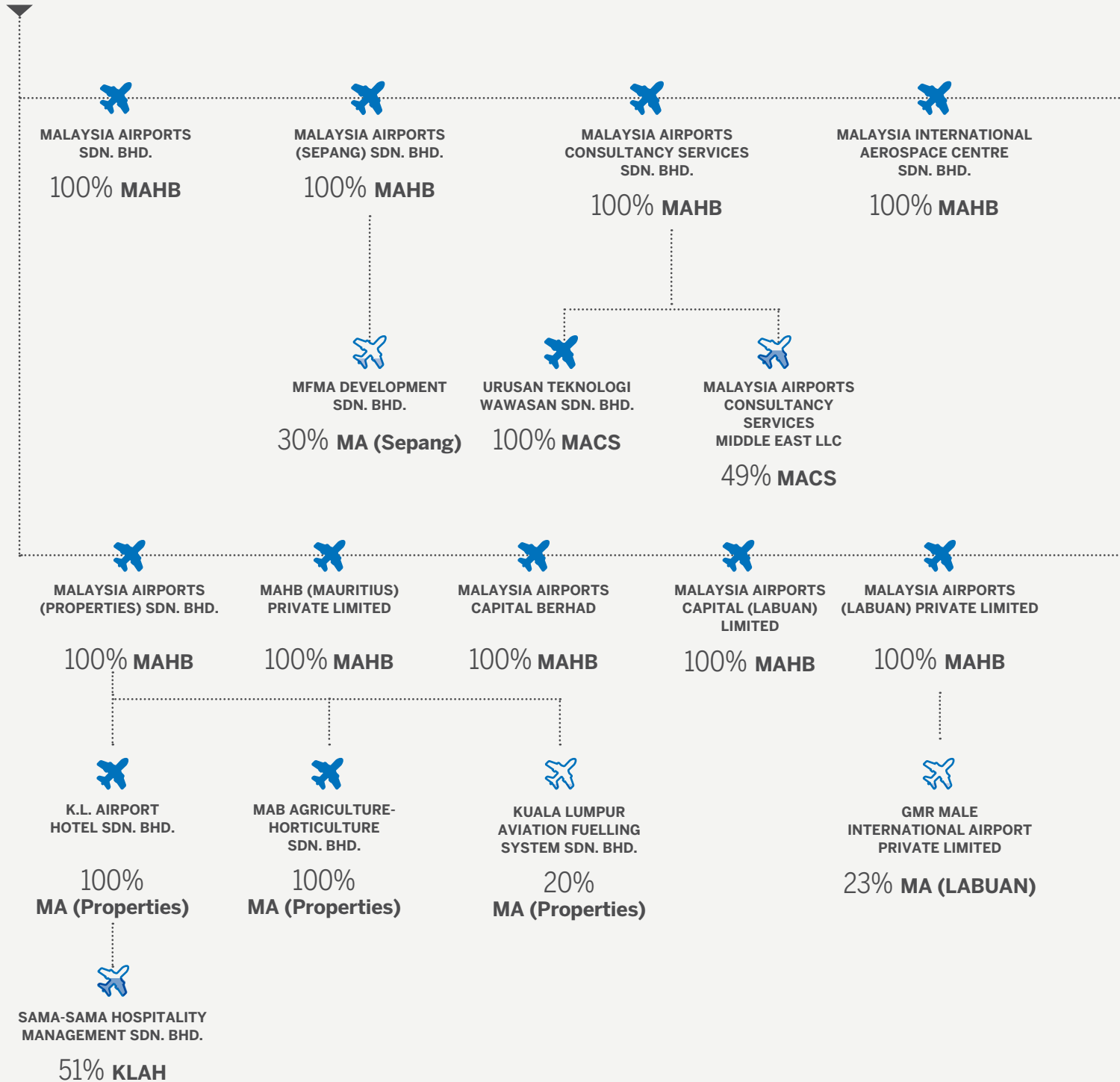
Provision of management services in respect of transportation, parking, food and beverages, cleaning at the airport and construction of hotel and car park within the airport.

100% MAHB**Malaysia Airports Cities Sdn. Bhd.** (1114062-X)

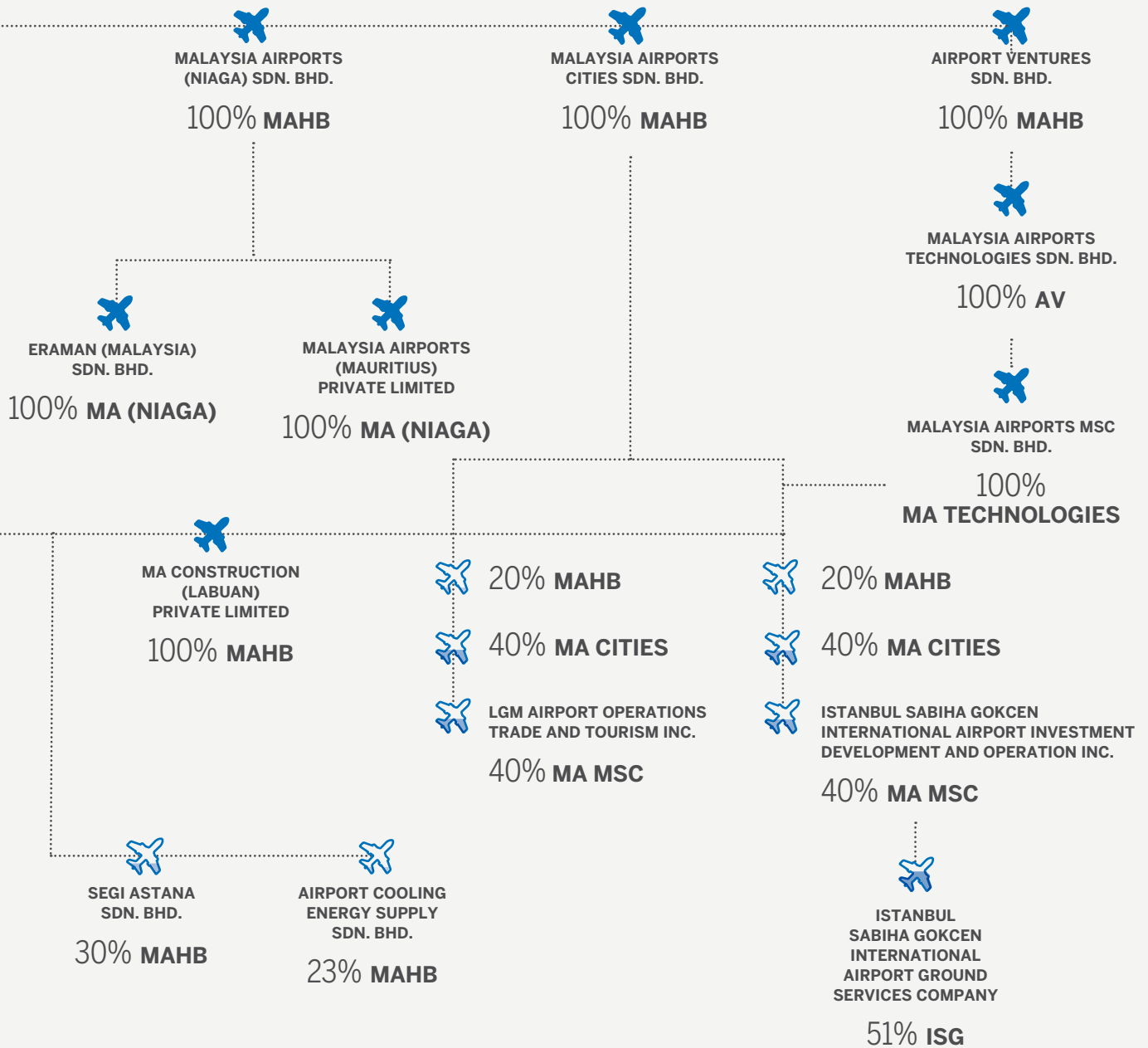
Investment holding.

GROUP CORPORATE STRUCTURE

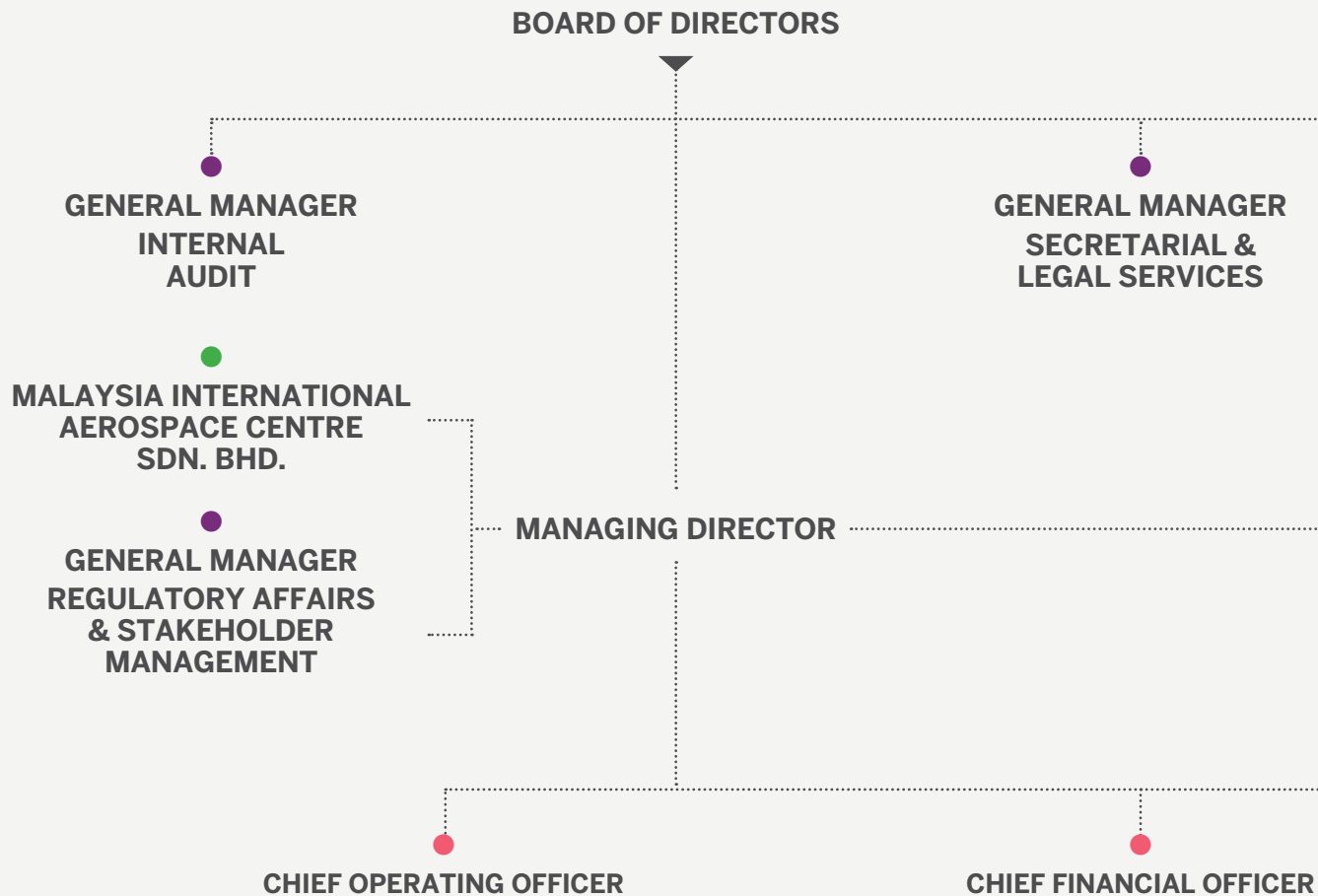
MALAYSIA AIRPORTS HOLDINGS BERHAD



GROUP CORPORATE STRUCTURE



GROUP ORGANISATIONAL STRUCTURE



● OPERATION SERVICES

- MALAYSIA AIRPORTS (SEPANG) SDN. BHD.
- MALAYSIA AIRPORTS SDN. BHD.
- AVIATION SECURITY
- AIRPORT FIRE & RESCUE SERVICES
- AERODROMES' SAFETY MANAGEMENT SYSTEM

● TECHNICAL SERVICES

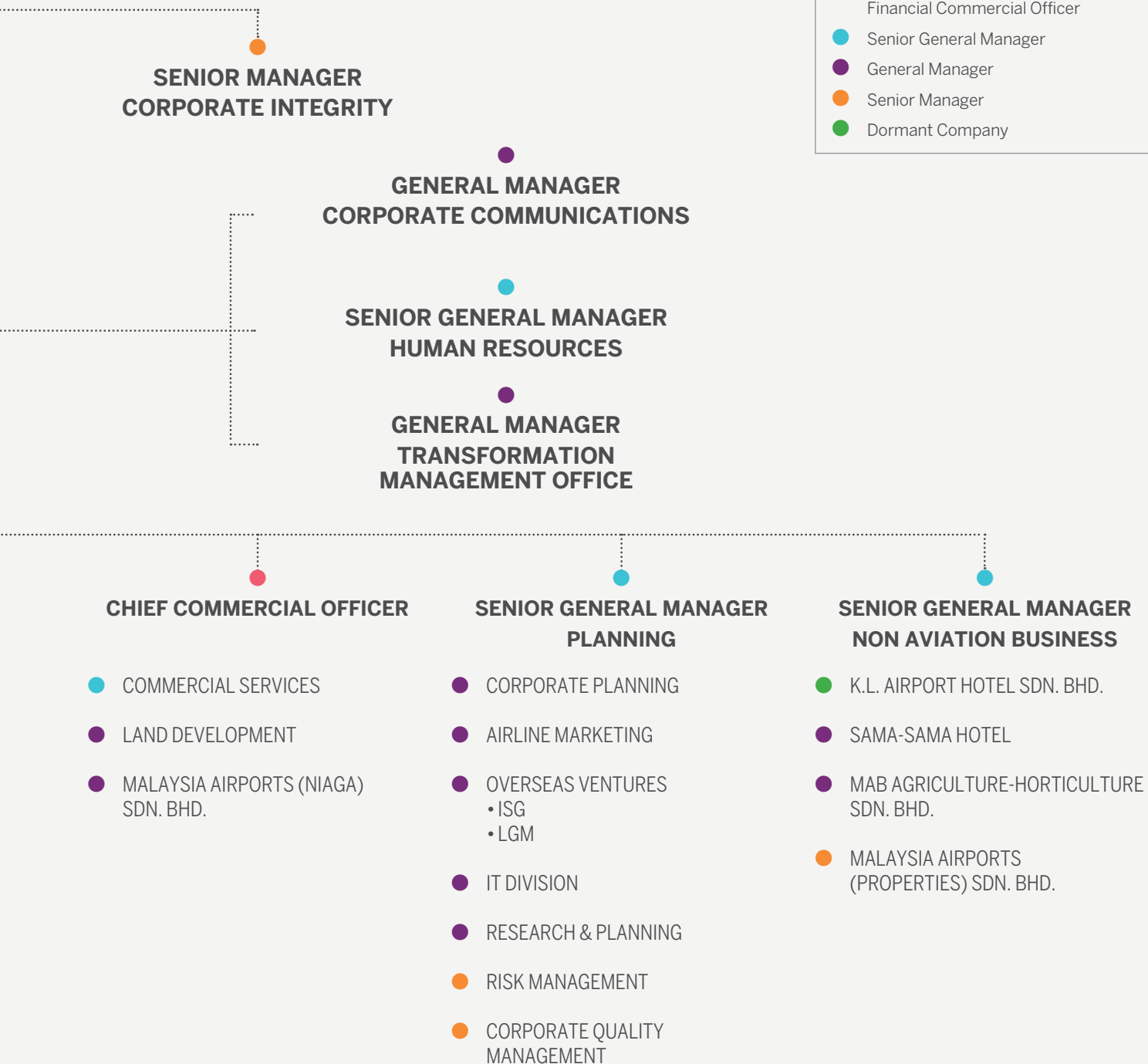
- MALAYSIA AIRPORTS CONSULTANCY SDN. BHD.
- URUSAN TEKNOLOGI WAWASAN SDN. BHD.
- ENGINEERING
- MALAYSIA AIRPORT (TECHNOLOGIES) SDN. BHD.
- PLANNING & DEVELOPMENT
- PROJECT MANAGEMENT OFFICE

● GROUP FINANCE

- CORPORATE FINANCE & INVESTOR RELATIONS
- PROCUREMENT & CONTRACT

**GROUP
ORGANISATIONAL STRUCTURE**

LEGEND	
●	Chief Operating/ Financial Commercial Officer
●	Senior General Manager
●	General Manager
●	Senior Manager
●	Dormant Company





INTERNATIONAL EXPANSION

ACTIVELY IDENTIFYING INVESTMENT OPPORTUNITIES TO BUILD A BALANCED DIVERSIFIED PORTFOLIO OF INTERNATIONAL ASSETS AND EXPORTING SELECTED CAPABILITIES WITHIN A STRUCTURED FRAMEWORK

MALAYSIA AIRPORT INTERNATIONAL EXPANSION JOURNEY



ISTANBUL SABIHA GOKCEN INTERNATIONAL AIRPORT

FULL ACQUISITION
IN 2015



FASTEST GROWING AIRPORT IN EUROPE
IN 2015



TERMINAL CAPACITY

33 MPPA



2015 PASSENGER TRAFFIC GROWTH

19.7%
28.3 MILLION IN 2015





CALENDAR OF EVENTS 2015

CORPORATE

FEBRUARY 14

klia2 Shopping Hunt

A collaboration with Mix FM, the hunt was initiated to promote shopping within KLIA and klia2 as well as to familiarise the public with the klia2 terminal.

MARCH 17

Signing off Concession With NADI

We signed a long-term concession with National Aerospace & Defence Industries (NADI) to develop 14 acres land at Lapangan Terbang Sultan Abdul Aziz Shah (LTSAAS), Subang for maintenance, repair & overhaul (MRO) services, and aircraft conversion hangars.

MARCH 17

LIMA 2015, Langkawi

We participated in the Langkawi International Maritime & Aerospace Exhibition (LIMA), a biannual event that attracts trade visitors for the defense and civilian industries.

MARCH 17

Launching of Langkawi International Airport's Brand New VIP Annex Complex

Officiated by Prime Minister YAB Dato' Sri Mohd Najib, the new complex was named Kompleks Lang Merah.



MARCH 5

Senior Management Team Signs Corporate Integrity Pledge

This signing signifies our unilateral declaration against corrupt practices and commitment towards ensuring a highly-principled business environment.



MAY 28

British Airways Returns to KL International Airport

British Airways commenced its service on a daily basis utilising the Boeing 777-200 airplane with a four-class cabin configuration.

JUNE 05

Introduction of Tactical Simulator

At par with recent aviation safety technology, we introduced the high-octane Rosenbauer Panther Tactical Simulator for the usage of our Airport Fire Rescue Services unit.

JUNE 09-11

Global Airport Development (GAD) Asia

We hosted the inaugural GAD Asia 2015, a conference to discuss and share strategies regarding airport development and finance.

JUNE 29

KLIA Celebrates Its 17th Birthday!

We celebrated KLIA's 17th birthday with our stakeholders and airport partners. Since its opening in 1998, KLIA has earned many regional and international accolades thus strengthening its position as a regional hub.

JUNE 16

Launching of Eraman-CIMB Campaign

A collaboration with CIMB Bank, the campaign provided greater and value-added benefits for our shoppers at our airports.

JULY 29

Launching of Mitsui Outlet Park KLIA

Part of the KLIA Aeropolis plan, the highly-anticipated retail outlet park was launched by the Prime Minister YAB Dato' Sri Mohd Najib.

SEPTEMBER 18

KLIA Awards 2014

KLIA Awards was initiated to recognise the best in Malaysian aviation industry and also serve as an ideal platform for Malaysia Airports to reward its partners for their outstanding performances and services.

AUGUST 07-09

GLC Open Day

A Government-Linked Company (GLC) Open Day was held in conjunction with the graduation of the ten-year GLC Transformation Programme. The open day was held to highlight achievements and contribution of GLCs to the development of the country.



SEPTEMBER 01

All Nippon Airways Begins Flying to Kuala Lumpur International Airport

The non-stop daily service from Tokyo's Narita Airport operates using a Boeing 787-8 Dreamliner aircraft.



CALENDAR OF EVENTS 2015

OCTOBER 25

Air China Begins Flying between Beijing and Kuala Lumpur International Airport

Air China operates four times a week service from Beijing Capital International Airport using an Airbus A330-300 aircraft.

NOVEMBER 20

Prime Minister of New Zealand Visits klia2

Rt Hon John Key paid a visit to klia2 and was briefed on its Baggage Handling System (BHS), developed by a New Zealand company, BCS Airport Systems.

NOVEMBER 30

Launch of MYFIT System

Developed in collaboration with the National Sports Institute, the MYFIT System is a web-based system used to analyse data on fitness components for our Airport Fire Rescue Services officers.

DECEMBER 08

Indulge & Explore Campaign

This campaign was launched to provide an exciting platform for our travellers to shop and contribute to wildlife conservation efforts.



DECEMBER 27

'Miss Joyful KLIA'

Miss Tourism Queen of the Year International made a successful debut of its subsidiary title, 'Miss Joyful KLIA' in the Kuala Lumpur International Airport (KLIA). Miss Uganda, Sheila Kirabo, was crowned as the first 'Miss Joyful KLIA'.



EMPLOYEE

MAY 11-13

13th Loyal Service Award

The event was held at KL International Airport, Kuching International Airport and Kota Kinabalu International Airport to recognise and reward employees who have served the company for more than ten years.



MAY 25

Heroes of the Quarter

To recognise outstanding employees who have shown exemplary individual achievement by performing beyond their job duties.

MAY 26

Kempen Selamat Sampai ke Tempat Kerja Kebangsaan

Officiated by YB Dato' Sri Richard Riot Anak Jaem, Minister of Human Resource, the campaign focused on road safety awareness especially during daily commutes to work.

SEPTEMBER 28

Launch of Leadership and Talent Development Programme

A Memorandum of Understanding (MoU) was signed with INSEAD Executive Education and The IA Group as the training provider for our Leadership and Talent Development Programme. We also signed an MoU with Learning Edge as the training provider for the Airport Apprentice Programme.



OCTOBER 10

Hari Sukan Negara @ KLIA

We celebrated Hari Sukan Negara, an initiative by the Ministry of Youth and Sports. More than 180 employees participated in the aerobics session.

**COMMUNITY**

JANUARY 12-14

Flood Aid & Relief Mission in Kelantan

We assisted families of effected airport employees and Malaysia Airports adopted school, SK Che Latiff with food, drinks and clothing supplies. We also sent volunteers to help with cleaning up activities.



FEBRUARY 05

Green Day Programme

Launched at Kuching International Airport, this event aimed to inculcate environmental awareness among employees while promoting staff camaraderie.

APRIL 25

Youth for Integrity

Partnering with Empowering Youth Endeavours (EYE), we took part in this initiative to share with the youth from various institutions in Klang Valley on the importance of integrity in our business environment.

OCTOBER 27

Beyond Borders' English Day 2015

A total of seven schools were adopted under the Beyond Borders corporate responsibility programme to help improve the level of English among primary school students. Competitions such as story telling, drama and essay writing were held.

2015 AWARDS

1

INTERNATIONAL FINANCING REVIEW (IFR) ASIA LOAN OF THE YEAR AWARD

Bagged for innovative refinancing solution for Istanbul Sabiha Gokcen's borrowings by Thomson Reuters.



2

QUALITY MANAGEMENT EXCELLENCE AWARD 2015

Conferred by the European Society of Quality Research (ESQR) for our success in reducing the numbers of Non-Conformance Report (NCR) and efficiency in identifying and managing risks.



3

FTSE4GOOD

Recognised by FTSE Group for meeting globally recognised corporate responsibility standards.



7

MARKET PIONEER AWARD 2015

A testament to the success of the RM1 billion Perpetual Subordinated Sukuk issued by RAM Holdings Berhad.

9

AIRPORT CARBON ACCREDITATION

Certified by Airports Council International (ACI) under its Airport Carbon Accreditation Programme (Reduction) for KLIA's effort in reducing carbon dioxide emissions.

8

BEST DUTY-FREE SHOPPING DESTINATION AWARD 2015

Acknowledged by Travel + Leisure, India's leading luxury and travel magazine for KL International Airport's duty-free shopping experience.

10

MAIDEN EUROMONEY AWARD

Clinched for innovation in Islamic Finance 2015 by Euromoney for our inaugural RM1 billion Perpetual Subordinated Sukuk.

4

SPECIAL RECOGNITION AWARD FOR BEST CULTURE OF RELIABILITY

Presented to the Engineering division by Uptime (a magazine for maintenance Reliability Leaders and Asset Management Professionals) for providing positive exposure on maintenance reliability.



5

SOCIAL MEDIA EXCELLENCE AWARD 2015

Recognised for Best Social Media Engagement by Malaysia Social Media Chambers.



6

GREEN TECH AWARDS 2015

Awarded by Malaysian Green Technology Corporation (GreenTech Malaysia) for being one of Malaysia's Top 30 Green Catalysts company.



11 THE BEST LOCAL CURRENCY SUKUK AND BEST CORPORATE HYBRID SUKUK

Presented by The Asset Triple A Islamic Finance Awards 2015 for being the world's first rated hybrid perpetual sukuk and the largest perpetual sukuk issuance by a Malaysian corporate in the capital markets.

12 MSOSH OSH GOLD CLASS 1 AWARD & MSOSH OSH GOLD CLASS 2 AWARD

Won for Malaysia Airports Corporate Office and KLIA for Occupational, Safety and Health efforts respectively.

13 GOLD FOR 'SERVICE' CATEGORY

Bagged for PULSE BHS' (Engineering division) 'Timing Belt Maintenance Improvement' innovation project by the Malaysia Productivity Corporation.

14 2015 BEST COMPANIES TO WORK FOR

Conferred by HR Asia to our award-winning subsidiary, Sama-Sama Hotel in KL International Airport.

15 GREEN TECH AWARDS 2015

Awarded by Malaysian Green Technology Corporation (GreenTech Malaysia) for being one of Malaysia's Top 30 Green Catalysts company.

PAST AWARDS AND ACCOLADES



QR CODE

Scan this QR code to view more awards from MAHB's website.

YEAR 2014

- Green Tech Awards 2015
Malaysia's Top 30 Green Catalysts for its bold initiative to incorporate solar photovoltaic technology at the KL International Airport (KLIA) and incorporating green features at klia2.
- The Malaysia Book of Records
 - Biggest Low-Cost Carrier Terminal
 - First Airport Terminal Skybridge in Asia
- Malaysian Society for Occupational Safety and Health (MSOSH)
 - Occupational Safety and Health Awards 2013
 - MSOSH OSH Gold Class I Award Winner for 2013 – Kuala Lumpur International Airport
 - MSOSH OSH Gold Class II Award Winner for 2013 – Kota Kinabalu International Airport
 - MSOSH OSH Silver Award Winner for 2013 – Malaysia Airports Corporate Office
- Human Resources Excellence Awards 2014
 - Silver Winner Excellence In Employee Development
 - Bronze Winner Excellence In Workplace Well-Being
- Large Airport of the Year Award at CAPA Awards for Excellence in Asia Pacific Aviation 2014.
- National Award for Management Accounting (NAfMA) 2014, CFO of the Year – Faizal Mansor, Chief Financial Officer, Malaysia Airports Holdings Berhad.
- The BrandLaureate Aviation Man of the Year – Tan Sri Bashir Ahmad, Advisor to Malaysia Airports Holdings Berhad.
- 1Malaysia Employer Award 2014, Large Corporations Category – Malaysia Airports Holdings Berhad.
- Skytrax 2014 World Airport Awards – 2nd World's Best Airport (40 - 50 mppa), KL International Airport.
- Top Hotels in 2014 Travellers' Choice Awards – 10th place in Luxury and Romance category, Sama-Sama Hotel KL International Airport.
- Best Small Airport (Asia-Pacific) 2013 ASQ Awards – Langkawi International Airport.
- DRI Malaysia KL 2014 – Best BCM Organisation in GLC/Public Sector – Malaysia Airports Holdings Berhad.
- Best in Travel 2014 World's Best Airports – Ranked the Third Best Airport Worldwide by SmartTravelAisa.com readers – Kuala Lumpur International Airport.
- Malaysia's 100 Leading Graduate Employers – Most Popular Graduate Employer Finalist in Government Linked Companies – Malaysia Airports Holdings Berhad.

YEAR 2013

- Singapore-based Crescentrating's has ranked KLIA as the No. 1 in the Top Halal Friendly Airports for Crescentrating's Halal Friendly Travel (CraHFT) Ranking 2013.
- Malaysia Airports walked away with the Gold Award for Excellence in Public Relations Internal and the Silver Award for Public Relations Corporate Communications for the TOUCH Campaign in the Marketing Excellence Awards 2013.
- KLIA maintained its superb streak in service excellence when it was voted the World's Best Immigration Service in the 2013 Skytrax World Airport Award.
- Malaysia Airports Holdings Bhd's Chief Financial Officer Faizal Mansor, was name "Best CFO" in FinanceAsia's 13th annual poll of Asia's top companies. Malaysia Airports is also listed at the 9th place as the "most committed to a strong dividend policy" in the same poll.
- KL International Airport (KLIA) continues to be one of the traveller's favourite airports when the airport maintained its third spot in the Top 10 Airports Worldwide category of the Smart Travel Asia 2013 Best in Travel Poll.
- Malaysia Airports' Indulge Till You Fly Campaign 2012/2013 came up tops under the Best of Country (Malaysia) Trade Campaign.
- Malaysia Airports Holdings Berhad was conferred the Silver Award in the Employer of Choice award category in the Malaysia HR Award 2013.
- Malaysia Airports' Managing Director, Tan Sri Bashir Ahmad was conferred the Lifetime Achievement Award at the Malaysia Business Awards (MBA) 2013 organised by the ASEAN Business Advisory Council Malaysia.
- Malaysia Airports continues to demonstrate excellent customer service level when KLIA won the Gold Award for 'Anugerah Tandas Bersih – 1Malaysia' in Public Stops Restroom (Tandas Kegunaan Awam Hentian Awam) category.

PAST AWARDS AND ACCOLADES

YEAR 2012

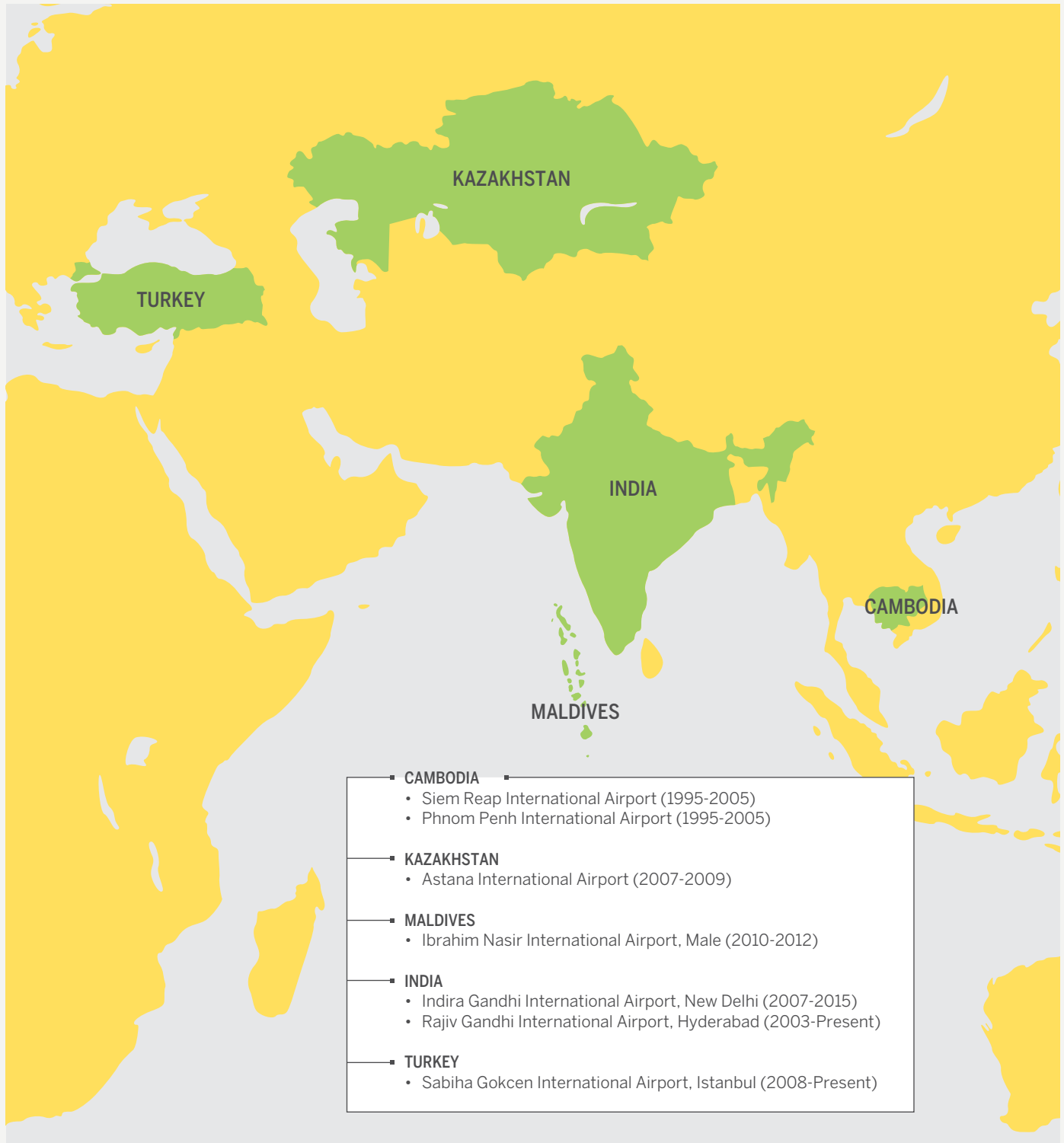
- Malaysia Airports is one of the finalists in the Air Cargo Award of Excellence for the category Airports Asia 400,000 to 999,999 tonnes, for achieving Air Cargo Excellence and the superior overall rating as determined by the readers of Air Cargo World Magazine.
- KLIA won the 'Best Airport Staff Asia Award 2012' in the Skytrax, 2012 World Airport Awards as voted by customers from all over the world.
- Malaysia Airports was recognised for its leadership with the inaugural award for 'Exceptional Service to Aviation' by Pacific Asia Travel Association (PATA).
- Tan Sri Bashir Ahmad, Managing Director of Malaysia Airports received the Lifetime Achievement Award during the Global Leadership Awards 2012.
- Malaysia Airports won 'Anugerah Peratus Prestasi Kutipan Terbaik 2011', by the Lembaga Zakat Selangor (LZS).
- Faizal Mansor, Chief Financial Officer (CFO) of Malaysia Airports was named Best CFO for Investor Relations during the Investor Relations Awards 2012.

YEAR 2011

- The immigration service in KLIA was acknowledged as the World's Best Airport Immigration Service by Skytrax 2011 World Airport Awards.
- Malaysia Airports received Green Leadership Award in the Asia Responsible Entrepreneurship Awards 2011 Southeast Asia.
- Malaysia Airports received the Malaysian Corporate Governance Index A+ Distinction award from the Minority Shareholder Watchdog Group (MSWG).
- KLIA voted 4th in SmartTravelAsia.com 2011 Best in Travel Poll of the Top 10 Airports worldwide.
- Pan Pacific Kuala Lumpur International Airport Hotel won the 2011 Asia's Leading Airport Hotel in the World Travel Awards.
- Pan Pacific Kuala Lumpur International Airport Hotel received the 2011 Global Luxury Airport Hotel in the World Luxury Hotel Awards.
- Pan Pacific Kuala Lumpur International Airport Hotel won the BrandLaureate Awards 2010–2011 in the Best Brands in Airport Hotel category.
- Malaysia Airports received the award Highly Commended Corporate Sukuk for Malaysia Airports Capital's RM1 billion Islamic medium-term notes by the Asset Triple A Awards 2011 for Islamic Finance.
- Malaysia Airports won Best SAP Enterprise Project, by the SAP Awards for Customer Excellence 2011.
- Malaysia Airports awarded with Innovative Leadership in Globalisation by Malaysian Institute of Directors.
- Malaysia Airports received The Hall of Fame Awards under the Special Organisation Achievement category, in the Malaysia Achievement Awards.

AIRPORTS MANAGED BY MALAYSIA AIRPORTS

OVERSEAS AIRPORTS MANAGED BY THE GROUP



STATEMENT ON CORPORATE GOVERNANCE



QR CODE
Scan this QR code to
view MAHB's Investor
Relations Portal.

INTRODUCTION

The Board of Directors (the Board) is accountable to the shareholders and takes ultimate responsibility for the Group's adherence to a high standard of corporate behaviour and ethics. Effective corporate governance requires due diligence in rallying the support and commitment of the broad network of business stakeholders, including shareholders, employees, customers and communities. The Board strongly believes that adopting and operating in accordance with high standards of corporate governance are the most essential elements for long-term sustainable performance and economic value creation for our shareholders as well as other stakeholders.

In our quest to achieve the Group's vision and mission, we are committed to continue our efforts to bring Malaysia Airports to greater heights to become a "Global Leader in Creating Airport Cities". We are also committed to strive for the highest level of governance in Malaysia Airports, and to endeavour in exceeding the expectations of all our shareholders and stakeholders.

Corporate Governance Framework

Malaysia Airports constantly strives to maintain a high standard of corporate governance throughout the Group, as well as continue to elevate the standards further. This is fundamental to fulfilling its responsibility of protecting and enhancing shareholders' value and the financial performance of the Group.

Thus, the Board is fully committed towards achieving full compliance with the principles and adoption of recommendations on corporate governance, such as:

<p>BURSA MALAYSIA SECURITIES BERHAD</p>	<ul style="list-style-type: none"> • Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia Listing Requirements). • Corporate Governance Guide: Towards Boardroom Excellence – 2nd Edition (CG Guide 2) issued by Bursa Malaysia.
<p>SECURITIES COMMISSION OF MALAYSIA</p>	<ul style="list-style-type: none"> • Malaysian Code on Corporate Governance 2012 (MCCG 2012) • Corporate Governance Blueprint issued by the Securities Commission of Malaysia
<p>GLC TRANSFORMATION MANUAL</p>	<ul style="list-style-type: none"> • The Green Book: Enhancing Board Effectiveness by the Putrajaya Committee on Government-Linked Companies (GLC) High Performance (Green Book)

Sound corporate governance practice is at the core of Malaysia Airports' business conduct and it involves more than meeting regulatory responsibilities and compliance. It is aimed at achieving the highest standards of conduct, business integrity, ethics; as well as the promotion of fairness, transparency, accountability and professionalism across all the Group's activities. The Board acknowledges the importance of corporate governance in enhancing stakeholder value, increasing investor confidence, establishing customer trust and building a competitive organisation to support the Group's corporate mission and vision.

The commitment of the Board, Management and staff of Malaysia Airports in ensuring the interests of investors and all other stakeholders are well taken care of, is affirmed by the awards and recognitions received by Malaysia Airports highlighted in page 118 to 121.

Business Direction

In 2016, Malaysia Airports launched its next five-year business plan, "Runway to Success 2020 (RtS2020)" which maps out our ambition of becoming a global leader in creating airport cities, charting our business direction for 2016 to 2020. RtS2020 is a follow-through from our earlier five-year business plan "Runway to Success 2010 – 2014".

STATEMENT ON CORPORATE GOVERNANCE

The Board consistently and diligently ensures that the Group's businesses and affairs strictly adhere to the doctrine and principles of good corporate governance, while endeavouring to achieve the goals of RtS2020. The Board's fundamental approach in this regard is to ensure that the right executive leadership, transparent business conduct and internal controls are well in place, as Malaysia Airports shape Malaysia's aviation industry and at the same time, contribute to the nation's wealth building efforts.

THE BOARD OF DIRECTORS OF MALAYSIA AIRPORTS HOLDINGS BERHAD

Monitoring corporate performance is a critical function of every Board. The Board is responsible for the overall governance of the Group by ensuring the strategic guidance and succession plan of the Group, the effective monitoring of the implementation of management goals and accountability to the Group and its shareholders.

Board Charter

The Board has formally adopted the Board Charter, which provides guidance to the Board in the fulfilment of its roles, powers, duties and responsibilities, which are in line with the principles of good corporate governance practice.

The Board Charter clearly outlines the principles and adoption of best practices on the structures and processes towards achieving the highest governance standards. The Board Charter addresses among others, the following pertinent matters:

- The right balance and composition of the Board;
- The Board's obligations and liabilities;
- Directors' Code of Ethics;
- Appointment of new directors;
- Roles of the Board, Chairman and Managing Director;
- Remuneration policy; and
- The establishment of Board Committees together with the term of reference.

The Board updates the Board Charter from time to time to reflect changes to the Group's policies, procedures and processes as well as the latest relevant legislations and regulations, and is subject to review periodically.

The current Board Charter is accessible on the Malaysia Airports website at www.malaysiaairports.com.my.

Code of Ethics

Malaysia Airports had established a code of ethics for its Directors and employees that govern the standards of conduct and behaviour expected from Directors and employees.

The Board continues to adhere to the Directors' Code of Ethics formulated in the Board Charter, which is based on principles in relation to integrity, sincerity, honesty, responsibility, social responsibility and accountability in order to enhance the standard of corporate governance and behaviour. The Board Procurement Committee (BPC) emphasises on the need for every Committee member and Management to sign a Declaration of Interest and Non-Disclosure Form for every BPC meeting attended.

The Board will be updated as and when the need arises on any changes of the applicable rules and regulations as well as the policies and procedures that govern the conduct of the Directors.

The Code of Ethics for employees promote integrity and ethical conduct in all aspects of the Company's operations including privacy, confidentiality, conflict of interest and business integrity.

Malaysia Airports strongly believes in the value of conducting the business in an open and transparent manner which is based on ethical values and respect for the community, employees, environment, shareholders and other stakeholders.

Corporate Integrity

In 2011, Malaysia Airports had pledged to an Integrity Pact, a declaration made against any corrupt practices. Integrity Pact establishes mutual contractual rights and obligations to reduce the high cost and distortionary effects of corruption in public contracting. Its implementation is to increase awareness among Malaysia Airports' employees and vendors on corruption offences and subsequently eradicate corrupt practices in Malaysia Airports.

The implementation process of the Integrity Pact is currently ongoing in Malaysia Airports, specifically Procurement and Contract division in order to enhance the governance and the integrity practices in Malaysia Airports. The Integrity Pact is a set of declaration made by Malaysia Airports' employees who are involved in the procurement activities, as well as Malaysia Airports' vendors who declare to refrain themselves from getting involved in any corrupt practices throughout the procurement process.

STATEMENT ON CORPORATE GOVERNANCE

The Balance and Composition of the Board

Malaysia Airports Group's business scope covers domestic and international markets and is consistently faced with political, commercial and technical risks associated with its business ventures. Consequently, particular attention is paid to the composition and balance of the Board in order to ensure that it has a wide experience in the sector and regulatory environment in which the Malaysia Airports Group operates augmented with appropriate financial and risk management skills. The Board considers that objectivity, integrity, the right mix of skills, knowledge, experience, mindset and ability will assist the Board in strengthening its key functions, which are the pre-requisites for the appointment of new directors on the Board.

The Board currently comprises four (4) Non-Independent Non-Executive Directors, four (4) Independent Non-Executive Directors and one (1) Managing Director. The current Board composition are in compliance with the Company's Articles of Association and exceeded the minimum one-third (1/3) requirement as set out in the Bursa Malaysia Listing Requirements. The Directors' profiles are enclosed from pages 77 to 91 of this Annual Report.

There were several changes in the Board's composition as follows:

Resignation of Directors/Alternate Directors

Name	Designation	Date of Resignation/ Cessation
Dato' Siti Zauyah binti Md Desa	Non-Independent Non-Executive	29 May 2015
Norazura binti Tadzim (Alternate Director to Dato' Siti Zauyah binti Md Desa)	Non-Independent Non-Executive	29 May 2015
Dato' Sri Dr Ismail bin Hj Bakar	Non-Independent Non-Executive	16 December 2015
Datuk Ruhaizah binti Mohamed Rashid (Alternate Director to Dato' Sri Dr Ismail bin Hj Bakar)	Non-Independent Non-Executive	16 December 2015

Appointment of Directors/Alternate Directors

Name	Designation	Date of Appointment
Dato' Sri Dr Mohamad Isa bin Hussain	Non-Independent Non-Executive	29 May 2015
Norazura binti Tadzim (Alternate Director to Dato' Sri Dr Mohamad Isa bin Hussain)	Non-Independent Non-Executive	29 May 2015

The composition of the Board fairly reflects the interest of the significant shareholders, which is adequately represented by the appointment of their nominee directors without compromising the interest of the minority shareholders. Currently, two (2) of the Non-Independent Non-Executive Directors are nominee directors of Khazanah Nasional Berhad (Khazanah Nasional), the major shareholder of the Company. The Independent Directors on the Board act as a caretaker of the minority shareholders interest and their views carry significant weight in the Board's decision-making process.

The Board regularly reviews the composition of the Board and its Committees to ensure appropriate balance as well as relevant skills and experience. The Board also considers the need to rotate the membership of the Committees amongst the Directors, in order for them to gain exposure on the different functions of the Committees.

The Board Diversity

The Board acknowledges the need to enhance board diversity, as it is essential to the efficient functioning of the Board and indicates good governance practices.

The Board endeavour diversification in terms of experience, skills, expertise, competencies, gender, ethnicity and age to enable Malaysia Airports to maximise its business and governance performance. The Board encourages female candidates to take up board position in order to promote gender equality. The Board aim to appoint additional female representative on the Board as soon as possible to reach at least 30% of female representation on the Board.

STATEMENT ON CORPORATE GOVERNANCE

Currently, there are two (2) women Directors on the Board, comprising of an Independent Non-Executive Director namely Datuk Zalekha binti Hassan and Non-Independent Non-Executive Alternate Director namely Norazura binti Tadzim.

Senior Independent Non-Executive Director

In line with best practices on Corporate Governance, Jeremy bin Nasrulhaq has been appointed as Senior Independent Non-Executive Director with effect from 22 March 2013. Following his appointment, he has taken up the role of Chairman of Board Nomination & Remuneration Committee.

The Senior Independent Non-Executive Director will serve as a point of contact for shareholders and other stakeholders to voice their concerns. The creation of the said position will provide a sounding board for the Chairman and will also serve as an intermediary for other Directors when necessary.

The Senior Independent Non-Executive Director is accessible to whom concerns of shareholders and stakeholders may be conveyed. Shareholders and other interested parties may contact Jeremy to address any concerns in writing to the Company's registered address or electronic mail to jeremy@malaysiaairports.com.my.

Roles and Responsibilities of the Board

The Board has a legal duty to act in the best interest of the Group in order to ensure that high ethical standards are applied through compliance with relevant rules and regulations, directives and guidelines in addition of adopting the

practices and act in the best interest of the Group and shareholders.

The Board is responsible to the stakeholders for overseeing and protecting the long-term interests of all, through effective management of the Group's businesses. It challenges the views of the Management by undertaking strategic examination of the Group's present and future directions. The Board is also responsible for ensuring that the Management maintains and updates its internal control system that provides satisfactory assurances of its effectiveness and efficiency, in relation to operations, internal financial controls and compliance with the laws and regulations.

The Board exercises its due diligence and care in discharging its duties and responsibilities based on the following six (6) core responsibility as recommended by MCCG 2012:-

- Reviewing and adopting a strategic plan for the Group

The Board provides guidance on the strategic direction, challenges assumptions, priorities and options put forward by the Management in the Group's annual strategic plans, and reviews the annual business plans together with the budget, and setting targets i.e. Corporate Balance Scorecard and Key Performance Indicator (KPI) for the Management to adhere, to ensure that the Management activities and operations are in line with the Group's five-years business plans, RtS2020.

The annual strategic plan encompassing the RtS2020 five-year business plan has been deliberated in depth by the Board and its execution will be presented for the Board to review periodically.

- Overseeing the conduct of the Group's business

The Board oversees the conduct of the Company's business to evaluate whether it has been effectively managed, through regular meetings. The Board reviews and provides feedback on the execution of the Group's strategic plan and business plans, KPI targets, quarterly financial results, material variances and ensures that corrective actions are taken if required.

- Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures

The Board sets the Company's risk parameters, understands major risk exposure and ensures that appropriate risk mitigation plan is in place and considers the risk factors in all major decisions. The Board, via its Committee i.e. Board Risk Management Committee (BRMC), constantly monitor and oversees the risk management framework of the Group with the review and management of principal risks as set out in the Statement on Risk Management and Internal Control of this Annual Report, in ensuring sustainability of the Company's business.

The Board Audit Committee (BAC), external auditors and internal auditors assist the Board to oversee internal control framework of the Group as set out in the Board Audit Committee Report of this Annual Report, to ensure that sufficient internal control is in place.

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- Succession planning

The Board, via its Committee i.e. Board Nomination & Remuneration Committee (BNRC), reviews and approves the appropriate framework and plans to ensure the Board comprises directors with the skills and experience relevant to the Company's strategic direction and objectives.

Apart from that, BNRC provides guidance, reviews and approves the development plan of those in pivotal Senior Management positions, understands the pool of future leaders as well as reviews the philosophy of the Company. Moving forward, Malaysia Airports has embarked on a "Talent Management Initiative" to drive business results while increasing talent value through a leadership drive approach in order to attract, develop and retain potential talents.

- Overseeing the development and implementation of a shareholder communications policy for the Group

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company, thus, the Board is committed to ensure the implementation of an investor relations programme and an appropriate shareholder communication policy. The Board Charter also outlines the Group's policy on communication with stakeholders with the aim of building long-term relationship with shareholders and potential investors.

- Reviewing the adequacy and integrity of management information and internal controls system of the Company

The Board reviews and implements the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

In order to ensure that Directors have sufficient time to focus and fulfil their roles and responsibilities effectively, the Board has adopted in the Board Charter the restriction on the number of directorships held by the Directors.

The Board is in compliance with the Bursa Malaysia Listing Requirements on the number of directorships held in other Listed Issuers. The Board was informed of changes to the directorships held by their peers as and when notified by the respective Directors and is satisfied that the current external directorships held by the Board members will not impair their ability to contribute to the Company and that the Directors are able to devote sufficient time to the Company in discharging their roles and responsibilities effectively.

The Roles of the Executive Director and Non-Executive Directors

The Executive Director (i.e. Managing Director) and the Non-Executive Directors have been given clear roles and accountabilities for intensifying performance management within the Group. The principal responsibility of the Executive Director and the Non-Executive Directors, amongst others, is as follows:

Executive Director	Non-Executive Directors
<ul style="list-style-type: none"> • Implementation of the overall design of the performance management scheme, particularly developing the strategy, defining the Key Performance Indicators and cascading them down the organisation; 	<ul style="list-style-type: none"> • Providing independent judgement on the Group's Strategies and Policies;
<ul style="list-style-type: none"> • Review of the performance of the businesses, taking corrective actions and reporting them to the Board; and 	<ul style="list-style-type: none"> • Overseeing that the internal control systems and the risk management processes are appropriate and effective;
<ul style="list-style-type: none"> • Review of the performance of Senior Management and delivering meaningful rewards and compensation. 	<ul style="list-style-type: none"> • Setting the appropriate targets/objectives and reviewing the performance of the Company and the Executive Director; and
	<ul style="list-style-type: none"> • Setting the right remuneration of the Executive Director, and evaluating the effectiveness of the Company's succession planning programme.

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The Board opines that the quality of its directors, each of whom possesses an impeccable leadership background and offers relevant experience, are able to challenge and help develop and drive the Group's vision and strategy, scrutinise performance and controls in ensuring that the governance standards are continuously upheld. The Chairman will always ensure that the Board's decisions are based on consensus, and any concerns expressed by any Director, will be recorded in the minutes of meetings by the Company Secretary accordingly.

Matters Reserved to the Board

The Board has a formal schedule of matters specifically reserved to it. These reserved matters including the following:

- (a) Approval of the overall strategy, vision, values, and governance framework of the Group;
- (b) Approval of the Company's Annual Report and Quarterly Financial Statements;
- (c) Approval of any interim dividend, recommendation of the final dividend and the Company's dividend policy;
- (d) Approval of the Group's annual budget and amendments to that budget in relation to the amount, borrowing and security, acquisitions and disposals of tangible/non-tangible assets and capital expenditure over a specified amount;
- (e) Approval of the Company's long term financial plan and the annual capital expenditure programme;

- (f) Approval of any significant change in the accounting policies and practices;
- (g) Approval of all circulars, resolutions and corresponding documentation sent to the stakeholders;
- (h) Approval of changes in the capital structure of the Company with regard to issuance or allotment of shares or other securities, or its status as a public listed company;
- (i) Appointment, re-appointment or removal of the Directors and the recommendation for their election or re-election for the consideration of the shareholders, pursuant to the Company's Articles of Association;
- (j) Appointment or removal of the Managing Director and Company Secretary;
- (k) Recommendation to shareholders for the appointment, re-appointment or removal of the external auditors;
- (l) Approval of the division of responsibilities between the Chairman and Managing Director; and
- (m) Approval for the establishment of the Board Committees, their terms of reference, reviewing their activities and, where appropriate, ratifying their decisions.

Role of Chairman and Managing Director

The responsibilities and authorities between the Chairman and the Managing Director are clearly separated and defined in order to maintain a balance of power and authority between the running of the Board and the Group's business, as outlined below:

Chairman	Managing Director
<ul style="list-style-type: none"> • Ensure orderly conduct and working of the Board, where healthy debates on issues being deliberated are encouraged to reflect any level of scepticism and independence; 	<ul style="list-style-type: none"> • Implementing the policies and decisions of the Board, overseeing the operations, as well as coordinating the development and implementation of business and corporate strategies;
<ul style="list-style-type: none"> • Ensure that every Board Resolution is put to a vote to ensure that the decision is made collectively and reflects the will of the majority; 	<ul style="list-style-type: none"> • Developing and translating the strategies into a set of manageable goals and priorities;
<ul style="list-style-type: none"> • Ensure that the Board agrees on the strategy formulated by the Company and monitors its implementation; 	<ul style="list-style-type: none"> • Setting direction of the business operations, investment and other activities based on effective risk management controls;

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Chairman	Managing Director
<ul style="list-style-type: none"> Exemplify the highest standards of corporate governance practices and ensure that these practices are regularly communicated to the stakeholders; 	<ul style="list-style-type: none"> Ensuring that the financial results are accurate and not misleading;
<ul style="list-style-type: none"> Ensure the appropriateness and effectiveness of the succession planning programme at the Board and Senior Management levels; 	<ul style="list-style-type: none"> Ensuring that the financial management practice is carried out at the highest level of integrity and transparency for the benefit of the shareholders;
<ul style="list-style-type: none"> Ensure a healthy working relationship with the Managing Director and provide the necessary support and advice as appropriate; and 	<ul style="list-style-type: none"> Ensuring that the businesses and affairs of the Company are carried out in an ethical manner and in full compliance with the relevant laws and regulations;
<ul style="list-style-type: none"> Determine the agenda for the Board meetings in consultation with the Managing Director and the Company Secretary. This is to ensure effective time management and allow the Board to have constructive and in-depth discussions during the meetings. 	<ul style="list-style-type: none"> Ensuring that whilst the ultimate objective is to maximise shareholders' return, the social and environmental factors are not being neglected; Developing and maintaining strong communication programmes and dialogues with the shareholders, investors, analysts, etc.; and Providing the leadership and representing the Company with major customers and industry organisations together with the involvement of the Chairman.

The responsibilities and authorities between the Chairman and the Managing Director are also clearly outlined in the Board Charter.

The Responsibility of Management

The Board has established a main management committee, namely Executive Committee (ExCo), chaired by the Managing Director. ExCo meetings were held on a frequent basis of at least once a month, to discuss key strategic matters and to monitor the Company's performance and operations.

The Board has adopted policies and procedures such as "Procurement Policies and Procedures (3Ps)" and "Group Approval Limit of Authority (GALOA)" in determining which issues require Board approval and which issues can be delegated for approval to any Committees established by the Board or the Management, or level of management.

Independence of Non-Executive Directors (INED)

The Board considers all the four (4) INED, namely Jeremy bin Nasrulhaq, Datuk Seri Yam Kong Choy, Datuk Zalekha binti Hassan and Rosli bin Abdullah to be independent based on the definition set out under the Bursa Malaysia Listing Requirements. The Board was satisfied that the four (4) Independent Non-Executive Directors represent the interest of the minority shareholders by virtue of their roles and responsibilities.

The Board reviews the issue of Directors' independence on an annual basis and has concluded that each of them continues to demonstrate behaviours that reflect their independence, which are in accordance with the definition under the Bursa Malaysia Listing Requirements therein.

Having a Non-Independent Non-Executive Chairman on the Board, the Board endeavours and has taken steps to achieve a Board that comprises a majority of Independent Directors in accordance to the Recommendation 3.5 of Principle 3: Reinforce Independence of Malaysia Code on Corporate Governance 2012 (MCCG 2012). The Board aims to achieve a majority number of Independent Non-Executive Directors on the Board in order to ensure balance of power and authority.

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The MCCG 2012's recommendation on reinforcement of independence, provides a limit of a cumulative term of nine (9) years as the tenure for an Independent Director, after which, the said Director may either seek shareholders' approval to continue to remain on the Board or be re-designated to a Non-Independent Non-Executive Director. To date, the Independent Non-Executive Directors of the Board have served less than nine (9) years and therefore not subject to this recommendation.

Induction and Continuous Professional Development

All newly-appointed Directors have undergone a comprehensive induction programme arranged by the Company Secretarial division, tailored to their individual requirements, comprising briefings by the Senior Management, training on Directors' duties and responsibilities, and visits to the airports. The training is normally initiated within the first six (6) months period following the date of the Director's appointment.

Newly appointed Directors are provided with comprehensive information containing the Board Charter, Terms of Reference of Malaysia Airports' Board Committees, the Company's Memorandum and Articles of Association, relevant Acts and the latest Annual Report, in order to facilitate the Directors in discharging their duties.

All the Directors have attended and successfully completed the Mandatory Accreditation Programme (MAP) as required by the Bursa Malaysia Listing Requirements.

In this context, the Bursa Malaysia Listing Requirements also prescribed that the onus is on the Board to determine and oversee the training needs of its members, whereby they should be encouraged to attend talks, seminars and training programmes to enhance their skills and knowledge as a means of life-long learning, and to keep abreast with new developments within the business environment.

As an effort to provide continuous training programmes for the Directors, the Company has embarked upon seven (7) in-house training programmes for the Directors during the financial year 2015, as follows:

- Talk on Board Effectiveness Assessment & Individual Director Evaluation
- Q-SHE Conference (Quality – Safety, Health and Environment Conference)
- Talk on Malaysian Anti-Corruption Commission (MACC) Act 2009
- 2015 Risk Management Conference
- Talk on Goods & Services Tax (GST) briefing by KPMG
- Talk on Airline Route Planning and Its Impact on Airports
- Talk on Directors' and Officers' (D&O) Liability Insurance

Apart from that, the Malaysia Airports Directors have attended the following training programmes during the financial year 2015:

Name of Director	Conference/Training Programmes Attended
Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah	<ul style="list-style-type: none"> • RAM-World Bank Talk: World Bank's Economic Monitor on the Malaysian Economy and Malaysia's Middle Income Class • 11th Khazanah Annual Review Briefing • ACI Economic 2015 – 7th Annual ACI Airport Economics & Finance Conference & Exhibition • The 30% Club Malaysia by PEMANDU • Briefing on GST for Directors' by Sime Darby Berhad • Global Airport Development (GAD) Asia 2015 • Capital Market Programme, by Permodalan Nasional Berhad (PNB) Module

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Name of Director	Conference/Training Programmes Attended
Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah (cont'd.)	<ul style="list-style-type: none"> • Forum Perdana: Kisah Tranformasi GLC • Khazanah Megatrends Forum 2015 • Capital Market Director Programme (CMDP) Module 2B – Business Challenges and Regulator Expectations (What Directors Need to Know – Fund Management) by PNB • CMDP – Module 3: Risk Oversight and Compliance – Action Plan for Board of Directors by PNB • ACI Conference on Investing in Airports – Economic Oversight and Regulation • Sime Darby Corporate Governance Conference • Capital Market Director Programme for Fund Management (Modules 1, 2B & 3) by SIDC • Anti-Money Laundering and Anti-Terrorist Financing and Proceeds of Unlawful Activities (AMLATFPUAA 2001) for Directors by SIDC
Datuk Mohd Badlisham bin Ghazali	<ul style="list-style-type: none"> • Khazanah Megatrends Forum 2015 • Seminar on Air Transport 2015 • Global Airport Development (GAD) Asia 2015
Jeremy bin Nasrulhaq	<ul style="list-style-type: none"> • Tax Free World Association (TFWA) Conference, 2015 • CIMA Research Conference • Global Airport Development (GAD) Asia 2015 • Khazanah Megatrends Forum 2015 • MIA International Conference, 2015 • MeLearn Global – 2nd Annual Malaysia's War on Corruption Symposium, 2015 • Talk by Dr Nigel Osborne by Khazanah • MIA Roundtable – Competency Framework for Finance Function by Malaysian Institute of Accountants • Economic Outlook – the Way Forward by Harvard Business School & UTM
Datuk Seri Yam Kong Choy	<ul style="list-style-type: none"> • Airport Cities World Conference & Exhibition • Forbes Global Conference “Toward A Winning Vision - On Visionary Leadership” • Khazanah Megatrends Forum 2015 • 7th International Conference On World Class Sustainable Cities 2015 • Forum: Does Greater Prosperity Come With Less Housing Affordability? • Property Watch - Buy, Sell or Hold? • The 18th National Housing & Property Summit 2015 • 4th Distinguished Board Leadership Series • Focus Group Session on Strengthening Corporate Governance (CG) Disclosure amongst the Listed Issuers • 12th ASEAN Leadership Forum • 4th Southeast Asian Studies Symposium • Conference on Regional Corporate Outlook 2015 “Gearing Up For a Challenging Economic Environment” • Economic Wrap Up 2014 by 3 Ministers

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Name of Director	Conference/Training Programmes Attended
Datuk Zalekha binti Hassan	<ul style="list-style-type: none"> • Mobile World Congress 2015 GSMA Conference • Remuneration Reward Practices Seminar 2015 by MICG • Corporate Directors Advanced Programme (CDAP) 2015: Finance for Non Finance Directors “Financial Language in the Boardroom” by MINDA • Digital Transformation by Zeinal Bava, former CEO of Oi SA & Portugal Telecom • Productivity & Simplification by Bouke Hoving, EVP Simplification and Innovation, KPN, Netherlands • Visit from YB Senator Dato’ Sri Abdul Wahid Omar: Dialogue with Telekom Malaysia Berhad • 3rd Engagement Session between MSWG and TM Board: Assessment for the Malaysian-ASEAN Corporate Governance Scorecard (CG) 2015 - CG, Best Practices & Sustainability • ASEAN Sustainability Series
Rosli bin Abdullah	<ul style="list-style-type: none"> • “Qualified Risk Director: Corporate Culture & Enterprise Risk Management” by Institute of Enterprise Risk Practitioners • Directors Forum 8/2015 – “Talent and Human capital : The Drivers of Growth and Creativity” by Malaysian Directors Academy • Forum on Corporate Governance – “Balancing Rules & Practices” by Association of Chartered Certified Accountants, KPMG and MSWG • “Innovation Strategy” by Malaysian Directors Academy • Capital Market Director Programme (CMDP) for Fund Management (Modules 1, 2B, 3 & 4) • Anti-Money Laundering and Anti-Terrorist Financing and Proceeds of Unlawful Activities (AMLATFPUAA 2001) for Directors by SIDC
Dato’ Mohd Izani bin Ghani	<ul style="list-style-type: none"> • 6th Securities Commission and Oxford Centre for Islamic Studies (SC-OCIS) Roundtable 2015, London • IFN Forum Asia • Global Fixed Income Institute (GFII) Conference, Madrid • IFN Forum 2015 • Amanie Unitar Islamic Finance Forum (AUIFF) 2015 • Khazanah Megatrends Forum 2015 • CPA Australia Congress 2015 • Islamic Finance Roundtable, Bank Negara Malaysia • WIEF 2015, Kuala Lumpur
Tunku Dato’ Mahmood Fawzy bin Tunku Muhiyiddin	<ul style="list-style-type: none"> • Mobile World Congress • Technology That Transform by Asia Policy Partners • Capital Markets Directors Programme (CMDP) by SIDC • Khazanah Megatrends Forum • Digital Transformation by Zeinal Bava, former CEO of Oi SA & Portugal Telecom • Productivity and Simplification by KPN Netherlands

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Name of Director	Conference/Training Programmes Attended
Dato' Sri Dr Mohmad Isa bin Hussain	<ul style="list-style-type: none"> • Euromoney Asia - Project Finance – Infrastructure Project Finance
Norazura binti Tadzim	<ul style="list-style-type: none"> • Analysing Private Entities Reporting Standards Financial Statement • Transit-Oriented Development Breaking Down Barriers to Your Transit Oriented Development • MOF Inc. Directors Onboarding Programme • 5th Modern Railway Conference

From time to time, the Company would conduct several in-house training programmes in regard to various tasks and disciplines in relation to aviation and airport industry in order to aid the Board members in discharging their duties.

The Board members are continuously updated with the latest information on issues related to governance, risk management, board performance and sustainability. In addition, the Board members also strive to develop their understanding of the business through regular airport visits and in-depth presentations on topical issues.

Board Performance Evaluation (BPE)

BPE framework and processes for the Board of Malaysia Airports have been developed and adopted in accordance with the principles as outlined in the Green Book and the MCCG 2012 and the framework shall be reviewed periodically, to ensure BPE analysis shall enhance the Board's overall effectiveness and is part of an ongoing effort to drive continuous effectiveness of the Board and its Committees.

BPE involves with the setting of the Board's annual objectives, followed by Director Self-Assessment by the Board at the conclusion of the year to evaluate the extent to which the Board had achieved the objectives, identify areas

of improvement, and develop a range of new initiatives to improve Board's performance. Similar topics were covered in respect of the questionnaire for each of the Board Committees.

The findings of the BPE would be used as a yardstick to measure the Board's effectiveness, which will form the basis to formulate a "moving forward initiatives" glance for the following year.

The Board is committed to conducting such performance evaluation, as this enables the Board's performance to be properly gauged and to have a continuous improvement process.

Whistleblowing Programme

In order to improve the overall organisational effectiveness and to uphold the integrity of Malaysia Airports in the eyes of the public, whilst at the same time being an entity that serves the interest of the nation, Malaysia Airports has instituted the whistleblowing programme which acts as a formal communication channel, where employees and external parties can communicate their concerns in cases where the Group's business conduct is deemed to be contrary to Malaysia Airports' common values. The issues of concern may cover the following:

- Commission of fraud, bribery and/or corruption;
- Unauthorised use of Company's money, properties and/or facilities;
- Exposure of Company's properties, facilities and/or staff to the risks of safety and security;
- Abuse of position;
- Involvement in unlawful act;
- Failure to meet Professional Standards;
- Negligence/malpractice;
- Disclosure of Company's information without proper authorisation; and
- Any act or omissions which constitute act of misconduct under Malaysia Airports Code of Ethics or any criminal offence under relevant legislations in force.

All concerns should be addressed to the Whistleblowing Independent Committee (WIC). Effective from 1 January 2013, BAC was tasked with overseeing the WIC, whereby an independent member of BAC was appointed as the Chairman of WIC. Pursuant thereof, Jeremy bin Nasrulhaq was appointed as the Chairman of WIC with effect from 22 January 2014 to promote transparency and independence.

The WIC will assess all information received and act in accordance to its terms of reference. Subsequently, the WIC will submit a report to the BAC at every BAC meeting. All details pertaining

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to the identity of the whistleblower will be kept strictly confidential throughout the investigation proceedings.

Complaints can be channelled online at www.malaysiaairports.com.my via Whistleblowing Programme Reporting of Concern Form, email to wic_secretariat@malaysiaairports.com.my or by calling the hotline at 019-659 2263.

During the year, a total of 17 information was received, which cover broad areas of concerns as mentioned above, and where appropriate, actions have been taken to address the issues raised.

Meetings and Attendances

The Board requires all members to devote sufficient time to the working of the Board, to effectively discharge their duties as Directors, and to use their best endeavours to attend the meetings.

The Board meetings as well as the Board Committee meetings are scheduled in advanced before the end of each financial year so as to enable the Directors to plan accordingly and fit the year's meetings into their schedules. Special Board meetings may be convened to consider urgent proposals or matters that require expeditious decision or deliberation by the Board.

The Board is scheduled to meet once a month with additional meetings convened, as and when deemed necessary. During the financial year 2015, 11 Board meetings were held, of which, two (2) were Special Board meetings. All the Directors had proportionately attended more than 50% of the Board meetings held for the financial year 2015, in compliance with the Bursa Malaysia Listing Requirements.

The following table sets out the number of Board meetings held during the financial year 2015 and the attendance of the respective Directors. Directors who were unable to attend the Board meetings would review the relevant Board papers and thereafter convey their comments to the Chairman or the Company Secretary prior to the proceeding of the meetings. Alternatively, the Alternate Director will attend the meetings on behalf of the Principal Director.

Directors	Number of Board Meetings attended/held (during the Directors' tenure)	Percentage
Non-Independent Non-Executive		
Tan Sri Dato' Sri Dr Wan Abdul Aziz bin Wan Abdullah	11 out of 11	100%
Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin	10 out of 11	96%
Dato' Mohd Izani bin Ghani	10 out of 11	96%
Dato' Sri Dr Mohmad Isa bin Hussain ¹	4 out of 6	62%
Norazura binti Tadzim ¹ <i>(Alternate Director to Dato' Sri Dr Mohmad Isa bin Hussain)</i>	2 out of 2	100%
Dato' Sri Dr Ismail bin Hj Bakar ²	7 out of 11	60%
Datuk Ruhaizah binti Mohamed Rashid ² <i>(Alternate Director to Dato' Sri Dr Ismail bin Hj Bakar)</i>	2 out of 2	100%
Dato' Siti Zaayah binti Md Desa ³	4 out of 5	96%
Norazura binti Tadzim ³ <i>(Alternate Director to Dato' Siti Zaayah binti Md Desa)</i>	1 out of 1	100%
Datuk Seri Long See Wool ⁴	2 out of 3	96%
Chua Kok Ching ⁴ <i>(Alternate Director to Datuk Seri Long See Wool)</i>	1 out of 1	100%
Independent Non-Executive		
Jeremy bin Nasrulhaq	11 out of 11	100%
Datuk Seri Yam Kong Choy	10 out of 11	96%
Datuk Zalekha binti Hassan	11 out of 11	100%
Rosli bin Abdullah	11 out of 11	100%
Non-Independent Executive		
Datuk Mohd Badlisham bin Ghazali	11 out of 11	100%

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Notes:

- ¹ Appointed as Director / Alternate Director with effect from 29 May 2015
- ² Appointed as Director / Alternate Director with effect from 16 February 2015 / Resigned as Director / Ceased as Alternate Director with effect from 16 December 2015
- ³ Resigned as Director / Ceased as Alternate Director with effect from 29 May 2015
- ⁴ Resigned as Director / Ceased as Alternate Director with effect from 16 February 2015

The Directors have complied with the minimum attendance as stipulated in the Bursa Malaysia Listing Requirements, which requires being present at not less than 50% of the Board meetings held during the financial year.

Quality of Information

The Chairman takes responsibility for ensuring that the Directors receive accurate, timely and clear information with regard to the Group's financial and operational performance, to enable the Board to make sound decision and provide the necessary advice, with all Board and Committee papers being issued in advance prior to the scheduled meetings. The Company Secretary will assist the Chairman to ensure that the process of disseminating the information is effective and reliable.

Under the current practice, notices pertaining to all Board meetings are issued to the Directors, at least 14 days from the date of the meeting, whilst the notices of the Board Committee meetings are circulated to the Committee members and all those invited to attend the meetings, at least seven (7) days before each meeting. The agenda and the Board papers are circulated within seven (7) days from the date of the meeting. Furthermore, in order to provide an in-depth discussion of the respective matters within a reasonable and sufficient time, the Managing Director, together with the Chairman would decide on the

agenda, and structure and prioritise the respective matters accordingly based on their relevancy and importance. Confidential papers or urgent proposals are presented and tabled at the Board meetings under special agenda.

The format and structure of the Board papers are in such a way that they contain the right amount of details and are clear and concise. Furthermore, an executive summary to the Board papers will be prepared to enable the Directors to comprehend the subject matters within the first few minutes of reading. The minutes of each Board meeting are circulated together with the Board papers to all Directors for their perusal before confirmation of the minutes.

The summary of the minutes of meetings is also enclosed to ensure that decisions, requests and requirements were recorded accurately and could be tracked and monitored upfront for clarity and ease of reference, as well as for the Board's comfort that actions are being followed up. The Board may, if required, and in the best interest of time, refrain from considering any last minute agenda items during the proceedings of the Board meetings, unless the matter is of genuine and exceptional circumstances.

The Directors have a duty to declare immediately to the Board should they be interested in any transaction to be entered into directly or indirectly by the Company. An interested Director will abstain from deliberations and decisions of the Board on the transaction. In the event a corporate proposal is required to be approved by the shareholders, interested Directors will abstain from voting on the resolutions relating to the corporate proposals, and will further undertake to ensure that persons connected to them similarly abstain from voting on the resolutions.

Access to Information and Advice

The Directors have full and unrestricted access to all information pertaining to the Group's businesses and affairs to enable them to discharge their duties. They also have full and unrestricted access to the advice and services of the Senior Management and the Company Secretary of the Group.

Ensure Timely and High Quality Disclosure

Corporate Disclosure Policy

Malaysia Airports is committed to ensure that shareholders and the market are provided with full and timely information and that all stakeholders have equal opportunities to receive externally available information issued by Malaysia Airports.

Malaysia Airports' practice is to release all price sensitive information to Bursa Malaysia in a timely manner as required under the Bursa Malaysia Listing Requirements and to the market and community generally through Malaysia Airports' media releases, social media platforms (namely, Twitter, Facebook, Instagram and YouTube), corporate website and other appropriate channels. Each division in Malaysia Airports is required to inform the Company Secretary on any potential price sensitive information concerning Malaysia Airports as soon as this becomes known.

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Leverage on Information Technology for Effective Dissemination of Information

Malaysia Airports employs a wide range of communication approaches such as direct communication and publication of all relevant Group information on the website at www.malaysiaairports.com.my.

Malaysia Airports utilises its corporate website and social media platforms as a means of providing information to its shareholders, stakeholders and the broader investment community. Malaysia Airports disclose information on the latest news and happenings via media releases, featured in a section called “News Centre” in the website. Staff will also be informed of any important news, to be issued via internal communications platform (namely, K-Office email). In addition, Malaysia Airports has dedicated a section on its website to Malaysia Airports’ investors where presentations, Annual Reports, quarterly reports, annual financial statements, announcements, share and financial information can be viewed. The details of Investor Relations are disclosed on page 36 to 37 of this Annual Report.

Qualified and Competent Company Secretary

Sabarina Laila binti Dato’ Mohd Hashim, the Company Secretary for the Group, is responsible for advising the Board on issues relating to compliance with laws, rules, procedures and regulations affecting the Group, as well as the principles of best practices on corporate governance. The Company Secretary is also responsible for advising the Directors of their obligations and adherence to matters pertaining to disclosure of interest in securities, disclosure of any conflict of interest in a transaction involving the Company, prohibition on dealing in securities and restrictions on disclosure of material information.

Apart from playing an active role as the advisor to the Directors, the duties of the Company Secretary also include, amongst others, attending all Board and Board Committee meetings, ensuring that the proceedings of Board meetings and decisions made thereof, are accurately and sufficiently recorded, and properly kept for the purpose of meeting statutory obligations, as well as obligations arising from Bursa Malaysia Listing Requirements or other regulatory requirements, communicating the decisions of the Board for Management’s attention and further action, ensuring that all appointments and resignations of Directors are in accordance with the relevant legislations, BPE is properly executed, the Board succession planning programme is put in place, review of Board Charter periodically, handling company share transactions, such as issuance of new shares, arranging for payment of dividends, ensuring that the Board initiatives are achieved, liaising with external auditors, lawyers, tax advisors, bankers and shareholders as well as to promote high standard of corporate governance.

Independent Professional Advice

The Board allows the Directors, in furtherance of their duties, to obtain independent professional advice from external consultants, at the Company’s expenses. Copies of any reports, advice and recommendations provided by the independent professional adviser to a respective Director, will be forwarded by the said Director to the Company Secretary, who will, where appropriate, circulate them to other Directors to ensure that they are informed of pertinent issues, which may have an impact on the Group’s sustainability. However, no such advice sought by any Director during the year.

Appointment to the Board

There is a formal and transparent procedure for the appointment of new Directors to the Board, the primary responsibility of which is delegated to the BNRC, with the membership comprising exclusively, Non-Executive Directors, the majority of whom are independent. This composition of only Non-Executive Directors in the Committee ensures that any decisions made are impartial and in the best interest of the Group, without any element of fear or favour.

The BNRC is responsible for identifying and determining clear criteria for the selection and appointment of new Directors. The BNRC is also responsible for the review, evaluation and recommendation of suitable candidates for appointment as Directors based on the criteria set, amongst others, skills set, experience, competency, gender, ethnicity and age, and on the needs of the Board and the current composition of the Board, pertaining to balance of skills, knowledge and experience of the Board and future strategic direction.

The BNRC is also responsible for assessing and ensuring, amongst others, that the candidate possesses technical competencies, a strong sense of professionalism and integrity, organisational and strategic awareness, and the ability to add value, as well as adherence to the highest standards of business conduct. The potential candidates, upon such review and evaluation, will be recommended to the Board for appointment.

STATEMENT ON CORPORATE GOVERNANCE

Meanwhile, the BNRC is responsible for evaluating the findings of the BPE for the Board and the relevant Board Committees. Each Director's ability and capability will be individually self-assessed by them, and any weaknesses identified will be discussed, and thereafter a plan will be formulated to address the gap.

The BNRC, upon analysing the results of the annual BPE, is satisfied that the size of the Board is sufficiently appropriate and that there is a good mix of knowledge, skills, attributes and core competencies in the composition of the Board. The BNRC is also satisfied that all the Board members are suitably qualified to maintain their positions as Directors of the Board and members of the Committees in view of their respective academic and professional qualifications, experience and qualities.

Promoting Sustainability

The Board believes the sustainability is integral to the long-term success of Malaysia Airports. Malaysia Airports manage its business responsibly by managing the economic, social and environmental aspects of its operations. Malaysia Airports produces an annual sustainability report to communicate its sustainability endeavours to stakeholders. Together with the Annual Report, which highlights the financial aspects of the business, both reports provide a clear, comprehensive and transparent representation of its performance annually.

Further information on the Malaysia Airports sustainability activities can be found in a separate report published in conjunction with this Annual Report, namely 'Sustainability Report 2015'. The sustainability report is also available to the public on the Company's official website.

DIRECTORS' REMUNERATION

The BNRC is responsible for the review, assessment and recommendation to the Board of Directors, the appropriate remuneration packages for the Directors, Managing Director, and to deliberate the remuneration package for the Senior Management as well as Malaysia Airports' employees. The component parts of the remuneration are structured as such, to link rewards to corporate and individual performance, in line with the aspiration of the RtS2020.

The Managing Director's remuneration comprises of basic salary and other customary benefits which reflect his performance for the year, whilst the Non-Executive Directors' remuneration package, comprises of directors' fees and emoluments as well as benefits-in-kind, which reflect the individual's roles and responsibilities. The calibre of the Non-Executive Directors serving the Company is essential in upholding the standards of Corporate Governance.

The Board remuneration structure is reviewed by benchmarking the Chairman and the Directors' remuneration against peer companies, locally and regionally. The Board hopes that the alignment of the remuneration package offered to the Non-Executive Directors of the Company will continue to attract and retain Directors of such calibre to provide the necessary skills and experiences required for the effective management and operations of the Group.

The Chairman and Non-Executive Directors received the following fees in respect of the financial year 2015:

1. MAHB

No.	Fee	Chairman	Non-Executive Director
1.	Directors' Fee	Monthly: RM15,000.00 Annually: RM180,000.00	Monthly: RM9,000.00 Annually: RM108,000.00
2.	Meeting Allowance		
2.1	Board Meeting	RM5,000.00 per meeting	RM3,000.00 per meeting
2.2	Board Committee Meeting	RM4,000.00 per meeting	RM2,000.00 per meeting

STATEMENT ON CORPORATE GOVERNANCE

2. Subsidiaries of MAHB

Tier	Companies	Chairman	Non-Executive Director
Meeting Allowance			
First Tier	1. Malaysia Airports Consultancy Services Sdn. Bhd. 2. Malaysia Airports (Niaga) Sdn. Bhd. 3. K.L. Airport Hotel Sdn. Bhd. 4. Istanbul Sabiha Gokcen International Airport Investment Development and Operation Inc. 5. LGM Airport Operations Trade and Tourism Inc.	RM3,500.00 per meeting	RM3,000.00 per meeting
Second Tier	1. Malaysia Airports Sdn. Bhd. 2. Malaysia Airports (Sepang) Sdn. Bhd. 3. Urusan Teknologi Wawasan Sdn. Bhd. 4. MAB Agriculture-Horticulture Sdn. Bhd.	RM3,000.00 per meeting	RM2,000.00 per meeting

3. Management Committee of MAHB

No.	Management Committee	Chairman	Members
Meeting Allowance			
1.	Land Development Advisory Committee	RM3,500.00 per meeting	RM3,000.00 per meeting
2.	Whistleblowing Independent Committee	RM1,500.00 per meeting	RM1,000.00 per meeting

The details of the total remuneration of Directors for the financial year 2015 are as summarised below:

Category	Salary, Bonus and Other Emoluments (RM)	Directors' Fees (RM)	Directors' Other Emoluments [^] (RM)	Benefits-in-Kind ^{^^} (RM)	Total (RM)
Non-Executive Directors					
Tan Sri Dato' Sri Dr Wan Abdul Aziz bin Wan Abdullah	0	180,000.00	244,398.75	10,000.00	434,398.75
Datuk Seri Long See Wool <i>(Resigned with effect from 16 February 2015)</i>	0	18,000.00	12,000.00	10,000.00	40,000.00
Chua Kok Ching <i>(Alternate Director to Datuk Seri Long See Wool) (Ceased with effect from 16 February 2015)</i>	0	0	2,000.00	0	2,000.00
Dato' Siti Zauyah binti Md Desa <i>(Resigned with effect from 29 May 2015)</i>	0	54,000.00	34,000.00	10,000.00	98,000.00
Norazura binti Tadzim <i>(Alternate Director to Dato' Siti Zauyah binti Md Desa) (Ceased with effect from 29 May 2015)</i>	0	0	10,000.00	0	10,000.00
Eshah binti Meor Suleiman <i>(Resigned with effect from 6 June 2014)[#]</i>	0	0	0	9,992.00	9,992.00

STATEMENT ON CORPORATE GOVERNANCE

Category	Salary, Bonus and Other Emoluments (RM)	Directors' Fees (RM)	Directors' Other Emoluments [^] (RM)	Benefits-in-Kind ^{^^} (RM)	Total (RM)
Non-Executive Directors					
Dato' Sri Dr Mohmad Isa bin Hussain (Appointed with effect from 29 May 2015)	0	54,000.00	22,000.00	5,189.00	81,189.00
Norazura binti Tadzim (Alternate Director to Dato' Sri Dr Mohmad Isa bin Hussain) (Appointed with effect from 29 May 2015)	0	0	15,528.00	0	15,528.00
Jeremy bin Nasrulhaq	0	108,000.00	138,962.94	10,000.00	256,962.94
Datuk Seri Yam Kong Choy	0	108,000.00	68,646.00	0	176,646.00
Datuk Zalekha binti Hassan	0	99,000.00	92,528.00	10,000.00	201,528.00
Rosli bin Abdullah	0	108,000.00	124,528.00	10,000.00	242,528.00
Dato' Mohd Izani bin Ghani	0	*108,000.00	*80,646.00	10,000.00	198,646.00
Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin	0	108,000.00	56,966.00	10,000.00	174,966.00
Dato' Sri Dr Ismail bin Haji Bakar (Appointed with effect from 16 February 2015) (Resigned with effect from 16 December 2015)	0	90,000.00	40,528.00	5,857.00	136,385.00
Datuk Ruhaizah binti Mohamed Rashid (Appointed with effect from 16 February 2015) (Ceased with effect from 16 December 2015)	0	0	15,000.00	4,857.00	19,857.00
Total		1,035,000.00	957,731.69	105,895.62	2,098,627.31
Executive Directors**					
Datuk Mohd Badlisham bin Ghazali	1,458,255.96	0	0	131,498.82	1,589,754.78
Grand Total	1,458,255.96	1,035,000.00	957,731.69	237,394.44	3,688,382.09

This disclosure is for the payment made to the respective Directors in financial year 2015.

* The amount of fee paid to Khazanah Nasional Berhad, the immediate holding company, in respect of services rendered to the Company by Dato' Mohd Izani bin Ghani.

** Being the Managing Director.

[^] Directors' Other Emoluments comprise meeting allowance, car allowance, entertainment allowance and out-of pocket expenses.

^{^^} Benefits-in-kind comprise car, petrol, toll, driver, telecommunication devices, club and professional membership, leave passage and Directors' appreciation gift.

STATEMENT ON CORPORATE GOVERNANCE

The number of Directors of the Company whose total remuneration falls within the specified bands during the financial year 2015 is tabulated, as follows:

Executive Director	Number of Directors		Executive Director	Number of Directors	
	2015	2014		2015	2014
Less than RM600,000	-	-	RM1,550,001 – RM1,600,000	1	-
RM600,001 – RM650,000	-	1	RM1,600,001 – RM1,650,000	-	-
RM650,001 – RM700,000	-	-	RM1,650,001 – RM1,700,000	-	-
RM700,001 – RM750,000	-	-	RM1,700,001 – RM1,750,000	-	-
RM750,001 – RM800,000	-	-	RM1,750,001 – RM1,800,000	-	-
RM800,001 – RM850,000	-	-	RM1,800,001 – RM1,850,000	-	-
RM850,001 – RM900,000	-	-	RM1,850,001 – RM1,900,000	-	-
RM900,001 – RM950,000	-	-	RM1,900,001 – RM1,950,000	-	-
RM950,001 – RM1,000,000	-	-	RM1,950,001 – RM2,000,000	-	-
RM1,000,001 – RM1,050,000	-	-	RM2,000,001 – RM2,050,000	-	-
RM1,050,001 – RM1,100,000	-	-	RM2,050,001 – RM2,100,000	-	-
RM1,100,001 – RM1,150,000	-	-	RM2,100,001 – RM2,150,000	-	-
RM1,150,001 – RM1,200,000	-	-	RM2,150,001 – RM2,200,000	-	-
RM1,200,001 – RM1,250,000	-	-	RM2,200,001 – RM2,250,000	-	-
RM1,250,001 – RM1,300,000	-	-	RM2,250,001 – RM2,300,000	-	-
RM1,300,001 – RM1,350,000	-	-	RM2,300,001 – RM2,350,000	-	-
RM1,350,001 – RM1,400,000	-	-	RM2,350,001 – RM2,400,000	-	-
RM1,400,001 – RM1,450,000	-	-	RM2,400,001 – RM2,450,000	-	-
RM1,450,001 – RM1,500,000	-	-	RM2,450,001 – RM2,500,000	-	1
RM1,500,001 – RM1,550,000	-	-			
Non-Executive Director					
Less than RM50,000	5	5	RM300,001 – RM350,000	-	-
RM50,001 – RM100,000	2	-	RM350,001 – RM400,000	-	-
RM100,001 – RM150,000	1	2	RM400,001 – RM450,000	1	-
RM150,001 – RM200,000	3	2	RM450,001 – RM500,000	-	1
RM200,001 – RM250,000	2	4	RM500,001 – RM550,000	-	-
RM250,001 – RM300,000	1	1			

STATEMENT ON CORPORATE GOVERNANCE

Board Committees

The Board delegates certain of its governance responsibilities to the following Board Committees, which operate within clearly defined Terms of Reference (TOR), to assist the Board in discharging its responsibilities:

Key Functions	Composition
<p>Board Audit Committee (BAC)</p> <p>Review and evaluate performance of External Auditors and Internal Audit Division in ensuring efficiency and effectiveness of the Company's operations, adequacy of internal control system, compliance to established policies and procedures, transparency in decision-making process and accountability of financial and management information. Review on any Related Party Transactions during each quarter.</p>	<p>BAC comprises of no fewer than four (4) members, all of whom are Non-Executive Directors with the majority being Independent Directors. At least one (1) member must be a member of Malaysian Institute of Accountants, or if he/she is not, then he/she must comply with paragraph 15.09(1)(c) of the Listing Requirements of Bursa Malaysia Securities Berhad.</p>
<p>Board Nomination & Remuneration Committee (BNRC)</p> <p>Review, assess and recommend to the Board, remuneration packages of the Managing Director and Senior Management as well as to review matters relating to employees of Malaysia Airports Group, limiting to Collective Agreement for Non-Executives, Terms and Conditions of Executives and staff bonus and annual increment. Determine criteria for Board or Board Committees' membership, structure, responsibilities and effectiveness, and to formulate and review policies and procedures on human resource matters with regard to recruitment, appointment, promotion and transfer of Managing Director and Senior Management.</p>	<p>BNRC shall have at least three (3) members, all of whom shall be Non-Executive Directors with the majority being Independent Directors. The Senior Independent Director shall be the Chairman of BNRC in compliance with the Recommendation in the Malaysian Code on Corporate Governance 2012 (MCCG 2012).</p>
<p>Board Finance and Investment Committee (BOFIC)</p> <p>Review and monitor the financial performance of the Group, including the budgets, and monitor investment policy and portfolio of the Group.</p>	<p>BOFIC comprises of no fewer than four (4) members and at least one (1) member must be an Independent Director.</p>
<p>Board Risk Management Committee (BRMC)</p> <p>Formulate the overall risk management, occupational safety and health, ICAO safety management system and information security strategy of the Group and recommend for approval and/or approve (whenever applicable) any major risk financing decisions by the Group.</p>	<p>BRMC comprises of at least four (4) members, made up of both Independent Non-Executive Directors and Non-Independent Non-Executive Directors.</p>
<p>Board Procurement Committee (BPC)</p> <p>Approve procurement value above RM5.0 million up to RM200.0 million, review and approve procurement policies and procedures, oversee and monitor the overall implementation of the Red Book, ensuring efficiency and effectiveness of procurement process, and support national development objectives.</p>	<p>BPC comprises of at least three (3) members, made up of both Independent Non-Executive Directors and Non-Independent Non-Executive Directors.</p>

STATEMENT ON CORPORATE GOVERNANCE

Key Functions	Composition
Integrated Steering Committee (ISC)	
To assist the Management and Board of ISG and LGM in fulfilling its fiduciary responsibilities relating to the running and the managing of ISG and LGM and any other related company, including but not limited to policy, strategy and operational issues, accordingly.	ISC comprises of the following members: (i) Director of Malaysia Airports as Chairman; (ii) Advisor of Malaysia Airports as member; (iii) Managing Director of Malaysia Airports as member; and (iv) Senior General Manager as member.

The details of the TOR for each Board Committee are available at www.malaysiaairports.com.my. The summary of the TOR and activities carried out by the BAC are set out under the Board Audit Committee Report from pages 155 to 157 of this Annual Report.

Each Board Committee reviews its TOR at least once in every two (2) years to assess its relevancy and clarity, whilst BAC review its TOR on annual basis.

The Chairman and members of each Board Committee shall be appointed by the Board. As a matter of good practice prior to each Board meeting, the Chairmen of various Board Committees will report the outcome of the Board Committee meetings to the Board, and such reports and also minutes of the Committee meetings would be noted in the minutes of the Board meetings. This permits the Board to raise any comments/views on all deliberations.

Board Nomination Remuneration Committee (BNRC)

The BNRC carried its duties and responsibilities in accordance with its TOR. During the year, five (5) BNRC meetings were held and the main activities undertaken by the BNRC were, amongst others, as follows:

- Reviewed the Corporate Scorecard achievement and the performance of the Senior Management;
- Reviewed and endorsed the Board Assessment Template for selection and appointment of new/future Directors;
- Reviewed the TOR of BNRC;
- Reviewed the findings of Board Performance Evaluation and determined Board initiatives;
- Reviewed the terms and conditions of service of the Managing Director;
- Reviewed the succession planning for the Managing Director position;
- Reviewed the remuneration structure and policy for Managing Director;
- Reviewed and evaluated the appointment of new Directors on the Board;
- Reviewed and evaluated the curriculum vitae of potential candidates for future appointment as Directors;
- Reviewed and approved the recommendation for directorships of external Director(s) on the Boards of subsidiaries of Malaysia Airports;
- Reviewed Director's meeting allowances;
- Reviewed the composition of the Board and Board Committees;
- Reviewed the independence of Independent Directors and their tenure;
- Reviewed talent assessment for employees and salary structure of Senior Management;
- Reviewed the renewal of employment contracts of Senior Management;
- Reviewed the appointment of new Senior Management;
- Reviewed the succession plan for Senior Management;
- Reviewed the remuneration structure and policy for Senior Management;
- Reviewed the appointment of Senior Management on the Boards of subsidiaries and associate companies; and
- Reviewed the Minimum Retirement Age Act 2012.

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The composition of the Board Committees and the attendance of members at the Board Committee meetings held during the financial year 2015 are as detailed below:

Composition of the Board Committees

Director	BAC	BNRC	BOFIC	BRMC	BPC
Non-Independent Non-Executive					
Tan Sri Dato' Sri Dr Wan Abdul Aziz bin Wan Abdullah			C	C	
Dato' Sri Dr Mohmad Isa bin Hussain ²			M		M
Dato' Mohd Izani bin Ghani	M	M	M		
Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin			M		
Non-Independent Executive					
Jeremy bin Nasrulhaq	M	C	M		
Datuk Seri Yam Kong Choy	M		M	M	
Datuk Zalekha binti Hassan		M			C
Rosli bin Abdullah	C	M		M	M

Note: C : Chairman, M : Member

Attendance at the Board Committee Meetings

Director	BAC	BNRC	BOFIC	BRMC	BPC
Non-Independent Non-Executive					
Attendance					
Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah			4/4	4/4	
Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin			2/2		
Dato' Mohd Izani bin Ghani	6/6	5/5	4/4		
Dato' Sri Dr Mohmad Isa bin Hussain ¹			1/2		3/5
Norazura binti Tadzim ² (Alternate Director to Dato' Sri Dr Mohmad Isa bin Hussain)			1/2		1/5
Dato' Sri Dr Ismail bin Hj Bakar ³				1/4	5/9
Datuk Ruhaizah binti Mohamed Rashid ⁴ (Alternate Director to Dato' Sri Dr Ismail bin Hj Bakar)				1/4	2/9
Dato' Siti Zauyah binti Md Desa ⁵		2/2			5/5
Norazura binti Tadzim ⁶ (Alternate Director to Dato' Siti Zauyah binti Md Desa)					
Datuk Seri Long See Wool ⁷					0/1
Chua Kok Ching ⁸ (Alternate Director to Datuk Seri Long See Wool)					1/1

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Director	BAC	BNRC	BOFIC	BRMC	BPC
Independent Non-Executive					
Jeremy bin Nasrulhaq	6/6	5/5	4/4		
Datuk Seri Yam Kong Choy	6/6		4/4	4/4	
Datuk Zalekha binti Hassan		5/5			10/10
Encik Rosli bin Abdullah	6/6	5/5		4/4	10/10

Notes:

- ¹ Appointed as a member of the Board Financial & Investment Committee and Board Procurement Committee with effect from 29 May 2015
- ² Appointed as a member of the Board Financial & Investment Committee and Board Procurement Committee with effect from 29 May 2015
- ³ Appointed as a member of the Board Risk Management Committee and Board Procurement Committee with effect from 16 February 2015 / Resigned as a member of the Board Risk Management Committee and Board Procurement Committee with effect from 16 December 2015
- ⁴ Appointed as a member of the Board Risk Management Committee and Board Procurement Committee with effect from 16 February 2015 / Ceased as a member of the Board Risk Management Committee and Board Procurement Committee with effect from 16 December 2015
- ⁵ Resigned as a member of the Board Nomination & Remuneration Committee and Board Procurement Committee with effect from 29 May 2015
- ⁶ Ceased as a member of the Board Nomination & Remuneration Committee and Board Procurement Committee with effect from 29 May 2015
- ⁷ Resigned as a member of the Board Procurement Committee with effect from 16 February 2015
- ⁸ Ceased as a member of the Board Procurement Committee with effect from 16 February 2015

SHAREHOLDERS

Relations with Major Shareholders and Stakeholders

The Stakeholder Management Committee, led by the Managing Director and the Chief Financial Officer of the Company and including, where appropriate, other members of Senior Management, will regularly hold meetings with the Company's major shareholder, namely Khazanah Nasional Berhad and its major stakeholders (which involve, the Ministry of Finance, Ministry of Transport, and Airlines, amongst others) to discuss the company's strategy, financial performance and specific major investment activities.

Relations with Institutional Shareholders

The investor relations team is responsible for managing the day-to-day communications with institutional shareholders through briefings to fund managers, institutional investors and investment analysts, normally held after the release of the Group's quarterly results to Bursa Malaysia. Press conferences are also held to brief the members of the media, and to highlight any significant events undertaken by the Group. All Non-Executive Directors have always been invited to the briefings, should they wish to.

Relations with Private Shareholders

Each year, shareholders will receive the Annual Report of the Company. The shareholders can also access up-to-date information on the Group's latest activities such as financial performance, group background and future events throughout the year on the Company's official website at www.malaysiaairports.com.my.

The Board acknowledges the importance of shareholders to be informed in a prompt and timely manner of all material business matters affecting the Company by requiring:

- All announcements of quarterly financial results, change in the composition of the Board, etc., are disclosed to Bursa Malaysia within statutory timelines and immediately made available on the website;
- All information released to the stakeholders is to be placed on Malaysia Airports website promptly following the release;

STATEMENT ON CORPORATE GOVERNANCE

- Clear, accurate and sufficient information to enable shareholders and investors to make informed decisions; and
- All formal queries by Bursa Malaysia and other regulatory authorities are expeditiously responded to.

Poll Voting

The Chairman, at the commencement of a general meeting, informs shareholders of their right to vote by poll. This is in line with the Company's Articles of Association.

Regardless of the regulatory requirement, the Company prepares polling slips in the event shareholders request for poll voting on any resolution tabled at the general meeting.

Related Party Transactions

Malaysia Airports has established appropriate procedures to ensure that it complies with Bursa Malaysia Listing Requirements with regard to Related Party Transactions.

Malaysia Airports did not seek any mandate of its shareholders pertaining to Related Party Transactions during the financial year under review.

Investor Relations

Malaysia Airports recognises the value of transparent, consistent and coherent communications with investment community consistent with commercial confidentiality and regulatory considerations. Our Investor Relations Policy aims to build long-term relationships with our shareholders and potential investors through appropriate channels for the management and disclosure of information. We provide these investors with sufficient business,

operations and financial information on the Group enabling them to be informed investment decisions.

In each quarter in 2015, Malaysia Airports held analyst presentations in conjunction with the Group's quarterly financial results. The briefings include the corporate overview, review of business operations and financial performance, headline KPI achievements and the business outlook for the Group.

In addition to the above, Malaysia Airports also organise regular one-on-one meeting with investment analysts and fund managers throughout the year. The analysts and fund managers briefings will continue to be held regularly in 2016.

In line with our commitment towards corporate governance and best practice in investor relations, Malaysia Airports updates its website, www.malaysiaairports.com.my, periodically to ensure that we provide an in-depth and up-to-date information for both existing and potential shareholders, with timely and accurate information about Malaysia Airports. The website also allows visitors to register and received the latest information about Malaysia Airports, enhances transparency, facilitates more effective communication with the investment community and promotes Investor Relations best practice in the region.

Dividend Policy

The Company's dividend policy entails the payment of dividend at a payout ratio of at least 50% of the consolidated annual net profit after taxation and minority interest commencing from the financial year 2007. Nevertheless, the actual amount and timing of the dividend payments would depend on the Company's cash flow position, results of

operations, business prospects, current and expected obligations, and such other matters as the Board may deem relevant.

Annual General Meeting

The Annual General Meeting (AGM) will take place at Sama-Sama Hotel, Kuala Lumpur International Airport, Jalan CTA 4B, 64000 KLIA, Sepang, Selangor Darul Ehsan, and formal notification is sent to the shareholders at least 21 days in advance.

The Board believes that the AGM is an important forum, to engage with shareholders, which allows the shareholders to gain direct access to the Board as well as the Company's External Auditors, to channel their queries, grievances or even opinions on how to further enhance the Company's performance.

A brief presentation on the financial performance of the Company and the activities of the Group throughout the year will normally be presented to the shareholders during the AGM to allow the shareholders to better understand the Company's performance and the Group's latest activities. The Board therefore, encourages shareholders to attend and participate in the AGM.

The Board will regularly maintain good dialogue with shareholders by proactively organising meetings, presentations and events, so as to better understand the views of the shareholders on a range of issues from strategy to corporate governance.

Shareholders are also encouraged to contact the following personnel pertaining to investor relations matters:

STATEMENT ON CORPORATE GOVERNANCE

Raja Azmi Raja Nazuddin

Chief Financial Officer

Contact Details

Tel: 603-8777 7004

Fax: 603-8777 7776

E-mail: rajaazmi@malaysiaairports.com.my

The profile of Raja Azmi Raja Nazuddin is enclosed on page 94 of this Annual Report.

ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual audited financial statements and quarterly financial results announcement to the shareholders, the Directors aim to present a balanced and understandable assessment of the Group's position and prospects. BAC assists the Board by reviewing the information disclosed and ensuring its completeness, accuracy and adequacy.

The Board is fully aware of the changes in the accounting policies with the implementation of the Malaysian Financial Reporting Standards (MFRS) approved by the Malaysian Accounting Standards Board, and has adopted the relevant MFRSs applicable for the Group's financial year 2015.

The adoption of the MFRSs has changed a number of the Group's accounting policies. The principal effects of the changes in accounting policies resulting from the above adoption are set out from pages 184 to 217 of this Annual Report.

Statement of Risk Management & Internal Control

The Statement of Risk Management & Internal Control as set out from pages 150 to 154 of this Annual Report provides an overview of the system/process of risk management and internal controls within the Group.

Relationship with External Auditors

BAC and the Board place great emphasis on the objectivity and independence of the Group's External Auditors, Messrs. Ernst & Young, in providing the relevant reports to shareholders. In order to ensure full disclosure of matters, Messrs. Ernst & Young are regularly invited to attend the Committee's meetings as well as the AGM. For the financial year under review, two (2) private sessions between BAC and the External Auditors in the absence of Managing Director and the Management were held, to discuss the adequacy of controls and any judgemental areas for greater exchange of views and opinions between both parties in relation to Financial Reporting.

In order to ensure that the External Auditors' independence and objectivity are not compromised by the provision of non-audit services, BAC's practice is to exclude them from providing services on merger and acquisition exercise, due diligence, management, strategic and IT consultancy, and other non-audit and non-tax-related services unless the services offered by the External Auditors are more effective or competitively priced, and they are the expert in the field against other providers.

Directors' Responsibility Statement

The Company and the Group's financial statements are drawn up in accordance with the applicable approved accounting standards, and the Board of Directors has the responsibility of ensuring that the financial statements of the Company and the Group give a true and fair view of the state of affairs of the Company and the Group. The Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965 is set out on page 158 of this Annual Report.

This Statement on Corporate Governance is made available on the Company's official website at www.malaysiaairports.com.my under the section "Investor Relations – Investor Briefings".

The Statement was duly reviewed and approved by the Board of Directors of Malaysia Airports on 17 February 2016.

On behalf of the Board



Tan Sri Dato' Sri Dr Wan Abdul Aziz bin Wan Abdullah
Chairman

ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in compliance with paragraph 9.25 of the Bursa Malaysia Listing Requirements.

1. Status of Utilisation of Proceeds raised from Corporate Proposal

The status of utilisation of the RM1.0 billion perpetual subordinated sukuk proceeds raised on 15 December 2014 from the Senior Sukuk Programme and Perpetual Subordinated Sukuk Programme with a combined aggregate limit of up to RM2.5 billion as at 31 December 2015 is as follows:

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Intended Timeframe for Utilisation	Deviation Amount (RM'000)	Deviation %
To part finance the construction of klia2 and/or to refinance MAHB's borrowings/ financings which were utilised for Shariah-compliant purposes and/or for MAHB's Shariah-compliant general corporate purposes	1,000,000	1,000,000	18 months	-	-

2. Share Buy-Back

There was no share buy-back exercised by the Company during the financial year 2015.

3. Option, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the financial year 2015.

4. American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme

A Sponsored Level 1 ADR Programme, has been declared effective by the US Securities Exchange Commission on 4 November 2013 and opened to accept deposits of MAHB shares on 19 November 2013.

Deutsche Bank Trust Company Americas has been appointed as the depository bank for the ADR Programme with Deutsche Bank (Malaysia) Berhad as the sole custodian of MAHB's shares in Malaysia for the ADR Programme.

The total number of shares that can be held through the ADR Programme shall not exceed five percent (5%) of the total issued and paid-up capital of MAHB at any point in time. As at 31 December 2015, there has been no ADRs sold under the ADR Programme.

5. Imposition of Sanctions/Penalties

There were no sanctions and/or penalties imposed on the Company and/or its subsidiary companies, Directors or Senior Management arising from any significant breach of rules/guidelines/legislations by the relevant regulatory bodies during the financial year 2015.

6. Non-Audit Fees

The amount of non-audit fees paid to the External Auditors, apart from the audit fees, during the financial year ended 31 December 2015, is as follows:

External Auditors	Report	Total Paid (RM)
Ernst & Young	Professional services and advisory work	594,000
Total		594,000

7. Variation in Results

There was no variation between the financial results in the audited financial statements 2015 and the audited financial results for the year ended 31 December 2015 announced by the Company on 17 February 2016.

8. Profit Guarantee

There was no profit guarantee given by the Company during the financial year 2015.

9. Material Contracts

There were no material contracts nor any contracts entered into by the Company and/or its subsidiaries involving interests of directors and/or major shareholders either subsisting as at 31 December 2015 or entered into since the end of the previous financial year ended 31 December 2014.

10. Recurrent Related Party Transactions of Revenue Nature

There were no recurrent related party transactions of a revenue nature entered into by the Company during the financial year ended 31 December 2015.

11. Corporate Social Responsibility

Please refer to our Sustainability Report 2015.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Para 15.26(b) of Bursa Malaysia Securities Berhad (Bursa Malaysia) Main Market Listing Requirements and Statement on Risk Management & Internal Control: Guidelines for Directors of Public Listed Companies as guided by the Malaysian Code of Corporate Governance 2012, the Board is respectively maintaining a sound risk management and internal control framework across Malaysia Airports to safeguard shareholders' investment, Group's assets and other stakeholders' interests.

RESPONSIBILITY AND ACCOUNTABILITY

The Board recognises its responsibility and accountability for the Group's system of risk management and internal control towards the establishment of an appropriate control environment and review of its adequacy and integrity on a regular basis to ensure its effectiveness. This is achieved via the Board Risk Management Committee (BRMC), Board Audit Committee (BAC) as well as the establishment of the Risk Management Policy Statement, the Risk Management Framework and the Corporate Risk Management Committee (CRMC).

PURPOSE OF RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The system of risk management and internal control is based on an ongoing process:

- Identify the principal risks impeding the achievement of the organisation's goals and objectives
- Evaluate the nature and extent of those risks
- Manage it efficiently, effectively and economically

The Board acknowledges that the system is designed as a tool to manage rather than eliminate the risks completely. As such, risk management and internal controls can only provide reasonable and not absolute assurance against the occurrence of any material mismanagement, loss or fraud.

RISK MANAGEMENT

Malaysia Airports is guided by the ISO 31000 in managing its risks and a web-based risk management information system, Malaysia Airports Risk Scorecard (MARs) is utilised to maintain and track its risks. Risk owners sign-off their departmental/airport scorecard on a quarterly basis to provide assurance that the risks are being managed.

In 2015, Malaysia Airports embarked on the identification and assessment of corruption risks in its operations with six business areas participating in the pilot workshop. Moving forward, corruption risk management will be extended to other business areas identified as potential corruption risk areas.

REVIEW OF INTERNAL CONTROL EFFECTIVENESS

The Group's internal control system is intertwined with operating activities and Board's review of internal control effectiveness, centred on Committee of the Sponsoring Organizations of the Treadway Commission (COSO) framework is based on information from:

- Key management within the organisation with the responsibility for the development and maintenance of the risk management and internal control framework;
- The work of the Internal Auditors, who submit regular reports to the Board Audit Committee which include their independent and objective opinion on the adequacy and effectiveness of the organisation's systems of risk management and internal control together with recommendations for improvement;
- Comments made by the External Auditors in their Management Letter and other reports.

Under the COSO Internal Control - Integrated Framework, internal control assessment is segregated into five interrelated components as follows:

- A – Control Environment
- B – Risk Assessment
- C – Control Activities
- D – Information and Communication
- E – Monitoring

A. CONTROL ENVIRONMENT

Control environment is the organisational structure and culture created by Management and employees to sustain organisational support for effective internal control. It is the foundation for all other components of internal control, providing discipline and structure. Key activities include:

i. Board Committees

- The various Board Committees, namely the Board Audit Committee, the Board Nomination and Remuneration Committee, Board Procurement Committee, Board Finance and Investment Committee, Board Risk Management Committee, are all governed by clearly defined terms of references.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ii. Strategic Theme and Objectives

- In charting the Group's business direction, Malaysia Airports has developed a five-year business plan entitled "Malaysia Airports Runway to Success 2020" where four key strategic priorities have been identified to support the achievement of the Group's objectives, which consist of KUL Hub, Total Airport Experience (TAE), Aeropolis and International Expansion.
- KUL Hub and TAE are part of the "Strengthen the Core" strategic thrust, whilst Aeropolis and International Expansion drive the "Expand and Diversify" strategic thrust. These strategic objectives are further divided into the following enablers:
 - The KUL Hub key strategic priority is set to drive passenger growth and non-aeronautical revenue through strategic route development, facilitating seamless transfer and capacity expansion at KLIA
 - The TAE Key Strategic Priority is set to drive non-aeronautical revenue and Airport Service Quality (ASQ) Scores by embedding customer-centric culture to improve Airline Experience, Passenger Experience and Retailer Experience
 - The Aeropolis Key Strategic Priority is well under way to drive aviation, aerospace, logistics and tourism growth through its Air Cargo & Logistics, Business & Aviation Parks and MICE and Leisure & Complementary strategic themes
 - The International Expansion key strategic priority is supported by three key strategies which include organic international growth at Istanbul Sabiha Gokcen International Airport (ISG), investments in Core Global assets and exporting our core capabilities

iii. Organisation Structure

- The organisational structure for the Group incorporates the company's vision and mission, in ensuring that the business direction can be delivered. 2015 saw some changes to the organisational structure to further boost the Group's prospect of exceeding the achievements of previous years.
- The existence of departments/units such as CARE, stakeholder relations, airline relations to name a few, shows that our organisation structure is in line with our mission "Together we create joyful experiences by connecting people and businesses".

iv. Assurance Letter

- Annual disclosures are made by the head of subsidiaries and functions on the overall effectiveness, reliability and adequacy of their respective companies'/divisions' systems of risk management and internal controls via an assurance letter.

v. Brand Culture

- Internalisation of MAHB Group's Brand Identity serves as a foundation to the Group's culture. Elements in the Group's Brand Identity include the Brand DNAs of 'Friendly and Firm'; 'Progressive and Practical'; and 'Business-Driven and Responsible'. These Brand DNAs act as the guiding principles for all employees in their professional conduct.
- Each of these Brand DNAs is further supported with a set of three behavioural statements called Individual Commitments (IC) in order to provide better clarity to employees in supporting the MAHB Group's Brand Identity.

vi. Code of Ethics

- The Group Code of Ethics is a standard of conduct applicable to all employees of MAHB in dealing with fellow employees and with the Company's representatives including agents, consultants, contractors and suppliers of the Group.
- The Sexual Harassment Policy, the Disciplinary Policy and Fraud Policy have been established and awareness training programme has been conducted throughout the Group. The Declaration of Assets is performed every three years by all MAHB employees to keep track of any changes of individually or jointly-owned asset value.

vii. Procurement Code of Ethics

- It outlines the principles and specific requirements related to the procurement process. It supports the Procurement 3Ps and complements the MAHB Code of Ethics, which provides guidelines on dealing with stakeholders.

viii. Competency-Based Development Framework

- A Board-approved Corporate Scorecard is used in the top-down target setting process with targets cascading from the Managing Director. As part of the system implementation, Senior Management are placed on contract compensation scheme.
- KPIs have been implemented to drive the performance of all staff of the Group. Competency based assessments are also conducted annually and semi-annually to ensure that staff are competent and adequately trained and developed to perform their duties. This is implemented through the establishment of structured training programmes, career development programmes and succession planning.

B. RISK ASSESSMENT

Risk assessment is the identification and analysis of risks which may impede the achievement of the Group's objectives. Key activities involved within this area are:

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

i. Enterprise Risk Management (ERM)

- The Risk Management Division is responsible for the overall coordination of the ERM Framework for Malaysia Airports. Risk Registers are developed at all levels of the Group and appropriate Management Action Plans are in place to mitigate these risks. At Group level, a Corporate Risk Profile is established which outlines the significant risks faced by the Group. A structured Business Continuity Management framework is also available for the Group.
- Group Internal Audit complements the role of the Risk Management Division by independently reviewing risk profiles, risk management strategies and the adequacy and effectiveness of the controls identified and implemented in response to the risks identified at every audit engagement.

C. CONTROL ACTIVITIES

Control activities are policies and procedures that help to ensure Management's directives are carried out. Relevant activities within MAHB Group include:

i. Assignment of Authority and Responsibility

- The Group Approval Limits of Authority ("GALOA") that has been deliberated and challenged by GALOA Committee and approved by the Board are applicable to the whole Group, covering areas of risk management, human resources, procurement & contract, commercial, investment & business ventures and finance/accounts. Revisions and additions are made to the GALOA when deemed necessary. This authority facilitates quality and timely decision-making.
- Clear accountability and responsibility for key business processes have been established through related SOPs.

ii. Policy and Procedures

- Numerous Policies and Procedures approved by the Board are in place and applicable across the Group such as, among others, accounting policies, Value Management, procurement limits, and Quality Management system.
- To further distinguish Malaysia Airports from our competitors, Malaysia Airports' Consultancy Services (MACS), a subsidiary of Malaysia Airports is fully Shariah Certified under the MS ISO 1900:2005.
- All five international airports and twelve domestic airports have been awarded the Aerodrome Certification by the Department of Civil Aviation (DCA), as required under Airport Standards Directive 103 (ASD 103). This certificate is a requirement to ensure safety, regulatory and efficiency of aerodromes.

iii. Safety Management System

Aerodrome Safety Management System (ASMS)

- The ASMS is akin to a safety gauge for all airports to ensure that every airport is constantly monitoring their safety issues. At the same time, the ASMS is used to help airport operators to progressively enhance their safety mitigation strategies as to avoid unwarranted or predictable accidents or incidents from happening.
- Currently, all our five international and eleven domestic airports are ASMS certified, with KLIA being certified on 29 August 2009.
- All airports also carry out all safety drills and simulation exercises by Airport Fire Rescue Services (AFRS) as deemed mandatory by the ICAO and DCA. These include full-scale exercises at least once every two years, partial exercises at least once a year and table-top exercises bi-annually.

Runway Safety Team (RST)

- A key element to an aerodrome runway safety programme is the establishment and initiatives of the Runway Safety Team (RST). Members include DCA Air Traffic Controllers, Pilots and Aerodrome Operators. The establishment of the RST is intended to facilitate effective local implementation of the recommendations contained in the ICAO action plans for the prevention of Runway Incursions and Runway Excursions and proactive management on related runway safety issues.
- Currently, a total of seventeen (17) airports consisting of five (5) international airports and twelve (12) domestic airports have established RST.
- The ASMS Office reports to DCA on all runway safety related matters. The activities of the RST will be reported to and monitored by the National Runway Safety Team (NRST) chaired by the Director of Department of Civil Aviation's Airport Standards Division twice in a year.

SMS Safety Action Group (SMS-SAG)

- As part of the reporting structure for Safety Management System, the SMS Safety Action Group (SMS SAG) meets 4 times a year. The SMS SAG provides a platform to achieve objectives of resource allocation and to assess the effectiveness and efficiency or risk mitigation strategies.
- The SMS-SAG also assists the Board Risk Management Committee, which acts as the Safety Review Board to resolve any operational issues.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

iv. Continuous Improvement Initiatives

- The Continuous Improvement initiatives are ongoing exercises to drive Malaysia Airports in achieving greater performance in its targets and future aspirations while building future sustainability. The deliverables of the initiatives, among others, include higher cost savings and revenue enhancement, realignment of the Group's strategic plans by integrating and synergising people, processes, systems and structure within the company. It also focuses on delivering shareholders' financial expectations. Among the initiatives are:
 - Business Process Improvement (i.e. to streamline Group internal control)
 - Cross-Functional Transformation (i.e. Human Resources, Operations IT and Commercial)
 - Lean Management (i.e. improving process efficiency and workplace organisation)
 - World-Class Maintenance (Engineering and AFRS)
- Throughout 2015, MAHB embarked on aligning the processes of Istanbul Sabiha Gokcen International Airport (ISG) with the Group. An ISG Integration Steering Committee chaired by a Non-Independent Non-Executive Director was created with relevant departments reporting on activities to close gaps discovered.

v. Whistleblowing Programme

- The company has a Whistleblowing Programme of which the Corporate Integrity Unit is the Secretariat. The objective is to provide the staff and stakeholders with a mechanism to raise their concerns responsibly, regarding malpractices and irregularities affecting the company whilst keeping the identity of the whistleblower confidential. The programme is expected to improve the overall organisational effectiveness, while upholding Malaysia Airports' integrity in the eyes of the public.
- As an oversight of the Whistleblowing Programme, an independent member of the BAC is appointed as the Chairman of the Whistleblowing Independent Committee and reports directly to the BAC.
- In 2015, Corporate Integrity Unit conducted awareness sessions on integrity, corruption and whistleblowing throughout the Group to raise awareness amongst the employees on the three topics.

vi. MAHB Information Security

- Malaysia Airport's Information Security is under the purview of the IT division, governed by the Information Security Management Committee (ISMC) and Malaysia

Airports Information Security Policy (MAISP). Since its establishment, the achievement was the implementation of ISMS ISO/IEC 27001:2013 Certification (Information Security Management System) for MAHB (IT division, Procurement and Contract division and HR division), Langkawi International Airport, Penang International Airport and Malaysia Airports Consultancy Services). In order to be better prepared in facing the cyber threat, MAHB had shown an active participation with the National Critical Information Infrastructure (NCII).

vii. Insurance and Physical Safeguards

- Adequate insurance and physical safeguards on major assets are in place to ensure that Group assets are sufficiently covered against insurable risk that could result in material loss and liability exposure.

D. INFORMATION AND COMMUNICATION

Information and Communication support all other control components by communicating control responsibilities to employees and by providing information in a form and time frame that allows people to carry out their responsibilities. Relevant key activities within the Group include:

i. Communication Policy

- Communication with all stakeholders consists of both one-way and two-way communication and is conducted through a variety of platforms. Among the platforms established are MAHB Portal; K-Office; Town Halls; and Chat and Bite Sessions with senior management team for internal communication, as well as Convergence magazine; Airlink portion in KL lifestyle magazine; Facebook; Twitter; YouTube; Mobile Apps; KLIATV; websites; annual reports; and media and analysts briefing sessions for external communication.
- A Corporate Communication Policy provides guidance and ensures that communication across the Group and beyond is well coordinated, effectively and strategically managed and meets the diverse needs of the organisation.

E. MONITORING

Monitoring the effectiveness of internal controls is embedded in the normal course of the business. Periodic assessments are being integrated as part of Management's continuous monitoring of internal controls. Systematic processes available to address deficiencies include:

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

i. Management Committees

- Three Top Level Committees are established, namely Executive Committee (ExCo), Management Committee (MC) and Human Resources Committee, each with clear demarcation of roles in managing the Group's strategic and operational matters more effectively.
- At Group level, the Internal Audit Management Committee (IAMC) is established to review all audit findings before being tabled at the BAC.
- Other steering committees responsible to ensure effective supervision over related key operational areas are:
 - Information Security Management System (ISMS) Steering Committee
 - ICT Steering Committee
 - Technical Committee
 - Management Procurement Committee
 - Value Management related Committees (Approval, Procurement Activities and System & Procedure)
 - SMS-Safety Action Group Committee
 - ASQ Working Group Committee
 - Corporate Risk Management Committee
 - Credit Control Committee
 - Commercial Committee
 - Land Evaluation and Review Committee
 - ISG Integration Steering Committee

ii. Group Internal Audit

The Internal Audit Division is responsible to give reasonable assurance in MAHB via:

- Carrying out ongoing reviews of the governance, risk management and internal control system of the Group, which includes for Istanbul Sabiha Gokcen International Airport.
- Assisting in promoting effective risk management at the lines of business.
- Conducting special reviews as requested by the Board, Board Committees, Management or arising from the Whistleblowing Programme. Periodic follow-up reviews are conducted to monitor the status of internal control issues raised.
- Continued review of Self Audits i.e. Internal Control Questionnaire (ICQ) at airports and Control-Self Assessment (CSA) at HQ function. Both the ICQ and CSA provide Management with an easy to use and effective tool to review and improve the control system.

iii. Other Internal Assurance Providers (IAP)

The Internal Audit Division collaborates with 13 other IAPs and consulting services to ensure proper coverage and minimise duplication of efforts in the organisation, with the following:

- Airport Fire & Rescue Services (AFRS)
- Aviation Security (AVSEC)
- Corporate Quality Management (CQM)
- Service Monitoring Unit (ASQ), Malaysia Airports Consultancy Services (MACS)
- Engineering
- IT Quality Assurance, IT Division
- Airport Performance Unit, Operations MASB
- Airport Standard Unit, Planning & Development Division
- Risk Management
- Aerodrome Safety Management System (ASMS)
- Safety, Health & Environment (SHE)
- Transformation Management Office (TMO)
- Corporate Integrity Unit (CIU)
- Project Management Office (PMO)

ASSURANCE BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

- In relation to the risk management process, the Managing Director and Chief Financial Officer to the best of their ability and knowledge confirm that the Company's risk management and internal control system is operating adequately and effectively as at 31 December 2015.

CONCLUSION BY THE BOARD OF DIRECTORS

The Board considers the system of risk management and internal controls described in this statement to be satisfactory and the risks to be at an acceptable level within the context of the Group's business environment. The Board and Management will continue to take measures to strengthen the control environment and monitor the health of the risk management and internal controls framework. For the financial year under review, the Board is satisfied that the system of risk management and internal controls is satisfactory and has not resulted in any material loss, contingency or uncertainty.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The Statement has been reviewed by the External Auditors for the inclusion in the annual report of MAHB Group for the year ended 31 December 2015. The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of the internal controls.

BOARD AUDIT COMMITTEE REPORT

MEMBERSHIP

The Board Audit Committee (“BAC”) comprises four (4) Non-Executive Directors, three (3) of whom are Independent Directors, as follows:

Rosli bin Abdullah

(Chairman)

Independent Non-Executive Director

Jeremy bin Nasrulhaq

Senior Independent Non-Executive Director

Datuk Seri Yam Kong Choy

Independent Non-Executive Director

Dato’ Mohd Izani bin Ghani

Non-Independent Non-Executive Director

The Chairman of the BAC is a member of the Malaysian Institute of Accountants. The Chairman of the BAC is also the Chairman of the Audit and Risk Committee (ARC) of ISG and LGM.

MEETINGS

During the financial year ended 31 December 2015, the BAC met six (6) times including one (1) Special BAC meeting, with the following record of attendance:

Name of Director	Attendance
Rosli bin Abdullah	6/6
Jeremy bin Nasrulhaq	6/6
Datuk Seri Yam Kong Choy	6/6
Dato’ Mohd Izani bin Ghani	6/6

Representatives of Senior Management and the Head of Internal Audit were in attendance during all BAC meetings. The External Auditors’ representatives were invited to attend the meetings as and when required.

During two (2) of the meetings, the BAC held a private discussion with the External Auditors without the presence of the management.

The minutes of the BAC meetings were circulated to all members of the MAHB Board and material issues were discussed at the Board meetings.

SUMMARY OF THE TERMS OF REFERENCE

Constitution

The authority and function of the BAC extends to MAHB and all its subsidiaries, joint ventures and associates within the Group.

Establishment of Objectives

Assist the Board of Directors in fulfilling its fiduciary responsibilities relating to the company’s accounting policies, financial reporting practices, business ethics policies as well as financial position and performance by assessing the Group’s processes relating to internal controls, risk management and governance towards safeguarding the rights and interest of the Shareholders.

Membership

Comprises at least four (4) Non-Executive Directors from among the MAHB Board of Directors, whereby a majority must be Independent Directors and at least one member must be a member of the Malaysian Institute of Accountants, or if he is not, he must then comply with para 15.09 (1)(c) of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”).

BOARD AUDIT COMMITTEE REPORT

SUMMARY OF THE TERMS OF REFERENCE

Authority

As empowered by the Board of Directors, the BAC shall have the authority to investigate any matter within its terms of reference, full and unrestricted access to any information, records, properties and personnel within the Group, direct communication channels with the External Auditors, Internal Auditors and Whistleblowing Independent Committee.

Function and Duties

The functions and duties of the BAC shall be to consider the appointment or resignation/dismissal of the External Auditors and the audit fees, review the nature and scope of the audit, the annual audit plan, the quarterly and year-end financial statements of the Group prior to submission to the Board and the External Auditor's Management Letter and management's response. The BAC shall oversee the Internal Audit functions on the adequacy of the plan, scope, functions, competency and resources, receive report on the results of audits and key audit findings or other matters, and discuss internal audit observations on risk and internal controls within the organisation. The BAC shall review any related party transactions that may arise within the Group. The BAC shall promptly report to BMSB on matters reported by it to the Board that have not been satisfactorily resolved resulting in a breach of the Listing Requirements of the BMSB. As an oversight of the Whistleblowing Programme, an independent member of the BAC shall be the Chairman of the Whistleblowing Independent Committee (WIC) and shall report to the BAC. All matters pertaining to ethics, integrity, corruption, abuse of power and other scope covered under the MACC Act 2009 (including but not limited to that dealt with/by WIC) shall be reported to BAC via Corporate Integrity Unit (CIU).

Meetings

The BAC Meetings shall be held at least six (6) times during the financial year, with a quorum of three (3) members of which there must be a majority of independent members.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The BAC carried out its duties in accordance with its terms of reference during the financial year ended 31 December 2015.

The main activities undertaken by the BAC were as follows:

Internal Audit

- Reviewed and approved the Internal Audit Division ("IAD")'s Annual Internal Audit Plan, budget and staffing requirements to ensure adequacy of resources, competencies and coverage on key risk areas.
- Reviewed the Internal Audit Reports and Special Audit Reports to ensure that the Management addresses and resolves the issues highlighted in the audit reports.
- Reviewed follow-up reports by the Internal Auditors on the status of actions taken by the Management on recommendations suggested in the audit reports.
- Reviewed follow-up reports by the Internal Auditors on External Auditors' findings as set out in the Management Letter and status of actions taken by the Management on issues raised by the External Auditors.
- Evaluated the performance of the IAD and recommended improvements.

BOARD AUDIT COMMITTEE REPORT

External Audit

- Reviewed the External Auditor's scope of work and audit plans for the financial year.
- Reviewed with the External Auditors their Management Letter together with the management response.
- Evaluated the performance of the External Auditors and made recommendations to the Board on the appointment and audit fees.

Financial Results

- Reviewed and monitored the financial position and performance of the MAHB Group on a quarterly basis.
- Reviewed the quarterly financial results of the Group before recommending to the Board of Directors.
- Reviewed the audited results of MAHB Group with the External Auditors before recommending to the Board of Directors.
- Ensured compliance to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, applicable accounting standards in Malaysia, provisions of Companies Act 1965 and other legal and regulatory requirements.

INTERNAL AUDIT FUNCTION

The Internal Audit function of the Group is carried out by the IAD that reports directly to the BAC. The principal role of the IAD is to undertake independent, regular and systematic review of the systems of internal controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. The IAD adopts a risk-based approach in its audit plan and examination.

It is the responsibility of the IAD to provide the BAC with independent and objective reports on the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements. The Internal Audit function of ISG and LGM reports to the General Manager IAD of MAHB. Process alignment with Group IAD had been successfully conducted.

A structured risk assessment is used to examine all auditable areas and its inherent risks. Audits are prioritised according to the assessment of the potential risk exposure. During the financial year, the Group IAD issued a total of sixty nine (69) reports inclusive of eight (8) from ISG and LGM. The areas of coverage include human resource (payroll process, performance management system), finance (accounts receivables, budgeting process, GL adjustment and clearing, related party transactions), airport operations (airport service quality, control centre, facilities management standard compliance, airside safety, terminal operations), engineering (utilities & environment, baggage handling system (BHS)), procurement (airports and business process & application control), commercial

(airports, contract management, business relations, marketing), IT & airport systems (general controls, penetration tests, CCTV, point of sales, websites & portal, data management & privacy assurance, SAP HR Module, SAP Flexi-RE), hotel management, overseas venture and overseas operations, retail operations, land development, business continuity management, planning & development (planning, value management), airline incentives, surprise cash count, Spot Control (carpark collection, area allocation and hotel bar count), investigations and special reviews on specific areas as requested by the Board, Board Committees, Management or arising from the Whistleblowing Programme.

The Internal Audit reports arising from these assignments were issued to the Management for their response and corrective actions. The Management is responsible for ensuring that corrective actions are taken on reported weaknesses within the required time frame. The Internal Audit reports are then presented at the Internal Audit Management Committee, to discuss the current status of audit issues before being tabled at the BAC.

External quality assessment by a qualified independent reviewer is conducted every five years in ensuring audit work performed by the Internal Auditors is in line with The Institute of Internal Auditors standards. Based on the external quality assessment, the Internal Audit Division conforms to the International Standards for the Professional Practice of Internal Auditing. For the financial year 2015, total internal audit expenditure incurred for MAHB is RM2.64 million whilst for ISG and LGM is TL340,411 (equivalent to EUR111,256 or RM521,791).

STATEMENT OF DIRECTORS' RESPONSIBILITY

In respect of the preparation of the Financial Statements for the financial year ended 31 December 2015.

The Directors are required by the Companies Act, 1965 (the Act) to ensure that the financial statements prepared for each financial year give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of the results and cashflows of the Group and the Company for the financial year. As required by the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements have been prepared in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Act.

The Directors consider that in preparing the financial statements for the financial year ended 31 December 2015 set out from pages 159 to 308, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and ensured that all applicable approved accounting standards have been followed.

The Directors have ensured that the accounting records to be kept by the Group and the Company have been properly kept in accordance with the provisions of the Act, which disclose with reasonable accuracy the financial position of the Group and of the Company.

This Statement is made in accordance with a resolution of the Board of Directors dated 17 February 2016.



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Malaysia Airports



FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are described in Note 17 to the financial statements.

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

Information in respect of the Group's Operating Agreements with the Government of Malaysia ("GoM") and the newly acquired foreign subsidiaries Concession Agreements, including both the obligations and operations are disclosed in Note 1.2 and 1.3 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit from continuing operations, net of tax	40,121	239,015
Loss from discontinued operation, net of tax	(9)	-
Profit net of tax	40,112	239,015
Profit attributable to:		
Owners of the parent	40,904	239,015

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the full year effects arising from the consolidation of the Istanbul Sabiha Gokcen Uluslararası Havalimani Yatırım Yapım ve İşletme A.S. ("ISG") and LGM Havalimani İşletmeleri Ticaret ve Turizm A.S. ("LGM") operation.

SHARE CAPITAL

On 23 January 2015, the Company increased its paid-up share capital to RM1,376,541,340 via the issuance of 2,391,485 new ordinary shares of RM1 each, for a total premium of RM12,268,000 less RM142,000 share issuance expense. The increase arose from the Dividend Reinvestment Plan ("DRP") relating to electable portion (for those shareholders electing for the re-investment) of the single-tier interim dividend of 2.00%, on 1,374,149,855 ordinary shares for the financial year ended 31 December 2014, as disclosed in Note 27.

On 27 March 2015, the Company increased its paid-up share capital to RM1,651,849,607 via the issuance of 275,308,267 new ordinary shares of RM1 each in Malaysia Airports Holdings Berhad ("MAHB") on the basis of one (1) Rights Share for every five (5) existing shares held on the entitlement date. The issue price was fixed at RM4.78 per Right Share, representing a discount of approximately 28.80% to the theoretical ex-rights price of MAHB shares of RM6.71.

SHARE CAPITAL (cont'd)

On 19 June 2015, the Company further increased its paid-up share capital to RM1,659,191,829 via the issuance of 7,342,222 new ordinary shares of RM1 each, for a total premium of RM36,711,000 less RM586,000 share issuance expense arising from the DRP relating to electable portion of the single-tier final dividend of 3.60%, on 1,651,849,607 ordinary shares for the financial year ended 31 December 2014, as disclosed in Note 27.

DIVIDENDS

The amount of dividends declared or paid by the Company since 31 December 2014 were as follows:

	RM'000
In respect of the financial year ended 31 December 2014 as reported in the directors' report of that year:	
Single-tier final dividend of 3.60%, on 1,651,849,607 ordinary shares, declared on 5 May 2015 and paid on 18 June 2015 and partially re-invested on 19 June 2015.	59,467
In respect of the financial year ended 31 December 2015:	
Single-tier interim dividend of 4.00%, on 1,659,191,829 ordinary shares, declared on 30 July 2015 and paid on 28 August 2015	66,368
	125,835

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2015, of 4.50% on 1,659,191,829 ordinary shares on single-tier basis, with a total quantum of RM74,664,000, will be proposed for shareholders' approval ("Proposed Final Dividend").

The Proposed Final Dividend does not consist of an electable portion which can be elected to be re-invested in new ordinary shares in accordance with the DRP as disclosed in Note 27 to the financial statements since the Group has sufficient cash to finance it. The Board on 17 February 2016 has approved the Proposed Final Dividend without DRP.

DIRECTORS

The directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah
 Datuk Mohd Badlisham bin Ghazali
 Datuk Zalekha binti Hassan
 Rosli bin Abdullah
 Jeremy bin Nasrulhaq
 Datuk Seri Yam Kong Choy
 Dato' Mohd Izani bin Ghani
 Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin
 Dato' Siti Zauyah binti Md Desa (resigned on 29 May 2015)
 Norazura binti Tadzim [alternate director to Dato' Siti Zauyah binti Md Desa] (ceased on May 29 May 2015)

DIRECTORS' REPORT

DIRECTORS (cont'd)

Dato' Sri Dr. Mohmad Isa bin Hussain (appointed on 29 May 2015)

Norazura binti Tadzim [alternate director to Dato' Sri Dr. Mohmad Isa bin Hussain] (appointed on 29 May 2015)

Dato' Sri Dr. Ismail bin Hj. Bakar (resigned on 16 December 2015)

Datuk Ruhaizah binti Mohamed Rashid [alternate director to Dato' Sri Dr. Ismail bin Hj. Bakar] (ceased on 16 December 2015)

Datuk Seri Long See Wool (resigned on 16 February 2015)

Chua Kok Ching [alternate director to Datuk Seri Long See Wool] (resigned on 16 February 2015)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

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 a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, none of the directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

OTHER STATUTORY INFORMATION (cont'd)

- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) 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 of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) 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 will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENT DURING THE YEAR

Significant event during the year is disclosed in Note 40 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 14 March 2016.



Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah



Datuk Mohd Badlisham bin Ghazali

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965


We, Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah and Datuk Mohd Badlisham bin Ghazali, being two of the directors of Malaysia Airports Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 168 to 307 are drawn up in accordance with the requirements of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance and the cash flows of the Group and of the Company for the year then ended.

The information set out in Note 45 on page 308 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 14 March 2016.



Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah



Datuk Mohd Badlisham bin Ghazali

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Raja Azmi bin Raja Nazuddin (MIA Number: 8515), being the officer primarily responsible for the financial management of Malaysia Airports Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 168 to 308 are in my opinion 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.

Subscribed and solemnly declared by the abovenamed Raja Azmi bin Raja Nazuddin at Kuala Lumpur in the Federal Territory on 14 March 2016.



Raja Azmi bin Raja Nazuddin

Before me,



INDEPENDENT AUDITORS' REPORT

to the members of Malaysia Airports Holdings Berhad
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Malaysia Airports Holdings Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2015, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 168 to 307.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Emphasis of matter

Without qualifying our opinion, we draw attention to the disclosures in Note 3 of the financial statements. Included in revenue of the Group for the year is accrued revenue arising from Malaysia Airports Consultancy Services Middle East L.L.C ("MACS ME") in the amount of QAR 56,442,000, equivalent to RM66,461,000 with respect to the services rendered under the Repair and Maintenance Services for Airport Special Systems Contract. MACS ME has measured this revenue based on the services rendered under the terms of the contract and the submission of payment applications acknowledged by the customer. As of the reporting date, the payment applications have yet to be formally approved by the customer. The management is confident that the amount of QAR 56,442,000, equivalent to RM66,461,000 will be realized in full and accordingly, has recognised such amount as revenue for the year ended 31 December 2015.

INDEPENDENT AUDITORS' REPORT
to the members of Malaysia Airports Holdings Berhad
(Incorporated in Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 ("Act") in Malaysia, we also report the following:

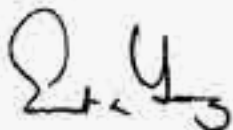
- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 17 to the financial statements, being financial statements that have been included in the consolidated financial statement.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company 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.
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 45 on page 308 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

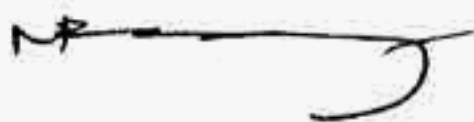
OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Ernst & Young**

AF: 0039

Chartered Accountants

**Nik Rahmat Kamarulzaman bin Nik Ab. Rahman**

No. 1759/02/18(J)

Chartered Accountant

Kuala Lumpur, Malaysia
14 March 2016

STATEMENTS OF PROFIT OR LOSS

for the financial year ended 31 December 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000 Restated	2015 RM'000	2014 RM'000
Continuing operations					
Revenue	3	3,870,207	3,343,721	119,788	728,988
Cost of inventories sold		(373,390)	(330,710)	-	-
Other income	4	337,073	166,672	506,376	311,523
Employee benefits expense	5	(743,966)	(619,334)	(134,010)	(122,392)
Construction costs		-	(633,880)	-	(633,880)
Depreciation and amortisation		(901,711)	(405,399)	(11,924)	(13,752)
Other expenses		(1,410,824)	(1,111,114)	(87,257)	(66,393)
Finance costs	6	(741,851)	(151,337)	(169,750)	(123,008)
Impairment of investments in:					
- associate	18	-	(9,011)	-	-
- unquoted shares	20	-	(15,000)	-	-
Gain arising from re-measurement of fair value of investment	17	-	483,689	-	-
Gain on bargain purchase	17	-	314,925	-	-
Impairment of goodwill	17	-	(231,272)	-	-
Share of results of associates	18	(349)	113	-	-
Share of results of jointly controlled entities	19	10,750	(52,736)	-	-
Profit before tax and zakat from continuing operations	7	45,939	749,327	223,223	81,086
Taxation and zakat	9	(5,818)	(85,931)	15,792	35,522
Profit from continuing operations, net of tax		40,121	663,396	239,015	116,608
Discontinued operation					
Loss from discontinued operation, net of tax	10	(9)	(57)	-	-
Profit net of tax		40,112	663,339	239,015	116,608

STATEMENTS OF PROFIT OR LOSS
for the financial year ended 31 December 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000 Restated	2015 RM'000	2014 RM'000
Profit attributable to:					
Owners of the parent		40,904	663,368	239,015	116,608
Non-controlling interests		(792)	(29)	-	-
		40,112	663,339	239,015	116,608
(Loss)/earnings per share attributable to owners of the parent (sen per share)					
- basic, for profit for the year	11	(1.09)	49.10		
- diluted, for profit for the year	11	-	48.87		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000 Restated	2015 RM'000	2014 RM'000
Profit net of tax		40,112	663,339	239,015	116,608
Other comprehensive income:					
Available-for-sale financial assets					
- Gain on fair value changes	20	7,178	1,390	6,844	927
Foreign currency translation		283,331	2,396	-	-
Share of other comprehensive income of jointly controlled entities	19	-	(10,461)	-	-
Unrealised loss on derivative financial instruments	34	(13,491)	-	-	-
Other comprehensive income for the year, net of tax		277,018	(6,675)	6,844	927
Total comprehensive income for the year		317,130	656,664	245,859	117,535
Total comprehensive income attributable to:					
Owners of the parent		317,922	656,693	245,859	117,535
Non-controlling interests		(792)	(29)	-	-
		317,130	656,664	245,859	117,535

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2015

	Note	Group	
		2015 RM'000	2014 RM'000 Restated
ASSETS			
Non-current assets			
Property, plant and equipment	13	364,070	365,099
Plantation development expenditure	14	63,698	53,903
Land use rights	15	7,246	7,379
Intangible assets	16	17,842,413	17,556,790
Investments in associates	18	34,485	39,034
Investment in jointly controlled entities	19	71,671	62,415
Available-for-sale investments	20	335,344	467,379
Trade and other receivables	22	429,376	453,800
Staff loans	23	35,344	39,325
Deferred tax assets	24	231,642	240,729
		19,415,289	19,285,853
Current assets			
Inventories	25	117,642	154,485
Trade and other receivables	22	1,140,927	688,902
Tax recoverable		31,588	27,732
Cash and cash equivalents	26	1,286,736	2,041,129
		2,576,893	2,912,248
Assets of disposal group classified as held for disposal	10	151	104
		2,577,044	2,912,352
Total assets		21,992,333	22,198,205

**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**
as at 31 December 2015

		Group	
	Note	2015 RM'000	2014 RM'000 Restated
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	27	1,659,192	1,374,150
Perpetual Sukuk	33	997,842	997,842
Share premium		3,455,149	2,373,149
Retained earnings	28	2,449,491	2,591,922
Fair value adjustment reserve	29	5,300	(1,878)
Hedging reserve	34	(13,491)	-
Other reserve	30	5,083	2,635
Foreign exchange reserve	30	282,786	(545)
		8,841,352	7,337,275
Non-controlling interests		(757)	35
Total equity		8,840,595	7,337,310
Non-current liabilities			
Other financial liability	31	-	201,950
Loans and borrowings	32	5,500,007	5,619,277
Derivative financial instruments	34	14,523	-
Trade and other payables	35	4,478,195	4,329,539
Deferred tax liabilities	24	935,017	978,978
		10,927,742	11,129,744
Current liabilities			
Loans and borrowings	32	398,308	705,742
Derivative financial instruments	34	3,105	-
Trade and other payables	35	1,784,233	2,992,885
Income tax payable		38,331	32,498
		2,223,977	3,731,125
Liabilities of disposal group classified as held for disposal	10	19	26
		2,223,996	3,731,151
Total liabilities		13,151,738	14,860,895
Total equity and liabilities		21,992,333	22,198,205

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2015

	Note	Company	
		2015 RM'000	2014 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	66,677	94,934
Intangible assets	16	-	-
Investments in subsidiaries	17	1,943,696	1,943,696
Investment in jointly controlled entities	19	53,718	53,718
Available-for-sale investments	20	291,169	198,679
Other receivables	22	5,285,090	5,116,586
Deferred tax assets	24	266	-
		7,640,616	7,407,613
Current assets			
Inventories	25	13	13
Other receivables	22	2,505,940	1,104,991
Tax recoverable		1,389	1,492
Cash and cash equivalents	26	171,400	788,099
		2,678,742	1,894,595
Total assets		10,319,358	9,302,208

STATEMENT OF FINANCIAL POSITION
as at 31 December 2015

	Note	Company	
		2015 RM'000	2014 RM'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	27	1,659,192	1,374,150
Perpetual Sukuk	33	997,842	997,842
Share premium		3,455,149	2,373,149
Retained earnings	28	148,035	92,355
Fair value adjustment reserve	29	5,244	(1,600)
Total equity		6,265,462	4,835,896
Non-current liabilities			
Loans and borrowings	32	3,350,000	3,600,000
Deferred tax liabilities	24	-	15,629
Other payables	35	-	98,300
		3,350,000	3,713,929
Current liabilities			
Loans and borrowings	32	250,000	250,000
Other payables	35	453,896	502,383
		703,896	752,383
Total liabilities		4,053,896	4,466,312
Total equity and liabilities		10,319,358	9,302,208

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2015

Group	Attributable to owners of the parent										
	Non-distributable					Distributable					
	Share capital	Perpetual Sukuk	Share premium	Fair value adjustment reserve	Foreign exchange reserve	Hedging reserve	Other reserve	Distributable retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Note	(Note 27)	(Note 33)	(Note 29)	(Note 30)	(Note 34)	(Note 30)	(Note 30)	(Note 28)	(Note 28)	(Note 28)	(Note 28)
At 1 January 2014	1,232,444	-	1,409,376	(553)	(2,941)	-	2,546	2,037,431	4,678,303	64	4,678,367
Total comprehensive income	-	-	-	(9,071)	2,396	-	-	663,368	656,693	(29)	656,664
Legal reserve	-	-	-	-	-	-	89	-	89	-	89
Issuance of perpetual sukuk	-	997,842	-	-	-	-	-	-	997,842	-	997,842
Distribution to perpetual sukuk holder	-	-	-	-	-	-	-	(2,520)	(2,520)	-	(2,520)
Transactions with owners											
Issuance of new shares pursuant to DRP	17,656	-	115,996	-	-	-	-	-	133,652	-	133,652
Issuance of new shares via Private Placement	124,050	-	847,777	-	-	-	-	-	971,827	-	971,827
Acquisition of subsidiaries	-	-	-	7,746	-	-	-	-	7,746	-	7,746
Dividends	-	-	-	-	-	-	-	(106,357)	(106,357)	-	(106,357)
Total transactions with owners	141,706	-	963,773	7,746	-	-	-	(106,357)	1,006,868	-	1,006,868
At 31 December 2014, as restated	1,374,150	997,842	2,373,149	(1,878)	(545)	-	2,635	2,591,922	7,337,275	35	7,337,310

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2015

Group	Note	Attributable to owners of the parent		Non-distributable					Distributable		Non-controlling interests RM'000	Total equity RM'000
		Share capital RM'000 (Note 27)	Perpetual Sukuk RM'000 (Note 33)	Share premium RM'000 (Note 29)	Fair value adjustment reserve RM'000 (Note 30)	Foreign exchange reserve RM'000 (Note 30)	Hedging reserve RM'000 (Note 34)	Other reserve RM'000 (Note 30)	Retained earnings RM'000 (Note 28)	Total RM'000		
At 1 January 2015		1,374,150	997,842	2,373,149	(1,878)	(545)	-	2,635	2,591,922	7,337,275	35	7,337,310
Total comprehensive income		-	-	-	7,178	283,331	(13,491)	-	40,904	317,922	(792)	317,130
Legal reserve	30	-	-	-	-	-	-	2,448	-	2,448	-	2,448
Distribution to perpetual sukuk holder	33	-	-	-	-	-	-	-	(57,500)	(57,500)	-	(57,500)
Transactions with owners												
Issuance of new shares pursuant to DRP	27	9,734	-	48,248	-	-	-	-	-	57,982	-	57,982
Issuance of new shares via right issue	27	275,308	-	1,033,752	-	-	-	-	-	1,309,060	-	1,309,060
Dividends	12	-	-	-	-	-	-	-	(125,835)	(125,835)	-	(125,835)
Total transactions with owners		285,042	-	1,082,000	-	-	-	-	(125,835)	1,241,207	-	1,241,207
At 31 December 2015		1,659,192	997,842	3,455,149	5,300	282,786	(13,491)	5,083	2,449,491	8,841,352	(757)	8,840,595

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
for the financial year ended 31 December 2015

Company	Note	Share capital RM'000 (Note 27)	Perpetual Sukuk RM'000 (Note 33)	← Non-distributable →		Distributable retained earnings RM'000 (Note 28)	Total equity RM'000
				Share premium RM'000	Fair value adjustment reserve RM'000 (Note 29)		
At 1 January 2014		1,232,444	-	1,409,376	(2,527)	84,624	2,723,917
Total comprehensive income		-	-	-	927	116,608	117,535
Issuance of perpetual sukuk	33	-	997,842	-	-	-	997,842
Distribution to perpetual sukuk holder	33	-	-	-	-	(2,520)	(2,520)
Transactions with owners							
Issuance of new shares pursuant to DRP	27	17,656	-	115,996	-	-	133,652
Issuance of new shares via Private Placement	27	124,050	-	847,777	-	-	971,827
Dividends	12	-	-	-	-	(106,357)	(106,357)
Total transactions with owners		141,706	-	963,773	-	(106,357)	999,122
At 31 December 2014		1,374,150	997,842	2,373,149	(1,600)	92,355	4,835,896
At 1 January 2015		1,374,150	997,842	2,373,149	(1,600)	92,355	4,835,896
Total comprehensive income		-	-	-	6,844	239,015	245,859
Distribution to perpetual sukuk holder	33	-	-	-	-	(57,500)	(57,500)
Transactions with owners							
Issuance of new shares pursuant to DRP	27	9,734	-	48,248	-	-	57,982
Issuance of new shares via right issues	27	275,308	-	1,033,752	-	-	1,309,060
Dividends	12	-	-	-	-	(125,835)	(125,835)
Total transactions with owners		285,042	-	1,082,000	-	(125,835)	1,241,207
At 31 December 2015		1,659,192	997,842	3,455,149	5,244	148,035	6,265,462

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2015

	Group		Company	
	2015 RM'000	2014 RM'000 Restated	2015 RM'000	2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before tax and zakat from				
- continuing operations	45,939	749,327	223,223	81,086
- discontinued operation	(9)	(26)	-	-
Adjustments for:				
Interest income	(33,656)	(15,936)	(2,015)	(777)
Dividend income	-	-	(124,776)	(66,583)
Interest from late payments	(5,538)	(4,456)	-	-
Interest expense	741,239	151,337	169,750	123,008
Provision for liabilities (Note 35)	7,334	4,394	563	32
Writeback of provision for liabilities	(514)	(39)	-	-
Amortisation of:				
- intangible assets	846,291	354,327	-	-
- plantation development expenditure	3,200	3,211	-	-
- land use rights	133	139	-	-
Depreciation of property, plant and equipment	52,087	47,722	11,924	13,752
(Reversal)/impairment of:				
- investment in associate	-	9,011	-	-
- investment in unquoted shares	-	15,000	-	-
- intangible assets	(18,368)	50,310	-	-
Net allowance/(write-back) for doubtful debts	25,688	(3,024)	(522)	(1,350)
Net bad debt written off/(write-back)	6,483	(393)	141	-
Gain on disposal of:				
- property, plant and equipment	(22)	(39)	(3)	-
- intangible assets	-	(36)	-	-
- quoted unit trust	-	(10)	-	(10)
- unquoted equity shares	(81,245)	-	-	-
Loss from derivative instrument	612	-	-	-
Realised foreign exchange gain arising from settlement of bridger loan	(63,450)	-	(63,450)	-
Property, plant and equipment written off	19,174	2,398	13,627	1
Intangible assets written off	18,444	2,206	-	-
Plantation development expenditure written off	-	1,396	-	-
Balance carried forward	1,563,822	1,366,819	228,462	149,159

STATEMENTS OF CASH FLOWS
for the financial year ended 31 December 2015

	Group		Company	
	2015 RM'000	2014 RM'000 Restated	2015 RM'000	2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (cont'd.)				
Balance brought forward	1,563,822	1,366,819	228,462	149,159
Inventories written off	7,395	290	-	-
Investment income	(30,346)	(23,915)	(22,218)	(13,688)
Profit from construction contract	-	(28,525)	-	(28,525)
Gain arising from re-measurement of fair value of investment	-	(483,689)	-	-
Gain on bargain purchase	-	(314,925)	-	-
Impairment of goodwill	-	231,272	-	-
Share of results of:				
- Jointly controlled entities	(10,750)	52,736	-	-
- Associates	349	(113)	-	-
Operating profit before working capital changes	1,530,470	799,950	206,244	106,946
Decrease/(increase) in inventories	29,802	(29,042)	-	-
(Increase)/decrease in receivables	(383,410)	(46,193)	(123,875)	3,014
(Decrease)/increase in payables	(366,311)	18,481	(187,222)	306,071
Decrease in concession liabilities	(26,943)	(22,834)	-	-
Decrease in provisions for liabilities	(4,383)	(3,433)	(10)	(6)
Changes in related company balances	-	-	(1,336,850)	(860,471)
Cash generated from/(used in) operations	779,225	716,929	(1,441,713)	(444,446)
Taxes and zakat (paid)/refunded	(101,354)	(143,228)	-	5,570
Net cash generated from/(used in) operating activities	677,871	573,701	(1,441,713)	(438,876)

STATEMENTS OF CASH FLOWS
for the financial year ended 31 December 2015

	Group		Company	
	2015 RM'000	2014 RM'000 Restated	2015 RM'000	2014 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of:				
- property, plant and equipment	(71,463)	(75,968)	(44,473)	(21,351)
- intangible assets	(229,211)	(488,689)	-	(690,144)
- quoted unit trust	(49,812)	(116,842)	(80,646)	(116,784)
- quoted bonds	(5,000)	-	(5,000)	-
- plantation development expenditure	(12,995)	(5,960)	-	-
Proceeds from disposals of:				
- property, plant and equipment	22	39	3	-
- intangible assets	-	36	-	-
- quoted unit trust	-	11	-	11
- unquoted equity shares	290,400	-	-	-
Advances to an associate	-	(9,020)	-	(9)
Acquisition of a subsidiary	(1,182,856)	-	-	(3)
Additional investment in an associate	(3,000)	(19,200)	-	-
Additional investment in jointly controlled entities (Note 19)	-	(963,213)	-	-
Cash and cash equivalents arising from acquisition of subsidiaries (Note 17)	-	913,960	-	-
Investment income received	30,346	23,915	22,218	13,688
Interest received	8,698	4,370	982	777
Dividend received from:				
- an associate and jointly controlled entity	8,694	3,600	4,988	-
- subsidiaries	-	-	119,788	66,583
Net cash (used in)/generated from investing activities	(1,216,177)	(732,961)	17,860	(747,232)

STATEMENTS OF CASH FLOWS
for the financial year ended 31 December 2015

	Group		Company	
	2015 RM'000	2014 RM'000 Restated	2015 RM'000	2014 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Share issuance expenses	-	(8,168)	-	(8,168)
Proceed from issuance of shares	-	124,050	-	124,050
Proceed from issuance of share premium	-	855,945	-	855,945
Share issuance expenses for right issue	(6,940)	-	(6,940)	-
Proceeds from issuance of shares from right issue	275,308	-	275,308	-
Proceeds of share premium arising from right issue	1,040,692	-	1,040,692	-
Perpetual sukuk issuance expense	-	(2,158)	-	(2,158)
Proceeds from issuance of perpetual sukuk	-	1,000,000	-	1,000,000
Loan syndication fee payment	(6,988)	-	-	-
Repayment of loan	(644,032)	(200,000)	(250,000)	(200,000)
Repayment of bridger loan	(1,119,413)	-	(1,119,413)	-
Repayment of debenture	(209,451)	-	-	-
Concession payment	(379,705)	-	-	-
Drawdown of loans and borrowings	1,182,856	250,000	1,182,856	250,000
Interest paid	(236,346)	(146,536)	(163,243)	(123,008)
Premium on debenture	(59,169)	-	-	-
Dividends paid to shareholders of the Company	(94,606)	(18,443)	(94,606)	(18,443)
Distribution paid to Perpetual Sukuk Holder	(57,500)	-	(57,500)	-
Net cash (used in)/generated from financing activities	(315,294)	1,854,690	807,154	1,878,218
Net (decrease)/increase in cash and cash equivalents	(853,600)	1,695,430	(616,699)	692,110
Effects of foreign currency translation	99,254	286	-	-
Cash and cash equivalents at beginning of year	2,041,233	345,517	788,099	95,989
Cash and cash equivalents at end of year (Note 26)	1,286,887	2,041,233	171,400	788,099

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

1. Corporate information and Operating Agreements

1.1 Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Malaysia Airports Corporate Office, Persiaran Korporat KLIA, 64000 KLIA, Sepang, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are described in Note 17. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 14 March 2016.

1.2 Operating Agreements

On 12 February 2009, the Group signed the following Operating Agreements between the Company, Malaysia Airports (Sepang) Sdn. Bhd. ("MA (Sepang)") and the Government of Malaysia ("GoM") ("Operating Agreement for KLIA") and between the Company, Malaysia Airports Sdn. Bhd. ("MASB") and the GoM ("Operating Agreement for Designated Airports").

The Operating Agreements include the following salient terms:

- (a) To restate the Group's respective rights and commitments with respect to the operation, management, maintenance and development of K.L. International Airport ("KLIA") and the Designated Airports, and to terminate all prior rights and commitments arising from the concession agreement and lease agreement for KLIA entered into earlier between the GoM and MA (Sepang) save for rights and commitments expressly excluded in the Operating Agreements for KLIA and the Designated Airports;
- (b) The settlement of Residual Payment owing by MA (Sepang) to the GoM in a manner that could not significantly deplete the cash reserves of the Group, and that would take into consideration the Group's financial resources and business plans; and
- (c) MA (Sepang) and MASB ("Malaysia Airports") have been granted a lease of the airport lands for a period of 25 years commencing from 12 February 2009 via Lease Agreements signed between Federal Land Commissioner and Malaysia Airports, respectively on 12 February 2009.

However, via a letter dated 20 November 2015 from Ministry of Finance, MAHB has in principle been granted a lease of the airport lands for a period of sixty (60) years on a rolling basis. The respective GoM agencies are in the midst of formalising the implementation of the Rolling Lease before obtaining final approval on the same from the GoM.

- (d) In consideration of the GoM entering into the Operating Agreements for KLIA and Designated Airports, MA (Sepang) and MASB agree to pay the GoM the User Fee. User Fee is equal to a specified percentage of revenue the Group derive from activities carried out at KLIA and other airports.
- (e) Under the Operating Agreement, the GoM shall assist MAHB in bearing its socio-economic obligations by compensating MA (Sepang) and MASB with a marginal cost support sum ("MARCS") as disclosed in Note 2.4(y)(iv) for marginal losses suffered, arising from the undertaking of socio-economic activities and GoM policies.

1. Corporate information and Operating Agreements (cont'd.)

1.2 Operating Agreements (cont'd.)

- (f) The Operating Rights are granted by the GoM to further define and augment the rights of MA (Sepang) as a licensed airport operator and manager of KLIA, and MASB as a licensed airport operator and manager of the Designated Airports, and the Operating Rights shall run for a period of twenty five (25) years from 12 February 2009 and may be renewed by the GoM.
- (g) Under the Operating Agreements, these rights may be revoked by the GoM for certain prescribed reasons, including any default on the MAHB Group's obligations, any order being made, or a resolution being passed, for the winding-up, liquidation, or receivership of MAHB or its principal subsidiaries, MA (Sepang) or MASB, the execution of any judgement against a substantial portion of the assets of MAHB or MA (Sepang) or MASB, if MAHB, MA (Sepang) or MASB were to make an assignment or enter into an arrangement or composition with its creditors or the licenses held by MA (Sepang) or MASB to operate airports being revoked or suspended by the GoM. The New Operating Agreements permit the GoM to expropriate the rights with three months' written notice if they determine, in their sole discretion, that it is in the national interest or in the interest of national security. Upon the GoM exercising its rights of termination, the GoM shall pay an amount to be determined by an independent valuer appointed by the GoM and the Group.

1.3 Concession Agreements relating to ISG and LGM

As disclosed in Note 17 to the financial statements, effective 31 December 2014, ISG and LGM became wholly owned subsidiaries of the Group. ISG via the Concession Agreement signed with the Undersecretariat of Defence, Turkey (the "Administration") has been given the rights to operate Istanbul Sabiha Gokcen International Airport ("ISGIA") for a period of 22 years commencing 1 May 2008.

The Concession Agreements include the following salient information:

- (a) The right to operate the ISGIA is transferred to ISG in exchange for the amount offered at the tender and completion of the construction with regards to establishment of ISGIA's New International Terminal Building and its Complementaries (the "Construction"), which include construction of all infrastructures and superstructures, their connections to the main-system within the framework of the implementation including detailed projects to be drafted in accordance with tender specifications.
- (b) ISG is responsible for operating the domestic and international terminals currently available in the ISGIA in accordance with the principles and requirements of International Civil Aviation Organization ("ICAO"), European Civil Aviation Conference ("ECAC"), Airports Council International ("ACI"), European Organization for the Safety of Air Navigation ("EUROCONTROL"), Joint Aviation Authorities ("JAA") and International Air Transport Association ("IATA"); principles and procedures set forth by the Airport Authority and other criteria set forth in the relevant legislation of the Directorate of Air Transportation of the Ministry of Transportation, Turkey. In respect of this operation, ISG charges airlines departing passenger service fee. In addition, the occupiers of the areas within the ISGIA, other than public entities and agencies are charged for general utilities (i.e. heating, cooling and ventilation).
- (c) The passenger service fees for international and domestic lines are determined by the Ministry of Transportation, Turkey. In the event the passenger service fees increases above the amounts set in the Concession Agreement, ISG shall pay 50% of the incremental increase to the Administration. In the event the passenger service fees decreases below the amounts set in the Concession Agreement, 50% of the difference shall be deducted from the Utilisation Fee.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

1. Corporate information and Operating Agreements (cont'd.)

1.3 Concession Agreements relating to ISG and LGM (cont'd.)

(d) In accordance with the Concession Agreement, the tariff regarding the counter, bridge revenues (bridge, 400 Hz, water), commercially important person ("CIP"), general aviation terminal, meeting, conference hall revenues (except for space allocation, lease and advertisement revenues) together with ticket sales, office allocation, left luggage offices, parking area, luggage carrying (porter), telephone, diaphone, public announcement, aviation information and monitor utilisation, medical examination, treatment, electricity and water revenues shall be determined based on the tariff applied in Istanbul Atatürk Airport.

(e) ISG is responsible for:

- taking all measures to ensure that the operation continues without interruption during the concession period;
- providing insurance coverage for the Construction and the ISGIA;
- regular and continuous repair of all systems and equipment it possesses, keeping them in working order, replacement of the assets subject to depreciation during the concession period, whose economic useful lives determined by the Turkish Tax Procedural Law have ended or which have become out of order.

(f) According to the Concession Agreement, ISG is responsible for ensuring the security of the ISGIA (including the New International Terminal and Its Complementaries), maintenance, periodic maintenance and repairs, and transfer of the ISGIA to the Administration at the end of the concession period free from any obligation and liability and free of charge in operational condition.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2015 as described fully in Note 2.2.

The financial statements of the Group and of the Company have also been prepared on a historical basis, unless otherwise indicated in the summary of significant accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000"), except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2015, the Group and the Company adopted the following new and amended FRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2015.

2. Significant accounting policies (cont'd.)

2.2 Changes in accounting policies (cont'd.)

Effective for financial periods beginning on or after 1 July 2014

Amendments to FRS 119: Defined Benefit Plans: Employee Contributions

Annual Improvements to FRSs 2010 - 2012 Cycle

- Amendments to FRS 2: Share-based payment
- Amendments to FRS 3: Business Combinations
- Amendments to FRS 8: Operating Segments
- Amendments to FRS 116: Property, Plant and Equipment
- Amendments to FRS 124: Related Party
- Amendments to FRS 138: Intangibles Asset

Annual Improvements to FRSs 2011 - 2013 Cycle

- Amendments to FRS 3: Business Combinations
- Amendments to FRS 13: Fair Value Measurement
- Amendments to FRS 140: Investment Property

The application of the above amendments had no material impact on the financial position or disclosure in the Group's financial statements.

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Effective for financial periods beginning on or after 1 January 2016

Annual Improvements to FRSs 2012 – 2014 Cycle

Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to FRS 116 and FRS 141: Agriculture: Bearer Plants

Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments to FRS 127: Equity Method in Separate Financial Statements

Amendments to FRS 101: Disclosure Initiatives

Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception

FRS 14 Regulatory Deferral Accounts

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

2. Significant accounting policies (cont'd.)

2.3 Standards issued but not yet effective (cont'd.)

Effective for financial periods beginning on or after 1 January 2018

FRS 9: Financial Instruments

MFRS 15: Revenue from Contracts with Customers

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. The amendments will have an impact on the financial statements of a foreign subsidiary.

The Group assessed the impact of the new standard and is planning to amortise the airport operation's right of a foreign subsidiary by determining the method reflecting the asset's usage based on passenger volumes and usage of airport activities over the concession period. The Group will adopt these standards prospectively beginning 1 January 2016 and the future amortisation used by the foreign subsidiary shall reflect the pattern in which the concession's future economic benefits are expected to be consumed by the Group and is applied consistently from period to period, unless there is a change in the expected pattern of consumption of those future economic benefits.

Amendments to FRS 116 and FRS 141: Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of FRS 141. Instead, FRS 116 will apply. After initial recognition, bearer plants will be measured under FRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of FRS 141 and are measured at fair value less costs to sell.

The amendments are effective for annual periods beginning on or after 1 January 2016 and are to be applied retrospectively, with early adoption permitted. These amendments are not expected to have any impact on the Group's financial statements.

2. Significant accounting policies (cont'd.)

2.3 Standards issued but not yet effective (cont'd.)

Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and
- gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined by Malaysian Accounting Standards Board. Early application is permitted. These amendments are not expected to have any impact on the Group.

Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations

The amendments to FRS 11 require that a joint operator which acquires an interest in a joint operations which constitute a business to apply the relevant FRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not re-measured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to FRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

Amendments to FRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying FRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of FRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to FRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments is not expected to have any impact on the Group's and the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

2. Significant accounting policies (cont'd.)

2.3 Standards issued but not yet effective (cont'd.)

Amendments to FRS 101: Disclosure Initiatives

The amendments to FRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

The amendments are to be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

FRS 9: Financial Instruments

In November 2014, the Malaysian Accounting Standards Board issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

MFRS 15: Revenue from Contracts with Customer

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

2. Significant accounting policies (cont'd.)

2.3 Standards issued but not yet effective (cont'd.)

MFRS 15: Revenue from Contracts with Customer (cont'd.)

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Directors anticipate that the application of MFRS 15 will have a material impact on the amounts reported and disclosures made in the Group’s and the Company’s financial statements. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board issued a new approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is a fully IFRS-compliant framework which is applicable for all non-private entities for annual periods beginning on or after 1 January 2012, other than Transitioning Entities (TEs), which may defer adoption in view of potential changes on the horizon which may change current accounting treatments. On 8 September 2015, the Malaysian Accounting Standards Board had announced the adoption of MFRS for the TEs is deferred to 1 January 2018.

TEs are non-private entities within the scope of MFRS 141 - Agriculture and IC Interpretation 15 - Agreements for the Construction of Real Estate, including their parent, significant investor and venturer. The Group being a TE, will adopt the MFRS Framework with effect from 1 January 2018.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2018.

2.4 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company’s separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(a) Subsidiaries and basis of consolidation (cont'd.)

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(a) Subsidiaries and basis of consolidation (cont'd.)

(ii) Basis of consolidation (cont'd.)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(iii) Transactions with non-controlling interests

Non-controlling interest represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with non-controlling interest are accounted for using the entity concept method, whereby, transactions with non-controlling interest are accounted for as transactions with owners. On acquisition of non-controlling interest, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interest is recognised directly in equity.

(b) Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill. The accounting policy of goodwill is stated in Note 2.4(d)(iii) to the financial statements.

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2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(b) Business combination (cont'd.)

Goodwill is carried at cost less accumulated impairment losses, if any. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of FRS 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to OCI. If the contingent consideration is not within the scope of FRS 139, it is measured in accordance with the appropriate FRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

(c) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(c) Investment in associates and joint ventures (cont'd.)

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as 'Share of results of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on usage based method and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date.

(i) Concession rights

(a) Airport operation rights in Malaysia

As disclosed in Note 1.2, the Group signed Operating Agreements on 12 February 2009 for a period of 25 years ending 2034 and the consideration paid to the GoM is classified as concession rights.

The Group's amortisation policy in respect of the Operating Agreements is determined on the method reflecting the asset's usage based on passengers volume and usage of airport activities over the concession period. The current amortisation used shall reflect the pattern in which the concession's future economic benefits are expected to be consumed by the Group and is applied consistently from period to period, unless there is a change in the expected pattern of consumption of those future economic benefits.

(b) Airport operations right in Turkey

As disclosed in Note 1.3, ISG via the Concession Agreement signed with the Administration has given the rights to operate ISGIA for the period of 22 years commencing 1 May 2008.

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2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(d) Intangible assets (cont'd.)

(i) Concession rights (cont'd.)

(b) Airport operations right in Turkey (cont'd.)

The right to charge users of an airport for services is recognised as an intangible asset. The airport operations right is initially recognised at cost, being the fair value of Utilisation Fee liability at the date of transfer of control of the ISGIA to ISG and the fair value of other consideration transferred to acquire the asset, which is the fair value of the consideration receivable for the construction services delivered. ISG estimates the fair value of the consideration receivable is estimated to be equal to the construction costs, plus 10% margin. Other costs (including travel and consultancy costs) incurred in regards to the project covered by the Concession Agreement are regarded as part of the consideration paid by ISG, and therefore included in the cost of airport operations right. The airport has been operational since 31 October 2009.

The airport operations right is amortised over the concession period, starting from the date the right is available for use. Accordingly, ISG started to amortise the first phase of the airport operations right, cost of which is measured as the fair value of Utilisation Fees payable, on 1 May 2008 (for extended period of 2 years on 15 October 2009), whereas the second phase, cost of which is measured as the fair value of the consideration receivable for the construction services delivered started to be amortised following the completion of the construction by November 2009. The airport operations are amortised using the revenue projections (mainly based on traffic projections) during the concession period, considering such method best reflects the pattern in which the asset's future benefits are expected to be consumed by ISG. Amortisation method and underlying assumptions are reviewed for validity at each period.

The concession rights also includes identifiable intangible asset of LGM long-term service contract with ISG to operate the food and beverage operations, CIP lounges and the hotel. The contract will expire in 2019 and MAHB intends to extend this contract until the end of the concession period in 2030.

(ii) Infrastructure and construction assets

Infrastructure and construction assets comprised assets which are constructed by the Group in exchange for the right of the Group to charge users of the public service infrastructure that it has constructed or upgraded and are stated at the fair value of construction services delivered including certain mark-up on the actual costs incurred and are amortised over the respective economic useful lives. The capital work in progress relating to these assets is not amortised until the assets are fully completed and brought to use. Similar to concession rights, the infrastructure and construction assets are amortised based on passengers volume and usage of airport activities over the concession period.

The Group's amortisation policy in respect of infrastructure and construction assets are determined on the method reflecting the asset's usage based on passenger volume and usage of airport activities over the concession period. The current amortisation used shall reflect the pattern in which the concession's future economic benefits are expected to be consumed by the Group and is applied consistently from period to period, unless there is a change in the expected pattern of consumption of those future economic benefits.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(d) Intangible assets (cont'd.)

(iii) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's Cash Generating Unit ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

(e) Fair value measurement

The Group measures financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 21.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(e) Fair value measurement (cont'd.)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the valuation committee analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the valuation committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The valuation committee, in conjunction with the Group's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the valuation committee and the Group's external valuers present the valuation results to the audit committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(f) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(f) Property, plant and equipment and depreciation (cont'd.)

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Capital work-in-progress comprises the construction of buildings, renovation in-progress and other assets which have not been commissioned. Capital work-in-progress is not depreciated.

Capital work-in-progress is capitalised in accordance with FRS 116 Property, Plant and Equipment and is recognised as an asset when:

- (i) it is probable that future economic benefits associated with the asset will flow to the enterprise; and
- (ii) the cost of the asset to the enterprise can be measured reliably.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Freehold land	Not depreciated
Leasehold land	Over lease period
Buildings and building renovation	2% - 20%
Hotel property	2%
Infrastructure, safety equipment and motor vehicles	4% - 50%
Office, communications and electronic equipment	10% - 50%
Furniture and fittings	10% - 20%
Plant and machinery	10% - 20%
Crockery, glassware, cutlery and linen	20%

All property, plant and equipment located on Government leasehold land are depreciated over the estimated useful life or the remaining concession period which ever is earlier.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

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2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(g) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(h) Inventories

Inventories relating to merchandise goods and food and beverages are stated at the lower of cost (determined on a weighted average basis) and net realisable value. Cost of inventories comprises cost of purchase of goods. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution. Other inventories not to be resold and for consumption purposes are classified as spares and consumables.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(i) Plantation development expenditure

New planting expenditure incurred on land clearing and upkeep of trees to maturity are capitalised under plantations.

Amortisation of plantation development expenditure is at a rate of 4% per annum.

(j) Replanting expenditure

Replanting expenditure incurred during the year is recognised in the profit or loss.

Replanting expenditure represents the total cost incurred from land clearing to the point of harvesting.

(k) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(i) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

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2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(k) Financial assets (cont'd.)

(ii) Available-for-sale financial assets (cont'd.)

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

The Group and the Company do not have any financial assets designated as financial assets at fair value through profit or loss nor held to maturity investments.

(l) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(I) Impairment of financial assets (cont'd.)

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

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2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(l) Impairment of financial assets (cont'd.)

(iii) Available-for-sale financial assets (cont'd.)

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(m) Derivative financial instruments and hedging activities

Derivative financial instruments are recognised and measured at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value with changes in fair value recognised in the statement of profit or loss at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedge) or hedges of a particular risk associated with a recognised asset or liability (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Group applies fair value hedge accounting for hedging fixed interest risk on borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the statement of profit or loss within 'finance cost'. The gain or loss relating to the ineffective portion is recognised in the statement of profit or loss within 'other gains or losses - net'. Changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk are recognised in the statement of profit or loss within 'finance cost'.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the statement of profit or loss over the period to maturity.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(m) Derivative financial instruments and hedging activities (cont'd.)

(ii) Cash Flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit or loss within 'other gains or losses - net'.

Amounts accumulated in equity are reclassified to the statement of profit or loss in the periods when the hedged item affects the statement of profit or loss. The gain or loss relating to the effective portion of cross currency interest rate swaps hedging fixed rate borrowings is recognised in the statement of profit or loss within 'finance cost'.

When a hedging instrument matures, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the hedged item is ultimately recognised in the statement of profit or loss.

(n) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at banks and deposits at call.

(o) Leases

(i) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Lease assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

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2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(o) Leases (cont'd.)

(ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

(p) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(q) Income tax and zakat

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(q) Income tax and zakat (cont'd.)****(ii) Deferred tax (cont'd.)**

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Zakat

Zakat payable by the Group and the Company is a form of contribution according to the principles of Syariah.

(iv) Goods and Service Tax ("GST")

The net amount of GST being the difference between output and input of GST, payable to or receivable from the respective authorities at the reporting date, is included in trade and other payables or trade and other receivables in the statements of financial position.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(r) Provisions for liabilities

Provisions for liabilities are recognised when the Group and the Company have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(s) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(t) Concession liabilities**

Concession liabilities are in respect of concession contracts and are recognised for the following arrangements:

- (i) Annual charges and land usage charges payable to GoM.
- (ii) Airport Facilities Agreements relating to chilled water utilities at KLIA.
- (iii) Privatisation of the Development of a Generation Plant at klia2.

(u) Employee benefits**(i) Short-term benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). For companies in Turkey, the contributions are made to public administered Social Security Fund.

(iii) Defined benefit plans

In accordance with the existing social legislation in Turkey, ISG and LGM are required to make lump-sum termination indemnities to each employee who has completed one year of service and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

Provision for unemployment termination benefits is provided as requirement of Turkish Labour Law to each employee who has completed one year of service and retires, whose employment is terminated without due cause, who is called up for military service, or who dies; and represents the present value of the estimated total reserve of the future probable obligation of the Group.

**NOTES TO THE
FINANCIAL STATEMENTS**
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2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(v) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each statements of financial position presented are translated at the closing rate prevailing at the reporting date;
- Income and expenses for each profit or loss are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(v) Foreign currencies (cont'd.)

(iii) Foreign operations (cont'd.)

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

The principal exchange rates used for every unit of foreign currency ruling at the reporting date are as follows:

	2015	2014
	RM	RM
United States Dollar (USD)	4.29	3.50
Great Britain Pound (GBP)	6.37	5.45
Singapore Dollar (SGD)	3.04	2.65
Euro (EUR)	4.69	4.25
Switzerland Swiss Franc (CHF)	4.33	3.53
China Renminbi (RMB)	0.68	0.56
Hong Kong Dollar (HKD)	0.55	0.45
Qatar Riyal (QAR)	1.19	0.92
Australian Dollar (AUD)	3.14	2.87
South African Rand (ZAR)	0.31	0.30

(w) User Fee

User Fee is payable to the GoM and equal to a specified percentage of all revenue the Group derive from activities at KLIA and other airports in Malaysia that involves the use of airport infrastructure, assets provided by or financed by the GoM or land belonging to the GoM. The User Fee increases over time by approximately 0.25% per annum and is payable on quarterly basis and increases further depending on the capital expenditure borne by the GoM based on the criteria set out in the Operating Agreements. The revenue base used in calculating the User Fee does not include any construction revenue, reimbursements, interest income, recovery of bad debt or inter-company transactions.

(x) Utilisation Fee

The Utilisation Fee liability represents the present value of amounts payable to the Administration in accordance with the Concession Agreement for the operation of the ISGIA for 20 years plus 22 months of extension period. The Utilisation Fee liability is discounted to present value, at a rate of 10.3%.

In respect of ISG and LGM, ISG has an agreement with Setur Servis Turistik A.S. ("Setur") providing Setur the right to be the exclusive duty free operator during the concession period as defined in Note 1.3. Monthly rentals are variable based on a certain criteria with a minimum annual rental guaranteed by Setur.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(y) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Dividend income

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

(ii) Sale of goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(iii) Revenue from services

Revenue from airport management and horticulture service rendered are recognised net of service taxes and discounts as and when the services are performed.

Revenue from contracts are recognised by reference to the stage of completion at the reporting date. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

(iv) Marginal Cost Support Sum ("MARCS")

Under the Operating Agreements, the GoM shall assist the Group in bearing its socio-economic obligations by compensating the Group with a MARCS for marginal losses suffered, arising from the undertaking of socio-economic activities and GoM policies.

The MARCS support is recognised in the financial statements throughout the concession year as revenue when recovery is probable and the amount that is recoverable can be measured reliably. Further details are disclosed in Notes 1.2 and 3.

As stipulated in the Operating Agreement, the Benchmark Passenger Service Charge ("PSC") rate is revised in every 5 years based on the agreed calculation. The 2nd Tariff Cycle revision became effective on 12 February 2014. MARCS PSC of RM87,659,000 (2014: RM80,297,000) was recognised during the year for the difference between actual PSC and Benchmark PSC rate.

Apart from this, included in MARCS is MARCS Express Rail Link ("MARCS ERL") as disclosed in Note 3.

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(y) Revenue recognition (cont'd.)****(v) Revenue from hotel operations**

Revenue from rental of hotel rooms, sale of food and beverages and other related income are recognised when the services are performed.

(vi) Construction revenue

Construction revenue is recognised by reference to the stage of completion of the construction activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Where the outcome of the Construction cannot be estimated reliably, revenue is recognised to the extent of Construction costs incurred if it is probable that they will be recoverable. Construction costs are recognised as expenses in the year in which they are incurred.

(vii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(z) Disposal groups classified as held for sale and discontinued operations

A component of the Group is classified as a “discontinued operation” when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Upon classification as held for sale, non-current assets and disposal groups are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

(aa) Concession contracts

A substantial portion of the Group’s assets are used within the framework of concession contracts/Operating Agreements granted by the GoM (“the grantor”). The characteristics of the Operating Agreements generally provide, directly or indirectly, for customer involvement in the determination of the service and its remuneration, and the return of the assets necessary to the performance of the service at the end of the contract.

In order to fall within the scope of concession contract, a contract must satisfy the following two criteria:

- the grantor controls or regulates what services the operator must provide with the infrastructure/assets, to whom it must provide them, and at what price; and
- the grantor controls the significant residual interest in the infrastructure/assets at the end of the term of the arrangement.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(aa) Concession contracts (cont'd.)

Such assets are not recognised by the Group as property, plant and equipment but as intangible assets as described in Note 2.4(d)(ii). The intangible asset model applies where the operator is paid by the users or where the concession grantor has not provided a contractual guarantee in respect of the amount recoverable. The intangible asset corresponds to the right granted by the concession grantor to the operator to charge users of the public service.

Intangible assets resulting from the application of this policy are recorded in the statement of financial position under the heading 'Intangible assets' and are amortised on the method reflecting the asset's usage based on passengers volume and usage of airports activities over the concession period. Under the intangible asset model, revenue includes revenue from the construction of the infrastructure/assets and operating revenue of the infrastructure.

(ab) IC Interpretation 12 Service Concession Arrangements

IC Interpretation 12 - Service Concession Arrangements ("IC 12") adopted by the Group applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. Depending on the contractual terms, this interpretation requires the operator to recognise a financial asset if it has an unconditional contractual right to receive cash or an intangible asset if it receives a right (license) to charge users of the public service. Some contractual terms may give rise to both a financial asset and an intangible asset.

The IC 12 considered the nature of the rights conveyed to the operator in a service concession arrangement. It first examined whether the infrastructure used to provide public services could be classified as property, plant and equipment of the operator under FRS 116. It started from the principle that infrastructure used to provide public services should be recognised as property, plant and equipment of the party that controls its use. This principle determines which party should recognise the property, plant and equipment as its own.

The interpretation also concluded that treatment of infrastructure that the operator constructs or acquires or to which the grantor gives the operator access for the purpose of the service arrangement should be determined by whether the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and the grantor control through ownership, beneficial entitlement or otherwise any significant residual interest in the infrastructure at the end of the term of the arrangement.

Under IC 12, the operator may provide construction services to the grantor in exchange for an intangible asset, i.e. a right to collect revenue in accordance with the Operating Agreements. In accordance with FRS 138 Intangible Assets, the operator recognises the intangible asset at its fair value. The fair value of the intangible asset is calculated by including a certain mark-up on the actual cost incurred, estimated to reflect a margin consistent where possible with other similar construction works.

In addition, pursuant to the Airport Facilities Arrangement ("AFA") where the agreement is dependent on a specified asset, the Group recognised an asset and a liability at an amount equal to the value of the underlying asset as determined in the AFA and subsequently the liability shall be reduced as payments are made and an imputed finance charge on the liability recognised using the purchaser's incremental borrowing rate of interest.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(ac) Equity Instruments and Related Expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares and Perpetual Sukuk are classified as equity instruments.

Dividends on ordinary shares and distribution on Perpetual Sukuk are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

2.5 Significant accounting judgements and estimates

(a) Critical judgements made in applying accounting policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(i) Amortisation of concession rights and infrastructure and construction assets

The carrying amount of the concession rights and infrastructure and construction assets are amortised over the concession period determined by the method where the amortisation method used shall reflect the pattern which the concession's future economic benefits are expected to be consumed by the Group based on the expected number of passengers and the utilisation of the airports over the concession period. The variable factors in determining the estimated amortisation includes projected total number of passengers for subsequent years to the end of concession period. The assumptions to arrive at the passenger volume projections and usage of airports also take into consideration the growth rate based on current market and economic conditions. Changes in the expected passenger volume and usage of airports could impact future amortisation charges.

(ii) Amount due from GoM

Management assessed the amount claimable from the GoM together with the future obligations of the Group in respect of User Fee payable to the GoM.

Profit projections are used in determining the future obligations in respect of future User Fee payable for any potential set-off against the amount claimable from GoM as at reporting date. The profit projections by the management are based on various assumptions, amongst others including passenger volume, usage of airports, amortisation of concession asset and projected growth rate.

Further management's key assumptions and judgement on arriving at the initial recognition and the fair value of the amount receivable from the GoM relating to the option of the racing circuit which was recognised as receivables in prior years are as follows:

**NOTES TO THE
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31 December 2015

2. Significant accounting policies (cont'd.)

2.5 Significant accounting judgements and estimates (cont'd.)

(a) Critical judgements made in applying accounting policies (cont'd.)

(ii) Amount due from GoM (cont'd.)

- The present value of the consideration of the racing circuit option is calculated on the assumption that the amount expected to be received by the Group at the end of the option period in April 2019.
- The consideration of the racing circuit is based on the book value of the circuit as at 31 December 2010 and subsequent to the present value of the amount classified as long-term debts (receivable from the GoM).
- The discounted rate used of 4.55% which approximated the prevailing market rates at the date of inception and subsequent changes to the accretion of the present value is accounted for as interest income relating to loans and receivables in future years.

Details of amounts due from and to GoM are disclosed in Notes 22 and 35.

(iii) Revenue recognition

Significant judgement is applied to determine the accrued revenue for aeronautical and commercial debtors based on passenger movements, the number of airlines and timing of billings.

As at reporting date, the amount of accrued revenue for aeronautical and commercial debtors as disclosed in Note 22 comprised approximately 6% (2014: 5%) of the total revenue.

(iv) Land use rights

The Group has assessed that the previous amount paid was in relation to the rights to occupy the land leased by the Federal Land Commissioner, and accordingly pursuant to Amendments to FRS 117, prepaid land lease payments is classified as land use rights.

(v) Impairment of available-for-sale investments

The Group and the Company review their investments in equity instruments, which are classified as available-for-sale investments at each reporting date to assess whether they are impaired. The Group and the Company record impairment charges when there has been a significant or prolonged decline in the fair value below their cost.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group and the Company evaluate, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost. The Group and the Company impair quoted and unquoted equity instruments with "significant" decline in fair value greater than 20%, and "prolonged" period as greater than 12 months.

2. Significant accounting policies (cont'd.)

2.5 Significant accounting judgements and estimates (cont'd.)

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Income taxes

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

(ii) Deferred taxation

Deferred tax assets are recognised for all unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in Note 24.

(iii) Airline incentives

The management determined that the Group's obligation to provide the airlines incentives should be recognised and measured by allocating some of the consideration received or receivable from the sales transactions to award credits and deferring the recognition of revenue.

In deferring the recognition of revenue, management estimated and made certain assumptions on the probability of each airline to have met the conditions imposed by the Group in order to qualify under the incentive programme such as the achievement of the growth rate of the inbound passengers and landing managed by the respective airlines, the probability of non-disputing of billings and settlement of outstanding debts; and the likelihood of the existence of the airlines within the next twelve months from the date of the airlines' incentive entitlement.

Further information on airline incentives are disclosed in Note 35(d).

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

2. Significant accounting policies (cont'd.)

2.5 Significant accounting judgements and estimates (cont'd.)

(b) Key sources of estimation uncertainty (cont'd.)

(iv) Impairment of investments in associates

Investments in associates are for long-term basis and the Company determines whether the carrying amounts of its investments in associates are impaired at least on an annual basis at reporting date. This requires an estimation of the value in use of the CGU which is attributable to those investments. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(v) Concession contract and percentage of completion

The Group provides construction services in exchange for the right to operate the airport in accordance with the Operating Agreements. As described in Note 2.4(ab) IC 12 Service Concession Arrangement, the Group recognises the revenues and costs in accordance to FRS 111 Construction Contracts by reference to the stage of completion of the construction activity. The date of completion is measured by reference to the Construction costs incurred for work performed to date bear to the estimated total costs for the contract.

(vi) Mark-up rate for the construction

The airport operations right in exchange for the construction services provided is recognised at the fair value of the consideration receivable for the construction services delivered. The fair value of the consideration receivable for the construction services delivered is calculated by including certain mark-up, estimated to reflect a margin consistent with other similar construction work where possible, on the actual costs incurred. Mark-up rate used in calculating the fair value of the consideration receivable estimated by the Group on the previous year construction project is 4.5% as disclosed in Note 16. Mark-up rate used by ISG in calculating the fair value of the consideration receivable for the completed construction work was estimated as 10% in prior years.

(vii) Concession liabilities

As disclosed in Note 2.4(t) and (aa), the Group recognised an asset and a liability at an amount equal to the fair value of the underlying asset as determined in the agreement and subsequently the liability shall be reduced when payments are made. The imputed finance charges estimated are as follows:

(i) Annual charges and land usage charges payable to GoM

4.55% per annum over the period of 25 years ending 2034. Had the estimation of the finance charge increase or decrease by 10% of the discount rate used, the net interest charged would be higher by approximately RM195,000 or lower by RM216,000 respectively.

2. Significant accounting policies (cont'd.)**2.5 Significant accounting judgements and estimates (cont'd.)****(b) Key sources of estimation uncertainty (cont'd.)****(vii) Concession liabilities (cont'd.)**

- (ii) Airport Facilities Agreement relating to chilled water utilities at KLIA pursuant to the Operating Agreement payable to service provider

5.5% per annum over the period of 20 years ending 2018. Had the estimation of the finance charge increase or decrease by 10% of the discount rate used, the net interest charged would be higher by approximately RM443,000 or lower by RM419,000 respectively.

- (iii) Privatisation of the Development of a Generation Plant at klia2

5.5% per annum over the period of 20 years ending 2033. Had the estimation of the finance charge increase or decrease by 10% of the discount rate used, the net interest charged would be higher by approximately RM2,080,000 or lower by RM2,066,000 respectively.

(viii) Financial liability relating to the Utilisation Fee recognised in ISG

The Utilisation Fee liability represent the present value of amounts payable to the Administration in accordance with the Concession Agreement for the operation of the ISGIA for 20 years plus 22 months of extension period. The Utilisation Fee liability is discounted to present value, at a rate of 10.3%.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

3. Revenue

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Airport operations:				
- Airport services:				
- Aeronautical	1,947,532	1,448,643	-	-
Less: airline incentives	(48,184)	(107,568)	-	-
	1,899,348	1,341,075	-	-
- Non-aeronautical	1,046,500	553,997	-	-
- Construction revenue*	-	662,405	-	662,405
- Duty free and non-dutiable goods	672,520	614,688	-	-
Non-airport operations:				
- Agriculture and horticulture	29,915	31,304	-	-
- Hotel operations	86,017	74,136	-	-
- Project and repair maintenance	135,907	66,116	-	-
Dividend income from subsidiaries	-	-	119,788	66,583
	3,870,207	3,343,721	119,788	728,988

Included in aeronautical revenue is MARCS sum income of RM144,181,000 (2014: RM145,790,000) as disclosed in Note 2.4(y)(iv).

Included in project and repair maintenance revenue is revenue arising from MACS ME amounting to QAR 111,050,000, equivalent to RM115,506,000 with respect to the repair and maintenance services at Hamad International Airport (formerly known as New Doha International Airport).

* Construction revenue relates to revenue recognised pursuant to IC 12 and in accordance with FRS 111 in respect of the construction of klia2. During the year, there were no construction revenues recognised, as the construction of klia2 was completed on 2 May 2014.

Included in the revenue is revenue contributed by ISG and LGM totaling to RM919,315,000 (2014: nil).

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4. Other income

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Interest income:				
- Unquoted investments and staff loan	8,698	4,398	982	762
- Other loans and receivables	23,875	11,399	-	7
- Gain on financial instruments at fair value through profit or loss	1,083	139	1,033	8
Investment income from:				
Available-for-sale financial assets on equity instruments				
- quoted in Malaysia	24,703	18,661	20,619	13,627
- unquoted in Malaysia	2,940	5,005	-	-
- unquoted short-term investment	2,703	249	1,599	61
Rental income:				
- Minimum lease payments	10,462	10,080	-	-
Gain on disposal of:				
- Property, plant and equipment	22	39	3	-
- Intangible assets	-	36	-	-
- Quoted unit trust	-	10	-	10
- Unquoted equity shares	81,245	-	-	-
Realised foreign exchange gain arising from settlement of bridger loan	63,450	-	63,450	-
Net realised foreign exchange gain/(loss)	3,765	3,553	(549)	1,858
Management fee charged to subsidiaries	-	-	186,489	159,822
Interest from late payments	5,538	4,456	-	-
Recoupment of expenses	94,946	89,377	218,857	124,625
Miscellaneous	13,643	19,270	13,893	10,743
	337,073	166,672	506,376	311,523

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5. Employee benefits expense

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Wages and salaries	458,466	369,768	80,370	71,520
Bonus	59,420	52,798	15,724	9,755
Contributions to defined contribution plans	80,476	73,085	16,250	13,464
Social security contributions	5,565	5,163	674	651
Short-term accumulating compensated absences	2,794	3,997	563	32
Other employee benefits	137,245	114,523	20,429	26,970
	743,966	619,334	134,010	122,392

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM1,458,000 (2014: RM3,041,000) and RM1,458,000 (2014: RM3,041,000) respectively as further disclosed in Note 8.

6. Finance costs

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest expense:				
- concession payables and borrowings	295,515	202,802	162,707	178,330
- financial liabilities	387,167	4,801	7,043	944
Premium on debenture	59,169	-	-	-
Less: Interest expense capitalised in intangible assets*	-	(56,266)	-	(56,266)
	741,851	151,337	169,750	123,008

* The amount for 2014 is arrived at after netting off interest income of RM2,638,000.

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7. Profit before tax and zakat from continuing operations

The following items have been included in arriving at profit before tax and zakat:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-executive directors' remuneration excluding benefits-in-kind (Note 8)	2,061	2,177	1,874	2,071
Auditors' remuneration:				
- statutory	1,132	692	147	120
- other services	594	540	582	540
User Fee expenses	282,059	271,369	-	-
Rental expense	111,799	57,018	6,061	8,673
Depreciation of property, plant and equipment (Note 13)	52,087	47,722	11,924	13,752
Amortisation of:				
- plantation development expenditure (Note 14)	3,200	3,211	-	-
- land use rights (Note 15)	133	139	-	-
- intangible assets (Note 16)	846,291	354,327	-	-
Property, plant and equipment written off	19,174	2,398	13,627	1
Intangible assets written off	18,444	2,206	-	-
Plantation development expenditure written off	-	1,396	-	-
Gain on disposal of:				
- intangible assets	-	(36)	-	-
- property, plant and equipment	(22)	(39)	(3)	-
- unquoted equity shares	(81,245)	-	-	-
Impairment of:				
- investment in unquoted shares	-	15,000	-	-
- intangible assets (Note 16)	-	50,310	-	-
Reversal of impairment of intangible assets (Note 16)	(18,368)	-	-	-
Net allowance/(writeback) of doubtful debts	25,688	(3,024)	(522)	(1,350)
Inventories written off	7,395	290	-	-
Bad debts written off/(writeback)	6,483	(393)	141	-
Utility charges	326,295	284,950	1,404	1,452
Repair and maintenance costs	306,535	201,857	11,017	7,324
Legal and other professional fees	32,762	43,436	13,970	10,245

User Fee expenses amounting to RM282,059,000 (2014: RM271,369,000) relates to license and operating rights payable to the GoM which ranges from 10.51% to 10.80% (2014: 10.13% to 10.42%) of gross revenues by the Group from activities carried out at KLIA and other airports excluding construction revenue, reimbursements, interest income, recovery of bad debt or inter-company transactions.

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8. Directors' remuneration

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Executive directors' remuneration (Note 5):				
- Other emoluments	1,458	3,041	1,458	3,041
Non-executive directors' remuneration (Note 7):				
- Fees	1,035	1,053	1,035	1,053
- Other emoluments	1,026	1,124	839	1,018
	2,061	2,177	1,874	2,071
Total directors' remuneration	3,519	5,218	3,332	5,112
Estimated money value of benefits-in-kind	237	167	237	167
Total directors' remuneration including benefits-in-kind	3,756	5,385	3,569	5,279

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Executive:				
- Salaries and other emoluments	993	2,268	993	2,268
- Bonus	253	503	253	503
- Defined contribution plans	212	270	212	270
- Estimated money value of benefits-in-kind	131	30	131	30
	1,589	3,071	1,589	3,071
Non-executive:				
- Fees	1,035	1,053	1,035	1,053
- Allowances	1,026	1,124	839	1,018
- Estimated money value of benefits-in-kind	106	137	106	137
	3,756	5,385	3,569	5,279

Included in the Group non-executive directors' allowance was the subsidiaries directors' allowance of RM186,500 (2014: RM106,000).

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8. Directors' remuneration (cont'd.)

The number of directors of the Company whose total remuneration during the financial year fell within the following bands are analysed below:

	Number of directors	
	2015	2014
Executive director:		
Less than RM2,000,000	1	1
RM2,000,001 – RM2,050,000	-	-
RM2,050,001 – RM2,100,000	-	-
RM2,100,001 – RM2,150,000	-	-
RM2,150,001 – RM2,200,000	-	-
RM2,200,001 – RM2,250,000	-	-
RM2,250,001 – RM2,300,000	-	-
RM2,300,001 – RM2,350,000	-	-
RM2,350,001 – RM2,400,000	-	-
RM2,400,001 – RM2,450,000	-	-
RM2,450,001 – RM2,500,000	-	1
Non-executive directors:		
Less than RM50,000	5	5
RM50,001 – RM100,000	2	-
RM100,001 – RM150,000	1	2
RM150,001 – RM200,000	3	2
RM200,001 – RM250,000	3	5
RM250,001 – RM300,000	-	-
RM300,001 – RM350,000	-	-
RM350,001 – RM400,000	1	-
RM400,001 – RM450,000	-	-
RM450,001 – RM500,000	-	1
RM500,001 – RM550,000	-	-

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9. Taxation and zakat

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current income tax:				
- Malaysian income tax	83,439	90,788	207	104
- Foreign tax	8,162	1,171	-	-
- Under/(over) provision in prior years	9,223	9,208	(104)	(127)
	100,824	101,167	103	(23)
Deferred tax (Note 24):				
Relating to origination and reversal of temporary differences	(75,881)	(11,945)	(1,638)	8,909
Relating to reduction in Malaysia income tax rate	955	-	11	-
Over provision of deferred tax in prior years	(22,587)	(8,076)	(14,268)	(775)
Derecognition of deferred tax on control transfer of intangible assets	-	-	-	(45,189)
	(97,513)	(20,021)	(15,895)	(37,055)
	3,311	81,146	(15,792)	(37,078)
Income tax expense/(credit)	3,311	81,146	(15,792)	(37,078)
Zakat	2,507	4,785	-	1,556
Total income tax expense/(credit) and zakat	5,818	85,931	(15,792)	(35,522)

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9. Taxation and zakat (cont'd.)

Reconciliation between tax expense/(credit) and accounting profit

The reconciliations between tax expense/(credit) and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2015 and 2014 are as follows:

	2015 RM'000	2014 RM'000 Restated
Group		
Profit/(loss) before tax and zakat from:		
Continuing operations	45,939	749,327
Discontinued operation (Note 10)	(9)	(26)
	45,930	749,301
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	11,483	187,325
Different tax rates in other countries	(5,466)	(2,082)
Relating to reduction in Malaysia tax rate	955	-
Tax effects of share of results of associates and jointly controlled entities	(2,600)	13,156
Income not subject to tax	(51,815)	(240,670)
Expenses not deductible for tax purposes	156,537	122,771
Deferred tax asset recognised on investment tax allowances	(29,520)	-
Utilisation of other deductible temporary differences	(44,399)	-
Utilisation of previously unrecognised tax losses	27,866	-
Utilisation of previously unrecognised unabsorbed capital allowances	-	(13)
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	(46,366)	(473)
Under provision of income tax in prior years	9,223	9,208
Over provision of deferred tax in prior years	(22,587)	(8,076)
Income tax expense for the year	3,311	81,146

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9. Taxation and zakat (cont'd.)

Company	2015 RM'000	2014 RM'000
Profit before tax and zakat	223,223	81,086
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	55,806	20,272
Relating to reduction in Malaysia tax rate	11	-
Income not subject to tax	(67,023)	(27,141)
Expenses not deductible for tax purposes	9,786	15,882
Over provision of income tax in prior years	(104)	(127)
Over provision of deferred tax in prior years	(14,268)	(775)
Derecognition of deferred tax on control transfer of intangible assets	-	(45,189)
Income tax credit for the year	(15,792)	(37,078)

Current income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year.

The income tax rate will be reduced by 1%, at 24% from the year of assessment 2016 onwards.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

10. Discontinued operation and disposal group classified as held for disposal

On 3 September 2013, KLAH issued a notice of termination of the Hotel Management Agreement (“HMA”) to Sama-Sama Hospitality Management Sdn. Bhd. (“SSHM”) due to the non-participation and withdrawal of a key individual in the management and operations of the JV Company. On 18 September 2013, pursuant to the terms of the Joint Venture Agreement (“JVA”), KLAH issued a written notice of termination to ATOZ Hospitality Services Sdn. Bhd. (“ATOZ”), to terminate the JVA.

As at 31 December 2015, the assets and liabilities of SSHM have been presented on the consolidated statements of financial position as assets and liabilities held for disposal and results from SSHM is presented separately on the statement of comprehensive income as a discontinued operation.

The Board of Directors of MAHB, had on 25 November 2014 approved for the striking off or winding up of SSHM via court order, after attempts to have SSHM wound up via voluntary winding up failed. Subsequently, on 6 November 2015, ATOZ has applied for an intervener application. Upon the application of ATOZ to file a supplementary affidavit, the Judge allowed the request and fixed 31 March 2016 for case management pending the exchange of affidavits for the hearing of both the Winding-Up Petition and the Intervention Application.

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10. Discontinued operation and disposal group classified as held for disposal (cont'd.)

An analysis of the results of the discontinued operation is as follows:

	2015 RM'000	2014 RM'000
Expenses	(9)	(26)
Loss before tax of a discontinued operation	(9)	(26)
Income tax expense	-	(31)
Loss for the year from a discontinued operation	(9)	(57)

The classes of assets and liabilities classified as held for disposal on the consolidated statement of financial position are as follows:

	2015 RM'000	2014 RM'000
Asset		
Cash and cash equivalents	151	104
Assets of disposal group classified as held for disposal	151	104
Liability		
Trade and other payables	19	26
Liabilities of disposal group classified as held for disposal	19	26

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11. Earnings per share

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2015 RM'000	2014 RM'000 Restated
Profit from continuing operations attributable to ordinary equity holders of the Company	40,121	663,396
Distribution to Perpetual Sukuk Holders	(57,500)	(2,520)
Net (loss)/profit from continuing operations attributable to owners of the parent	(17,379)	660,876
Loss from a discontinued operation attributable to ordinary equity holders of the Company	(9)	(57)
(Loss)/profit attributable to ordinary equity holders of the Company	(17,388)	660,819

	Group	
	2015	2014
Weighted average number of ordinary shares in issue ('000)	1,590,754	1,346,049

	Group	
	2015 sen	2014 sen Restated
Basic (loss)/earnings per share for:		
- Basic, for profit for the year	(1.09)	49.10

(b) Diluted

In prior year, the earnings per share were diluted by the issuance of 2,391,485 ordinary shares of RM1 each, at a total premium of RM12,268,000 less RM354,000 share issuance expense arising from the DRP relating to electable portion (for those shareholders electing for the re-investment) of the interim dividend of 2.0%, on 1,374,149,854 ordinary shares, declared on 25 November 2014 for the financial year ended 31 December 2014. Had this ordinary shares been issued as at 31 December 2014, the diluted earnings per share would have been 49.09 sen.

The earnings per share were further diluted by Proposed Rights Issue of 275,308,267 new ordinary shares of RM1 each in MAHB on the basis of one (1) Rights Share for every five (5) existing MAHB shares held on an entitlement date. The number of Rights Shares to be issued was arrived at based on the issued and paid-up ordinary share capital of 1,374,149,854. Had this ordinary shares been issued as at 31 December 2014, the diluted earnings per share would have been 48.87 sen.

**NOTES TO THE
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11. Earnings per share (cont'd.)**(b) Diluted (cont'd.)**

There was no issuance of shares between the current financial year and the date of the report.

Weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period.

12. Dividends

	Dividends in respect of year		Dividends recognised in year	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Recognised during the year:				
Interim dividend for 2015: on 1,659,191,829 ordinary shares - 4.00% on single-tier (4.00 sen net per ordinary share)	66,368	-	66,368	-
Final dividend for 2014: on 1,651,849,607 ordinary shares - 3.60% on single-tier (3.60 sen net per ordinary share)	-	59,467	59,467	-
Interim dividend for 2014: on 1,374,149,855 ordinary shares - 2.00% on single-tier (2.00 sen net per ordinary share)	-	27,483	-	27,483
Final dividend for 2013: on 1,364,596,352 ordinary shares - 5.78% on single-tier (5.78 sen net per ordinary share)	-	-	-	78,874
Proposed for approval at forthcoming Annual General Meeting (not recognised as liability as at 31 December 2015):				
Final dividend for 2015: on 1,659,191,829 ordinary shares - 4.50% on single-tier (4.50 sen net per ordinary share)	74,664	-	-	-
	141,032	86,950	125,835	106,357

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12. Dividends (cont'd.)

Proposed final dividend

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2015, of 4.50% on 1,659,191,829 ordinary shares on single-tier basis, with a total quantum of RM74,664,000, will be proposed for shareholders' approval.

Dividend Reinvestment Plan ("DRP")

The DRP was approved by the Shareholders at the Extraordinary General Meeting held on 30 November 2012. The DRP provides Shareholders an option to elect to re-invest their cash dividend(s) declared by the Company (whether interim, final, special or any other cash dividend) ("Dividend(s)") in new ordinary shares of RM1 each in MAHB ("MAHB Shares").

Details of the DRP are disclosed in Note 27.

Dividend paid during financial year

A single-tier interim dividend of 2.00 sen per ordinary share in respect of the financial year ended 31 December 2014 was declared on 25 November 2014. The interim dividend amounting to RM27,483,000 of which RM12,825,000 was paid on 22 January 2015 and the remaining was re-invested on 23 January 2015.

The reinvestment rate subsequent to the completion of the dividend payment was 53.3%.

A single-tier final dividend of 3.60 sen per ordinary share in respect of the financial year ended 31 December 2014 was approved by the Shareholders at its Annual General Meeting held on 5 May 2015. The final dividend amounting to RM59,467,000 of which RM15,413,000 was paid on 18 June 2015 and the remaining was re-invested on 19 June 2015.

The reinvestment rate subsequent to the completion of the dividend payment was 74.1%.

A single-tier interim dividend of 4.00 sen per ordinary share in respect of the financial year ended 31 December 2015 was declared on 30 July 2015. The interim dividend amounting to RM66,368,000 was paid in full on 28 August 2015.

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13. Property, plant and equipment

	Property and buildings RM'000	Hotel property RM'000	Safety equipment and motor vehicles RM'000	Office, communication and electronic equipment, furniture and fittings RM'000	Plant and machinery, crockery, glassware, cutlery and linen RM'000	Capital work-in- progress RM'000	Total RM'000
Group							
At 31 December 2015							
Cost							
At 1 January 2015	119,667	120,282	6,438	360,797	30,991	48,583	686,758
Additions	-	234	424	27,195	407	43,203	71,463
Disposals	-	-	(95)	(999)	(159)	-	(1,253)
Written off	-	-	-	(11,796)	(4,410)	(12,927)	(29,133)
Transfers	47,875	208	-	6,855	2,092	(57,030)	-
Reclassified to intangible assets	-	-	-	-	-	(2,310)	(2,310)
Foreign currency translation	18	-	150	3,726	-	-	3,894
At 31 December 2015	167,560	120,724	6,917	385,778	28,921	19,519	729,419
Accumulated depreciation and impairment							
At 1 January 2015	27,140	52,542	1,128	218,070	20,283	2,496	321,659
Charge for the year (Note 7)	5,660	4,065	530	38,440	3,392	-	52,087
Disposals	-	-	(95)	(999)	(159)	-	(1,253)
Written off	-	-	-	(7,104)	(2,855)	-	(9,959)
Foreign currency translation	8	-	107	2,700	-	-	2,815
At 31 December 2015	32,808	56,607	1,670	251,107	20,661	2,496	365,349
Analysed as:							
Accumulated depreciation	32,808	56,607	1,670	250,355	20,661	-	362,101
Accumulated impairment loss	-	-	-	752	-	2,496	3,248
	32,808	56,607	1,670	251,107	20,661	2,496	365,349
Net carrying amount	134,752	64,117	5,247	134,671	8,260	17,023	364,070

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13. Property, plant and equipment (cont'd.)

	Property and buildings RM'000	Hotel property RM'000	Safety equipment and motor vehicles RM'000	Office, communication and electronic equipment, furniture and fittings RM'000	Plant and machinery, crockery, glassware, cutlery and linen RM'000	Capital work-in- progress RM'000	Total RM'000
Group							
At 31 December 2014							
Cost							
At 1 January 2014	118,321	119,173	5,913	252,049	24,839	58,957	579,252
Additions	885	17	1,642	5,231	27	68,166	75,968
Disposals	-	-	-	(1,502)	(30)	-	(1,532)
Written off	-	-	(1,478)	(1,299)	-	-	(2,777)
Transfers	282	1,092	-	71,011	6,155	(78,540)	-
Reclassified from plantation development expenditure	-	-	-	272	-	-	272
Acquisition of subsidiaries	179	-	361	35,035	-	-	35,575
At 31 December 2014	119,667	120,282	6,438	360,797	30,991	48,583	686,758
Accumulated depreciation and impairment							
At 1 January 2014	20,498	48,449	566	163,673	17,235	2,496	252,917
Charge for the year (Note 7)	6,578	4,093	239	33,734	3,078	-	47,722
Disposals	-	-	-	(1,502)	(30)	-	(1,532)
Written off	-	-	-	(379)	-	-	(379)
Acquisition of subsidiaries	64	-	323	22,534	-	-	22,921
Foreign currency translation	-	-	-	10	-	-	10
At 31 December 2014	27,140	52,542	1,128	218,070	20,283	2,496	321,659
Analysed as:							
Accumulated depreciation	27,140	52,542	1,128	217,318	20,283	-	318,411
Accumulated impairment loss	-	-	-	752	-	2,496	3,248
	27,140	52,542	1,128	218,070	20,283	2,496	321,659
Net carrying amount	92,527	67,740	5,310	142,727	10,708	46,087	365,099

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13. Property, plant and equipment (cont'd.)

	Building RM'000	Motor vehicles RM'000	Office equipment RM'000	Capital work-in- progress RM'000	Total RM'000
Company					
At 31 December 2015					
Cost					
At 1 January 2015	32,568	2,200	91,457	38,809	165,034
Additions	-	-	10,220	34,253	44,473
Transfers	-	-	129	(129)	-
Written off	-	-	(3,012)	(12,927)	(15,939)
Disposal	-	-	-	(47,179)	(47,179)
At 31 December 2015	32,568	2,200	98,794	12,827	146,389
Accumulated depreciation					
At 1 January 2015	7,353	1,392	61,355	-	70,100
Charge for the year (Note 7)	1,365	137	10,422	-	11,924
Written off	-	-	(2,312)	-	(2,312)
At 31 December 2015	8,718	1,529	69,465	-	79,712
Net carrying amount	23,850	671	29,329	12,827	66,677
At 31 December 2014					
Cost					
At 1 January 2014	32,857	2,194	80,329	28,951	144,331
Additions	-	6	690	20,655	21,351
Transfers	115	-	10,682	(10,797)	-
Written off	-	-	(244)	-	(244)
Adjustment for overaccrual	(404)	-	-	-	(404)
At 31 December 2014	32,568	2,200	91,457	38,809	165,034
Accumulated depreciation					
At 1 January 2014	5,967	1,255	49,369	-	56,591
Charge for the year (Note 7)	1,386	137	12,229	-	13,752
Written off	-	-	(243)	-	(243)
At 31 December 2014	7,353	1,392	61,355	-	70,100
Net carrying amount	25,215	808	30,102	38,809	94,934

Included in the cost of property, plant and equipment of the Group and of the Company are cost of fully depreciated assets which are still in use amounting to RM176,824,000 (2014: RM168,196,000) and RM36,933,000 (2014: RM33,579,000) respectively.

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14. Plantation development expenditure

	Group	
	2015	2014
	RM'000	RM'000
Cost		
At 1 January	83,406	79,164
Additions	12,995	5,960
Written off	-	(1,446)
Reclassified to property, plant and equipment	-	(272)
At 31 December	96,401	83,406
Accumulated amortisation		
At 1 January	29,503	26,342
Charge for the year (Note 7)	3,200	3,211
Written off	-	(50)
At 31 December	32,703	29,503
Net carrying amount	63,698	53,903

15. Land use rights

	Group	
	2015	2014
	RM'000	RM'000
Net carrying amount		
At 1 January		
Amortisation during the year (Note 7)	7,379	7,518
At 31 December	(133)	(139)
	7,246	7,379
Analysed as:		
Short-term land use rights	1,538	1,601
Long-term land use rights	5,708	5,778
	7,246	7,379

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16. Intangible assets

	Concession rights RM'000	Terminal building, plant and infrastructures RM'000	Capital work-in- progress RM'000	Total RM'000
Group				
At 31 December 2015				
Cost				
At 1 January 2015	9,754,034	10,353,373	245,065	20,352,472
Additions	-	24,543	204,668	229,211
Written off	-	(29,604)	-	(29,604)
Transfers	-	128,469	(128,469)	-
Reclassified from property, plant and equipment	-	2,310	-	2,310
Foreign currency translation	804,620	204,694	-	1,009,314
At 31 December 2015	10,558,654	10,683,785	321,264	21,563,703
Accumulated amortisation and impairment				
At 1 January 2015	892,843	1,902,839	-	2,795,682
Charge for the year (Note 7)	346,016	500,275	-	846,291
Written off	-	(11,160)	-	(11,160)
Reversal of impairment (Note 7)	-	(18,368)	-	(18,368)
Foreign currency translation	59,224	49,621	-	108,845
At 31 December 2015	1,298,083	2,423,207	-	3,721,290
Analysed as:				
Accumulated depreciation	1,298,083	2,391,265	-	3,689,348
Accumulated impairment loss	-	31,942	-	31,942
	1,298,083	2,423,207	-	3,721,290
Net carrying amount	9,260,571	8,260,578	321,264	17,842,413

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16. Intangible assets (cont'd.)

	Concession rights RM'000	Terminal building, plant and infrastructures RM'000	Capital work-in- progress RM'000	Total RM'000
Group				
At 31 December 2014, as restated				
Cost				
At 1 January 2014	1,982,138	2,946,652	4,839,164	9,767,954
Additions	-	9,747	845,546	855,293
Written off	-	(19,829)	-	(19,829)
Transfers	-	5,439,645	(5,439,645)	-
Acquisition of subsidiaries	7,771,896	1,977,158	-	9,749,054
At 31 December 2014, as restated	9,754,034	10,353,373	245,065	20,352,472
Accumulated amortisation and impairment				
At 1 January 2014	357,470	1,151,370	-	1,508,840
Charge for the year (Note 7)	47,018	307,309	-	354,327
Written off	-	(17,623)	-	(17,623)
Impairment loss (Note 7)	-	50,310	-	50,310
Acquisition of subsidiaries	488,355	411,473	-	899,828
At 31 December 2014, as restated	892,843	1,902,839	-	2,795,682
Analysed as:				
Accumulated depreciation	892,843	1,852,529	-	2,745,372
Accumulated impairment loss	-	50,310	-	50,310
	892,843	1,902,839	-	2,795,682
Net carrying amount, as restated	8,861,191	8,450,534	245,065	17,556,790

The effects of the restatement has been adjusted as disclosed in Note 43.

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16. Intangible assets (cont'd.)

	Capital work-in- progress RM'000
Company	
At 31 December 2015	
Cost	
At 1 January 2015	-
Addition	-
At 31 December 2015	-
Net carrying amount	-
At 31 December 2014	
Cost	
At 1 January 2014	4,583,712
Addition	718,669
Transferred to a subsidiary	(5,302,381)
At 31 December 2014	-
Net carrying amount	-

Included in the cost of intangible assets of the Group is cost of fully depreciated intangible assets which are still in use amounting to RM322,150,000 (2014: RM248,340,000).

The Group's intangible assets comprises fair value of the consideration receivable for the construction service delivered during the stage of construction, including an average of 4.5% mark-up on the cost incurred for klia2.

The capital work-in-progress was in respect of the cost incurred by the Company relating to the infrastructure and airport developments in Sepang, including the construction of klia2. The entire cost was transferred to MA (Sepang) in the previous year of which RM3,977,000,000 was relating to the construction cost of klia2.

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16. Intangible assets (cont'd.)

The construction of klia2 was completed on 2 May 2014. The Group has assessed all the progress claims submitted by the contractors and due to the delay in completing klia2, there could possibly be additional variation orders ("VOs") that might be claimed by the contractors. On 29 May 2013, the Company also announced that they may impose Liquidated Ascertained Damages ("LAD") based on the extension of time to complete on the respective contractors under the respective contracts for the delay. At the date of the report a discussion between the Group and a contractor on the VOs and prolongation cost claimed by the contractor is still on going.

The additions in intangible assets were acquired by way of:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash	229,211	488,689	-	690,144
Accrual for klia2	-	338,079	-	-
Profit from construction contracts	-	28,525	-	28,525
Total additions	229,211	855,293	-	718,669

17. Investments in subsidiaries

	Company	
	2015 RM'000	2014 RM'000
Unquoted shares at cost	1,943,696	1,777,269
Reclassified from investments in jointly controlled entities (Note 19)	-	166,427
	1,943,696	1,943,696

17. Investments in subsidiaries (cont'd.)

Name of Company	Issued and Paid-up Capital RM	Proportion of ownership interest held		Principal Activities
		2015 %	2014 %	
Malaysia Airports Sdn. Bhd. (230646-U)	360,113,847	100	100	Management, operations, maintenance and provision of airport related services of designated airports in Malaysia other than KLIA, Low Cost Carrier Terminal ("LCCT") and klia2.
Malaysia Airports (Sepang) Sdn. Bhd. (320480-D)	50,000,002	100	100	Management, operations, maintenance and provision of airport related services in KLIA, LCCT and klia2 in Sepang.
Malaysia Airports (Niaga) Sdn. Bhd. (281310-V)	5,000,002	100	100	Operating duty free, non- duty free outlets and providing management services in respect of food and beverage outlets at airports.
Malaysia Airports Consultancy Services Sdn. Bhd. (375245-X)	500,002	100	100	Provision of maintenance and technical services in connection with the airport industry.
Malaysia Airports (Properties) Sdn. Bhd. (484656-H)	2	100	100	Provision of non-passenger related services which involves property management and establishing fixed asset requirements.
MAB Agriculture-Horticulture Sdn. Bhd. (467902-D)	10,000,000	100	100	Cultivation and selling of oil palm and other agricultural products, and engaging in horticulture activities.
K.L. Airport Hotel Sdn. Bhd. (330863-D)	10,000,000	100	100	Owner of the hotel known as Sama-Sama Hotel, KLIA; Sama-Sama Express, KLIA; and Sama-Sama Express klia2.
- preference shares	900,000			
Malaysia Airports Technologies Sdn. Bhd. (512262-H)	1,150,002	100	100	Operations and maintenance services and undertaking Information and Communication Technology business ventures.
Malaysia Airports (Mauritius) Pte Ltd®	USD1,000	100	100	Investment holding.
MAHB (Mauritius) Pte Ltd®	USD2	100	100	Investment holding.
Eraman (Malaysia) Sdn. Bhd. (324329-K)	2	100	100	Dormant. Intended principal activity is general trading.
Malaysia International Aerospace Centre Sdn. Bhd. (438244-H)	2	100	100	Planning, management and marketing for the development of Malaysia International Aerospace Centre at Sultan Abdul Aziz Shah Airport and other airports in Malaysia.

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17. Investments in subsidiaries (cont'd.)

Name of Company	Issued and Paid-up Capital RM	Proportion of ownership interest held		Principal Activities
		2015 %	2014 %	
Airport Ventures Sdn. Bhd. (512527-U)	2	100	100	Investment holding.
Malaysia Airports MSC Sdn. Bhd. ("MAMSC") (516854-V)	500,000	100	100	Investment holding.
Malaysia Airports (Labuan) Pte Ltd (LL05298)	USD1,000	100	100	Investment holding.
Urusan Teknologi Wawasan Sdn. Bhd. (459878-D)	750,000	100	100	Provision of mechanical, electrical and civil engineering services at KLIA in Sepang.
Malaysia Airports Capital Berhad (906593-U)	2	100	100	Investment holding.
Malaysia Airports Capital Labuan Ltd (LL07679)	USD2	100	100	Investment holding.
MA Construction (Labuan) Private Limited (LL08348)	USD1,000	100	100	Investment holding.
Malaysia Airports Consultancy Services Middle East LLC (62645) ^{@, ^^}	Qatar Riyal 200,000	49	49	Facilities Maintenance Services at airports.
Sama-Sama Hospitality Management Sdn. Bhd. ("SSHM") (1029991-A)	100	51	51	Ceased operation.
Malaysia Airports Cities Sdn. Bhd. ("MA Cities") (1114062-X)	3,000	100	100	Investment holding.
Istanbul Sabiha Gokcen Uluslararası Havalimanı Yatırım Yapım ve İşletme A.S. ^{*@**}	€178,741,000	100	100	Operation, management and development and provision of airport related services.

17. Investments in subsidiaries (cont'd.)

Name of Company	Issued and Paid-up Capital	Proportion of ownership interest held		Principal Activities
		2015 %	2014 %	
LGM Havalimani Isletmeleri Ticaret ve Turizm A.S. *@**	€209,037	100	100	Provision of management services in respect of transportation, parking, food and beverages, cleaning at the airport and construction of hotel and car park within the airport.
Istanbul Sabiha Gokcen Uluslararası Havalimani Yer Hizmetleri A.S.®	€2,420,582	60.8 ^	60.8 ^	Provision of ground handling services. Ceased operations.

@ Audited by a member firm of Ernst & Young Global

* Effective interest held in each subsidiary through

	2015	2014
Company	20%	20%
MAMSC	40%	40%
MA Cities	40%	40%
	100%	100%

** Investments in LGM and ISG with carrying amounts of RMnil (2014: RM888,000) and RM670,608,000 (2014: RM607,691,000) respectively are pledged to financial institutions for credit facilities granted to the subsidiaries.

^ 51% shareholding held through ISG.

^^ Eventhough the proportion of ownership is 49%, MAHB's effective interest held is 100% due to certain terms and conditions as stipulated in the shareholder's agreement.

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17. Investments in subsidiaries (cont'd.)

Acquisition of subsidiaries

In the previous year, ISG and LGM were reclassified from associates to jointly controlled entities ("JCE") and subsequently, reclassified to subsidiaries. Details of the step-up acquisitions were as follows:

On 23 December 2013, MAHB had announced that pursuant to the shareholders agreement in relation to ISG dated 19 March 2008 (the "ISG Shareholders Agreement") and the shareholders agreement in relation to LGM dated 4 January 2010 (the "LGM Shareholders Agreement"), MAHB is to exercise its rights of first refusal ("RoFR") in respect of the proposed acquisition of a 40% equity stake in each of ISG and LGM. As permitted under the ISG Shareholders Agreement and the LGM Shareholders Agreement, MAHB exercised its RoFR through an indirectly wholly owned subsidiary, MAMSC.

Subsequently, on 28 December 2013, MAHB had entered into an agreement to purchase an additional 40% stake in ISG and LGM from GMR Infrastructure Limited, GMR Infrastructure Overseas Limited and GMR Infrastructure (Global) Limited (collectively referred to as "GMR").

On 30 April 2014, MAHB had completed the acquisition for a total consideration of EUR 209,000,000, equivalent to RM944,337,000. With the completion of the acquisition from GMR, MAHB through a wholly owned subsidiary, MAMSC, held 60% equity interest in ISG and LGM. The acquisition was financed by a combination of proceeds from the Private Placement and internally generated funds. Upon the acquisition, ISG and LGM were regarded as JCE.

On 20 October 2014, MAHB had incorporated its wholly owned subsidiary, MA Cities.

On 23 October 2014, MAHB had announced that it has, via MA Cities exercised its RoFR, pursuant to the ISG Shareholders Agreement and the LGM Shareholders Agreement to acquire the remaining 40% equity stake in each of ISG and LGM from Limak for a cash consideration of EUR 279,232,000, equivalent to RM1,182,856,000.

Subsequently on 31 December 2014, all conditions precedent pertaining to the proposed acquisitions were fulfilled or waived, thus ISG and LGM were effectively MAHB's wholly owned subsidiaries on 31 December 2014. The total cash consideration of EUR 279,232,000, equivalent to RM1,182,856,000 was subsequently remitted to the acquiree on 2 January 2015.

Provisional accounting of acquisition

As at 31 December 2014, the fair value of ISG's and LGM's identifiable assets and liabilities were determined on a provisional basis. Any differences arising from this acquisition will be adjusted retrospectively in accordance with FRS 3 Business Combinations, basis should there be any changes made to the fair value of the assets and liabilities acquired.

The one year period for the Purchase Price Allocation ("PPA") exercise ends on 31 December 2015 (one year from the date of completion of the acquisition, i.e. 31 December 2014). Within the said period, the amounts have been revised according to the finalised valuation report issued during the year.

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31 December 2015

17. Investments in subsidiaries (cont'd.)

Acquisition of subsidiaries (cont'd.)

Provisional accounting of acquisition (cont'd.)

The following summarises the consideration paid on the acquisition of ISG and LGM, the fair value of assets acquired and liabilities assumed at date of acquisition.

	ISG RM'000	LGM RM'000	Total RM'000
Acquisition of subsidiaries - purchase consideration transferred in cash	825,964	356,892	1,182,856
Carrying amount of previously held equity interest	480,270	316,731	797,001
Carrying amount in the fair value adjustment reserve	7,746	-	7,746
Total purchase acquisition	1,313,980	673,623	1,987,603

Details of the net identifiable assets acquired are as follows:

Assets			
Property, plant and equipment	11,020	1,634	12,654
Intangible assets	8,470,402	378,824	8,849,226
Cash and cash equivalents	873,129	40,831	913,960
Trade and other receivables	139,903	15,804	155,707
Inventories	3,051	374	3,425
Deferred tax assets	772,058	527	772,585
	10,269,563	437,994	10,707,557
Liabilities			
Trade and other payables	4,253,347	22,306	4,275,653
Borrowings	2,449,211	25,806	2,475,017
Deferred tax liabilities	1,326,110	75,832	1,401,942
	8,028,668	123,944	8,152,612
Total identifiable net assets at fair value	2,240,895	314,050	2,554,945
Goodwill on acquisition	-	231,272	231,272
Gain on bargain purchase	(314,925)	-	(314,925)
(Gain)/loss on re-measurement of fair value of previously held equity interest	(611,990)	128,301	(483,689)
	1,313,980	673,623	1,987,603

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17. Investments in subsidiaries (cont'd.)

The acquisition on a collective and aggregate basis gave rise to a re-measurement profit, bargain purchase and goodwill of RM483,689,000, RM314,925,000 and RM231,272,000 respectively, of which the goodwill has been impaired.

The directors have completed the PPA exercise in compliance with FRS 3 Business Combinations and the effect of the restatement has been adjusted in the retained earnings as disclosed in Note 43.

18. Investments in associates

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unquoted shares at cost:				
- outside Malaysia	34,268	34,268	-	166,427
- in Malaysia	23,640	20,640	-	-
Reclassified to jointly controlled entities (Note 19)	-	-	-	(166,427)
	57,908	54,908	-	-
Share of post-acquisition reserve	58,246	65,795	-	-
Impairment of investment	(81,669)	(81,669)	-	-
	34,485	39,034	-	-
Analysed as:				
Unquoted shares at cost:				
At 1 January	54,908	193,115	-	166,418
Additional investment	3,000	19,200	-	-
Additional contribution	-	9,020	-	9
Reclassified to jointly controlled entities (Note 19)	-	(166,427)	-	(166,427)
At 31 December	57,908	54,908	-	-

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18. Investments in associates (cont'd.)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Share of post-acquisition reserve:				
At 1 January	65,795	(194,898)	-	-
Share of results	(349)	113	-	-
Dividend received	(7,200)	(3,600)	-	-
Reclassified to jointly controlled entities (Note 19)	-	264,180	-	-
Share of post-acquisition reserve at 31 December	58,246	65,795	-	-
	58,246	65,795	-	-

ISG and LGM

Investment in ISG and LGM were reclassified as JCE upon the completion of 40% acquisition from GMR on 30 April 2014. Subsequently, they were reclassified as investment in subsidiaries on 31 December 2014.

GMR Male International Airport Limited

On 27 November 2012, the Maldivian Government together with Maldives Airports Company Limited ("MACL") declared that the concession agreement with GMR Male International Airport Limited ("GMR Male") which was awarded in 2010, as void ab initio. GMR Male was to operate, maintain, expand, rehabilitate and modernise the Ibrahim Nasir International Airport ("INIA") for a period of 25 years which the Group has 23% interest. Investment in GMR Male has been provided for impairment loss in the financial statements.

The dispute was brought to an arbitration tribunal as per the dispute resolution mechanics stipulated under the concession agreement. Pending the decision of the arbitration tribunal, the directors had made impairment on this investment in previous financial years.

By the first arbitration award dated 18 June 2014 (First Part Final Award), the arbitration tribunal declared that the concession agreement was valid and binding and the concession agreement was not void ab initio. Further, the arbitration tribunal declared that the Maldivian Government and MACL are jointly and severally liable in damages to GMR Male for loss caused by wrongful repudiation of the agreement. As the concession agreement has now been found to be valid and persisting, MACL and the Maldivian Government have been found to have acted in repudiatory breach of the concession agreement by forcibly taking possession of the INIA. The tribunal had also ordered that the compensation shall be in accordance with the terms of the concession agreement which includes the sums payable by GMIAL to Axis Bank under the Facility Agreement as at the date of termination of the Concession Agreement. The next hearing is scheduled to commence in August 2016.

The Group has not recognised further losses relating to GMR Male where its share of losses exceeded the Group's interest and the extent of the Group's legal and constructive obligations in its investment in GMR Male. The Group's current year end cumulative share of unrecognised losses in the financial year was RM107,176,000 (2014: RM95,234,000). The share of unrecognised losses excluded any potential claims from the Maldivian Government by GMR Male which are subject to and pending the arbitration tribunal. The Group has no further obligation in respect of these losses and until such time where the associates are in a profitable position, the Group shall recognise the share of profits only after its share of the profits equals the share of losses not recognised.

Additional contribution is in respect of advances provided to GMR Male as required under the funding arrangement with the shareholders of the associate and the lenders and may be converted as equity funding. This amount has been subsequently fully impaired.

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18. Investments in associates (cont'd.)

GMR Male International Airport Limited (cont'd.)

Investment in GMR Male with carrying value of RM15,134,000 (2014: RM12,325,000) is pledged to financial institutions for credit facilities granted to the associate.

MFMA Development Sdn. Bhd.

On 21 August 2013, MAHB has entered into a Joint Venture Agreement with MA (Sepang), Mitsui Fudosan Co. Ltd. ("MF") and Retail Investment One Pte. Ltd. ("RI One"), to participate in a joint venture company under the name of MFMA Development Sdn. Bhd. ("MFMA") for the development operation and maintenance of a Factory Outlet Centre and its complementary components known as "Mitsui Outlet Park KLIA". MFMA was incorporated on 26 February 2013. The issued share capital of MFMA amounting to RM2,800,000 in which 30% is held by MA (Sepang) and 70% by RI One. During the year, MFMA had further increased the share capital to RM76,800,000 (2014: RM66,800,000) in which 30% is held by MA (Sepang) and 70% by RI One.

Details of the associates are as follows:

Name of Associate	Country of Incorporation	Issued and Paid-up Capital	Proportion of ownership interest held		Financial Year End	Principal Activities
			2015 %	2014 %		
Held through a subsidiary:						
GMR Male International Airport Private Limited	Republic of Maldives	USD 30,050,094	23	23	31 December	Operation, management and development and provision of airport related services. However, the entity has ceased operations.
Kuala Lumpur Aviation Fuelling System Sdn. Bhd. ("KAF")*	Malaysia	RM3,000,000	20	20	31 March	Development, management and operation of aviation fuelling system at KLIA.
MFMA Development Sdn. Bhd. **	Malaysia	RM76,800,000	30	30	31 December	Development operation and maintenance of a factory outlet centre and its complementary components known as "Mitsui Outlet Park KLIA".

* KAF has a financial year end of 31 March 2015 to conform with its holding company's financial year end. The financial statements of the associate for the 9 months interim period ended 31 December 2015 have been used for the purpose of applying the equity method of accounting.

** During the year, the Group had further increased its investment in MFMA amounting to RM3,000,000 (2014: RM19,200,000).

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18. Investments in associates (cont'd.)

Detail of the associates are as follows:

(a) The summarised Financial Statement of KAF is as follows:

	Group	
	2015 RM'000	2014 RM'000
Assets and liabilities		
Current assets	17,173	34,517
Non-current assets	201,353	219,904
Current liabilities	(22,758)	(23,624)
Non-current liabilities	(104,822)	(117,530)
Equity	90,946	113,267
Cost of investment	600	600
Results		
Revenue	63,769	60,717
Cost of sales	(27,279)	(20,632)
Other income	2,294	613
Administrative expenses	(15,940)	(16,158)
Finance costs	(4,826)	(3,092)
Profit before tax for the year	18,018	21,448
Income tax	(4,788)	(2,654)
Profit for the year	13,230	18,794
Group's share of profit for the year	2,646	3,759

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FINANCIAL STATEMENTS**
31 December 2015

18. Investments in associates (cont'd.)

Detail of the associates are as follows (cont'd.):

(b) The summarised Financial Statement of MFMA is as follows:

	Group	
	2015 RM'000	2014 RM'000
Assets and liabilities		
Current assets	35,603	49,391
Non-current assets	228,129	163,617
Current liabilities	(21,933)	(5,977)
Non-current liabilities	(187,131)	(152,382)
Equity	54,668	54,649
Cost of investment	23,040	20,040
Results		
Revenue	30,319	-
Cost of sales	(20,266)	-
Other income	33,215	6,952
Administrative expenses	(53,249)	(17,522)
Loss before tax for the year	(9,981)	(10,570)
Income tax	-	-
Loss for the year	(9,981)	(10,570)
Group's share of loss for the year	(2,995)	(3,646)

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31 December 2015

18. Investments in associates (cont'd.)

Detail of the associates are as follows (cont'd.):

(c) The summarised Financial Statement of GMR Male is as follows:

	Group	
	2015 RM'000	2014 RM'000
Assets and liabilities		
Current assets	228,217	188,465
Non-current assets	-	30
Current liabilities	(774,788)	(659,646)
Non-current liabilities	(158,787)	(63)
Equity	(705,358)	(471,214)
Cost of investment	34,268	34,268
Results		
Revenue	-	-
Cost of sales	-	-
Other income	-	13,989
Administrative expenses	(56,756)	(126,150)
Finance income	4,856	3,955
Loss before tax for the year	(51,900)	(108,206)
Income tax	(21)	(17)
Loss for the year	(51,921)	(108,223)
Group's share of loss for the year *	-	-

* The Group has not recognised further losses relating to GMR Male where its share of losses exceed the Group's interest and extent of the Group's legal and constructive obligations in its investment in GMR Male. The Group's current year end cumulative share of unrecognised losses in financial year was RM107,176,000 (2014: RM95,234,000). The share of unrecognised losses excluded any potential claims from the Maldivian Government by GMR Male which are subject to and pending the arbitration tribunal. The Group has no further obligation in respect of these losses and until such time where the associates are in a profitable position, the Group shall recognise the share of profits only after its share of the profits equal the share of losses not recognised.

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19. Investment in jointly controlled entities

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unquoted shares at cost:				
- in Malaysia	53,718	53,718	53,718	53,718
Share of post-acquisition reserve	17,953	8,697	-	-
	71,671	62,415	53,718	53,718
Analysed as:				
Unquoted shares at cost:				
At 1 January	53,718	53,718	53,718	53,718
Acquisition during the year	-	963,213	-	-
Reclassified from investment in associates (Note 18)	-	166,427	-	166,427
Reclassified to investment in subsidiaries (Note 17)	-	(1,129,640)	-	(166,427)
At 31 December	53,718	53,718	53,718	53,718
Share of post-acquisition reserve:				
At 1 January	8,697	3,434	-	-
Share of results	10,750	(52,736)	-	-
Share of other comprehensive loss of jointly controlled entity	-	(10,461)	-	-
Dividend received	(1,494)	-	-	-
Reclassified from investment in associates (Note 18)	-	(264,180)	-	-
Reclassified to investment in subsidiaries	-	332,640	-	-
At 31 December	17,953	8,697	-	-

Acquisition of additional equity interest in ISG and LGM in the previous year

The 40% equity interest acquired from GMR resulted in ISG and LGM becoming jointly controlled entities from 30 April 2014 to 30 December 2014. Upon the acquisition of the remaining 40% equity interest from Limak, they became wholly owned subsidiaries as disclosed in Note 17.

Included in the previous year share of results above is ISG's and LGM's previous years share of unrecognised losses amounting to RM42,478,000. As disclosed in Note 17, ISG and LGM became wholly owned subsidiaries as at 31 December 2014.

19. Investment in jointly controlled entities (cont'd.)

Details of the jointly controlled entities are as follows:

Name of Entity	Country of Incorporation	Issued and Paid-up Capital	Effective interest held		Financial Year End	Principal Activities
			2015 %	2014 %		
Held by the Company:						
Segi Astana Sdn. Bhd. ("SASB")*	Malaysia	RM106,060,000	30	30	31 December	Development, management and operations of property.
Airport Cooling Energy Supply Sdn. Bhd. ("ACES")**	Malaysia	RM19,040,000	23	23	31 August	Development, management and operations of chilled water plant.
- Redeemable Preference Shares		RM761,600				

* On 22 September 2011, the Company entered into a Joint Venture Agreement with WCT Land Sdn. Bhd. to provide ancillary and complementary support services and facilities to the klia2 Terminal Building.

** On 27 October 2011, the Company entered into a Joint Venture Agreement with TNB Engineering Corporation Berhad and incorporated ACES for the operation and maintenance of a generation plant for the supply of chilled water and power at the klia2.

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19. Investment in jointly controlled entities (cont'd.)

Detail of the jointly controlled entities are as follows:

(a) The summarised financial statement of SASB is as follows:

	Group	
	2015 RM'000	2014 RM'000
Assets and liabilities		
Current assets	74,819	66,843
Non-current assets	606,743	628,222
Current liabilities	(113,191)	(112,098)
Non-current liabilities	(459,804)	(487,271)
Equity	108,567	95,696
Cost of investment	31,818	31,818
Results		
Revenue	118,702	77,720
Cost of sales	(27,540)	(19,407)
Other income	10,535	6,554
Administrative expenses	(31,963)	(42,127)
Finance costs	(56,875)	(23,985)
Profit/(loss) before tax for the year	12,859	(1,245)
Income tax	113	(4,820)
Profit/(loss) for the year	12,972	(6,065)
Group's share of profit/(loss) for the year	3,892	(2,483)

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19. Investment in jointly controlled entities (cont'd.)

Detail of the jointly controlled entities are as follows (cont'd.):

(b) The summarised financial statement of ACES is as follows:

	Group	
	2015 RM'000	2014 RM'000
Assets and liabilities		
Current assets	72,515	65,136
Non-current assets	368,304	360,258
Current liabilities	(38,666)	(30,639)
Non-current liabilities	(231,915)	(247,684)
Equity	170,238	147,071
Cost of investment	21,900	21,900
Results		
Revenue	76,697	73,819
Cost of sales	(20,194)	(16,024)
Other income	1,277	661
Administrative expenses	(1,395)	(1,322)
Finance costs	(14,702)	(16,452)
Profit before tax for the year	41,683	40,682
Income tax	(11,866)	(8,184)
Profit for the year	29,817	32,498
Group's share of profit for the year	6,858	7,745

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20. Available-for-sale investments (“AFS”)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Quoted bonds in Malaysia at fair value	4,928	-	4,928	-
Quoted unit trust in Malaysia at fair value	288,676	231,613	286,241	198,679
AFS at fair value	293,604	231,613	291,169	198,679
* Unquoted shares at cost:				
- in Malaysia	254	254	-	-
** - outside Malaysia	41,486	235,512	-	-
AFS at cost	41,740	235,766	-	-
Total other AFS investments	335,344	467,379	291,169	198,679

Movement in AFS investments is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At 1 January	467,379	349,450	198,679	80,969
Additions	54,812	116,842	85,646	116,784
Fair value adjustment	7,178	1,390	6,844	927
Disposals	(209,155)	(1)	-	(1)
Impairment of investment in unquoted shares	-	(15,000)	-	-
Foreign currency translation	15,130	14,698	-	-
At 31 December	335,344	467,379	291,169	198,679

Unquoted shares of RM28,620,000 (2014: RM162,153,000) of the Group are pledged as security in respect of certain agreements entered into by the Group.

* The fair value information has not been disclosed for these financial instruments as their fair value cannot be measured reliably due to the lack of quoted market price in an active market and assumption required for valuing these financial instruments.

** On 25 May 2015, the Group has disposed of its entire 10% of equity interest in Delhi International Airport Private Limited (“DIAL”) at a sale consideration of USD80,000,000, equivalent to RM290,400,000.

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FINANCIAL STATEMENTS**
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21. Fair value measurement

Fair value measurement hierarchy for assets:

	Fair value measurement using			
	Total RM'000	Quoted prices in active markets (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000
As at 31 December 2015				
Available-for-sale financial investment (Note 20)				
Quoted bond	4,928	4,928	-	-
Quoted unit trust	288,676	288,676	-	-
Unquoted equity shares	41,740	-	41,486	254
	335,344	293,604	41,486	254
As at 31 December 2014				
Available-for-sale financial investment (Note 20)				
Quoted unit trust	231,613	231,613	-	-
Unquoted equity shares	235,766	-	235,512	254
	467,379	231,613	235,512	254

Level 1: The fair value of available-for-sale financial assets is derived from quoted prices in active markets.

Level 2: The fair values of available-for-sale assets cannot be measured based on quoted prices in active markets. Their fair values are measured using valuation techniques from observable markets which was based on analyst reports and there were significant variance in the valuations. Thus, FRS 139 exception rule applied and book values were used.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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22. Trade and other receivables

	Group		Company	
	2015 RM'000	2014 RM'000 Restated	2015 RM'000	2014 RM'000
Current				
Trade receivables				
Third parties	721,044	445,772	-	-
Due from GoM	156,900	75,841	-	-
Accrued revenue	222,904	132,476	-	-
	1,100,848	654,089	-	-
Less: Allowance for doubtful debts				
Third parties	(74,256)	(47,706)	-	-
Trade receivables, net	1,026,592	606,383	-	-
Other receivables				
Amounts due from subsidiaries	-	-	2,495,935	1,091,075
Staff loans (Note 23)	5,259	5,492	-	-
Deposits	5,553	5,545	115	29
Prepayments	32,651	33,994	4,030	2,889
Sundry receivables	81,671	49,025	12,022	17,682
	125,134	94,056	2,512,102	1,111,675
Less: Allowance for doubtful debts	(10,799)	(11,537)	(6,162)	(6,684)
Other receivables, net	114,335	82,519	2,505,940	1,104,991
	1,140,927	688,902	2,505,940	1,104,991
Non-current				
Trade receivables				
Third parties	278	-	-	-
Other receivables				
Due from GoM	368,359	375,901	41,330	49,204
Amounts due from a subsidiary	-	-	5,243,760	5,067,382
Sundry receivables	60,739	77,899	-	-
	429,098	453,800	5,285,090	5,116,586
	429,376	453,800	5,285,090	5,116,586
Total trade and other receivables (current and non-current)	1,570,303	1,142,702	7,791,030	6,221,577
Add: Cash and cash equivalent (Note 26)	1,286,736	2,041,129	171,400	788,099
Less: Prepayment	(32,651)	(33,994)	(4,030)	(2,889)
Total loans and receivables	2,824,388	3,149,837	7,958,400	7,006,787

The effects of the restatement has been adjusted as disclosed in Note 43.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

22. Trade and other receivables (cont'd.)

Ageing analysis of trade receivables

The ageing analysis of the Group's total trade receivables, but excluding accrued revenue is as follows:

	Group	
	2015 RM'000	2014 RM'000 Restated
Neither past due nor impaired	368,506	236,431
1 to 30 days past due not impaired	113,057	93,504
31 to 60 days past due not impaired	62,781	20,384
61 to 90 days past due not impaired	54,318	26,259
91 to 120 days past due not impaired	31,726	18,495
More than 121 days past due not impaired	134,482	53,982
	396,364	212,624
Impaired	113,352	72,558
	878,222	521,613

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. More than 77% (2014: 90%) of the Group's trade receivables arise from customers with more than 5 years of experience with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance for doubtful debts used to record the doubtful debts are as follows:

	Individually impaired	
	2015 RM'000	2014 RM'000 Restated
Group		
Trade receivables		
- nominal amounts	113,352	72,558
Less: Allowance for doubtful debts	(74,256)	(47,706)
	39,096	24,852

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

22. Trade and other receivables (cont'd.)

Receivables that are impaired (cont'd.)

- (a) Receivables amounting to RM3,354,000 (2014: RM21,888,000) are in respect of certain debtors who have the obligations to repay their debts but are prolonged as settlement of the outstanding balances are pending approvals. Historically, the nature for these type of debts will eventually be settled, including the possible set off against any future liabilities of the Group with the same debtors. Accordingly, no further allowance for doubtful debt is necessary.
- (b) Receivables amounting to RM35,742,000 (2014: RM2,964,000) are expected to be settled by installment arrangement plan.

Movement in allowance for doubtful debts:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade				
At 1 January	47,706	48,909	-	-
Net allowance/(writeback) of doubtful debts (Note 7)	26,426	(2,491)	-	-
Acquisition of subsidiaries	-	1,288	-	-
Foreign currency translation	124	-	-	-
At 31 December	74,256	47,706	-	-
Other receivables				
At 1 January	11,537	12,070	6,684	8,034
Net writeback of doubtful debts (Note 7)	(738)	(533)	(522)	(1,350)
At 31 December	10,799	11,537	6,162	6,684

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

22. Trade and other receivables (cont'd.)**(a) Credit risk**

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management and bears interest at 1% per month on overdue balances. As at reporting date, the concentration of credit risk in the form of outstanding balances is mainly due to five (2014: four) customers representing approximately 51% (2014: 64%) of the total trade receivables.

(b) Amounts due from subsidiaries**(i) Current**

Amounts due from subsidiaries are non-interest bearing and are repayable on demand. All related parties receivables are unsecured and are to be settled in cash.

(ii) Non-current

Amount due from a subsidiary is unsecured and bear interest at 4.46% per annum.

(c) Sundry receivables (Non-current)

Included in sundry receivables is Value Added Tax ("VAT") receivable of RM55,673,000 (2014: RM71,792,000) classified as long-term receivables. These amounts arised from the Utilisation Fee liability to the Administration, and cannot be refunded in cash or offset against other tax liabilities. The Group will be offsetting these long-term receivables when it generates such a level of revenue that the VAT payable arising would exceed VAT paid for other operational and investing activities.

(d) Other receivables

Amount due from GoM is further discussed in Note 22(f).

(e) Prepayments

Prepayments amounting to RM17,383,000 (2014: RM19,766,000) are in respect of leasing equipment for klia2.

**NOTES TO THE
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22. Trade and other receivables (cont'd.)

(f) Due from GoM

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current				
Trade receivables				
MARCS (Note 2.4(y)(iv))	156,900	75,841	-	-
Non-current				
Other receivables				
Debts assumed from former subsidiary	101,802	121,200	41,330	49,204
Receivable on call option (Note 2.5(a)(ii))	266,557	254,701	-	-
	368,359	375,901	41,330	49,204
Total amount due from GoM	525,259	451,742	41,330	49,204

Other information on financial risks of trade and other receivables are disclosed in Note 41.

23. Staff loans

	Group	
	2015 RM'000	2014 RM'000
Staff loans	40,603	44,817
Less: Current (Note 22)	(5,259)	(5,492)
Non-current portion	35,344	39,325
Analysed as:		
Current	5,259	5,492
Non-current:		
Later than 1 year but not later than 2 years	3,085	3,212
Later than 2 years but not later than 5 years	8,188	8,026
Later than 5 years	24,071	28,087
	35,344	39,325
	40,603	44,817

The staff loans attract interest rate at 4% (2014: 4%) per annum.

The Group has assessed the non-current portion and considered that the fair value amounts to approximate the carrying amounts.

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24. Deferred tax (assets)/liabilities

	Group		Company	
	2015 RM'000	2014 RM'000 Restated	2015 RM'000	2014 RM'000
At 1 January	738,249	128,913	15,629	52,684
Recognised in statement of profit or loss (Note 9)	(97,513)	(20,021)	(15,895)	(37,055)
Acquisition of subsidiaries	-	629,357	-	-
Recognised in equity	(3,522)	-	-	-
Foreign currency translation	66,161	-	-	-
At 31 December	703,375	738,249	(266)	15,629
Presented in the statements of financial position as follows:				
Deferred tax assets	(231,642)	(240,729)	(11,948)	(6,834)
Deferred tax liabilities	935,017	978,978	11,682	22,463
	703,375	738,249	(266)	15,629

The effects of the restatement arising from business combination has been adjusted in the retained earnings as disclosed in Note 43.

The component and movement of deferred tax liabilities and assets during the financial year are as follows:

Deferred tax liabilities of the Group:

	Property, plant and equipment and intangibles RM'000	Borrowings RM'000	Total RM'000
At 1 January 2015	1,794,949	8,232	1,803,181
Recognised in the statement of profit or loss	(124,799)	476	(124,323)
Foreign currency translation	140,349	880	141,229
At 31 December 2015	1,810,499	9,588	1,820,087
Less: Offset against deferred tax assets			(885,070)
			935,017
At 1 January 2014	200,674	-	200,674
Recognised in the statement of profit or loss	200,565	-	200,565
Acquisition of subsidiaries	1,393,710	8,232	1,401,942
At 31 December 2014, as restated	1,794,949	8,232	1,803,181
Less: Offset against deferred tax assets			(824,203)
			978,978

**NOTES TO THE
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24. Deferred tax (assets)/liabilities (cont'd.)**Deferred tax liabilities of the Company:**

	Property, plant and equipment and intangibles RM'000
At 1 January 2015	22,463
Recognised in the statement of profit or loss	(10,781)
At 31 December 2015	11,682
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At 1 January 2014	66,884
Recognised in the statement of profit or loss	(44,421)
At 31 December 2014	22,463

Deferred tax assets of the Company:

	Payables RM'000
At 1 January 2015	(6,834)
Recognised in the statement of profit or loss	(5,114)
At 31 December 2015	(11,948)
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At 1 January 2014	(14,200)
Recognised in the statement of profit or loss	7,366
At 31 December 2014	(6,834)

Deferred tax assets of the Group has not been recognised in respect of the following items:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unutilised tax losses	29,291	103,234	-	-
Unabsorbed capital allowances	113	90	-	-
Other deductible temporary differences	(87)	(9)	-	-
	29,317	103,315	-	-

The availability of the unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the respective subsidiaries of the Group are subject to no substantial changes in shareholdings of those subsidiaries under Section 44(5A) and (5B) of Income Tax Act, 1967.

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24. Deferred tax (assets)/liabilities (cont'd.)

Deferred tax assets have not been recognised where it is not probable that future taxable profits will be available against which the Company or subsidiaries can utilise the benefits.

25. Inventories

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cost				
Spares and consumables	30,098	23,198	13	13
Merchandise goods	85,296	129,163	-	-
Food and beverages	2,248	2,124	-	-
	117,642	154,485	13	13

The cost of inventories relating to merchandise goods, food and beverages recognised as an expense during the financial year amounted to RM373,390,000 (2014: RM330,710,000).

26. Cash and cash equivalents

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash on hand and at banks	858,040	1,034,902	16,338	5,390
Deposits with licensed banks	416,595	954,658	142,961	773,809
Money on call with licensed banks	12,101	51,569	12,101	8,900
Cash and bank balances	1,286,736	2,041,129	171,400	788,099

Other information on financial risks of cash and cash equivalents are disclosed in Note 41.

For the purpose of consolidated statement of cash flow, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances:				
- Continuing operations	1,286,736	2,041,129	171,400	788,099
- Discontinued operation (Note 10)	151	104	-	-
Cash and cash equivalents	1,286,887	2,041,233	171,400	788,099

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27. Share capital

	Number of shares of RM1 each		Amount	
	2015	2014	2015 RM	2014 RM
Authorised:				
Special Rights Redeemable Preference				
Share of RM1 each	1	1	1	1
Ordinary shares of RM1 each	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
	2,000,000,001	2,000,000,001	2,000,000,001	2,000,000,001

Issued and fully paid:

	Number of shares of RM1 each	Amount RM
At 1 January 2014	1,232,443,880	1,232,443,880
DRP issued on:		
4 February 2014	8,102,473	8,102,473
Private Placement issued on 12 March 2014	124,050,000	124,050,000
DRP issued on:		
2 May 2014	9,553,502	9,553,502
At 31 December 2014	1,374,149,855	1,374,149,855
DRP issued on:		
23 January 2015	2,391,485	2,391,485
Rights Shares issued on 27 March 2015	275,308,267	275,308,267
DRP issued on:		
19 June 2015	7,342,222	7,342,222
At 31 December 2015	1,659,191,829	1,659,191,829

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

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27. Share capital (cont'd.)

Ordinary shares issued for cash

On 23 January 2015, the Company increased its paid-up share capital to 1,376,541,340 via the issuance of 2,391,485 new ordinary shares of RM1 each pursuant to DRP relating to electable portion of the single-tier interim dividend of 2.00% for the financial year ended 31 December 2014.

On 27 March 2015, the Company increased its paid-up share capital to RM1,651,849,607 via the issuance of 275,308,267 new ordinary shares of RM1 each in MAHB on the basis of one (1) Rights Share for every five (5) existing shares held on the entitlement date. The issue price was fixed at RM4.78 per Right Share, representing a discount of approximately 28.80% to the theoretical ex-rights price of MAHB shares of RM6.71.

On 19 June 2015, the Company further increased its paid-up share capital to 1,659,191,829 via issuance of 7,342,222 new ordinary shares of RM1 each pursuant to DRP relating to electable portion of the single-tier final dividend of 3.60% for the financial year ended 31 December 2014.

Dividend Reinvestment Plan ("DRP")

The DRP was established upon the approval from the Shareholders, at the Extraordinary General Meeting held on 30 November 2012. The DRP provides Shareholders an option to elect to re-invest their cash dividend(s) declared by the Company (whether interim, final, special or any other cash dividend) ("Dividend(s)") in new ordinary shares of RM1 each in MAHB ("MAHB Shares").

The DRP provides Shareholders with an opportunity to re-invest their Dividends in new MAHB Shares ("New Shares") in lieu of receiving cash. Shareholders are expected to benefit from their participation in the DRP as the New Shares may be issued at a discount and their subscription of such New Shares will be free from any brokerage fees and other related transaction costs. In addition, the DRP also provides the Shareholders with greater flexibility to meet their investment objectives as they would have the choice of receiving Dividends in cash or reinvesting into the Company through the subscription of additional Shares.

The DRP has capital management benefits to MAHB as the reinvestment of Dividends by Shareholders in New Shares will enlarge MAHB's share capital base and strengthen MAHB's capital position. Under the DRP, any cash so retained within MAHB, that would otherwise be made payable by way of dividend, will be preserved to fund the Group's continuing growth and expansion plan, and/or for the Group's working capital (including payment for general corporate activities and to defray expenses incurred in the course of day-to-day business operations). The issue of New Shares under the DRP is also expected to improve the liquidity of MAHB Shares currently listed on the Main Market of Bursa Securities.

In relation to Dividends declared, the Board may, at its absolute discretion, determine whether to offer Shareholders an option to re-invest such Dividend in New Shares ("Reinvestment Option") and where applicable, the size of the portion of such Dividend to which the Reinvestment Option applies ("Electable Portion").

Shareholders will have the following options in respect of a Reinvestment Option:

- (a) elect to participate and thereby re-invest the entire Electable Portion (or a part thereof) at the Issue Price (as defined below) for New Shares and to receive wholly in cash:
 - (i) the portion of the Dividend to which the Reinvestment Option does not apply, as determined by the Board ("Non-Electable Portion"); and
 - (ii) the remaining portion of the Electable Portion not re-invested (if any) ("Remaining Portion"); or
- (b) elect not to participate in the Reinvestment Option and thereby receive the entire Dividend wholly in cash.

27. Share capital (cont'd.)**Dividend Reinvestment Plan (“DRP”) (cont'd.)**

The issue price of such New Shares shall be the higher of the following (“Issue Price”):

- (a) the adjusted VWAMP of MAHB Shares for the five market days immediately before the price fixing date (i.e. a date on which the Issue Price will be determined) after applying a discount of not more than 10%. The VWAMP shall be adjusted for Dividends before applying the aforementioned discount in fixing the Issue Price; or
- (b) the par value of MAHB Shares at the material time.

Special Rights Redeemable Preference Share

- (a) The Special Rights Redeemable Preference Share (“Special Share”) of RM1 enables the GoM, through the Minister of Finance, to ensure that certain major decisions affecting the operations of the Company are consistent with GoM policies. The Special Shareholder, which may only be the GoM or any representative or person acting on its behalf, is entitled to receive notices of meetings but not entitled to vote at such meetings of the Company. However, the Special Shareholder is entitled to attend and speak at such meetings.

The Special Shareholder has the right to appoint any person, but not more than six at any time, to be directors.

- (b) The Special Shareholder has the right to require the Company to redeem the Special Share at par at any time by serving written notice upon the Company and delivering the relevant share certificate.
- (c) The Special Shareholder shall be entitled to repayment of the capital paid-up on the Special Share in priority to any repayment of capital to any other member.
- (d) The Special Shareholder does not have any right to participate in the capital or profits of the Company.
- (e) Certain matters which vary the rights attached to the Special Share can only be effective with the written consent of the Special Shareholder, in particular matters relating to the creation and issue of additional shares which carry different voting rights, the dissolution of the Company, substantial disposal of assets, amalgamations, merger and takeover.

28. Retained earnings

The Company may distribute dividends out of its entire retained earnings as at 31 December 2015 and 2014 under the single-tier system.

29. Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

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30. Other reserve and foreign currency translation reserves

(a) Foreign exchange reserve

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) Other reserve

	Group	
	2015 RM'000	2014 RM'000
Reserve arising from acquisition of non-controlling interest		
As at 1 January/31 December	2,546	2,546
Legal reserve		
As at 1 January	89	-
Created during the year	2,418	89
Foreign currency translation	30	-
As at 31 December	2,537	89
	5,083	2,635

(i) Reserve arising from acquisition of non-controlling interest

This relates to the discount on acquisition of non-controlling interest in prior years.

(ii) Legal reserve

- (i) In accordance with Qatar Companies' Law No. 5 of 2002, ("the Qatari Law") and the Articles of Association of Malaysia Airports Consultancy Services Middle East L.L.C. ("MACS ME"), 10% of the MACS ME's profit for the period is required to be transferred to a Legal Reserve until such time the reserve equals 50% of MACS ME's paid-up capital. This reserve is not available for distribution except in the circumstances stipulated under the Qatari Law.

30. Other reserve and foreign currency translation reserves (cont'd.)

(b) Other reserve (cont'd.)

(ii) Legal reserve (cont'd.)

- (ii) According to Turkish Commercial Code ("TCC"), legal reserves comprises of first and second legal reserves. The first legal reserve are generated by annual appropriations amounting to 5 percent of income disclosed in the Company's statutory accounts until it reaches 20 percent of paid-in share capital. If the dividend distribution is made in accordance with Dividend Distribution Communique II-19.1, a further 1/10 of dividend distributions, in excess of 5 percent of paid-in capital is to be appropriated to increase second legal reserves. If the dividend distribution is made in accordance with statutory records, a further 1/11 of dividend distributions, in excess of 5 percent of paid-in capitals are to be appropriated to increase second legal reserves. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50 percent of paid-in capital. As at 31 December 2015, total legal reserves in LGM amounts to EUR 515,645, equivalent to RM2,418,373 (2014: nil).

31. Other financial liability

	Group	
	2015 RM'000	2014 RM'000
At 1 January	201,950	189,256
Redemption of debenture	(209,451)	-
Foreign currency translation	7,501	12,694
At 31 December	-	201,950

Other financial liability is in respect of unsecured debentures issued by a foreign subsidiary comprising 57,700,000 fully paid debenture units of USD1 each. Interest on the debentures are payable upon the realisation of dividends from other investment held by the foreign subsidiary. The debentures have a 10-year period and the debenture holders have the rights to redeem the debentures at the nominal value and the debentures may be converted to ordinary shares issued by the foreign subsidiary.

On 25 May 2015, the Group has fully redeemed its debentures at nominal value plus premium amounting to USD74,000,000, equivalent to RM268,620,000 by utilising the proceeds from the disposal of its stake in DIAL.

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32. Loans and borrowings

	Maturity	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current					
Unsecured:					
Murabahah Tawarruq					
Revolving Credit Facility	2015	-	250,000	-	250,000
Term Loan	2015	-	25,807	-	-
3.85% p.a. fixed rate RM Senior Sukuk	2016	250,000	-	250,000	-
Secured:					
Subordinated Loan	2015	-	368,225	-	-
Senior Term Facility	2015	-	61,710	-	-
Senior Term Facility	2016	148,308	-	-	-
		398,308	705,742	250,000	250,000
Non-current					
Unsecured:					
4.55% p.a. fixed rate RM IMTN	2020	1,000,000	1,000,000	1,000,000	1,000,000
4.68% p.a. fixed rate RM IMTN	2022	1,500,000	1,500,000	1,500,000	1,500,000
4.15% p.a. fixed rate RM IMTN	2024	600,000	600,000	600,000	600,000
3.85% p.a. fixed rate RM Senior Sukuk	2016	-	250,000	-	250,000
4.15% p.a. fixed rate RM Senior Sukuk	2018	250,000	250,000	250,000	250,000
Secured:					
Senior Term Facility	2017-2021	2,150,007	2,019,277	-	-
		5,500,007	5,619,277	3,350,000	3,600,000
Total loans and borrowings					
4.55% p.a. fixed rate RM IMTN		1,000,000	1,000,000	1,000,000	1,000,000
4.68% p.a. fixed rate RM IMTN		1,500,000	1,500,000	1,500,000	1,500,000
4.15% p.a. fixed rate RM IMTN		600,000	600,000	600,000	600,000
3.85% p.a. fixed rate RM Senior Sukuk		250,000	250,000	250,000	250,000
4.15% p.a. fixed rate RM Senior Sukuk		250,000	250,000	250,000	250,000
Revolving Credit Facility		-	250,000	-	250,000
Euribor + 5.5% p.a. Term Loan		-	25,807	-	-
7.95% p.a. fixed rate Subordinated Loan		-	368,225	-	-
Euribor + 2.75% p.a. Senior Term Facility		2,298,315	2,080,987	-	-
		5,898,315	6,325,019	3,600,000	3,850,000

32. Loans and borrowings (cont'd.)

The remaining maturities of the loans and borrowings as at 31 December 2015 are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
On demand or within one year	398,308	705,742	250,000	250,000
More than 1 year and less than 2 years	186,564	388,296	-	250,000
More than 2 years and less than 5 years	2,608,599	692,438	1,250,000	250,000
5 years or more	2,704,844	4,538,543	2,100,000	3,100,000
	5,898,315	6,325,019	3,600,000	3,850,000

- (a) On 5 January 2015, the Company has repaid its revolving credit facility amounting to RM250,000,000 by utilising the proceeds raised from the issuance of RM1,000,000,000 Perpetual Subordinated Sukuk pursuant to the Perpetual Subordinated Sukuk Programme which was issued on 15 December 2014 as disclosed in Note 33.
- (b) On 21 January 2015, ISG has repaid its secured subordinated loan principal amount of EUR 80,000,000, equivalent to RM334,400,000. On 30 January 2015, LGM has repaid its unsecured term loan principal amount of EUR 6,071,000, equivalent to RM24,954,000. The repayment of the loans were made by utilising the proceeds from the EUR 500,000,000, equivalent to RM2,125,000,000 on the secured senior term loan facility which was fully drawdown by ISG on 24 December 2014.

(c) ICP Programme and IMTN Programme (collectively referred to as the "Sukuk Programmes")

Malaysia Airports Capital Berhad ("MACB" or the "Issuer"), a wholly owned subsidiary of MAHB as disclosed in Note 17, is a special purpose vehicle and its principal activity is to undertake the issuance of Ringgit-denominated Islamic Commercial Papers ("ICPs") and Islamic Medium Term Notes ("IMTNs") pursuant to an Islamic Commercial Paper Programme ("ICP Programme") and an Islamic Medium Term Notes Programme ("IMTN Programme"), respectively in accordance with Shariah Principles (collectively referred to as the "Sukuk Programmes").

The Sukuk Programmes have a combined aggregate nominal value of up to RM3,100,000,000 (with a sub-limit of RM1,000,000,000 in nominal value for the ICP Programme).

Proceeds raised from the Sukuk Programmes were utilised by MAHB to part finance the construction of a new terminal ("klia2") and/or to refinance MAHB's existing borrowings/financing which were utilised for Shariah-compliant purposes and/or for MAHB's Shariah-compliant general corporate purposes.

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32. Loans and borrowings (cont'd.)

(c) ICP Programme and IMTN Programme (collectively referred to as the “Sukuk Programmes”) (cont'd.)

The Sukuk Programmes has been accorded a short-term rating of P1 and long-term rating of AAA/Stable respectively by RAM Rating Services Berhad (“RAM”). The Sukuk Programmes are issued under the Shariah Principle of Ijarah and Murabahah utilising Commodity (“Commodity Murabahah”).

On 30 August 2010, MACB completed the issuance of the first tranche comprising RM1,000,000,000 nominal value IMTNs under the Shariah Principle of Ijarah pursuant to the IMTN Programme. The IMTNs issued under the first tranche have a tenure of ten (10) years from the date of issuance with a periodic distribution (coupon) rate of 4.55% per annum.

On 17 December 2010, MACB completed the issuance of the second tranche comprising RM1,500,000,000 nominal value IMTNs pursuant to the IMTN Programme based on the Shariah Principle of Commodity Murabahah. The IMTNs issued under the second tranche have a tenure of twelve (12) years from the date of issuance with a periodic distribution (coupon) rate of 4.68% per annum.

On 28 December 2012, MACB completed the issuance of the final tranche comprising RM600,000,000 nominal value IMTNs pursuant to the IMTN Programme based on the Shariah Principle of Commodity Murabahah. The IMTNs issued under the final tranche have a tenure of twelve (12) years from the date of issuance with a periodic distribution (coupon) rate of 4.15% per annum.

These notes with total face value of RM3,100,000,000 are unsecured. Details of the notes are as follows:

Coupon rate	Issue size (RM'000)	Issue date	Maturity date
4.55%	1,000,000	30.08.2010	28.08.2020
4.68%	1,500,000	17.12.2010	16.12.2022
4.15%	600,000	28.12.2012	27.12.2024

(d) Senior Sukuk Programme and Perpetual Subordinated Sukuk Programme (collectively referred to as the “Sukuk Musharakah Programmes”)

The Company also undertook a Senior Sukuk Programme and Perpetual Subordinated Sukuk Programme with a combined aggregate limit of up to RM2,500,000,000 under the Shariah Principle of Musharakah (collectively referred to as the “Sukuk Musharakah Programmes”). MAHB is the issuer for the Sukuk Musharakah Programmes.

The proceeds from the Sukuk Musharakah Programmes issuance shall be utilised for the working capital requirements, general investments and/or refinance any borrowings/financing of MAHB and/or its subsidiaries, which are Shariah-compliant.

32. Loans and borrowings (cont'd.)

(d) Senior Sukuk Programme and Perpetual Subordinated Sukuk Programme (collectively referred to as the "Sukuk Musharakah Programmes") (cont'd.)

The Senior Sukuk Programme has been accorded long-term rating of AAA/Stable respectively by RAM while the Perpetual Subordinated Sukuk Programme have been accorded with long-term rating of AA2/Stable. Both the Senior Sukuk Programme and the Perpetual Subordinated Sukuk Programme are issued under the Shariah Principle of Musharakah.

On 6 September 2013, MAHB has completed the issuance of RM500,000,000 Senior Sukuk (Sukuk Musharakah) via a dual tranche offering pursuant to the Senior Sukuk Programme. The Senior Sukuk offering comprises a three (3) years, RM250,000,000 tranche and a five (5) years, RM250,000,000 tranche with a periodic distribution rate (per annum, payable semi-annually) of 3.85% and 4.15% respectively.

On 15 December 2014, the Company has completed the issuance of RM1,000,000,000 Perpetual Subordinated Sukuk pursuant to the Perpetual Subordinated Sukuk Programme. The Perpetual Subordinated Sukuk is structured as a Perpetual Sukuk and accounted as equity (as stated in Note 2.4(ac) and 33).

These Senior Sukuk with total face value of RM500,000,000 are unsecured. Details of the Senior Sukuk are as follows:

Coupon rate	Issue size (RM'000)	Issue date	Maturity date
3.85%	250,000	06.09.2013	06.09.2016
4.15%	250,000	06.09.2013	06.09.2018

The terms of the Sukuk Programmes and the Sukuk Musharakah Programmes contain various covenants including the following:

MAHB shall maintain a Debt to Equity Ratio ("D:E Ratio") not exceeding 1.25 times throughout the tenure of the Sukuk Programmes. The D:E Ratio is the ratio of indebtedness of the Group represented by:

- (i) the aggregate face value of all outstanding ICPs, and all outstanding principal amount payable under the IMTNs and the Senior Sukuk Programme; and
- (ii) all other indebtedness of the Company for borrowed monies (be it actual or contingent) for principal only, hire purchase obligations, finance lease obligations, fair value of financial derivatives in connection with borrowed monies recognised by the Company in its audited consolidated financial statements and other contingent liabilities of the Company calculated in accordance with the applicable accounting standards; but excluding any inter-company loans which are subordinated to the Sukuk, to the equity of the Group including, if any, preference equity, subordinated shareholders' advances/loans and retained earnings or accumulated losses less goodwill (if any).

The D:E Ratio shall be calculated on a yearly and half yearly basis and as and when such calculations are required to be made under the terms of the transaction documents during the tenor of the Sukuk Programmes. In the case of D:E Ratio calculated on a yearly basis, such calculations shall be based on the latest audited consolidated financial statements of the Company and in the case of D:E Ratio calculated at any other times, the calculations shall be based on the latest consolidated management accounts of the Company.

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32. Loans and borrowings (cont'd.)

(e) Senior Term Facility

ISG has signed a facility agreement on 21 December 2014 with three financial institutions which provided a total credit line of EUR 500,000,000, equivalent to RM2,125,000,000 to refinance the Project Loan, Subordinated Loan, Trigen Loan, Term Loan and all subordinated shareholder loans and payables.

ISG has utilised EUR 500,000,000, equivalent to RM2,125,000,000 of the total facility on 24 December 2014 and employed the funds for the repayment of the loans described above with the balance used for the unwinding of the IRS swap of EUR 29,073,000, equivalent to RM123,560,000, payment of bank fees of EUR 10,000,000, equivalent to RM42,500,000, Debt Service Reserve Account ("DSRA") funding for the new Senior Term Loan of EUR 1,272,000, equivalent to RM5,406,000 and injection of working capital in ISG of EUR 21,642,000 equivalent to RM91,979,000.

According to the facility agreement, the re-pricing dates for the Senior Term Loan are set semi-annually. However, the first re-pricing date has been agreed to be on a monthly basis until the Mandated Banks syndicate the Senior Project Loan in the first half of 2015.

ISG is required to fund a minimum DSRA corresponding to the interest payable in the next interest period amounting to EUR 6,585,000, equivalent to RM30,884,000 (2014: EUR 1,272,000, equivalent to RM5,406,000).

The financial covenants of the current Senior Term Loan are as follows:

Historic debt service coverage ratio	Minimum of 1.10:1
Projected debt service coverage ratio	Minimum of 1.10:1
Loan life cover ratio	Minimum of 1.15:1

ISG has, as security for fulfilment of its obligations to the financial institutions, has assigned all of its present and future receivables, rights, incomes, claims, interests and benefits in, to and under its receivables, as well as any and all kinds of receivables arising out of or in connection with other agreements that ISG has entered into, as well as ISG's VAT refunds, to the security agent of the agreement.

**NOTES TO THE
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32. Loans and borrowings (cont'd.)

(e) Senior Term Facility (cont'd.)

These Senior Term Facility with total face value of EUR 500,000,000, equivalent to RM2,345,000,000 are secured. Details of the Senior Term Facility are as follows:

Coupon rate	EUR'000	RM'000	Issue date	Maturity amount (RM'000)	Maturity date
Euribor + 2.75% p.a.	490,046	*2,298,315	24.12.2014	74,319	27.06.2016
				73,989	28.12.2016
				94,129	26.06.2016
				92,435	27.12.2017
				155,023	26.06.2018
				151,421	27.12.2018
				252,627	26.06.2019
				246,197	27.12.2019
				280,359	26.06.2020
				272,972	29.12.2020
				285,175	28.06.2021
				319,669	24.12.2021
			<u>2,298,315</u>		

* The proceeds received is after netting off the transaction cost of EUR 9,954,000, equivalent to RM46,685,000.

Other information on financial risks of borrowings are disclosed in Note 41.

(f) Subordinated Loan

ISG had drawdown Subordinated Loan of EUR 40,000,000, equivalent to RM170,000,000 each in year 2010 and 2013 for working capital purposes. The loan was settled on 21 January 2015.

33. Perpetual Sukuk

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Nominal value	997,842	1,000,000	997,842	1,000,000
Transaction costs	-	(2,158)	-	(2,158)
	<u>997,842</u>	997,842	<u>997,842</u>	997,842

On 15 December 2014, the Group has completed the issuance of RM1,000,000,000 Perpetual Subordinated Sukuk pursuant to the Perpetual Subordinated Sukuk Programme. The Perpetual Subordinated Sukuk is structured as a Perpetual Sukuk and accounted as equity.

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33. Perpetual Sukuk (cont'd.)

The salient features of the Perpetual Sukuk are as follows:

- (a) The Perpetual Sukuk is issued under the Islamic Principle of Musharakah;
- (b) The Perpetual Sukuk is a perpetual non-call ten (10) - year with no fixed tenure and carries a fixed initial periodic distribution rate of 5.75% (per annum, payable semi-annually) up to the 10th year anniversary of the issue date, after which and for every 10 year onward the periodic distribution rate will be reset. The periodic distribution rate will be reset to the prevailing 10 – year MGS benchmark rate plus 1.867% (Initial Spread) plus 1.00% step up rate. As at 31 December 2015, a periodic distribution for Perpetual Sukuk payable was RM57,500,000 (2014: RM2,520,000);
- (c) Deferred periodic distribution, if any, will be cumulative and accrued at the prevailing periodic distribution rate;
- (d) The Perpetual Sukuk has no fixed redemption date;
- (e) MAHB has the option to redeem the Perpetual Sukuk in whole under the following circumstances:
 - i) Option of issuer – at the option of MAHB on each Call Date;
 - ii) Tax reasons – if MAHB is obliged to pay additional amount due to change in tax laws or regulations in Malaysia;
 - iii) Rating Event – if there is change in equity credit criteria, guidelines or methodology of rating agency which results in lower equity credit of the Perpetual Sukuk;
 - iv) Accounting reasons – if there is change in accounting standards which results in the Perpetual Sukuk no longer be classified as equity;
 - v) Tax deductibility – if there is change in tax laws or regulations in Malaysia which results in the periodic distribution amount no longer eligible for full tax deductibility under corporate income tax;
 - vi) Minimal outstanding amount – if the outstanding Perpetual Sukuk is less than 10% of the nominal value originally issued;
 - vii) Change of control – if the GoM cease to hold the Special Share issued by MAHB; and
 - viii) Revocation of license – if the licenses issued by Minister of Transport to MAHB Group is being revoked/terminated which results in the cessation of MAHB operations for a period more than 30 consecutive days.
- (f) Payment obligations on the Perpetual Sukuk will at all times, rank in priority to other share capital instruments for the time being outstanding, but junior to the claims of present and future creditors of MAHB (other than obligations ranking pari passu with the Perpetual Sukuk);
- (g) The Perpetual Sukuk is rated AA2 by RAM; and
- (h) The Perpetual Sukuk is unsecured.

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34. Derivative financial instruments

Two new derivative contracts have been signed between two foreign banks and ISG with starting dates of 26 June 2015 and 29 December 2015 respectively.

ISG uses interest rate derivatives to manage its exposure to interest rate fluctuations in regards to funds utilised from the project finance facility. According to the swap transactions (pay fixed, receive float), the notional amounts differ at each period, as in the borrowing agreement of ISG, until 26 December 2021, details of which are provided below:

Due date of transaction

	IRS Swap Contract - I		IRS Swap Contract - II	
	Notional amounts (RM'000)	Fixed Euribor (%)	Notional amounts (RM'000)	Fixed Euribor (%)
27 June 2016	1,172,500	0.1500	1,172,500	0.1500
28 December 2016	1,149,050	0.1500	1,149,050	0.1500
26 June 2017	1,125,600	0.1500	1,125,600	0.1500
27 December 2017	1,090,425	0.3000	1,090,425	0.3000
26 June 2018	1,055,250	0.3000	1,055,250	0.3000
27 December 2018	984,900	0.3000	984,900	0.3000
26 June 2019	914,550	0.3000	914,550	0.3000
27 December 2019	785,575	1.3025	785,575	1.2950
26 June 2020	656,600	1.3025	656,600	1.2950
29 December 2020	504,175	1.3025	504,175	1.2950
28 June 2021	351,750	1.3025	351,750	1.2950
24 December 2021	187,600	1.3025	187,600	1.2950

As of 31 December 2015, fair value of the above mentioned contracts are EUR 3,759,000, equivalent to RM17,630,000 (2014: nil). Fair value of cash outflows with respect to the derivative that fall within one year from the financial position date, amounting to EUR 662,000, equivalent to RM3,105,000 is classified under current liabilities whereas the remaining amount of EUR 3,097,000, equivalent to RM14,523,000 is classified under non-current liabilities.

The unrealised loss on interest rate swaps transferred to statement of profit or loss that is recognised in the consolidated statements of comprehensive income as at 31 December 2015 are as follows:

	Group	
	2015 RM'000	2014 RM'000
Recognised in other comprehensive income	13,491	-
Recognised in profit or loss	606	-
Foreign currency translation	6	-
	14,103	-

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35. Trade and other payables

	Group		Company	
	2015 RM'000	2014 RM'000 Restated	2015 RM'000	2014 RM'000
Current				
Trade payables				
Third parties	339,722	346,564	-	-
Utilisation fee liability (Note 35(h))	464,514	406,198	-	-
	804,236	752,762	-	-
Other payables				
Amounts due to subsidiaries	-	-	99,533	31,523
Accruals	415,480	537,655	284,926	370,562
Provisions for liabilities	26,091	23,654	5,160	4,607
Sundry payables	303,213	1,463,969	47,983	51,112
Deferred income (Note 35(d))	114,677	73,113	-	-
Dividend payable	2,572	30,055	2,572	30,055
Deposits	89,500	84,733	13,722	14,524
Concession liabilities (Note 35(g))	28,464	26,944	-	-
	979,997	2,240,123	453,896	502,383
	1,784,233	2,992,885	453,896	502,383
Non-current				
Trade payables				
Third parties	45,282	82,148	-	-
Utilisation fee liability (Note 35(h))	3,916,919	3,605,649	-	-
	3,962,201	3,687,797	-	-
Other payables				
Third party (Note 35(e))	-	98,300	-	98,300
Sundry payables	4,304	1,519	-	-
Deferred income (Note 35(d))	63,649	64,343	-	-
Retirement benefit obligations	2,777	1,385	-	-
Concession liabilities (Note 35(g))	445,264	476,195	-	-
	515,994	641,742	-	98,300
	4,478,195	4,329,539	-	98,300
Total trade and other payables (current and non-current)	6,262,428	7,322,424	453,896	600,683
Add: Loans and borrowings (Note 32)	5,898,315	6,325,019	3,600,000	3,850,000
Less: - Provisions for liabilities	(26,091)	(23,654)	(5,160)	(4,607)
- Deferred income	(178,326)	(137,456)	-	-
Total financial liabilities carried at amortised cost	11,956,326	13,486,333	4,048,736	4,446,076

The effects of the restatement has been adjusted as disclosed in Note 43.

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35. Trade and other payables (cont'd.)

Movement of provisions for liabilities during the year is as follows:

	Short-term accumulating compensated absences RM'000	Assessment fees RM'000	Total RM'000
Group			
At 31 December 2015			
At 1 January 2015	20,316	3,338	23,654
Additional provision during the year	3,308	4,026	7,334
Writeback of provision	(514)	-	(514)
Utilised during the year	(16)	(4,367)	(4,383)
At 31 December 2015	23,094	2,997	26,091
At 31 December 2014			
At 1 January 2014	16,325	6,413	22,738
Additional provision during the year	4,036	358	4,394
Writeback of provision	(39)	-	(39)
Utilised during the year	(6)	(3,433)	(3,439)
At 31 December 2014	20,316	3,338	23,654
Short-term accumulating compensated absences RM'000			
Company			
At 31 December 2015			
At 1 January 2015			4,607
Provision during the year			563
Utilised during the year			(10)
At 31 December 2015			5,160
At 31 December 2014			
At 1 January 2014			4,581
Provision during the year			32
Utilised during the year			(6)
At 31 December 2014			4,607

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31 December 2015

35. Trade and other payables (cont'd.)

Movement of retirement benefit obligations during the year is as follows:

Group	Retirement benefit obligations RM'000
At 31 December 2015	
At 1 January 2015	1,385
Recognised in statements of profit or loss	1,144
Foreign currency translation	248
At 31 December 2015	2,777
At 31 December 2014	
At 1 January 2014	-
Acquisition of subsidiaries	1,155
Recognised in statements of profit or loss	230
At 31 December 2014	1,385

The foreign subsidiary companies maintained separate unfunded retirement plans for its eligible employees in accordance with Turkish Labour Law.

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 (2014: 30 to 90) days.

(b) Amounts due to subsidiaries

Amounts due to all related parties are non-interest bearing and are repayable on demand. The amounts are unsecured and are to be settled in cash. The subsidiaries will not recall the amounts to the extent that it would adversely affect the ability of the company to meet all its obligations when they fall due.

(c) Sundry payables

Included in sundry payables in the previous year was EUR 279,232,000, equivalent to RM1,182,856,000 of amount due to Limak for the acquisition of ISG and LGM. The amount owing was fully settled on 2 January 2015.

Also included in sundry payables in the previous year were taxes and duties payable of EUR 14,997,000, equivalent to RM63,737,000 and EUR 231,000, equivalent to RM985,000 arising from ISG and LGM respectively. ISG was subjected to tax investigation on VAT and accrued EUR 10,901,000, equivalent to RM46,330,000 for the year of assessment 2013 and 2014. The amount accrued was settled on 13 January 2015.

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31 December 2015

35. Trade and other payables (cont'd.)

(d) Deferred income

Deferred income is analysed as follows:

	Group	
	2015 RM'000	2014 RM'000
Analysed as:		
Current	114,677	73,113
Non-current:		
Later than 1 year but not later than 2 years	7,674	5,035
Later than 2 years but not later than 5 years	14,265	13,533
Later than 5 years	41,710	45,775
	63,649	64,343
	178,326	137,456

Deferred income is in respect of customer loyalty programme on airline incentives and deferred lease rental from commercial activities. Also included in the deferred income is advertising contribution invoices of LGM amounting EUR 780,000, equivalent to RM3,661,000 (2014: EUR 545,000, equivalent to RM2,316,000).

(e) Other payables

In the previous year, the non-current other payable amounting to RM98,300,000 was in respect of liabilities for the development and construction of the infrastructure in integrated complex. The amount has been fully paid during the year.

(f) Accrual

Included in accrual is RM241,562,000 (2014: RM338,079,000) amount accrued in relation to klia2 construction cost.

(g) Concession liabilities

Concession liabilities are in respect of the following:

- (i) lease rental payable to the GoM for all airports managed by the Group
- (ii) Airport Facility Agreement for Generation Plant at KLIA
- (iii) Privatisation of the Development of a Generation Plant at klia2

(ii) and (iii) above are collectively referred as Airport Facility Arrangements as disclosed in Note 2.4 (aa) where the arrangement with service providers in supplying chilled water utility contains a lease arrangement and the fulfilment of the arrangement is dependent on a specified asset pursuant to an Operating Agreement upon the adoption of IC 12.

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35. Trade and other payables (cont'd.)

(g) Concession liabilities (cont'd.)

Concession liabilities are analysed as follows:

	Group			
	Lease rental payable to GoM		Airport Facility Arrangements ("AFA")	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Analysed as:				
Current	-	-	28,464	26,944
Non-current:				
Later than 1 year but not later than 2 years	2,581	2,468	30,070	28,464
Later than 2 years but not later than 5 years	8,469	8,100	62,986	77,017
Later than 5 years	58,599	61,549	282,559	298,597
Total minimum lease payment	69,649	72,117	375,615	404,078
	69,649	72,117	404,079	431,022

	Group	
	2015 RM'000	2014 RM'000
Current	28,464	26,944
Non-current	445,264	476,195
Total concession liabilities	473,728	503,139

The AFA obligation is arrived at after discounting the future estimated finance charge of RM197,375,000 (2014: RM220,409,000).

Other information on financial risks of other payables are disclosed in Note 41.

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35. Trade and other payables (cont'd.)

(h) Utilisation Fee Liability

The Utilisation Fee Liability represents the present value of amounts payable to the Administration in accordance with the Concession Agreement for the operation of the ISGIA for 20 years plus 22 months of extension period. The Utilisation Fee Liability is discounted to present value, at a rate of 10.3%.

	Group	
	2015	2014
	RM'000	RM'000
Analysed as:		
Current	464,514	406,198
Non-current:		
Later than 1 year but not later than 2 years	393,441	368,584
Later than 2 years but not later than 5 years	1,102,159	967,027
Later than 5 years	2,421,319	2,270,038
	3,916,919	3,605,649
	4,381,433	4,011,847

36. Lease arrangements

Operating lease

The Group has entered into non-cancellable operating lease agreements for the use of certain plant and equipment. These leases have an average life of between 3 and 10 years with no renewal or purchase option included in the contracts. There are no restrictions placed upon the Group by entering into these leases.

The Group also leases various plant and machinery under cancellable operating lease agreements. The Group is required to give a period of between 1 to 3 months notice for the termination of those agreements.

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36. Lease arrangements (cont'd.)

Operating lease (cont'd.)

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the reporting date but not recognised as liabilities are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Future minimum rental payments:				
Not later than 1 year	47,663	44,193	9,816	8,550
Later than 1 year and not later than 5 years	121,701	127,093	14,729	16,878
Later than 5 years	35,119	67,773	-	-
	204,483	239,059	24,545	25,428

37. Commitments

	Due	Due year	Due year	Total
	year 2016 RM'000	2017 to 2020 RM'000	2021 to 2066 RM'000	
Group				
31 December 2015				
(i) Approved and contracted for:				
Lease rental payable to GoM other than within the operating agreements ^(a)	-	-	66,063	66,063
(ii) Approved but not contracted for:				
Capital expenditure	568,632	-	-	568,632
(iii) Other investments				
Investment in ISG ^(b)	-	246,366	-	246,366
Investment in MFMA ^(c)	-	56,113	-	56,113
	-	302,479	-	302,479
	568,632	302,479	66,063	937,174

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37. Commitments (cont'd.)

	Due year 2015 RM'000	Due year 2016 to 2019 RM'000	Due year 2020 to 2066 RM'000	Total RM'000
Group				
31 December 2014				
(i) Approved and contracted for:				
Lease rental payable to GoM other than within the operating agreements ^(a)	-	-	66,063	66,063
(ii) Approved but not contracted for:				
Capital expenditure	523,825	-	-	523,825
(iii) Other investments				
Investment in ISG ^(b)	-	133,869	-	133,869
Investment in MFMA ^(c)	-	45,734	-	45,734
	-	179,603	-	179,603
	523,825	179,603	66,063	769,491
	Due year 2016 RM'000	Due year 2017 to 2020 RM'000	Due year 2021 to 2066 RM'000	Total RM'000
Company				
31 December 2015				
(i) Approved but not contracted for:				
Capital expenditure	30,664	-	-	30,664
(ii) Other investment				
Investment in ISG ^(b)	-	49,273	-	49,273
	30,664	49,273	-	79,937

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37. Commitments (cont'd.)

	Due year 2015 RM'000	Due year 2016 to 2019 RM'000	Due year 2020 to 2066 RM'000	Total RM'000
Company				
31 December 2014				
(i) Approved but not contracted for:				
Capital expenditure	144,054	-	-	144,054
(ii) Other investment				
Investment in ISG ^(b)	-	26,775	-	26,775
	144,054	26,775	-	170,829
	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Analysed as:				
Not later than 1 year	568,632	523,825	30,664	144,054
Later than 1 year and not later than 5 years	302,479	179,603	49,273	26,775
Later than 5 years	66,063	66,063	-	-
	937,174	769,491	79,937	170,829

(a) Lease payable to the Federal Lands Commissioner under the Lease Agreement not within the Operating Agreements.

37. Commitments (cont'd.)

- (b) Prior to the refinancing of ISG as stated in Note 32(e), a Shareholder Support Agreement dated 6 June 2008 and amended and restated on 3 October 2011 ("Agreement") was entered between the Company, together with GMR, Limak, and, amongst others, ISG to facilitate the loan financing arrangements by ISG to fund the development of ISGIA for amounts up to EUR 52,530,000, equivalent RM246,366,000 (2014: EUR 31,500,000, equivalent to RM133,870,000). Pursuant to the Agreement, each Shareholder had agreed to provide further equity funding to ISG under certain prescribed circumstances, which include additional investment as may be requested by the Authority pursuant to its Implementation Agreement and to ensure ISG has sufficient funds to meet certain loan covenants and obligations as stipulated therein. ISG's obligation to provide further equity funding is expected to be based on its proportionate shareholding and is not obliged to cover any shortfall of any other Shareholder. Upon completion of the refinancing and acquisition of ISG, MAHB Group provides full financial support to meet ISG's obligations stipulated under the new loan agreements and/or Implementation Agreement, as and when necessary. As at 31 December 2015, other than those disclosed above, there are no further approved commitments relating to the equity funding for the additional investment in ISG.
- (c) MFMA had on 10 November 2014 entered into a loan facility agreement for amounts up to USD 60,000,000, equivalent to RM257,400,000 with Sumitomo Mitsui Banking Corporation Labuan Branch and Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad (collectively known as "Lenders") to fund the development of Mitsui Outlet Park KLIA. The loan facility is structured into two facilities namely Facility A and Facility B as per MFMA shareholdings between Mitsui Fudosan Co. Ltd. ("Mitsui") (70%) and MAHB (30%), with the loan amount of USD 42,000,000, equivalent to RM180,180,000 and USD 18,000,000, equivalent to RM77,220,000, respectively for each Facility A and Facility B.

In order to facilitate the loan financing arrangement, an Equity Contribution Agreement ("ECA") dated 10 November 2014 was entered between MAHB, MA (Sepang), Mitsui, MFMA and the Lenders.

Under the ECA, Mitsui is to provide a corporate guarantee to the Lenders to repay all the outstanding aggregate principal amount of the loans under the Facility A in the event of default by MFMA. However for Facility B, MAHB and MA (Sepang) shall make to MFMA an additional capital injection or a shareholder loan (as the case may be) of an amount equal to the outstanding aggregate principal amount of the loans under the Facility B, upon Capital Acceleration Event.

On 17 November 2014, MFMA has drawdown USD 43,600,000, equivalent to RM145,428,000 out of total loan facility of USD 60,000,000, equivalent to RM257,400,000. The commitments by MAHB is in respect of the Facility B which amounted to USD 13,080,000, equivalent to RM56,113,000.

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38. Financial guarantees and contingencies

(a) Financial guarantees

- (i) As at 31 December 2015, the financial liabilities of ISG and LGM were consolidated in the Group's statement of financial position.

As of 31 December 2015, ISG has given three letters of guarantee, one amounting to EUR 91,818,000, equivalent to RM430,626,000 (2014: EUR 97,556,000, equivalent to RM414,613,000), one amounting to EUR 13,009,000, equivalent to RM61,012,000 (2014: EUR 13,009,000 equivalent to RM55,288,250), and other amounting to EUR 1,629,000, equivalent to RM6,923,250 (2014: EUR 1,629,000, equivalent to RM6,923,250) are provided to the Administration (representing 6% of total amount payable to the Administration for the right to operate the Facility as set out in the Concession Agreement). Three letters of guarantee given to the Administration amounting to EUR 204,000, equivalent to RM957,000, EUR 2,515,000, equivalent to RM11,795,000 and EUR 26,000, equivalent to RM122,000 expired in December 2015.

- (ii) As of 31 December 2015, LGM has given letter of guarantee to Havaalani Isletme Ve Havacilik Endustrileri A.S. ("HEAS") amounting to EUR 457,500, equivalent to RM2,146,000 (2014: nil) for the rental of the hangar operations.

(b) Contingent liability

- (i) ISG is involved in, and may from time to time be involved in a number of legal proceedings. There are 305 employee lawsuits filed against ISG either directly or indirectly via sub-contractors. The total amount of claims against ISG is EUR 1,260,000, equivalent to RM5,909,000 (2014: EUR 1,154,000, equivalent to RM4,905,000). ISG recognised a provision for these claims of EUR 602,000, equivalent to RM2,823,000 (2014: EUR 348,000, equivalent to RM1,479,000) in the consolidated financial statements considering that ISG cannot establish the rest of the claims and that a probable loss will occur.
- (ii) A new arbitration action has been initiated against MA Properties Sdn. Bhd. ("MAP"). On 20 August 2015, MAP received a Notice of Arbitration from Kuala Lumpur Aviation Fuelling System Sdn Bhd ("KAF") in respect of the alleged losses and damages in the sum of RM28,277,000 pertaining to among others, design changes under the Airport Facilities Agreement dated 26 September 2007. Both parties have appointed an arbitrator. The next preliminary meeting for case management has been fixed on 28 June 2016.
- (iii) The tax authority had argued on the management fees invoices for 2010 that LGM received from the shareholders should be viewed as dividend distributions since there was inadequate proof that services were provided by the shareholders. As a result of this, LGM had in 2015 paid TL 1,252,000, equivalent to EUR 399,000 or RM1,871,000 to the tax authority.

No tax investigation has been commissioned for 2012-2014 by the government and it is not known whether an investigation will be initiated before the expiry.

If, however, a tax audit is initiated in the future and in the event that the tax auditor disputes the management fees, the total exposure would be a tax charge of TL 5,431,000, equivalent to EUR 1,708,000 or RM8,010,000 and tax penalties of TL 10,378,000, equivalent to EUR 3,264,000 or RM15,306,000 for the three years in question. If a reconciliation were to be reached with the tax office at the same terms that was achieved in 2015 settlement, the exposure would be a tax charge of TL 3,748,000, equivalent to EUR 1,179,000 or RM5,528,000 and tax penalty of TL 415,000, equivalent to EUR 131,000 or RM612,000. The amount including interest of TL 1,219,000, equivalent to EUR 383,000 or RM1,798,000 to 31 December 2015 would have been TL 5,382,000, equivalent to EUR 1,692,000 or RM7,938,000.

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39. Related party disclosures

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2015	2014
	RM'000	RM'000
Related Party Balances:		
Amounts owing by associated companies	-	515
Amounts owing to jointly controlled entities	7,322	6,530
Amounts owing by jointly controlled entities	1,862	-
Amount owing to other related party	500	500
Related Party Transactions:		
Revenue:		
<u>Associates:</u>		
Rental		
- KL Aviation Fuelling System Sdn. Bhd.	5,954	5,954
<u>Jointly Controlled Entities:</u>		
Management fee		
- LGM*	-	6,394
Lease rental		
- Segi Astana Sdn. Bhd.	1,273	1,273
- Airport Cooling Energy Supply Sdn. Bhd.	888	888
- MFMA Development Sdn. Bhd.	1,802	-
Concession Fee		
- MFMA Development Sdn. Bhd.	568	639
Interest on outstanding payment		
- ISG*	-	533
- MFMA Development Sdn. Bhd.	-	618

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39. Related party disclosures (cont'd.)

	Group	
	2015	2014
	RM'000	RM'000
Related Party Transactions (cont'd.):		
Expenses:		
<u>Jointly Controlled Entities:</u>		
Airport Cooling Energy Supply Sdn. Bhd.		
- Utilities (Fixed)	32,125	21,417
- Utilities (Variable)	13,701	-
- Less: Rebate	(3,203)	(5,786)
- Interest on concession payable	21,362	14,241
Segi Astana Sdn. Bhd.		
- Rental of shops and warehouse	2,654	1,725
- Water and electricity	211	204
- Car park	42	51
Other Transactions:		
<u>Jointly Controlled Entities:</u>		
Airport Cooling Energy Supply Sdn. Bhd.		
- Construction cost	-	21,395
- Payment on concession payable	10,699	7,133
<u>Other related party</u>		
Construction cost		
- UEMC-Bina Puri J.V	-	20,599

**NOTES TO THE
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39. Related party disclosures (cont'd.)

	Company	
	2015 RM'000	2014 RM'000
Other Transactions: (cont'd.)		
<u>Subsidiaries:</u>		
Utilities charges		
- Malaysia Airports (Sepang) Sdn. Bhd.	1,465	1,313
Landscape services		
- MAB Agriculture-Horticulture Sdn. Bhd.	379	379
Training and consultancy services		
- Malaysia Airports Consultancy Services Sdn. Bhd.	-	38
Catering services		
- Malaysia Airports (Niaga) Sdn. Bhd.	518	624
Event Management		
- K.L Airport Hotel Sdn. Bhd.	1,116	1,918
Repair and maintenance of building		
- Urusan Teknologi Wawasan Sdn. Bhd.	773	1,549

* Before these entities became wholly owned subsidiaries as at 31 December 2014.

Compensation of key management personnel

The remuneration of other members of key management during the year was as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Short-term employee benefits	14,320	14,296	11,616	11,535
Post-employment benefit:				
Defined contribution plans	2,364	2,301	1,921	1,865
	16,684	16,597	13,537	13,400

Remuneration of directors is as disclosed in Note 8.

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40. Significant event

On 25 May 2015, the Group has disposed its entire 10% equity interest in DIAL at a Sale Consideration of USD 80,000,000, equivalent to RM290,400,000. By utilising the proceed from the disposal, the Group has fully redeemed its debentures at nominal value plus premium amounting USD 74,000,000, equivalent to RM268,600,000.

41. Financial instruments

(a) Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short-term in nature and have been mostly placed in fixed deposits.

The Group has minimal exposure to interest rate risk at the reporting date. The following table sets out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at the reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk:

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41. Financial instruments (cont'd.)**(b) Interest rate risk (cont'd.)**

	Note	WAEIR %	Within 1 Year RM'000	1-2 Years RM'000	2-5 Years RM'000	Over 5 Years RM'000	Total RM'000
At 31 December 2015							
Group							
Fixed rate term loan	32	3.76	398,308	186,564	2,608,599	2,704,844	5,898,315
Floating rate							
Cash and cash equivalents	26	4.57	428,696	-	-	-	428,696
Company							
Fixed rate term loan	32	4.46	250,000	-	1,250,000	2,100,000	3,600,000
Floating rate							
Cash and cash equivalents	26	4.50	155,062	-	-	-	155,062
At 31 December 2014							
Group							
Fixed rate term loan	32	4.29	705,742	388,296	692,438	4,538,543	6,325,019
Floating rate							
Cash and cash equivalents	26	3.85	1,006,227	-	-	-	1,006,227
Company							
Fixed rate term loan	32	4.43	250,000	250,000	250,000	3,100,000	3,850,000
Floating rate							
Cash and cash equivalents	26	3.82	782,709	-	-	-	782,709

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 31 days (2014: 20 days). Interest on financial instruments are fixed at fixed rate until the maturity of the instrument. The other financial instruments of the Group and of the Company that are not included in the above tables are not subject to interest rate risks.

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4.1. Financial instruments (cont'd.)

(c) Foreign currency risk

Other than the Group's investments in foreign associates and foreign subsidiaries, the Group is exposed to transactional currency risk, mainly arising from the United States Dollar, Great Britain Pound, Euro, Singapore Dollar, Switzerland Swiss Franc, China RMB, Hong Kong Dollar, Qatar Riyal and Australian Dollar. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to a manageable level and short-term imbalances are addressed by buying and selling foreign currencies at spot rate.

The net unhedged financial assets and financial liabilities of the Group and the Company that are not denominated in their functional currencies are as follows:

Group	Net Financial Assets/(Liabilities) Held in Non-Functional Currencies									
	United States Dollar RM'000	Great Britain Pound RM'000	Euro RM'000	Singapore Dollar RM'000	Switzerland Swiss Franc RM'000	China RMB RM'000	Hong Kong Dollar RM'000	Qatar Riyal RM'000	Australian Dollar RM'000	Total RM'000
At 31 December 2015	71,808	(37)	1,100	5	(175)	65	(50)	19,501	(25)	92,192
Ringgit Malaysia										
At 31 December 2014										
Ringgit Malaysia	(2,536)	(183)	4,336	(665)	(2,048)	53	(137)	-	-	(1,180)
Company										
At 31 December 2015	44,915	6,994	12,240	398	-	-	(50)	-	(25)	64,472
Ringgit Malaysia										
At 31 December 2014										
Ringgit Malaysia	(459)	6,010	14,148	280	-	-	(137)	-	-	19,842

**NOTES TO THE
FINANCIAL STATEMENTS**
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41. Financial instruments (cont'd.)**(c) Foreign currency risk (cont'd.)**Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD, GBP, EUR, SGD, RMB, CHF, HKD, QAR and AUD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Group 2015 RM'000 Profit net of tax	Company 2015 RM'000 Profit net of tax
USD/RM	- strengthened 5%	3,590	2,246
	- weakened 5%	(3,590)	(2,246)
GBP/RM	- strengthened 5%	(2)	350
	- weakened 5%	2	(350)
EUR/RM	- strengthened 5%	55	612
	- weakened 5%	(55)	(612)
SGD/RM	- strengthened 5%	-	20
	- weakened 5%	-	(20)
RMB/RM	- strengthened 5%	3	-
	- weakened 5%	(3)	-
CHF/RM	- strengthened 5%	(9)	-
	- weakened 5%	9	-
HKD/RM	- strengthened 5%	(3)	(3)
	- weakened 5%	3	3
QAR/RM	- strengthened 5%	975	-
	- weakened 5%	(975)	-
AUD/RM	- strengthened 5%	(1)	(1)
	- weakened 5%	1	1

(d) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

At the reporting date, the entire trade and other payables will mature on demand or within a year.

**NOTES TO THE
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41. Financial instruments (cont'd.)

(d) Liquidity risk (cont'd.)

Analysis of financial instrument by remaining contractual maturities

The below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date on contractual undiscounted repayment obligations.

	On demand within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
31 December 2015				
Financial liabilities:				
Trade and other payables	1,176,578	52,364	-	1,228,942
Loans and borrowings	555,875	3,454,811	2,847,176	6,857,862
Total undiscounted financial liabilities	1,732,453	3,507,175	2,847,176	8,086,804
31 December 2014				
Financial liabilities:				
Trade and other payables	2,486,630	183,352	-	2,669,982
Loans and borrowings	869,551	2,959,631	3,988,957	7,818,139
Total undiscounted financial liabilities	3,356,181	3,142,983	3,988,957	10,488,121
Company				
31 December 2015				
Financial liabilities:				
Trade and other payables	453,896	-	-	453,896
Loans and borrowings	407,567	1,909,648	2,242,332	4,559,547
Total undiscounted financial liabilities	861,463	1,909,648	2,242,332	5,013,443
31 December 2014				
Financial liabilities:				
Trade and other payables	502,383	98,300	-	600,683
Loans and borrowings	410,600	1,222,116	3,337,432	4,970,148
Total undiscounted financial liabilities	912,983	1,320,416	3,337,432	5,570,831

41. Financial instruments (cont'd.)**(e) Credit risk**

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets.

Exposure to credit risk

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. Majority of trade receivables are due from airport tenants, airline companies and representative firms. The customer portfolio of the Group is diversified, with Malaysia Airlines and Air Asia Group, being the main customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. The Group obtains bank guarantee from its major customer other than airlines.

Investments are acquired after assessing the quality of the relevant investments. Cash and cash equivalent is placed with reliable financial institution.

The credit risk of the trade and other receivables are disclosed in Note 22. The Group's other financial assets, which comprise investments and cash and cash equivalents arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets as disclosed in Notes 22 and 26.

Credit risk concentration profile

At the reporting date, approximately 51% (2014: 64%) of the Group's trade receivables were due from five (2014: four) major customers who are reputable and located in Malaysia.

In addition, the Group's concentration of risk also includes the amount receivable from the GoM as disclosed in Note 22 and the Group minimises its credit risk by regular communication with the GoM.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 22. Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 22.

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41. Financial instruments (cont'd.)

(f) Fair values

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	22
Trade and other payables	35

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

The methods and assumptions used by management to determine fair values of financial instruments other than those whose carrying amounts reasonably approximate their fair values are as follows:

(i) Other receivables (non-current), loans and borrowings and other payables (non-current)

Fair value has been determined using discounted estimated cash flows. The discount rates used are the current market incremental lending rates for similar types of lending and borrowings.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

(ii) Unit trusts, bonds and medium term notes

The fair value of unit trusts, bonds and medium notes is based on market price.

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42. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group actively manages its capital structure and makes adjustments to it in light of changes in, amongst others, its operating environment and economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2015 and 31 December 2014.

Gearing ratio is not a standardised term under the Financial Reporting Standards and its determination may vary from other companies. The gearing ratio is included in management's analysis because it is used as a financial measure of potential capacity of the Group to incur and service its debt coverage and determined as aggregate indebtedness over the equity of the Group. The Group's policy is to keep its gearing ratio manageable so as to maintain its strong credit ratings and in any event not exceeding 125% as provided in the Covenants under its Sukuk Programmes. The Group indebtedness loans, borrowings and certain financial guarantee and contingent liabilities within the aggregate indebtedness, but excludes inter-company loans which are subordinated to the Sukuk Programmes. Equity of the Group includes, if any, preference equity, subordinated shareholders' advances or loans and retained earnings or accumulated losses less goodwill.

	Note	Group 2015 RM'000	2014 RM'000 Restated
Loans and borrowings	32	5,898,315	6,325,019
Other financial liability	31	-	201,950
Aggregate indebtedness		5,898,315	6,526,969
Equity attributable to the owners of the parent		8,841,352	7,337,275
Total equity		8,841,352	7,337,275
Gearing ratio		67%	89%

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43. Prior year adjustments and comparatives

In accordance with FRS 3 Business Combination, if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. During the measurement period, the acquirer shall also recognise additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date.

As disclosed in Note 17, the one year period for the PPA exercise ends on 31 December 2015 (one year from the date of completion of the acquisition, i.e. 31 December 2014). During the year, which is within the said period, the amounts have been revised according to the finalised valuation report.

In accordance with FRS 3 Business Combination, a prior year adjustment is effected to reflect the changes retrospectively and the effects of the adjustment are explained below:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Statement of financial position as at 31 December 2014			
Non-current assets			
Intangible assets	17,327,735	229,055	17,556,790
Trade and other receivables	452,253	1,547	453,800
Deferred tax asset	803,265	(562,536)	240,729
Non-current liabilities			
Deferred tax liabilities	(1,453,280)	474,302	(978,978)
Trade and other payables	(4,121,740)	(207,799)	(4,329,539)
Current liabilities			
Trade and other payables	(2,973,471)	(19,414)	(2,992,885)

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43. Prior year adjustments and comparatives (cont'd.)

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Statement of financial position as at 31 December 2014 (cont'd.)			
Equity attributable to owners of the Company			
Retained earnings	(2,676,767)	84,845	(2,591,922)
Statement of profit or loss for the financial year ended 31 December 2014			
Gain arising from re-measurement of fair value of investment	502,510	(18,821)	483,689
Gain on bargain purchase	379,106	(64,181)	314,925
Impairment of goodwill	(229,429)	(1,843)	(231,272)
Profit before tax and zakat from continuing operations	834,172	(84,845)	749,327

44. Segment information**(a) Reporting format**

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

**NOTES TO THE
FINANCIAL STATEMENTS**
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44. Segment information (cont'd.)

(b) Business segments

For management purposes, the Group is organised into business units and has the following reportable operating segments:-

Malaysia Operations

- (i) Duty free and non-dutiable goods
To operate duty free, non duty free outlets and provide management service in respect of food and beverage outlets at designated airports.
- (ii) Airport services
To manage, operate and maintain designated airports in Malaysia and to provide airport related services.
- (iii) Agriculture and horticulture
To cultivate and sell oil palm and other agricultural products and to carry out horticulture activities.
- (iv) Hotel
To manage and operate a hotel, known as Sama-Sama Hotel and Sama-Sama Express K.L. International Airport.
- (v) Project and repair maintenance
To provide consultancy, operations and maintenance of Information and Communication Technology business ventures and provision of mechanical and electrical engineering.

Other business segments include investment holding and other activities, none of which are of a sufficient size to be reported separately.

(c) Geographical segments

Overseas Operations

- (i) Airport services
To manage, operate and maintain the ISGIA in Turkey and to provide airport related services.
- (ii) Project and repair maintenance
To provide facilities maintenance services at Hamad International Airport.

(d) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transactions between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

44. Segment information (cont'd.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	Continuing operations											Total operation RM'000	
	Malaysia Operations					Overseas Operations					Total RM'000		
	← Airport operations →	← Agriculture and horticulture →	← Non-airport operations →	← Project and repair maintenance →	← Others →	← Airport services →	← Non-airport operations →	← Project and repair maintenance →	← Consolidation adjustments →	← Notes →			
Duty free and non-dutiable goods RM'000	Airport services RM'000	Agriculture and horticulture RM'000	Hotel maintenance RM'000	Project and repair RM'000	Others RM'000	Airport services RM'000	Airport operations RM'000	Non-airport operations RM'000	Project and repair maintenance RM'000	Consolidation adjustments RM'000	Notes	Discontinued operation RM'000	
31 December 2015													
Revenue													
External sales													
Airport operations:													
Aeronautical	-	1,422,445	-	-	-	-	476,903	-	-	-	-	-	1,899,348
Non-aeronautical:													
Retail	672,520	-	-	-	-	-	-	-	-	-	-	-	672,520
Others	893	615,355	-	-	-	-	430,251	-	-	-	-	-	1,046,499
Non-airport operations	-	-	29,915	73,857	20,401	-	12,161	115,506	-	-	-	-	251,840
Inter-segment sales	737	247,814	5,629	1,267	58,802	-	66,479	-	-	(380,728)	A	-	-
Inter-segment dividends	-	-	-	-	-	151,667	-	-	-	(151,667)	A	-	-
Total revenue	674,150	2,285,614	35,544	75,124	79,203	151,667	985,794	115,506	(332,395)			-	3,870,207
Results													
Segment results	(58,546)	857,029	6,300	16,413	20,809	525,177	692,943	17,744	(398,769)	B		(9)	1,679,091
Depreciation and amortisation	(13,946)	(455,804)	(4,058)	(16,025)	(388)	(11,945)	(216,602)	(622)	(182,321)			-	(901,711)
Finance costs	-	(256,691)	12	6	(45)	(228,919)	(446,415)	-	190,201			-	(741,851)
Share of results of associates	-	(349)	-	-	-	-	-	-	-			-	(349)
Share of results of jointly controlled entities	-	-	-	-	-	10,750	-	-	-			-	10,750
(Loss)/profit before tax	(72,492)	144,185	2,254	394	20,376	295,063	29,926	17,122	(390,889)			(9)	45,930
Income tax expense	13,993	(39,735)	(1,842)	288	(3,916)	16,919	(33,739)	(2,176)	44,410	C		-	(5,818)
(Loss)/profit for the year	(58,499)	104,450	412	662	16,460	311,982	(3,813)	14,946	(346,479)			(9)	40,112

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

44. Segment information (cont'd.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment: (cont'd.)

	Continuing operations											Total operation RM'000	
	Malaysia Operations					Overseas Operations					Notes		
	Airport operations		Non-airport operations			Airport operations		Non-airport operations					
Duty free and non-dutiable goods RM'000	Airport services RM'000	Agriculture and horticulture RM'000	Hotel maintenance RM'000	Project and repair RM'000	Others RM'000	Airport services RM'000	Project and repair RM'000	Consolidation adjustments RM'000	Discontinued operation RM'000	Total operation RM'000			
31 December 2015 (cont'd.)													
Assets													
Segment assets	251,466	10,470,193	72,932	165,658	169,623	12,487,387	6,169,655	126,838	(8,341,394)	D	21,572,358	151	21,572,509
Additions to non-current assets	7,725	213,458	13,024	3,160	945	44,475	30,138	744	-	E	313,669	-	313,669
Investment in associates	-	34,485	-	-	-	-	-	-	-	-	34,485	-	34,485
Investment in jointly controlled entities	-	-	-	-	-	71,670	-	-	-	-	71,670	-	71,670
Total assets	259,191	10,718,136	85,956	168,818	170,568	12,603,532	6,199,793	127,582	(8,341,394)		21,992,182	151	21,992,333
Liabilities													
Segment liabilities representing total liabilities	239,989	6,833,164	20,214	84,215	106,004	6,301,556	7,191,554	90,046	(7,715,023)	F	13,151,719	19	13,151,738

**NOTES TO THE
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31 December 2015

44. Segment information (cont'd.)

	Continuing operations										Discontinued operation RM'000	Total operation RM'000	
	Malaysia Operations					Overseas Operations							
	← Airport operations	→ Airport services	Agriculture and horticulture	Hotel maintenance	Project and repair	Others	Airport services	Non-airport operations	Project and repair	Consolidation adjustments			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
31 December 2014													
Revenue													
External sales													
Airport operations:													
Aeronautical	-	1,341,075	-	-	-	-	-	-	-	-	-	1,341,075	-
Non-aeronautical:													
Retail	614,688	-	-	-	-	-	-	-	-	-	-	614,688	-
Others	1,185	552,812	-	-	-	-	-	-	-	-	-	553,997	-
Construction	-	662,405	-	-	-	-	-	-	-	-	-	662,405	-
Non-airport operations	-	-	31,304	74,136	19,078	4,260	-	42,778	-	(278,310)	A	171,556	-
Inter-segment sales	911	222,694	4,249	2,148	48,308	-	-	-	-	(66,583)	A	-	-
Inter-segment dividends	-	-	-	-	-	66,583	-	-	-	-	-	-	-
Total revenue	616,784	2,778,986	35,553	76,284	67,386	70,843	-	42,778	(344,893)	3,343,721	-	3,343,721	-
Results													
Construction Profit	-	28,525	-	-	-	-	-	-	-	-	-	28,525	-
Segment results	(33,396)	773,798	6,246	9,385	14,838	228,846	-	13,122	(226,009)	B	(26)	786,804	(26)
Depreciation and amortisation	(8,806)	(359,701)	(4,084)	(18,713)	(211)	(13,771)	-	(113)	-	-	-	(405,399)	-
Finance costs	(109)	(152,769)	(26)	(24)	(59)	(122,934)	-	-	124,584	-	-	(151,337)	-
Impairment of investments	-	-	-	-	-	(24,011)	-	-	-	-	-	(24,011)	-
Gain arising from re-measurement of fair value of investment	-	-	-	-	-	-	-	-	483,689	-	-	483,689	-
Gain on bargain purchase	-	-	-	-	-	-	-	-	314,925	-	-	314,925	-
Impairment of goodwill	-	-	-	-	-	-	-	-	(231,272)	-	-	(231,272)	-
Share of results of associates	-	113	-	-	-	-	-	-	-	-	-	113	-
Share of results of jointly controlled entities	-	-	-	-	-	(52,736)	-	-	-	-	-	(52,736)	-
(Loss)/profit before tax	(42,311)	289,966	2,136	(9,352)	14,568	15,394	-	13,009	465,917	C	(26)	749,301	(26)
Income tax expense	11,083	(78,071)	(626)	4,145	(3,464)	34,379	-	(1,171)	(52,206)	C	(31)	(85,962)	(31)
(Loss)/profit for the year	(31,228)	211,895	1,510	(5,207)	11,104	49,773	-	11,838	413,711	C	(57)	663,339	(57)

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

44. Segment information (cont'd.)

	Continuing operations											Total operation RM'000
	Malaysia Operations					Overseas Operations					Total RM'000	
	Airport operations	Agriculture and horticulture	Hotel maintenance	Project and repair	Others	Airport services operations	Non-airport operations	Project and repair	Consolidation adjustments	Notes		
Duty free and non-dutiable goods RM'000	Airport services RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
31 December 2014 (cont'd.)												
Assets												
Segment assets	233,997	11,537,014	77,486	160,064	113,317	12,251,434	1,352,041	40,494	(13,468,296)	D	104	12,297,655
Additions to non-current assets	39,819	138,292	5,962	10,650	747	739,618	4,876,968	2,133	3,984,912	E	-	9,799,101
Investment in associates	-	39,034	-	-	-	-	-	-	-	-	-	39,034
Investment in jointly controlled entities	-	-	-	-	-	62,415	-	-	-	-	-	62,415
Total assets	273,816	11,714,340	83,448	170,714	114,064	13,053,467	6,229,009	42,627	(9,483,384)		104	22,198,101
Liabilities												
Segment liabilities representing total liabilities	196,413	7,843,789	15,618	86,775	31,254	8,223,007	7,091,312	25,939	(8,653,238)	F	26	14,860,895

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

44. Segment information (cont'd.)**Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.**

- (A) Inter-segment sales and dividends are eliminated on consolidation.
- (B) Profit before tax from continuing operations is derived after deducting mainly inter-segment dividend.
- (C) Inter-segment tax payable on dividend received are eliminated on consolidation.
- (D) The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2015 RM'000	2014 RM'000
Investment in subsidiaries	(1,886,883)	(1,886,883)
Inter-segment assets	(6,454,511)	(11,581,413)
	(8,341,394)	(13,468,296)

- (E) Additions to non-current assets consist of:

	2015 RM'000	2014 RM'000
Property, plant and equipment	71,463	75,968
Plantation development expenditure	12,995	5,960
Intangible assets	229,211	855,293
Acquisition of subsidiaries	-	8,861,880
	313,669	9,799,101

- (F) The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statements of financial position:

	2015 RM'000	2014 RM'000
Inter-segment liabilities	7,715,023	8,653,238

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

45. Supplementary explanatory note on disclosure of realised and unrealised profits

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2015 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained earnings of the Company and its subsidiaries				
- Realised	4,012,317	4,324,599	118,477	80,396
- Unrealised	95,902	58,956	29,558	11,959
	4,108,219	4,383,555	148,035	92,355
Total share of retained earnings/ (accumulated losses) from associated companies:				
- Realised	69,632	72,283	-	-
- Unrealised	(3,836)	(3,000)	-	-
	65,796	69,283	-	-
Total share of retained earnings/ (accumulated losses) from jointly controlled entities:				
- Realised	14,318	(336,605)	-	-
- Unrealised	(5,622)	73,143	-	-
	8,696	(263,462)	-	-
Less: Consolidation adjustments	(1,733,220)	(1,597,454)	-	-
Total retained earnings as per financial statements	2,449,491	2,591,922	148,035	92,355

The determination of realised and unrealised profits above is solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

TOTAL MAHB GROUP TRAFFIC 2015

PASSENGER MOVEMENTS		2015	2014	+/-
MY passengers	[international]	40,044,823	40,149,537	-0.3%
	[domestic]	43,784,946	43,198,466	1.4%
	[Total]	83,829,769	83,348,003	0.6%
ISG passengers	[international]	9,703,594	8,603,626	12.8%
	[domestic]	18,581,984	15,028,257	23.6%
	[Total]	28,285,578	23,631,883	19.7%
Total MAHB Group		112,115,347	106,979,886	4.8%

AIRCRAFT MOVEMENTS		2015	2014	+/-
MY commercial aircraft	[international]	295,485	287,893	2.6%
	[domestic]	519,855	503,669	3.2%
	[Total]	815,340	791,562	3.0%
ISG commercial aircraft	[international]	76,548	66,991	14.3%
	[domestic]	129,632	105,817	22.5%
	[Total]	206,180	172,808	19.3%
Total commercial aircraft		1,021,520	964,370	5.9%
MY All other aircraft		123,373	137,171	-10.1%
ISG All other aircraft		12,446	12,569	-1.0%
Total MAHB Group		1,157,339	1,114,110	3.9%

CARGO MOVEMENTS [kg]		2015	2014	+/-
MY cargo movements	[international]	780,457,278	823,010,848	-5.2%
	[domestic]	193,872,919	184,452,041	5.1%
	[Total]	974,330,197	1,007,462,889	-3.3%
ISG cargo movements	[international]	41,773,091	37,873,360	10.3%
	[domestic]	4,905,686	4,505,520	8.9%
	[Total]	46,678,777	42,378,880	10.1%
Total MAHB Group		1,021,008,974	1,049,841,769	-2.7%

Note : MY - MAHB Airports in Malaysia
ISG - Istanbul Sabiha Gokcen International Airport

TRAFFIC 2015 MALAYSIA OPERATIONS

PASSENGER MOVEMENTS		2015	2014	+/-
Terminal passengers	[international]	39,716,390	39,780,623	-0.2%
Terminal passengers	[domestic]	43,649,823	42,981,566	1.6%
Transit passengers		463,556	585,814	-20.9%
Total passenger movements		83,829,769	83,348,003	0.6%

AIRCRAFT MOVEMENTS		2015	2014	+/-
Commercial aircraft	[international]	295,485	287,893	2.6%
Commercial aircraft	[domestic]	519,855	503,669	3.2%
Total commercial aircraft		815,340	791,562	3.0%
All other aircraft		123,373	137,171	-10.1%
Total aircraft movements		938,713	928,733	1.1%

CARGO MOVEMENTS [kg]		2015	2014	+/-
Cargo movements	[international]	765,529,987	804,733,788	-4.9%
Cargo movements	[domestic]	188,240,065	177,747,158	5.9%
Transit cargo		20,560,145	24,981,943	-17.7%
Total cargo movements		974,330,197	1,007,462,889	-3.3%

MAIL MOVEMENTS [kg]		2015	2014	+/-
Mail movements	[international]	33,407,606	32,116,806	4.0%
Mail movements	[domestic]	8,826,055	9,192,037	-4.0%
Transit mail		25,038	54,028	-53.7%
Total mail movements		42,258,699	41,362,871	2.2%

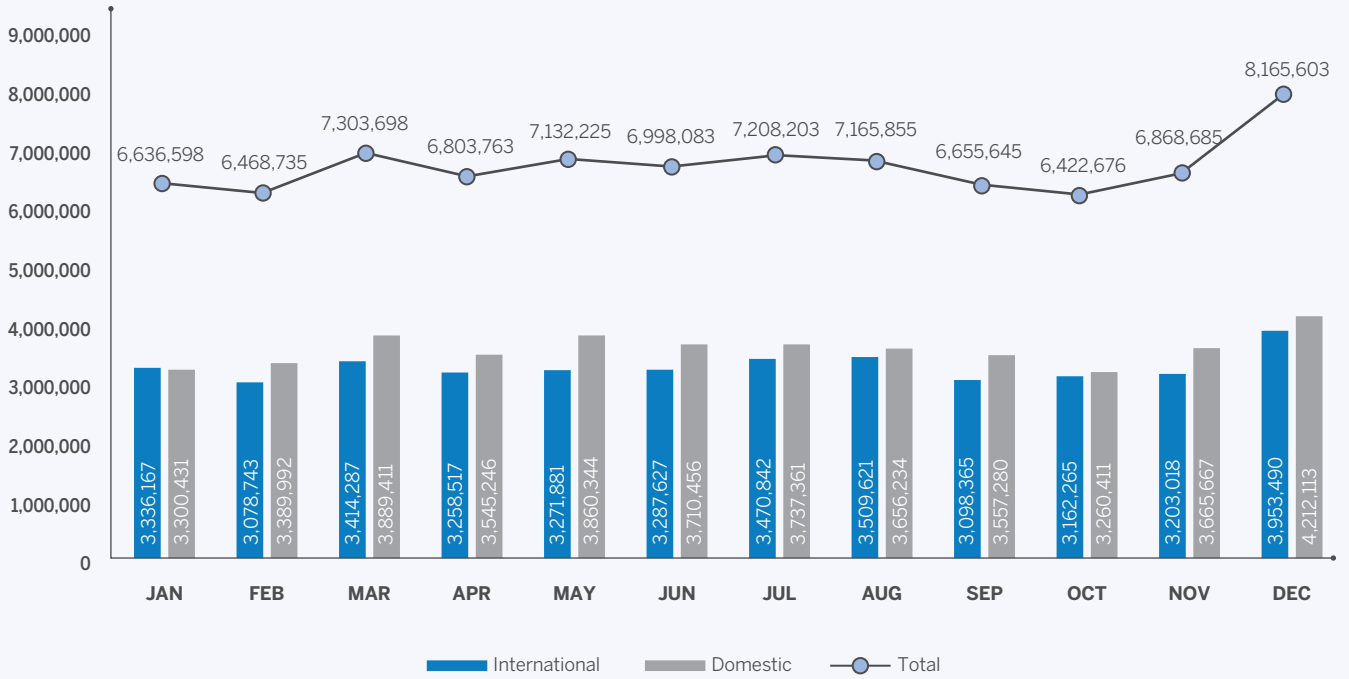
PASSENGER MOVEMENTS 2015 MALAYSIA OPERATIONS

AIRPORTS	DOMESTIC			INTERNATIONAL			TOTAL			TRANSIT		
	Arrival	Departure	Total	Arrival	Departure	Total	2015*	2014*	% + / -	Domestic	Int'l	Total
KLIA	7,130,271	7,048,726	14,178,997	17,060,630	17,377,599	34,438,229	48,938,424	48,930,409	0.02%	0	321,198	321,198
Penang	1,852,652	1,875,936	3,728,588	1,264,429	1,258,938	2,523,367	6,258,756	6,041,583	3.6%	5,719	1,082	6,801
Kota Kinabalu	2,451,182	2,457,011	4,908,193	824,879	835,299	1,660,178	6,573,461	6,792,968	-3.2%	3,068	2,022	5,090
Kuching	2,235,729	2,228,243	4,463,972	142,321	151,796	294,117	4,772,453	4,852,822	-1.7%	10,265	4,099	14,364
Langkawi	1,078,072	1,081,185	2,159,257	86,643	90,277	176,920	2,336,177	2,221,997	5.1%	0	0	0
Kota Bharu	1,027,197	1,036,548	2,063,745	0	0	0	2,063,747	1,800,836	14.6%	2	0	2
Ipoh	29,594	28,735	58,329	80,623	83,654	164,277	222,606	98,768	125.4%	0	0	0
Kuala Terengganu	424,058	429,704	853,762	1,765	1,712	3,477	857,239	842,651	1.7%	0	0	0
Alor Setar	356,669	360,135	716,804	833	1,392	2,225	719,029	660,264	8.9%	0	0	0
Melaka	23,619	24,321	47,940	11,151	10,619	21,770	69,710	14,178	391.7%	0	0	0
Subang	1,378,958	1,374,211	2,753,169	153,693	152,173	305,866	3,059,144	2,762,556	10.7%	77	32	109
Kuantan	126,729	125,761	252,490	19,742	19,877	39,619	292,109	314,130	195.8%	0	0	0
Tioman	0	0	0	0	0	0	0	9,217	-	0	0	0
Pangkor	0	0	0	0	0	0	0	205	-	0	0	0
Redang	0	0	0	0	0	0	0	11,087	-	0	0	0
Labuan	321,957	319,852	641,809	19	18	37	684,108	789,494	-13.3%	42,262	0	42,262
Lahad Datu	71,122	72,532	143,654	0	0	0	143,654	161,230	-10.9%	0	0	0
Sandakan	415,476	422,250	837,726	14	28	42	853,411	900,016	-5.2%	15,643	0	15,643
Tawau	589,808	593,090	1,182,898	9,080	11,814	20,894	1,203,792	1,218,616	-1.2%	0	0	0
Bintulu	388,622	390,791	779,413	0	0	0	800,008	832,440	-3.9%	20,595	0	20,595
Miri	1,084,637	1,091,936	2,176,573	31,416	33,924	65,340	2,249,206	2,363,080	-4.8%	7,293	0	7,293
Sibu	717,427	721,043	1,438,470	32	0	32	1,454,360	1,440,935	0.9%	15,858	0	15,858
Mulu	26,168	25,219	51,387	0	0	0	51,387	60,761	-15.4%	0	0	0
Limbang	29,280	29,020	58,300	0	0	0	58,300	63,870	-8.7%	0	0	0
STOL Sabah	2,044	1,963	4,007	0	0	0	5,309	4,590	15.7%	1,302	0	1,302
STOL Sarawak	73,080	77,260	150,340	0	0	0	163,379	159,300	2.6%	13,039	0	13,039
Peninsular Malaysia	13,427,819	13,385,262	26,813,081	18,679,509	18,996,241	37,675,750	64,816,941	63,707,881	1.7%	5,798	322,312	328,110
Sabah	3,851,589	3,866,698	7,718,287	833,992	847,159	1,681,151	9,463,735	9,866,914	-4.1%	62,275	2,022	64,297
Sarawak	4,554,943	4,563,512	9,118,455	173,769	185,720	359,489	9,549,093	9,773,208	-2.3%	67,050	4,099	71,149
Total 2015	21,834,351	21,815,472	43,649,823	19,687,270	20,029,120	39,716,390	83,829,769	83,348,003	0.6%	135,123	328,433	463,556
Total 2014	21,490,239	21,491,327	42,981,566	19,833,026	19,947,597	39,780,623	83,348,003			216,900	368,914	585,814
% change	1.6%	1.5%	1.6%	-0.7%	0.4%	-0.2%	0.6%			-37.7%	-11.0%	-20.9%

Note : * Including transit passengers

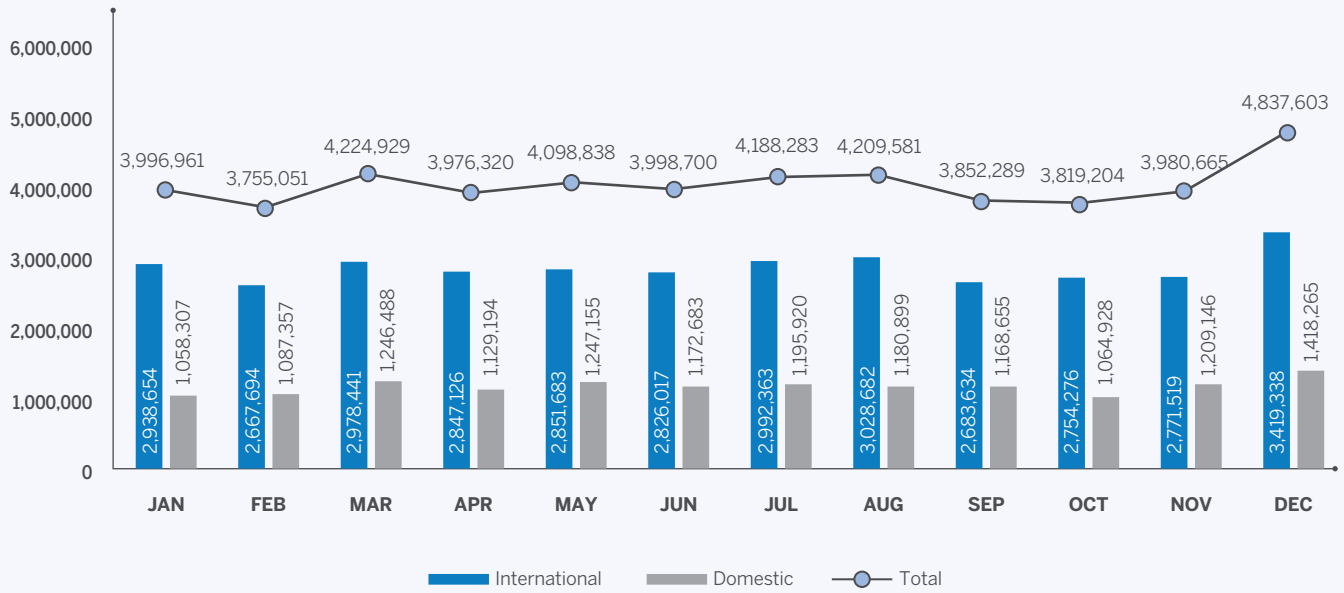
PASSENGER MOVEMENTS 2015
MALAYSIA OPERATIONS

PASSENGER MOVEMENTS AT ALL MAHB AIRPORTS IN MALAYSIA 2015



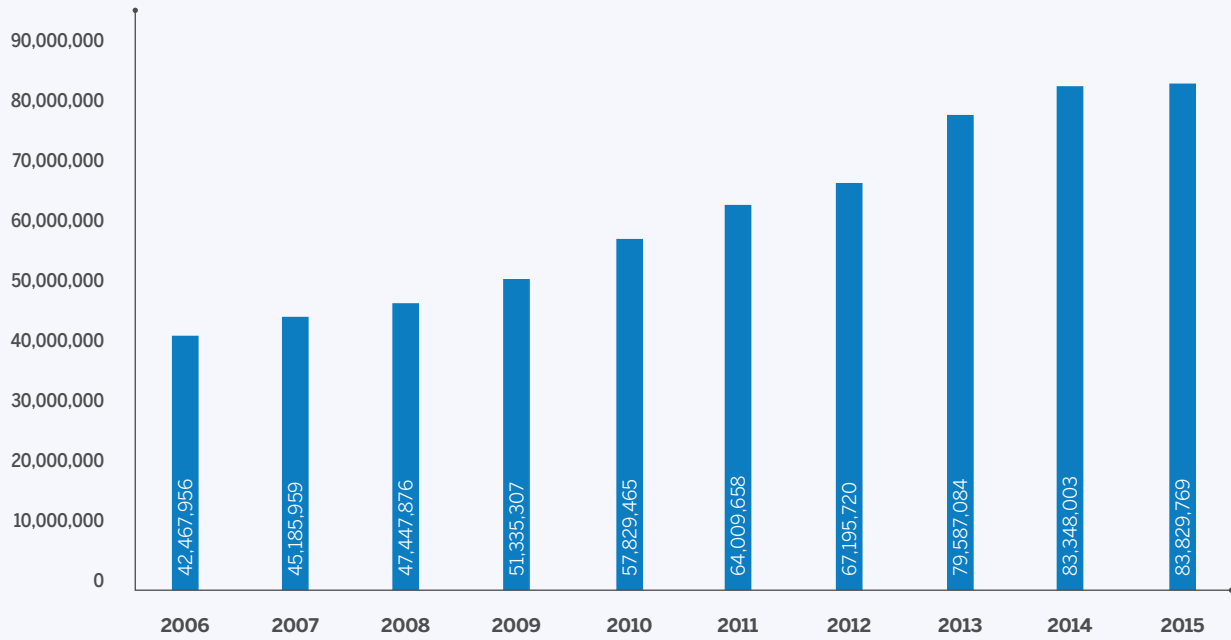
PASSENGER MOVEMENTS 2015
MALAYSIA OPERATIONS

PASSENGER MOVEMENTS AT KL INTERNATIONAL AIRPORT 2015



PASSENGER MOVEMENTS (2006 - 2015) MALAYSIA OPERATIONS

AIRPORTS	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	% + / -
KLIA	24,129,748	26,453,379	27,529,355	29,682,093	34,087,636	37,704,510	39,887,866	47,498,157	48,930,409	48,938,424	0.02%
Penang	3,103,772	3,173,117	3,405,762	3,325,423	4,166,969	4,600,274	4,767,815	5,487,751	6,041,583	6,258,756	3.6%
Kota Kinabalu	4,015,221	4,399,939	4,689,164	4,868,526	5,223,454	5,808,639	5,848,135	6,935,797	6,792,968	6,573,461	-3.2%
Kuching	3,196,352	3,236,468	3,238,614	3,574,632	3,684,517	4,286,722	4,186,523	4,871,036	4,852,822	4,772,453	-1.7%
Langkawi	934,024	1,122,911	1,196,956	1,359,271	1,374,729	1,504,697	1,594,106	1,946,440	2,221,997	2,336,177	5.1%
Kota Bharu	678,306	759,316	836,060	1,003,162	1,047,755	1,132,345	1,259,205	1,585,238	1,800,836	2,063,747	14.6%
Ipoh	64,711	814	5,376	21,937	48,508	71,169	73,354	74,320	98,768	222,606	125.4%
Kuala Terengganu	398,252	430,800	487,495	523,619	520,611	502,966	550,831	699,310	842,651	857,239	1.7%
Alor Setar	292,549	291,006	307,564	421,314	400,997	407,717	433,644	535,073	660,264	719,029	8.9%
Melaka	18,509	27,209	23,751	18,576	21,687	21,322	34,355	21,637	14,178	69,710	391.7%
Subang	83,502	95,583	307,747	819,840	1,118,309	1,320,227	1,442,514	1,859,020	2,762,556	3,059,144	10.7%
Kuantan	273,005	262,486	259,529	226,912	220,878	248,846	280,074	317,440	314,130	292,109	-7.0%
Tioman	57,559	46,260	48,767	49,057	54,056	62,010	60,141	56,054	9,217	0	-
Pangkor	9,866	8,906	8,132	7,617	2,588	547	4,068	5,791	205	0	-
Redang	28,928	33,738	34,957	28,246	48,610	46,159	35,960	35,982	11,087	0	-
Labuan	575,684	535,294	550,859	476,876	505,903	567,928	617,130	738,769	789,494	684,108	-13.3%
Lahad Datu	108,697	77,024	99,983	98,558	113,442	131,054	142,733	145,930	161,230	143,654	-10.9%
Sandakan	633,194	626,192	618,927	672,469	741,674	788,515	834,626	911,855	900,016	853,411	-5.2%
Tawau	660,331	736,646	768,967	866,601	897,848	922,452	982,153	1,202,344	1,218,616	1,203,792	-1.2%
Bintulu	449,673	381,158	417,918	487,060	557,459	590,253	661,553	779,774	832,440	800,008	-3.9%
Miri	1,559,379	1,454,167	1,537,840	1,620,345	1,694,915	1,856,626	2,018,415	2,223,172	2,363,080	2,249,206	-4.8%
Sibu	898,923	809,955	831,772	939,732	1,009,002	1,133,093	1,204,267	1,383,887	1,440,935	1,454,360	0.9%
Mulu	48,825	37,463	43,652	49,255	66,575	67,041	49,670	49,432	60,761	51,387	-15.4%
Limbang	89,814	50,107	49,181	45,512	50,044	56,211	57,852	61,074	63,870	58,300	-8.7%
STOL Sabah	5,933	1,942	3,741	0	793	5,046	5,970	5,174	4,590	5,309	15.7%
STOL Sarawak	153,199	134,079	145,807	148,674	170,506	173,289	162,760	156,627	159,300	163,379	2.6%
Peninsular Malaysia	30,072,731	32,705,525	34,451,451	37,487,067	43,113,333	47,622,789	50,423,933	60,122,213	63,707,881	64,816,941	1.7%
Sabah	5,999,060	6,377,037	6,731,641	6,983,030	7,483,114	8,223,634	8,430,747	9,939,869	9,866,914	9,463,735	-4.1%
Sarawak	6,396,165	6,103,397	6,264,784	6,865,210	7,233,018	8,163,235	8,341,040	9,525,002	9,773,208	9,549,093	-2.3%
Grand Total	42,467,956	45,185,959	47,447,876	51,335,307	57,829,465	64,009,658	67,195,720	79,587,084	83,348,003	83,829,769	0.6%
% change	2.2%	6.4%	5.0%	8.2%	12.7%	10.7%	5.0%	18.4%	4.7%	0.6%	

**PASSENGER MOVEMENTS (2006 - 2015)
MALAYSIA OPERATIONS****PASSENGER MOVEMENTS AT ALL MAHB AIRPORTS IN MALAYSIA (2006-2015)**

INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
SOUTH EAST ASIA							
Balikpapan	21,978	23,434	20,834	21,673	42,812	45,107	-5.1%
Banda Aceh	52,840	48,415	52,670	49,289	105,510	97,704	8.0%
Bandar Seri Begawan	175,427	177,409	177,547	176,184	352,974	353,593	-0.2%
Bandung	176,560	171,783	175,902	168,970	352,462	340,753	3.4%
Bangkok	435,978	453,274	425,795	415,937	861,773	869,211	-0.9%
Batam	0	0	3	0	3	0	-
Cebu	20,414	12,660	19,837	13,236	40,251	25,896	55.4%
Chiang Mai	97,750	90,656	101,305	94,075	199,055	184,731	7.8%
Clark Field	25,208	4,134	24,441	5,178	49,649	9,312	433.2%
Da Nang	27,400	8,053	27,473	8,070	54,873	16,123	240.3%
Denpasar Bali	501,558	569,347	498,632	559,026	1,000,190	1,128,373	-11.4%
Don Mueang	600,231	484,594	638,318	507,889	1,238,549	992,483	24.8%
Hanoi	144,381	162,408	165,350	172,027	309,731	334,435	-7.4%
Hatyai	58,497	49,239	62,966	50,365	121,463	99,604	21.9%
Ho Chi Minh City	460,919	453,170	470,835	451,485	931,754	904,655	3.0%
Jakarta	978,679	1,021,776	1,010,194	1,045,118	1,988,873	2,066,894	-3.8%
Kalibo	43,542	20,094	42,583	20,039	86,125	40,133	114.6%
Koh Samui	38,714	35,578	35,806	34,784	74,520	70,362	5.9%
Krabi	157,989	128,335	151,626	124,970	309,615	253,305	22.2%
Kuala Namu	320,404	347,828	330,501	361,238	650,905	709,066	-8.2%
Lombok	87,003	61,831	88,568	66,778	175,571	128,609	36.5%
Manila	352,819	352,983	331,038	344,545	683,857	697,528	-2.0%
Naypyidaw	0	210	0	205	0	415	-
Padang	91,472	95,683	93,186	96,965	184,658	192,648	-4.1%
Palembang	45,820	48,397	41,411	46,186	87,231	94,583	-7.8%
Pekan Baru	55,425	65,035	56,185	63,373	111,610	128,408	-13.1%
Phnom Penh	172,183	166,846	175,799	171,804	347,982	338,650	2.8%
Phuket	345,180	349,465	346,557	346,490	691,737	695,955	-0.6%
Pontianak	17,755	0	15,591	0	33,346	0	-
Semarang	27,008	29,953	28,866	34,349	55,874	64,302	-13.1%
Siem Reap	103,484	89,433	104,119	90,345	207,603	179,778	15.5%
Singapore	1,778,154	1,709,814	1,773,576	1,669,937	3,551,730	3,379,751	5.1%
Solo City	19,228	19,370	18,741	20,994	37,969	40,364	-5.9%
Surabaya	272,089	264,543	293,556	282,474	566,645	547,017	3.4%
Surat Thani	40,433	20,796	38,044	20,287	78,477	41,083	91.0%
Ujung Pandang	25,934	27,828	28,965	30,183	54,899	58,011	-5.4%
Utapao	9,716	0	10,350	0	20,066	0	-
Vientiane	21,558	24,615	21,117	24,441	42,675	49,056	-13.0%
Yangon	177,621	181,621	181,426	174,737	359,047	356,358	0.8%
Yogyakarta	87,055	85,695	99,697	97,731	186,752	183,426	1.8%
Total	8,068,406	7,856,305	8,179,410	7,861,377	16,247,816	15,717,682	3.4%

INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
NORTH EAST ASIA							
Asahikawa	0	274	0	836	0	1,110	-
Beijing	185,996	206,619	181,607	208,616	367,603	415,235	-11.5%
Busan	46,889	59,300	49,257	63,819	96,146	123,119	-21.9%
Changsha	11,673	0	14,006	0	25,679	0	-
Changsha Huanghua	948	0	0	0	948	0	-
Chengdu	91,468	103,547	96,071	105,904	187,539	209,451	-10.5%
Chongqing	33,442	5,660	41,422	5,593	74,864	11,253	565.3%
Dalian	4,103	5,061	3,775	4,553	7,878	9,614	-18.1%
Fuzhou	25,548	16,962	26,238	16,567	51,786	33,529	54.5%
Guangzhou	346,474	321,843	350,635	322,825	697,109	644,668	8.1%
Guilin	27,346	27,270	28,277	27,294	55,623	54,564	1.9%
Hakodate	0	833	0	545	0	1,378	-
Hangzhou	58,585	92,999	58,595	94,061	117,180	187,060	-37.4%
Harbin	0	680	0	677	0	1,357	-
Hong Kong	687,303	710,491	702,923	714,457	1,390,226	1,424,948	-2.4%
Kaohsiung	9,849	0	11,162	0	21,011	0	-
Kunming	53,269	58,743	57,084	62,286	110,353	121,029	-8.8%
Lanzhou	0	0	383	0	383	0	-
Macau	113,147	115,227	115,455	119,014	228,602	234,241	-2.4%
Nagoya	2,959	40,477	3,698	43,619	6,657	84,096	-92.1%
Nanning	45,191	45,433	46,810	46,750	92,001	92,183	-0.2%
Osaka	152,733	175,835	162,183	183,365	314,916	359,200	-12.3%
Pyongyang	0	366	0	366	0	732	-
Sanya	81	0	191	0	272	0	-
Sapporo Chitose	14,062	837	16,549	559	30,611	1,396	2092.8%
Seoul	326,706	321,539	328,920	325,847	655,626	647,386	1.3%
Shanghai Pu Dong	258,654	275,564	261,015	281,024	519,669	556,588	-6.6%
Shenzhen	96,857	100,476	98,548	98,860	195,405	199,336	-2.0%
Taipei	414,619	450,131	411,981	448,154	826,600	898,285	-8.0%
Tianjin	3,668	2,867	3,949	2,607	7,617	5,474	39.1%
Tokyo Haneda	104,911	119,400	96,999	111,744	201,910	231,144	-12.6%
Tokyo Narita	230,171	186,326	242,096	188,558	472,267	374,884	26.0%
Ulaanbaatar	0	0	43	0	43	0	-
Wuhan	1,914	5,630	1,682	5,560	3,596	11,190	-67.9%
Xi An Xianyang	49,748	29,779	57,276	31,862	107,024	61,641	73.6%
Xiamen	64,333	50,852	66,083	50,570	130,416	101,422	28.6%
Yinchuan	0	0	73	0	73	0	-
Zhengzhou	2,559	729	3,151	838	5,710	1,567	264.4%
Total	3,465,206	3,531,750	3,538,137	3,567,330	7,003,343	7,099,080	-1.3%

INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

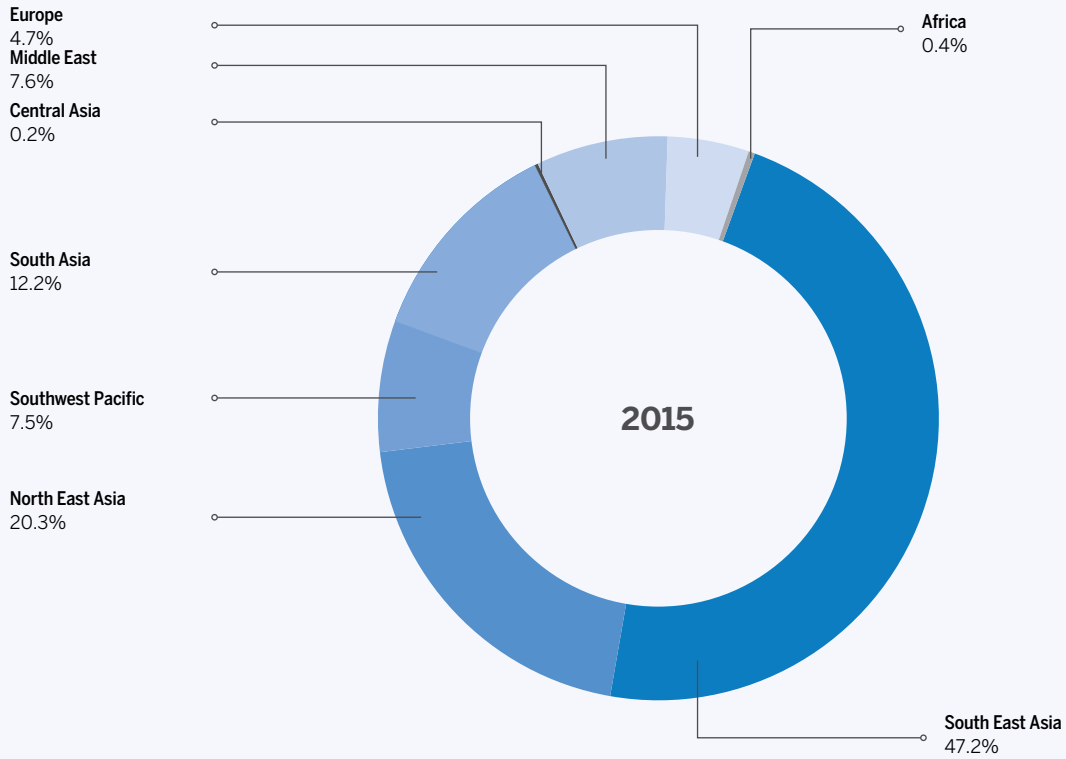
	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
SOUTHWEST PACIFIC							
Adelaide	66,413	118,725	74,904	131,416	141,317	250,141	-43.5%
Auckland	87,036	86,969	90,206	90,666	177,242	177,635	-0.2%
Brisbane	48,776	75,572	46,806	77,795	95,582	153,367	-37.7%
Christmas Island	81	233	250	70	331	303	9.2%
Darwin	15,236	14,545	14,799	14,848	30,035	29,393	2.2%
Gold Coast	78,378	105,210	85,305	108,471	163,683	213,681	-23.4%
Melbourne	400,496	450,490	428,462	466,325	828,958	916,815	-9.6%
Perth	241,107	268,513	258,651	285,792	499,758	554,305	-9.8%
Sydney	321,784	399,638	339,353	416,922	661,137	816,560	-19.0%
Total	1,259,307	1,519,895	1,338,736	1,592,305	2,598,043	3,112,200	-16.5%
SOUTH ASIA							
Ahmedabad	0	1,419	0	1,391	0	2,810	-
Amritsar	2,999	0	3,986	0	6,985	0	-
Bangalore	102,977	97,631	106,588	101,728	209,565	199,359	5.1%
Chennai	220,838	223,389	207,011	209,239	427,849	432,628	-1.1%
Chittagong	1,496	7,136	1,518	6,153	3,014	13,289	-77.3%
Colombo	222,791	211,560	230,682	225,589	453,473	437,149	3.7%
Delhi	181,691	185,967	181,292	181,404	362,983	367,371	-1.2%
Dhaka	393,734	388,490	319,763	350,446	713,497	738,936	-3.4%
Goa	5,409	0	6,765	0	12,174	0	-
Hambantota	0	0	0	2	0	2	-
Hyderabad	89,695	49,752	87,852	50,272	177,547	100,024	77.5%
Islamabad	183	0	574	0	757	0	-
Karachi	9,084	16,154	8,879	9,118	17,963	25,272	-28.9%
Kathmandu	199,346	280,468	245,960	235,641	445,306	516,109	-13.7%
Kochi	145,033	127,135	143,867	128,458	288,900	255,593	13.0%
Kolkata	49,425	49,330	54,481	52,202	103,906	101,532	2.3%
Lahore	17,174	11,955	18,122	18,453	35,296	30,408	16.1%
Male	32,370	44,522	30,354	46,988	62,724	91,510	-31.5%
Mumbai	143,869	146,663	144,813	144,718	288,682	291,381	-0.9%
Peshawar	17,434	9,983	19,053	10,196	36,487	20,179	80.8%
Thiruvananthapuram	5,504	0	7,651	0	13,155	0	-
Tiruchilapally	230,425	194,458	239,545	198,932	469,970	393,390	19.5%
Vishakhapatnam	24,809	0	30,814	0	55,623	0	-
Total	2,096,286	2,046,012	2,089,570	1,970,930	4,185,856	4,016,942	4.2%
CENTRAL ASIA							
Almaty	16,757	18,419	17,742	18,597	34,499	37,016	-6.8%
Ashgabat	630	0	593	0	1,223	0	-
Tashkent	13,828	15,510	14,909	16,496	28,737	32,006	-10.2%
Total	31,215	33,929	33,244	35,093	64,459	69,022	-6.6%

INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
MIDDLE EAST							
Aden	0	0	407	0	407	0	-
Abu Dhabi	151,749	159,260	154,927	160,920	306,676	320,180	-4.2%
Amman	15,912	18,619	16,059	22,018	31,971	40,637	-21.3%
Baghdad	8,874	9,927	9,111	9,858	17,985	19,785	-9.1%
Doha	260,558	224,736	253,726	213,045	514,284	437,781	17.5%
Dubai Al-Maktoum	2	12,239	0	14,443	2	26,682	-
Dubai	386,913	390,952	393,767	400,292	780,680	791,244	-1.3%
Jeddah	267,128	265,016	283,264	255,104	550,392	520,120	5.8%
Kuwait	10,118	8,456	13,698	11,255	23,816	19,711	20.8%
Madinah	24,600	11,877	48,808	58,433	73,408	70,310	4.4%
Muscat	47,738	57,954	46,837	53,167	94,575	111,121	-14.9%
Ras Al Khaimah	490	0	0	0	490	0	-
Riyadh	57,063	53,844	33,966	31,607	91,029	85,451	6.5%
Riyan Mukalla	0	234	0	0	0	234	-
Sanaa	1,913	7,789	1,598	8,693	3,511	16,482	-78.7%
Tehran Imam Khomeini	57,777	60,034	59,913	63,775	117,690	123,809	-4.9%
Total	1,290,835	1,280,937	1,316,081	1,302,610	2,606,916	2,583,547	0.9%
EUROPE							
Amsterdam	168,817	176,325	175,047	182,677	343,864	359,002	-4.2%
Frankfurt	66,419	87,130	75,752	90,146	142,171	177,276	-19.8%
Istanbul	111,455	109,597	113,430	115,078	224,885	224,675	0.1%
Kiev Borispol	0	71	0	130	0	201	-
London Heathrow	297,014	280,486	310,068	293,149	607,082	573,635	5.8%
Paris	142,625	179,365	149,128	182,662	291,753	362,027	-19.4%
Total	786,330	832,974	823,425	863,842	1,609,755	1,696,816	-5.1%
NORTH AMERICA							
Los Angeles	0	6,267	0	7,348	0	13,615	-
Total	0	6,267	0	7,348	0	13,615	-
AFRICA							
Addis Ababa	15,816	16,330	15,071	17,264	30,887	33,594	-8.1%
Cairo	16,855	18,805	16,786	20,304	33,641	39,109	-14.0%
Mauritius	30,374	28,720	27,139	27,347	57,513	56,067	2.6%
Tunisia	0	0	0	3	0	3	-
Total	63,045	63,855	58,996	64,918	122,041	128,773	-5.2%
Grand Total	17,060,630	17,171,924	17,377,599	17,265,753	34,438,229	34,437,677	0.002%

INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

TOTAL INTERNATIONAL MOVEMENTS : 34,438,229



INTERNATIONAL PASSENGER MOVEMENTS BY AIRLINES AT KL INTERNATIONAL AIRPORT 2015

AIRLINES WITH MORE THAN 1% INTERNATIONAL MARKET SHARE AT KLIA/klia2

Airlines	Passenger Movements 2015	Market Share
Malaysia Airlines	9,412,042	27.1%
AirAsia	9,139,701	26.3%
AirAsia X	3,598,245	10.4%
Malindo Air	1,442,703	4.2%
Indonesia AirAsia	1,263,598	3.6%
Emirates	875,057	2.5%
Cathay Pacific Airways	681,371	2.0%
Qatar Airways	514,284	1.5%
SilkAir	437,773	1.3%
Jetstar Asia	415,375	1.2%

10 HIGHEST GROWTH INTERNATIONAL PERFORMANCE AT KLIA/klia2

Airlines	Passenger Movements 2015	% Y-O-Y
Iran Aseman Airlines	19,446	499.8%
Shanghai Airlines	57,609	431.4%
Malindo Air	1,442,703	106.5%
Xiamen Airlines	159,723	59.4%
Lufthansa German Airlines	171,540	59.0%
China Southern Airlines	204,546	43.3%
National Air Services	37,374	30.1%
Garuda Indonesia	241,808	25.2%
Pakistan International Airlines	90,503	19.3%
Myanmar Airways International	45,176	18.3%

DOMESTIC TRAFFIC AT KLIA/klia2

Airlines	Passenger movements 2015	% Y-O-Y
Malaysia Airlines	5,038,032	-11.2%
AirAsia	8,353,206	6.8%
Malindo Air	783,721	22.1%
Rayani Air	3,413	-

TRAFFIC 2015

ISTANBUL SABIHA GOKCEN INTERNATIONAL AIRPORT

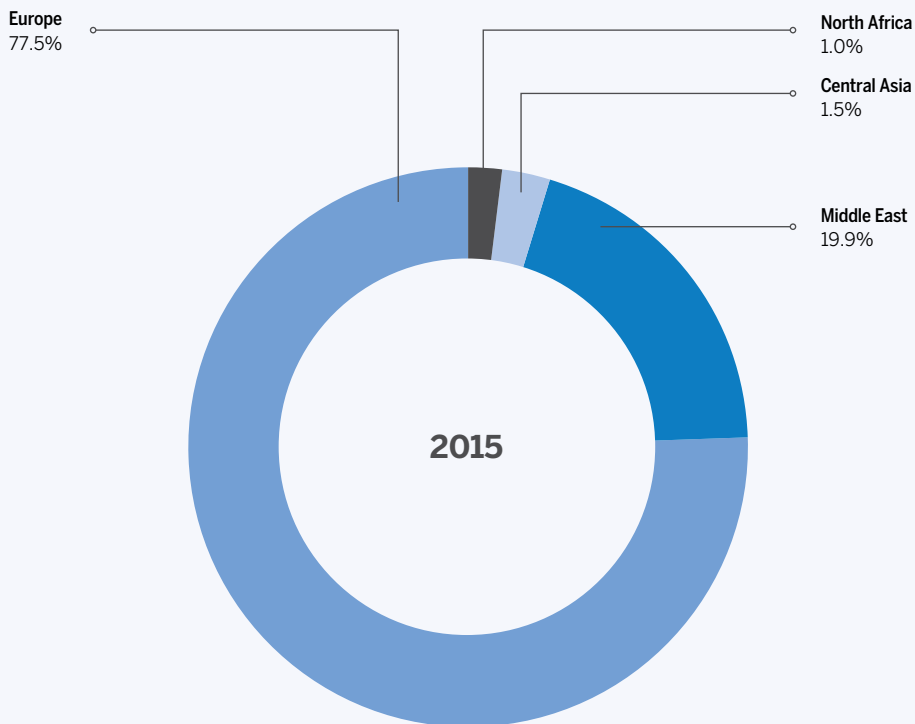
PASSENGER MOVEMENTS	2015	2014	+/-
International passengers	9,703,594	8,603,626	12.8%
Domestic passengers	18,581,984	15,028,257	23.6%
Total passenger movements	28,285,578	23,631,883	19.7%

AIRCRAFT MOVEMENTS	2015	2014	+/-
International aircraft	76,548	66,991	14.3%
Domestic aircraft	129,632	105,817	22.5%
Total commercial aircraft	206,180	172,808	19.3%
All other aircraft	12,446	12,569	-1.0%
Total aircraft movements	218,626	185,377	17.9%

CARGO MOVEMENTS [tonne]	2015	2014	+/-
International Cargo	41,773	37,873	10.3%
Domestic Cargo	4,906	4,506	8.9%
Total cargo movements	46,679	42,379	10.1%

INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT ISTANBUL SABIHA GOKCEN INTERNATIONAL AIRPORT 2015

TOTAL INTERNATIONAL MOVEMENTS : 9,703,594



Region	Total Int Pax 2015	Market Share
North Africa	98,955	1.0%
Central Asia	147,489	1.5%
Europe	7,525,104	77.5%
Middle East	1,932,046	19.9%
Total	9,703,594	100.0%

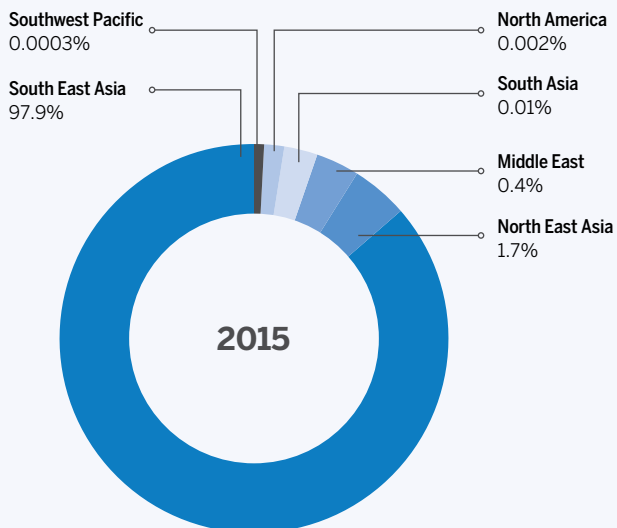
TOP 5 AIRLINES BY INTERNATIONAL PASSENGERS AT ISTANBUL SABIHA GOKCEN INTERNATIONAL AIRPORT 2015

AIRLINES	TOTAL INTERNATIONAL PASSENGER MOVEMENTS
Pegasus Airlines	6,282,925
Turkish Airlines	1,934,730
Qatar Airways	134,235
Atlasglobal	123,805
Germanwings	115,921

INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT OTHER INTERNATIONAL AIRPORTS IN MALAYSIA 2015

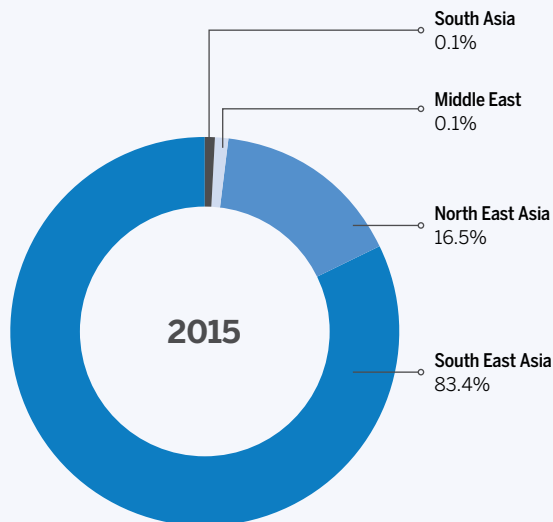
KUCHING INTERNATIONAL AIRPORT

TOTAL INTERNATIONAL MOVEMENTS: 298,216



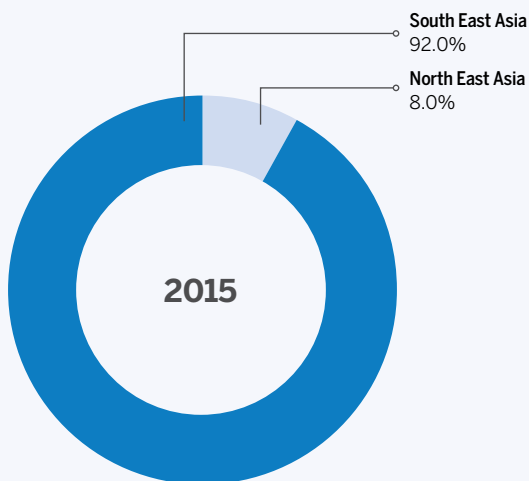
PENANG INTERNATIONAL AIRPORT

TOTAL INTERNATIONAL MOVEMENTS: 2,524,449



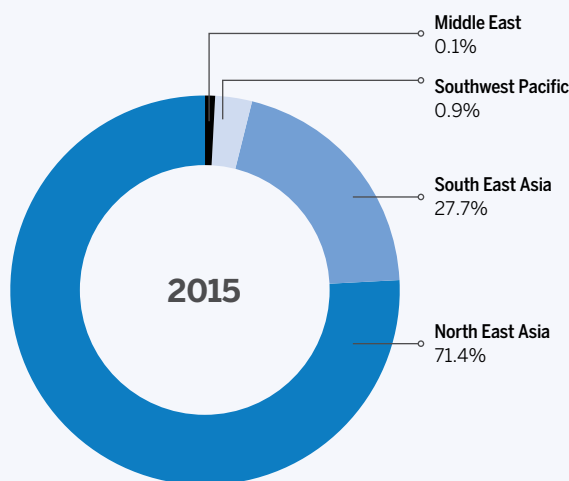
LANGKAWI INTERNATIONAL AIRPORT

TOTAL INTERNATIONAL MOVEMENTS: 176,920



KOTA KINABALU INTERNATIONAL AIRPORT

TOTAL INTERNATIONAL MOVEMENTS: 1,662,200

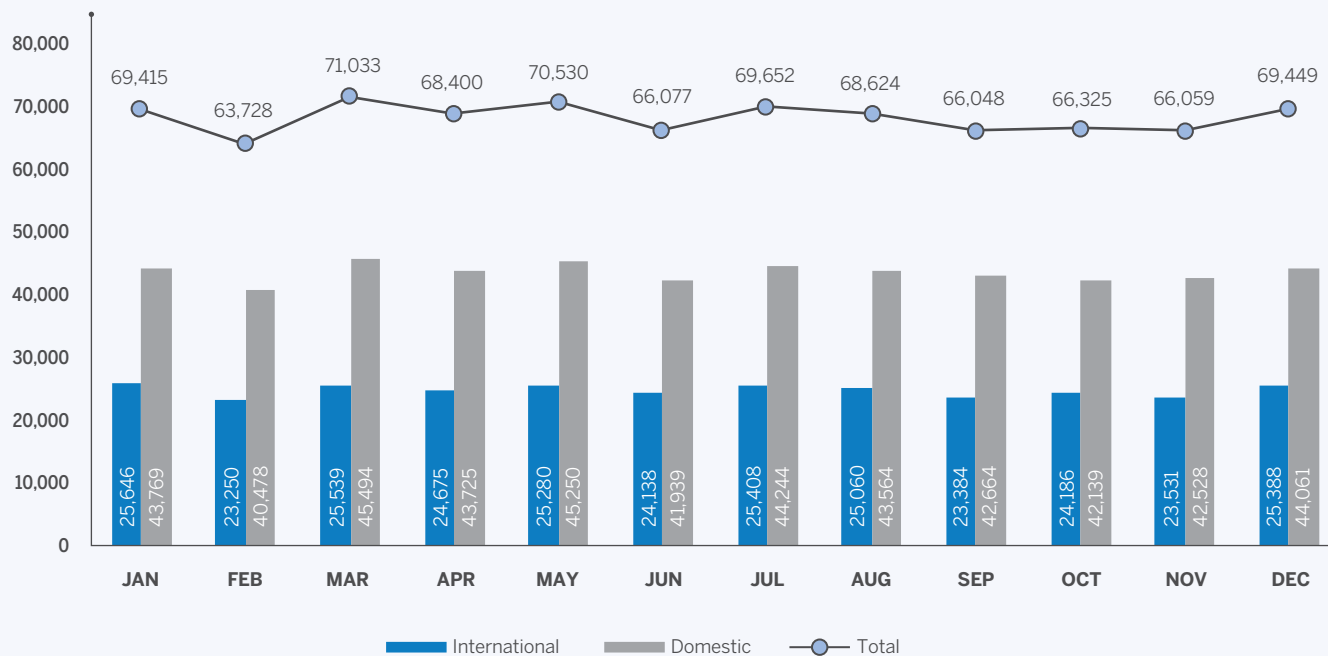


COMMERCIAL AIRCRAFT MOVEMENTS 2015 MALAYSIA OPERATIONS

AIRPORTS	DOMESTIC			INTERNATIONAL			TOTAL		
	Scheduled	Non-scheduled	Total	Scheduled	Non-scheduled	Total	2015	2014	% + / -
KLIA	113,876	1,050	114,926	236,818	1,526	238,344	353,270	339,650	4.0%
Penang	40,514	0	40,514	24,013	0	24,013	64,527	63,396	1.8%
Kota Kinabalu	49,431	3,743	53,174	13,771	0	13,771	66,945	68,776	-2.7%
Kuching	44,044	2,908	46,952	3,617	169	3,786	50,738	50,917	-0.4%
Langkawi	20,742	0	20,742	1,490	0	1,490	22,232	21,722	2.3%
Kota Bharu	25,581	2,647	28,228	0	0	0	28,228	25,028	12.8%
Ipoh	1,339	0	1,339	2,345	0	2,345	3,684	1,960	88.0%
Kuala Terengganu	10,581	0	10,581	42	2	44	10,625	9,659	10.0%
Alor Setar	9,454	0	9,454	0	18	18	9,472	8,421	12.5%
Melaka	1,036	0	1,036	500	0	500	1,536	320	380.0%
Subang	54,737	0	54,737	8,174	0	8,174	62,911	56,629	11.1%
Kuantan	3,127	0	3,127	779	0	779	3,906	3,572	9.4%
Tioman	0	0	0	0	0	0	0	272	-
Pangkor	0	0	0	0	0	0	0	8	-
Redang	0	0	0	0	0	0	0	430	-
Labuan	10,301	2,397	12,698	419	51	470	13,168	15,533	-15.2%
Lahad Datu	3,590	56	3,646	0	0	0	3,646	3,689	-1.2%
Sandakan	10,308	943	11,251	0	16	16	11,267	11,715	-3.8%
Tawau	11,566	259	11,825	569	7	576	12,401	12,832	-3.4%
Bintulu	10,923	1,264	12,187	0	10	10	12,197	12,246	-0.4%
Miri	34,318	9,574	43,892	1,147	0	1,147	45,039	46,504	-3.2%
Sibu	18,250	0	18,250	0	2	2	18,252	17,878	2.1%
Mulu	2,381	0	2,381	0	0	0	2,381	2,701	-11.8%
Limbang	2,226	0	2,226	0	0	0	2,226	2,154	3.3%
STOL Sabah	230	4	234	0	0	0	234	226	3.5%
STOL Sarawak	16,455	0	16,455	0	0	0	16,455	15,324	7.4%
Peninsular Malaysia	280,987	3,697	284,684	274,161	1,546	275,707	560,391	531,067	5.5%
Sabah	85,426	7,402	92,828	14,759	74	14,833	107,661	112,771	-4.5%
Sarawak	128,597	13,746	142,343	4,764	181	4,945	147,288	147,724	-0.3%
Total 2015	495,010	24,845	519,855	293,684	1,801	295,485	815,340	791,562	3.0%
Total 2014	473,049	30,620	503,669	285,705	2,188	287,893	791,562		
% change	4.6%	-18.9%	3.2%	2.8%	-17.7%	2.6%	3.0%		

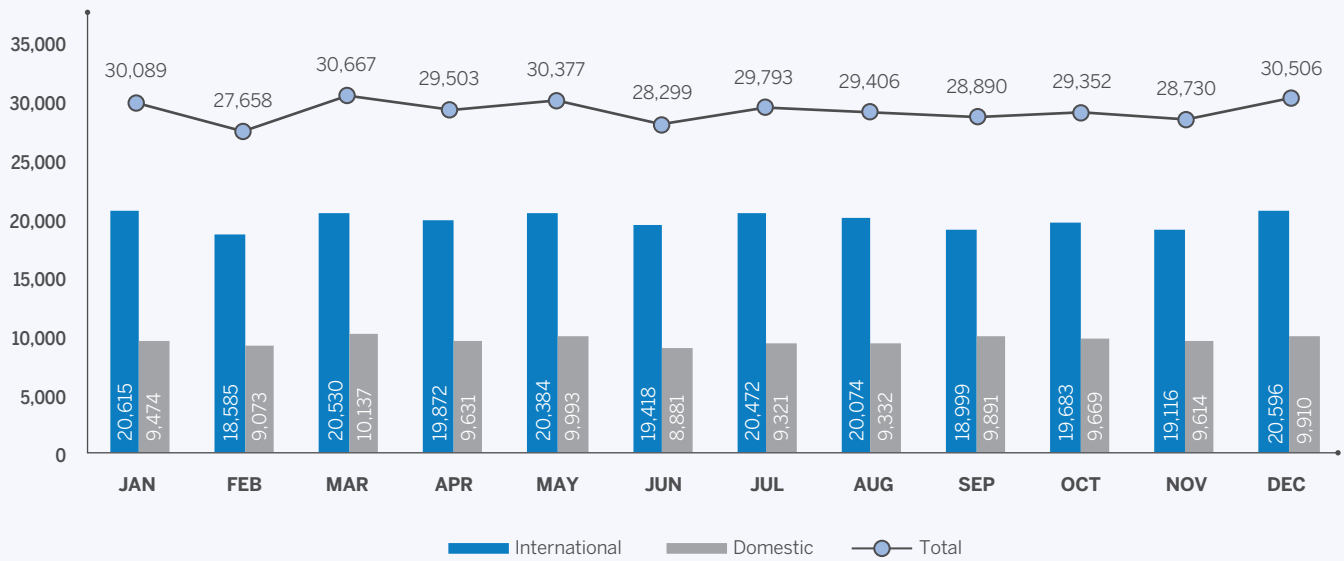
COMMERCIAL AIRCRAFT MOVEMENTS 2015
MALAYSIA OPERATIONS

COMMERCIAL AIRCRAFT MOVEMENTS AT ALL MAHB AIRPORTS IN MALAYSIA 2015



COMMERCIAL AIRCRAFT MOVEMENTS 2015
MALAYSIA OPERATIONS

COMMERCIAL AIRCRAFT MOVEMENTS AT KL INTERNATIONAL AIRPORT 2015

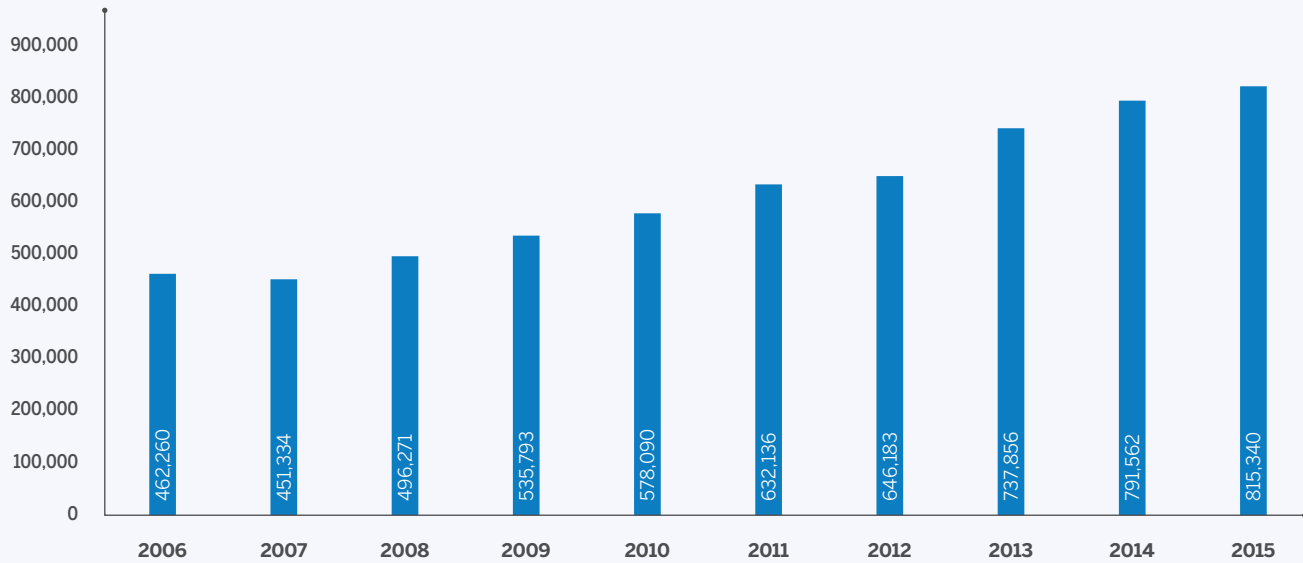


COMMERCIAL AIRCRAFT MOVEMENTS (2006 - 2015)

AIRPORTS	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	% + / -
KLIA	182,548	192,304	209,681	225,251	244,179	268,265	282,290	325,537	339,650	353,270	4.0%
Penang	31,448	34,508	38,335	38,343	44,753	50,610	49,966	56,760	63,396	64,527	1.8%
Kota Kinabalu	50,594	49,881	52,463	52,677	55,089	59,638	58,366	67,601	68,776	66,945	-2.7%
Kuching	37,167	34,192	36,087	41,437	42,940	49,613	43,981	53,095	50,917	50,738	-0.4%
Pulau Langkawi	8,287	10,828	12,242	12,638	13,274	14,510	15,162	17,675	21,722	22,232	2.3%
Kota Bharu	10,368	13,074	14,083	13,709	13,180	15,304	17,112	20,527	25,028	28,228	12.8%
Ipoh	954	12	183	384	844	1,536	1,515	1,464	1,960	3,684	88.0%
Kuala Terengganu	3,792	4,533	6,038	6,006	5,959	6,006	6,506	7,365	9,659	10,625	10.0%
Alor Setar	2,820	2,668	2,934	4,578	4,513	4,841	5,274	5,795	8,421	9,472	12.5%
Melaka	596	714	700	616	584	466	1,053	580	320	1,536	380.0%
Subang	9,158	7,234	11,448	19,897	24,509	30,779	33,224	41,707	56,629	62,911	11.1%
Kuantan	2,748	3,253	3,334	2,947	2,628	3,178	3,395	3,289	3,572	3,906	9.4%
Tioman	1,836	1,597	1,603	1,591	1,662	1,766	1,682	1,538	272	0	-
Pangkor	514	517	503	502	174	32	324	258	8	0	-
Redang	934	1,053	1,083	862	1,356	1,319	877	955	430	0	-
Labuan	9,332	10,127	11,212	10,868	11,988	12,645	13,448	15,072	15,533	13,168	-15.2%
Lahad Datu	3,203	2,195	2,922	2,922	2,860	2,941	3,058	3,321	3,689	3,646	-1.2%
Sandakan	10,034	7,719	8,991	10,214	12,095	10,757	12,177	11,536	11,715	11,267	-3.8%
Tawau	8,005	6,863	7,334	8,885	9,723	9,328	9,689	11,784	12,832	12,401	-3.4%
Bintulu	11,388	6,542	8,933	10,948	10,994	11,270	11,444	12,428	12,246	12,197	-0.4%
Miri	39,462	33,022	35,178	38,836	39,509	40,931	42,351	44,875	46,504	45,039	-3.2%
Sibu	15,092	11,765	14,307	16,275	17,899	18,211	15,923	17,196	17,878	18,252	2.1%
Mulu	2,220	1,638	1,642	1,570	1,726	1,912	1,760	2,306	2,701	2,381	-11.8%
Limbang	4,242	2,300	1,860	1,697	1,947	1,896	1,880	2,075	2,154	2,226	3.3%
STOL Sabah	800	338	459	0	167	264	192	231	226	234	3.5%
STOL Sarawak	14,718	12,457	12,716	12,140	13,538	14,118	13,534	12,886	15,324	16,455	7.4%
Peninsular Malaysia	256,003	272,295	302,167	327,324	357,615	398,612	418,380	483,450	531,067	560,391	5.5%
Sabah	81,968	77,123	83,381	85,566	91,922	95,573	96,930	109,545	112,771	107,661	-4.5%
Sarawak	124,289	101,916	110,723	122,903	128,553	137,951	130,873	144,861	147,724	147,288	-0.3%
Total	462,260	451,334	496,271	535,793	578,090	632,136	646,183	737,856	791,562	815,340	3.0%
% change	-1.6%	-2.4%	10.0%	8.0%	7.9%	9.3%	2.2%	14.2%	7.3%	3.0%	

COMMERCIAL AIRCRAFT MOVEMENTS (2006 - 2015) MALAYSIA OPERATIONS

COMMERCIAL AIRCRAFT MOVEMENTS AT ALL MAHB AIRPORTS IN MALAYSIA (2006 - 2015)



ALL AIRCRAFT MOVEMENTS (2006 - 2015) MALAYSIA OPERATIONS

AIRPORTS	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	% + / -
KLIA	183,869	193,710	211,228	226,751	245,650	269,509	283,352	326,678	340,821	354,519	4.0%
Penang	36,259	39,265	43,796	43,621	50,205	54,713	53,766	60,020	65,734	66,670	1.4%
Kota Kinabalu	52,055	52,047	54,317	53,554	55,241	59,638	58,366	67,601	73,074	71,209	-2.6%
Kuching	40,292	37,348	39,188	44,761	46,382	53,154	46,727	56,085	53,490	53,303	-0.3%
Pulau Langkawi	27,622	43,234	41,837	39,815	33,064	31,482	33,056	29,309	28,694	30,853	7.5%
Kota Bharu	38,352	58,996	57,102	74,863	75,906	64,114	50,991	50,406	44,628	42,810	-4.1%
Ipoh	30,626	32,462	2,183	40,883	41,069	29,074	23,999	1,464	17,682	19,956	12.9%
Kuala Terengganu	3,792	8,781	10,045	9,875	10,959	14,296	12,809	11,402	14,057	12,587	-10.5%
Alor Setar	18,495	20,277	17,705	24,031	22,187	19,621	18,006	15,752	17,365	18,368	5.8%
Melaka	74,888	64,936	60,512	54,160	60,811	53,702	48,881	36,978	23,747	19,800	-16.6%
Subang	36,626	44,302	46,989	55,148	63,616	68,135	74,008	80,047	91,529	95,845	4.7%
Kuantan	2,973	3,487	3,551	3,110	2,802	3,452	3,613	3,663	3,911	4,174	6.7%
Tioman	2,256	1,989	2,141	2,180	2,167	2,222	2,205	2,089	1,019	993	-2.6%
Pangkor	541	589	545	502	174	32	324	258	8	72	800.0%
Redang	934	1,053	1,083	862	1,356	1,319	877	955	430	0	-
Labuan	9,554	10,349	11,328	11,045	12,093	12,762	13,589	15,139	15,596	13,249	-15.0%
Lahad Datu	3,376	2,336	3,012	3,077	2,960	3,024	3,147	4,215	4,055	3,929	-3.1%
Sandakan	10,776	8,410	9,622	12,915	13,517	11,715	13,153	12,856	12,696	12,705	0.1%
Tawau	9,215	7,992	8,546	9,876	10,845	10,186	10,983	13,896	14,396	14,007	-2.7%
Bintulu	11,804	7,093	16,787	51,009	24,246	17,122	12,294	13,661	12,968	12,638	-2.5%
Miri	42,680	35,502	38,172	41,996	41,682	43,707	45,127	47,585	49,204	47,733	-3.0%
Sibu	15,638	12,536	14,672	17,449	18,985	19,169	15,923	17,196	22,508	21,172	-5.9%
Mulu	2,220	1,660	1,664	1,592	1,444	1,920	1,780	2,306	2,739	2,385	-12.9%
Limbang	4,366	2,552	2,112	1,949	2,171	1,968	1,880	2,075	2,660	2,849	7.1%
STOL Sabah	800	338	459	0	559	278	212	305	298	318	6.7%
STOL Sarawak	14,854	12,719	12,978	12,140	13,538	14,262	14,027	12,936	15,424	16,569	7.4%
Peninsular Malaysia	457,233	513,081	498,717	575,801	609,966	611,671	605,887	619,021	649,625	666,647	2.6%
Sabah	85,776	81,472	87,284	90,467	95,215	97,603	99,450	114,012	120,115	115,417	-3.9%
Sarawak	131,854	109,410	125,573	170,896	148,448	151,302	137,758	151,844	158,993	156,649	-1.5%
Total	674,863	703,963	711,574	837,164	853,629	860,576	843,095	884,877	928,733	938,713	1.1%
% change	7.4%	4.3%	1.1%	17.6%	2.0%	0.8%	-2.0%	5.0%	5.0%	1.1%	

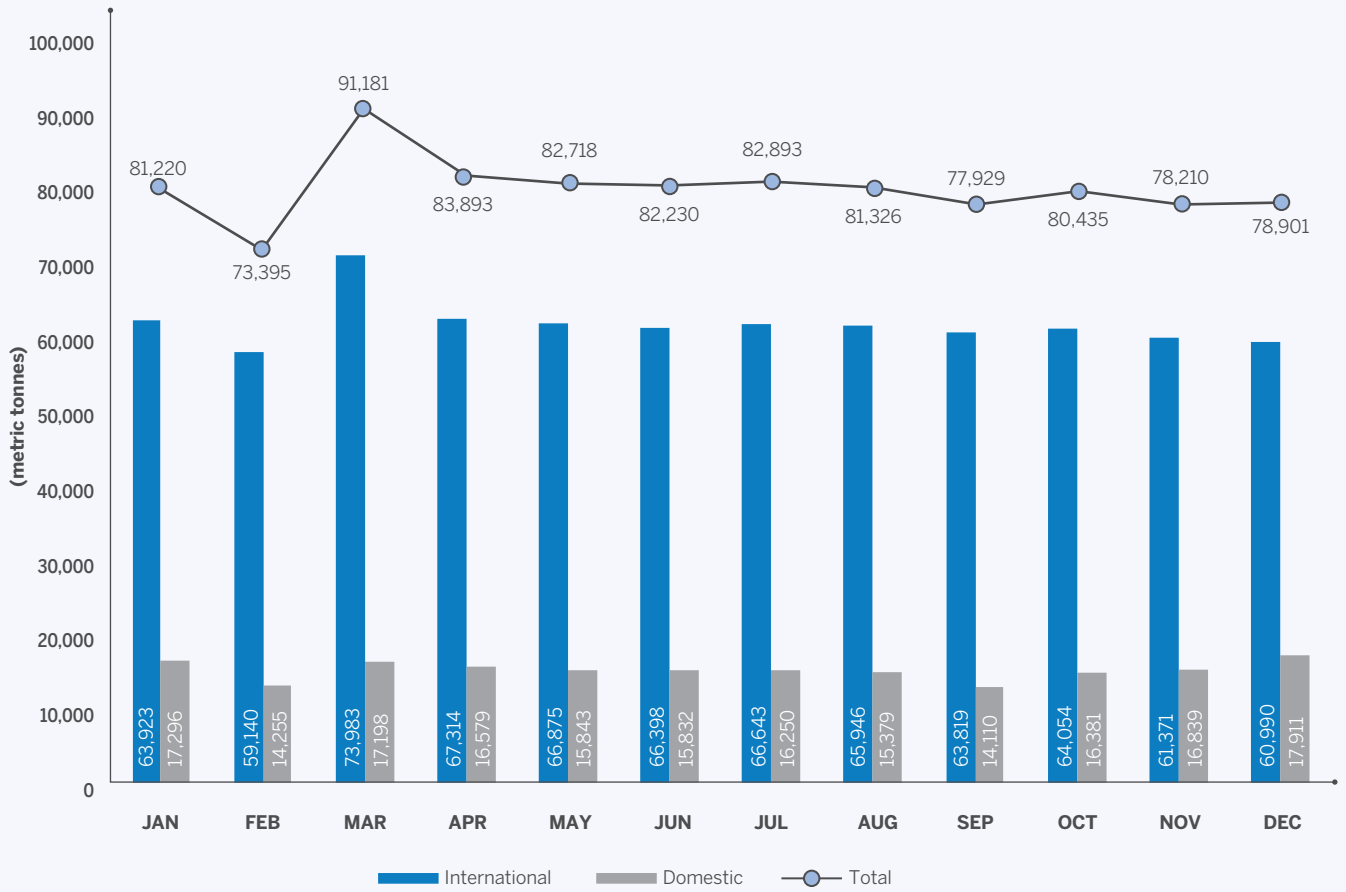
CARGO MOVEMENTS 2015 MALAYSIA OPERATIONS

AIRPORTS (kg)	DOMESTIC			INTERNATIONAL			TOTAL			Transit		
	Arrival	Departure	Total	Arrival	Departure	Total	2015 *	2014 *	% + / -	Domestic	Int.	Total
KLIA	30,474,545	55,847,075	86,321,620	328,501,362	311,407,088	639,908,450	726,230,070	753,899,054	-3.7%	0	0	0
Penang	8,824,289	5,945,149	14,769,438	49,171,958	48,806,644	97,978,602	130,392,357	141,213,494	-7.7%	4,020,381	13,623,936	17,644,317
Kota Kinabalu	13,701,887	9,279,145	22,981,032	570,793	1,149,112	1,719,905	24,768,044	23,768,530	4.2%	29,226	37,881	67,107
Kuching	18,377,684	9,127,035	27,504,719	452,950	1,035,542	1,488,492	29,361,845	28,040,378	4.7%	213,204	155,430	368,634
Langkawi	488,143	112,950	601,093	45,595	38	45,633	646,726	566,602	14.1%	0	0	0
Kota Bharu	603,973	398,889	1,002,862	0	0	0	1,002,862	397,221	152.5%	0	0	0
Kuala Terengganu	195,515	133,169	328,684	0	0	0	328,684	148,094	121.9%	0	0	0
Alor Setar	172,316	216,578	388,894	0	0	0	388,894	230,169	69.0%	0	0	0
Melaka	0	0	0	0	0	0	0	0	-	0	0	0
Subang	4,491,431	6,512,887	11,004,318	10,972,727	9,380,235	20,352,962	31,357,280	28,127,610	11.5%	0	0	0
Kuantan	16,252	1,118	17,370	1,500	1,900	3,400	20,770	46,365	-55.2%	0	0	0
Ipoh	42,321	45,286	87,607	112,822	117,199	230,021	317,628	296,159	7.2%	0	0	0
Tioman	0	0	0	0	0	0	0	14,510	-	0	0	0
Pangkor	0	0	0	0	0	0	0	286	-	0	0	0
Redang	0	0	0	0	0	0	0	17,417	-	0	0	0
Labuan	2,508,483	1,303,888	3,812,371	2,369,445	1,357,587	3,727,032	9,833,846	11,590,854	-15.2%	1,184,399	1,110,044	2,294,443
Lahad Datu	124,004	33,907	157,911	0	0	0	157,911	178,932	-11.7%	0	0	0
Sandakan	672,894	2,469,706	3,142,600	0	0	0	3,146,908	2,497,161	26.0%	4,308	0	4,308
Tawau	982,258	2,927,821	3,910,079	0	0	0	3,910,079	3,264,527	19.8%	0	0	0
Bintulu	1,435,732	942,170	2,377,902	0	0	0	2,382,939	2,317,558	2.8%	5,037	0	5,037
Miri	5,377,403	1,839,510	7,216,913	70,277	5,213	75,490	7,292,403	8,029,229	-9.2%	0	0	0
Sibu	928,834	371,251	1,300,085	0	0	0	1,303,501	1,460,001	-10.7%	3,416	0	3,416
Mulu	231,608	0	231,608	0	0	0	231,608	318,556	-27.3%	0	0	0
Limbang	234,310	330,969	565,279	0	0	0	565,279	595,831	-5.1%	0	0	0
STOL Sabah	0	0	0	0	0	0	0	0	-	0	0	0
STOL Sarawak	133,139	384,541	517,680	0	0	0	690,563	444,351	55.4%	172,883	0	172,883
Peninsular Malaysia	45,308,785	69,213,101	114,521,886	388,805,964	369,713,104	758,519,068	890,685,271	924,956,981	-3.7%	4,020,381	13,623,936	17,644,317
Sabah	17,989,526	16,014,467	34,003,993	2,940,238	2,506,699	5,446,937	41,816,788	41,300,004	1.3%	1,217,933	1,147,925	2,365,858
Sarawak	26,718,710	12,995,476	39,714,186	523,227	1,040,755	1,563,982	41,828,138	41,205,904	1.5%	394,540	155,430	549,970
Total 2015	90,017,021	98,223,044	188,240,065	392,269,429	373,260,558	765,529,987	974,330,197	1,007,462,889	-3.3%	5,632,854	14,927,291	20,560,145
Total 2014	80,178,975	97,568,183	177,747,158	413,385,296	391,348,492	804,733,788	1,007,462,889			6,704,883	18,277,060	24,981,943
% change	12.3%	0.7%	5.9%	-5.1%	-4.6%	-4.9%	-3.3%			-16.0%	-18.3%	-17.7%

* Including transit cargo

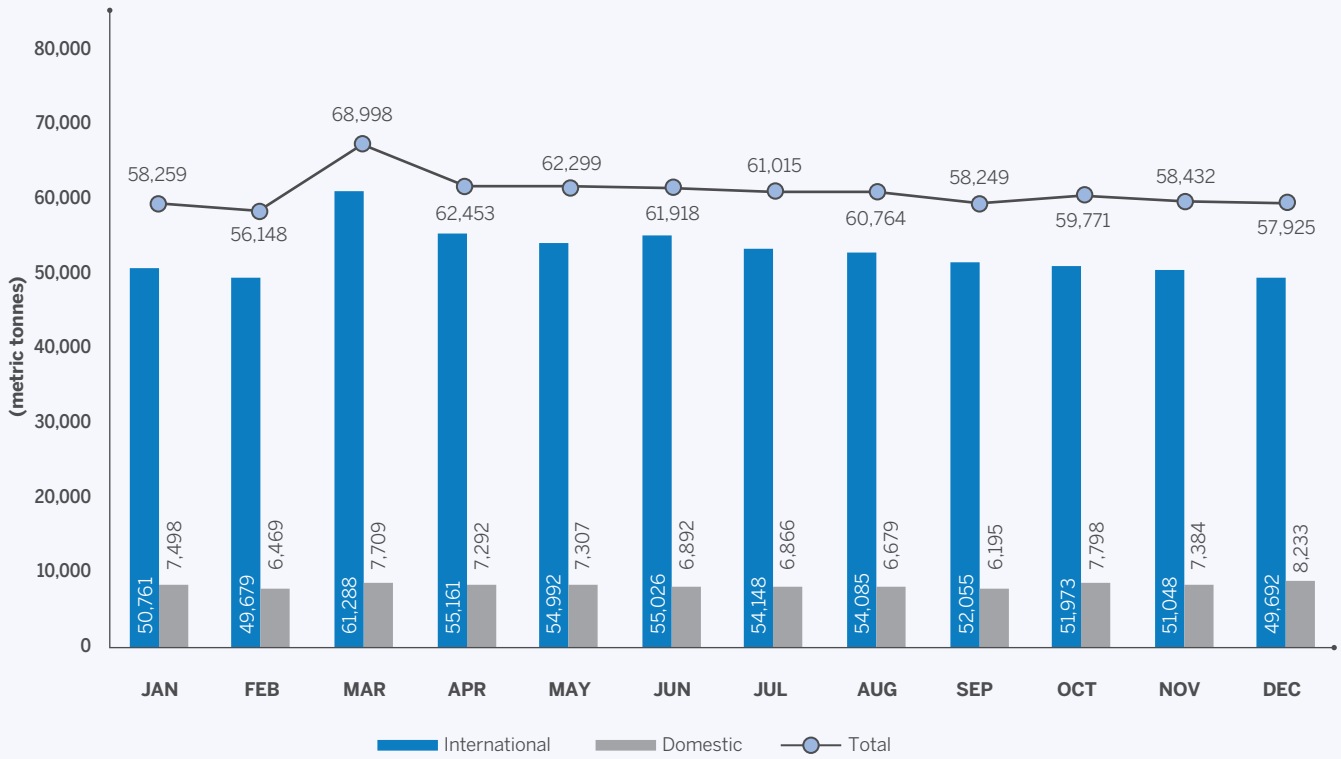
CARGO MOVEMENTS 2015
MALAYSIA OPERATIONS

CARGO MOVEMENTS AT ALL MAHB AIRPORTS IN MALAYSIA 2015



CARGO MOVEMENTS 2015
MALAYSIA OPERATIONS

CARGO MOVEMENTS AT KL INTERNATIONAL AIRPORT 2015



CARGO MOVEMENTS (2006 - 2015) MALAYSIA OPERATIONS

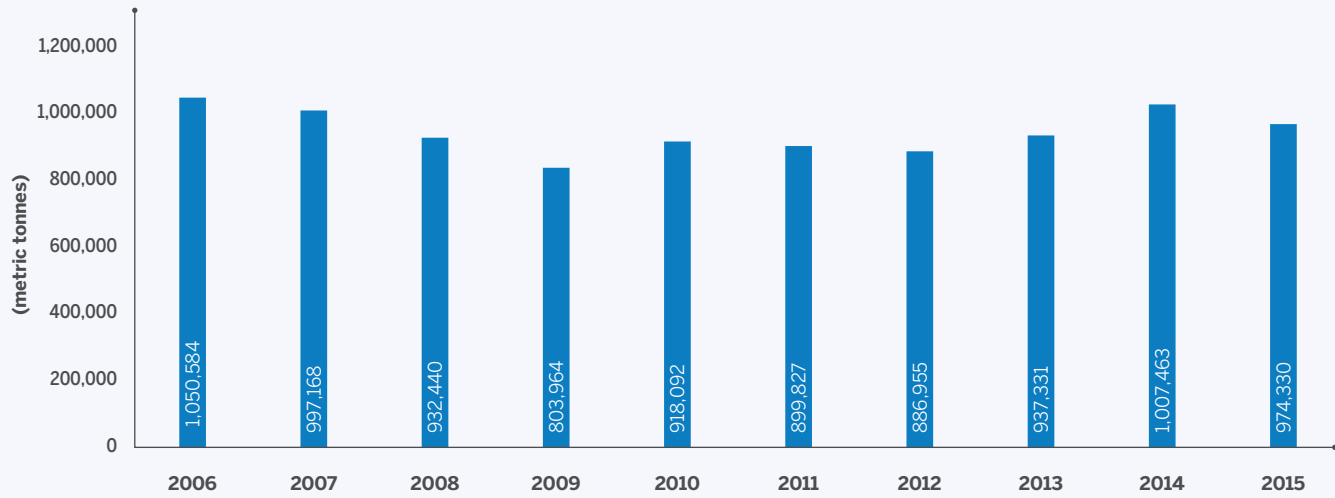
AIRPORTS

(Metric tonnes)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	% + / -
KLIA	672,888	644,100	649,077	584,559	674,902	669,849	673,107	680,983	753,899	726,230	-3.7%
Penang	225,952	208,582	192,936	137,775	147,057	131,846	123,246	153,703	141,213	130,392	-7.7%
Kota Kinabalu	28,356	35,638	34,532	25,079	26,733	28,534	23,563	21,922	23,769	24,768	4.2%
Kuching	29,716	23,818	19,166	20,830	26,977	24,787	15,811	21,993	28,040	29,362	4.7%
Langkawi	487	524	589	572	434	646	754	630	567	647	14.1%
Kota Bharu	210	163	181	185	177	164	147	179	397	1,003	152.5%
Kuala Terengganu	70	47	24	24	50	103	147	103	148	329	121.9%
Alor Setar	111	55	41	34	34	46	123	126	230	389	69.0%
Melaka	146	219	179	127	144	139	195	0	0	0	-
Subang	71,953	63,382	18,473	18,536	19,988	19,928	22,680	26,443	28,128	31,357	11.5%
Kuantan	109	103	70	70	49	38	57	86	46	21	-55.2%
Ipoh	357	10	0	0	0	0	34	403	296	318	7.2%
Tioman	0	0	0	0	0	0	73	30	15	0	-
Pangkor	0	0	0	0	0	0	5	21	0	0	-
Redang	0	0	0	0	0	0	27	27	17	0	-
Labuan	3,207	3,985	4,566	4,165	4,592	5,294	6,072	9,329	11,591	9,834	-15.2%
Lahad Datu	170	0	0	0	0	42	185	200	179	158	-11.7%
Sandakan	5,475	6,224	3,055	2,099	2,806	2,300	2,479	2,894	2,497	3,147	26.0%
Tawau	3,030	2,134	1,262	1,951	3,045	3,198	2,489	2,844	3,265	3,910	19.8%
Bintulu	2,205	2,252	1,978	1,903	1,703	2,071	2,574	2,553	2,318	2,383	2.8%
Miri	4,080	3,564	4,146	3,921	6,770	8,198	9,879	9,800	8,029	7,292	-9.2%
Sibu	1,040	892	735	856	1,133	1,153	1,612	1,413	1,460	1,304	-10.7%
Mulu	240	191	262	346	396	370	322	354	319	232	-27.3%
Limbang	379	440	475	530	560	498	744	742	596	565	-5.1%
STOL Sabah	1	0.4	0	0	0	0.01	0.003	0	0	0	-
STOL Sarawak	403	845	692	402	543	622	630	552	444	691	55.4%
Peninsular Malaysia	972,283	917,186	861,570	741,881	842,836	822,759	820,596	862,734	924,957	890,685	-3.7%
Sabah	40,238	47,982	43,415	33,294	37,175	39,369	34,787	37,190	41,300	41,817	1.3%
Sarawak	38,062	32,001	27,454	28,789	38,081	37,699	31,572	37,407	41,206	41,828	1.5%
Grand Total	1,050,584	997,168	932,440	803,964	918,092	899,827	886,955	937,331	1,007,463	974,330	-3.3%
% change	5.1%	-5.1%	-6.5%	-13.8%	14.2%	-2.0%	-1.4%	5.7%	7.5%	-3.3%	

CARGO MOVEMENTS (2006 - 2015) MALAYSIA OPERATIONS

CARGO MOVEMENTS AT ALL MAHB AIRPORTS IN MALAYSIA (2006-2015)



INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

Sector (kg)	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
SOUTH EAST ASIA							
Balikpapan	517,668	354,651	4,387	14,849	522,055	369,500	41.3%
Banda Aceh	7,740	0	53	320	7,793	320	2335.3%
Bandar Seri Begawan	116,790	82,061	1,376,885	1,416,553	1,493,675	1,498,614	-0.3%
Bandung	84,938	110,427	114,461	22,455	199,399	132,882	50.1%
Bangkok	9,512,048	10,269,584	8,275,791	11,367,495	17,787,839	21,637,079	-17.8%
Batam	0	0	63,005	9,846	63,005	9,846	539.9%
Cebu	0	0	234	0	234	0	-
Chiang Mai	0	0	22,439	59,447	22,439	59,447	-62.3%
Da Nang	6,489	900	188,971	0	195,460	900	21617.8%
Denpasar Bali	1,513,379	1,470,831	455,912	575,256	1,969,291	2,046,087	-3.8%
Don Mueang	1,073,445	1,172,124	260,727	173,032	1,334,172	1,345,156	-0.8%
General Santos	0	0	50,985	0	50,985	0	-
Hanoi	8,597,870	5,167,849	3,688,680	2,339,632	12,286,550	7,507,481	63.7%
Ho Chi Minh City	5,324,131	4,898,958	3,756,747	4,538,505	9,080,878	9,437,463	-3.8%
Jakarta	11,172,974	15,883,090	7,507,087	7,393,266	18,680,061	23,276,356	-19.7%
Krabi	296	0	262,305	1,174	262,601	1,174	22268.1%
Kuala Namu	1,190,798	1,099,685	950,805	751,667	2,141,603	1,851,352	15.7%
Lombok	442	11,848	21,766	2,195	22,208	14,043	58.1%
Luzon Island Clark Field	0	0	86,283	11,004	86,283	11,004	684.1%
Manila	1,571,220	1,581,043	3,642,806	3,804,820	5,214,026	5,385,863	-3.2%
Padang	418,880	279,479	26,130	85	445,010	279,564	59.2%
Palembang	17,349	19,348	260,478	171,666	277,827	191,014	45.4%
Pekanbaru	1,511	1,338	1,658	1,749	3,169	3,087	2.7%
Phnom Penh	1,710,597	2,017,636	2,634,837	1,722,102	4,345,434	3,739,738	16.2%
Phuket	15,083	17,627	52,396	307,135	67,479	324,762	-79.2%
Semarang	388,555	340,564	224,593	137,972	613,148	478,536	28.1%
Siem Reap	20,213	15,299	60,697	14,070	80,910	29,369	175.5%
Singapore	11,996,955	11,153,084	12,750,520	12,235,294	24,747,475	23,388,378	5.8%
Solo City	164,285	99,800	22,496	5,205	186,781	105,005	77.9%
Surabaya	714,178	887,496	418,110	266,927	1,132,288	1,154,423	-1.9%
Ujung Pandang	700,047	664,976	26,015	5,712	726,062	670,688	8.3%
Vientiane	9,389	7,719	142,903	124,117	152,292	131,836	15.5%
Yangon	537,755	446,326	1,306,301	1,158,462	1,844,056	1,604,788	14.9%
Yogyakarta	706,515	911,014	22,148	16,575	728,663	927,589	-21.4%
Total	58,091,540	58,964,757	48,679,611	48,648,587	106,771,151	107,613,344	-0.8%

INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

Sector (kg)	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
NORTH EAST ASIA							
Beijing	7,293,714	8,452,546	2,300,896	4,462,805	9,594,610	12,915,351	-25.7%
Busan	94,911	194,179	42,597	45,550	137,508	239,729	-42.6%
Changsa	1,268	0	300	0	1,568	0	-
Changsa Huanghua	207	0	0	0	207	0	-
Chengdu	489,571	666,889	1,134,191	589,748	1,623,762	1,256,637	29.2%
Chongqing	17,571	0	443	0	18,014	0	-
Dalian	1,702	1,587	662	14	2,364	1,601	47.7%
Fuzhou	72,881	62,892	13,371	5,028	86,252	67,920	27.0%
Guangzhou	17,361,919	18,715,570	6,881,191	4,561,262	24,243,110	23,276,832	4.2%
Guilin	435	3,930	46,872	20	47,307	3,950	1097.6%
Hangzhou	1,220,407	2,497,091	26,116	21,539	1,246,523	2,518,630	-50.5%
Hong Kong	37,629,649	41,287,454	25,020,031	28,371,301	62,649,680	69,658,755	-10.1%
Kunming	436,823	554,386	34,791	91,424	471,614	645,810	-27.0%
Macau	964,262	957,003	225,176	74,253	1,189,438	1,031,256	15.3%
Nagoya	985,006	196,921	1,297,962	751,722	2,282,968	948,643	140.7%
Nanning	0	0	0	1,172	0	1,172	-
Osaka	3,458,392	4,417,274	6,043,325	6,442,601	9,501,717	10,859,875	-12.5%
Sapporo Chitose	0	0	3,158	0	3,158	0	-
Seoul	16,924,079	18,712,325	13,884,868	13,043,760	30,808,947	31,756,085	-3.0%
Shanghai Pu Dong	17,483,212	20,410,369	15,693,324	16,046,975	33,176,536	36,457,344	-9.0%
Shenzhen	7,301,174	7,065,130	1,384,524	1,626,530	8,685,698	8,691,660	-0.1%
Taipei	11,221,570	13,694,433	10,135,421	11,167,627	21,356,991	24,862,060	-14.1%
Tianjin	27,853	21,104	106,748	1,488	134,601	22,592	495.8%
Tokyo Haneda	243,704	1,899,420	994,859	1,040,695	1,238,563	2,940,115	-57.9%
Tokyo Narita	8,492,455	7,160,998	10,427,247	10,707,410	18,919,702	17,868,408	5.9%
Xi An Xianyang	86,275	64,960	9,204	109	95,479	65,069	46.7%
Xiamen	827,626	934,768	546,501	300,767	1,374,127	1,235,535	11.2%
Zhengzhou	262,393	647,414	65,889	95,771	328,282	743,185	-55.8%
Total	132,899,059	148,618,642	96,319,667	99,449,571	229,218,726	248,068,213	-7.6%

INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

Sector (kg)	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
SOUTHWEST PACIFIC							
Adelaide	3,558,663	3,259,959	1,898,255	2,097,905	5,456,918	5,357,864	1.8%
Auckland	2,636,108	2,870,130	2,471,129	3,024,324	5,107,237	5,894,454	-13.4%
Avalon	523,656	304,915	46,944	35,042	570,600	339,957	67.8%
Brisbane	2,274,592	3,217,170	2,067,272	3,399,259	4,341,864	6,616,429	-34.4%
Christmas Island	300	0	2,352	6,044	2,652	6,044	-56.1%
Darwin	628	474	35,478	28,075	36,106	28,549	26.5%
Gold Coast	449,989	22,369	432,070	505,713	882,059	528,082	67.0%
Melbourne	13,335,748	10,993,660	11,712,920	12,647,623	25,048,668	23,641,283	6.0%
Perth	4,051,155	2,798,686	5,335,460	5,945,666	9,386,615	8,744,352	7.3%
Sydney	7,261,822	7,274,764	20,755,062	21,198,619	28,016,884	28,473,383	-1.6%
Total	34,092,661	30,742,127	44,756,942	48,888,270	78,849,603	79,630,397	-1.0%
SOUTH ASIA							
Amritsar	1,204	0	0	0	1,204	0	-
Bangalore	2,177,283	1,412,758	1,719,891	1,282,884	3,897,174	2,695,642	44.6%
Chennai	5,664,989	5,550,632	4,545,020	3,810,123	10,210,009	9,360,755	9.1%
Chittagong	1,366	7,082	38,114	72,467	39,480	79,549	-50.4%
Colombo	2,333,200	2,747,124	2,194,198	2,439,512	4,527,398	5,186,636	-12.7%
Delhi	5,424,317	5,849,610	4,963,670	5,430,483	10,387,987	11,280,093	-7.9%
Dhaka	10,437,247	7,707,556	4,870,780	8,549,794	15,308,027	16,257,350	-5.8%
Hambantota	0	0	0	5,554	0	5,554	-
Hyderabad	564,543	710,092	556,965	658,454	1,121,508	1,368,546	-18.1%
Islamabad	0	0	5,626	0	5,626	0	-
Karachi	156,799	343,884	133,052	149,032	289,851	492,916	-41.2%
Kathmandu	1,447,125	1,119,041	2,047,780	1,218,173	3,494,905	2,337,214	49.5%
Kochi	644,545	694,480	117,622	612,871	762,167	1,307,351	-41.7%
Kolkata	618,435	696,415	416,451	277,835	1,034,886	974,250	6.2%
Lahore	387,811	292,667	246,327	128,498	634,138	421,165	50.6%
Male	23,519	65,325	360,961	587,411	384,480	652,736	-41.1%
Mumbai	3,728,901	5,105,024	3,344,780	4,509,620	7,073,681	9,614,644	-26.4%
Peshawar	123,704	99,977	28,852	26,057	152,556	126,034	21.0%
Thiruvananthapuram	2,248	0	0	0	2,248	0	-
Tiruchirapally	2,897,308	1,916,626	72,887	12,594	2,970,195	1,929,220	54.0%
Vishakhapatnam	2,706	0	0	0	2,706	0	-
Total	36,637,250	34,318,293	25,662,976	29,771,362	62,300,226	64,089,655	-2.8%

INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

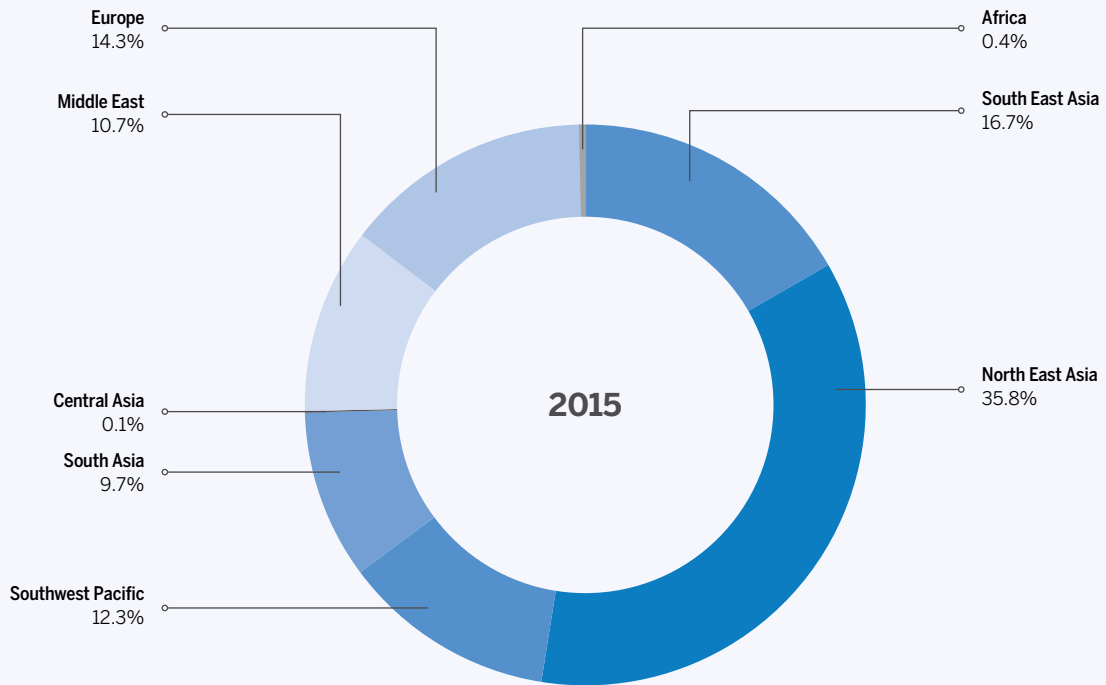
Sector (kg)	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
CENTRAL ASIA							
Almaty	7,223	20,691	172,757	182,662	179,980	203,353	-11.5%
Ashgabat	0	0	2,759	0	2,759	0	-
Baku Heydar Alivev	0	208,411	1,862	210,341	1,862	418,752	-99.6%
Tashkent	125,576	102,784	245,031	412,934	370,607	515,718	-28.1%
Total	132,799	331,886	422,409	805,937	555,208	1,137,823	-51.2%
MIDDLE EAST							
Abu Dhabi	5,096,061	5,323,449	7,082,712	6,798,268	12,178,773	12,121,717	0.5%
Amman	67,042	82,516	261,347	187,238	328,389	269,754	21.7%
Baghdad	0	1,140	47,929	32,559	47,929	33,699	42.2%
Bahrain	0	0	0	407,139	0	407,139	-
Dammam	0	0	206,003	0	206,003	0	-
Doha	8,206,887	4,121,092	11,340,221	12,178,056	19,547,108	16,299,148	19.9%
Dubai	7,180,539	7,832,229	16,053,675	14,066,027	23,234,214	21,898,256	6.1%
Dubai Al-Maktoum	338,456	290,242	287,555	1,228,432	626,011	1,518,674	-58.8%
Jeddah	528,733	950,780	5,088,693	4,582,516	5,617,426	5,533,296	1.5%
Kuwait	17,123	51,447	448,996	636,846	466,119	688,293	-32.3%
Madinah	204	261	78,205	673	78,409	934	8295.0%
Muscat	1,819,349	2,638,234	1,914,451	1,904,827	3,733,800	4,543,061	-17.8%
Ras Al Khaimah	0	0	650	0	650	0	-
Riyadh	254,634	296,321	1,181,232	1,462,227	1,435,866	1,758,548	-18.3%
Riyan Mukalla	0	780	0	0	0	780	-
Sanaa	22,468	104,908	16,019	69,207	38,487	174,115	-77.9%
Sharjah	0	96,783	0	54,458	0	151,241	-
Tehran Imam Khomeini	270,319	171,545	628,784	1,072,734	899,103	1,244,279	-27.7%
Total	23,801,815	21,961,727	44,636,472	44,681,207	68,438,287	66,642,934	2.7%

INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

Sector (kg)	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
EUROPE							
Amsterdam	18,435,045	16,630,935	19,302,368	16,088,047	37,737,413	32,718,982	15.3%
Frankfurt	6,367,787	12,531,070	6,675,343	15,390,208	13,043,130	27,921,278	-53.3%
Istanbul	2,681,106	3,602,442	3,066,132	3,389,482	5,747,238	6,991,924	-17.8%
Kiev Borispol	0	0	0	5,030	0	5,030	-
London Heathrow	6,652,036	5,418,135	9,803,966	8,017,321	16,456,002	13,435,456	22.5%
Luxembourg	3,323,488	2,575,303	5,795,816	6,295,223	9,119,304	8,870,526	2.8%
Madrid Barajas	0	0	1,022	0	1,022	0	-
Paris	4,738,401	6,156,618	4,593,203	5,906,886	9,331,604	12,063,504	-22.6%
Valencia	0	0	70,905	107,498	70,905	107,498	-34.0%
Total	42,197,863	46,914,503	49,308,755	55,199,695	91,506,618	102,114,198	-10.4%
NORTH AMERICA							
Los Angeles	0	198,507	0	559,750	0	758,257	-
Total	0	198,507	0	559,750	0	758,257	-
AFRICA							
Addis Ababa	4,055	8,234	230,086	138,681	234,141	146,915	59.4%
Cairo	581,938	434,609	265,605	231,868	847,543	666,477	27.2%
Entebbe/Kampala	0	0	0	82,278	0	82,278	-
Lilongwe	0	0	0	64,924	0	64,924	-
Mauritius	62,382	68,053	1,124,565	1,211,613	1,186,947	1,279,666	-7.2%
Total	648,375	510,896	1,620,256	1,729,364	2,268,631	2,240,260	1.3%
Grand Total	328,501,362	342,561,337	311,407,088	329,733,743	639,908,450	672,295,080	-4.7%

**INTERNATIONAL CARGO MOVEMENTS
BY SECTORS AT KL INTERNATIONAL AIRPORT 2015**

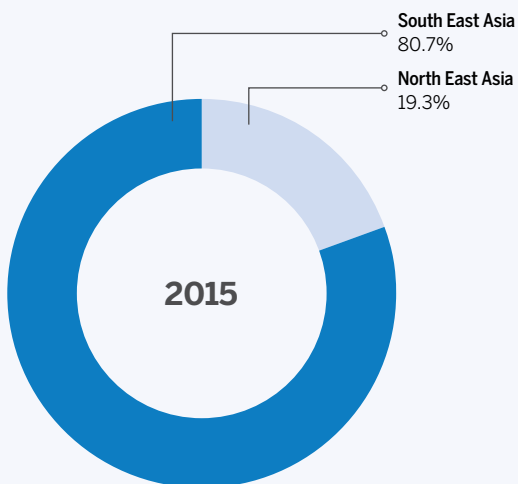
**TOTAL INTERNATIONAL CARGO MOVEMENTS:
639,908 METRIC TONNES**



INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT OTHER INTERNATIONAL AIRPORTS IN MALAYSIA 2015

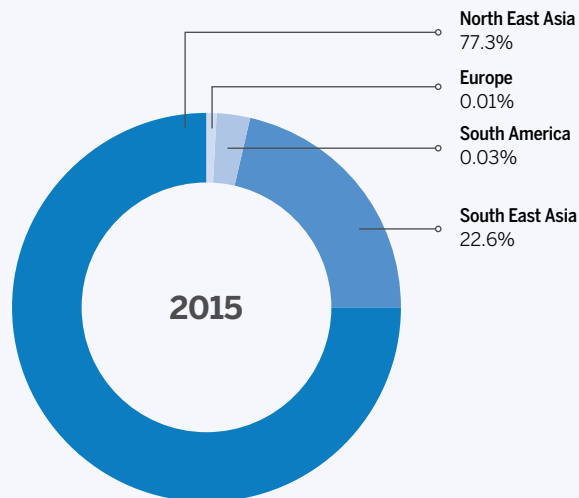
KUCHING INTERNATIONAL AIRPORT

TOTAL INTERNATIONAL CARGO MOVEMENTS:
1,644 METRIC TONNES



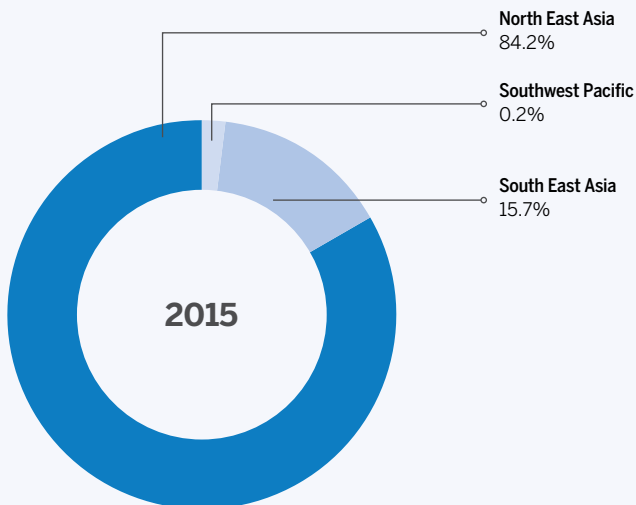
PENANG INTERNATIONAL AIRPORT

TOTAL INTERNATIONAL CARGO MOVEMENTS:
111,603 METRIC TONNES



KOTA KINABALU INTERNATIONAL AIRPORT

TOTAL INTERNATIONAL CARGO MOVEMENTS:
1,758 METRIC TONNES



INTERNATIONAL CARGO MOVEMENTS BY AIRLINES AT KL INTERNATIONAL AIRPORT 2015

AIRLINES WITH MORE THAN 1% INTERNATIONAL MARKET SHARE AT KLIA/klia2

AIRLINES	CARGO MOVEMENTS 2015 (kg)	MARKET SHARE
Malaysia Airlines	325,589,311	50.9%
AirAsia X	37,401,414	5.8%
AirAsia	35,366,690	5.5%
Cathay Pacific Airways	32,868,051	5.1%
Qatar Airways	19,458,405	3.0%
Emirates	17,503,975	2.7%
Singapore Airlines	17,146,333	2.7%
Korean Air	17,034,302	2.7%
Thai Airways International	12,344,408	1.9%
Etihad Airways	12,178,773	1.9%

10 HIGHEST GROWTH INTERNATIONAL PERFORMANCE AT KLIA/klia2

AIRLINES	*CARGO MOVEMENTS 2015 (kg)	MARKET SHARE
Malindo Air	1,594,791	636.1%
Biman Bangladesh Airlines	4,822,639	448.3%
Lufthansa German Airlines	6,221,201	30.1%
Qatar Airways	19,458,405	18.6%
Egyptair	1,289,739	16.0%
AirAsia	35,366,690	15.8%
Garuda Indonesia	1,692,244	13.3%
Cargolux Airlines International	9,119,304	12.1%
Singapore Airlines	17,146,333	8.6%
Turkish Airlines	3,910,964	5.7%

Note : * 1,000,000 kg and above

MAIL MOVEMENTS 2015 MALAYSIA OPERATIONS

AIRPORTS (kg)	DOMESTIC			INTERNATIONAL			TOTAL			Transit		
	Arrival	Departure	Total	Arrival	Departure	Total	2015 *	2014 *	% + / -	Domestic	Int.	Total
KLIA	945,768	1,415,301	2,361,069	14,691,167	18,215,879	32,907,046	35,268,115	33,942,494	3.9%	0	0	0
Penang	3,800	969	4,769	13	27	40	26,673	52,551	-49.2%	6,613	15,251	21,864
Kota Kinabalu	364,342	591,330	955,672	424,208	75,269	499,477	1,455,149	1,389,206	4.7%	0	0	0
Kuching	118,903	423,403	542,306	0	0	0	542,863	714,529	-24.0%	557	0	557
Langkawi	197,860	87,706	285,566	0	0	0	285,566	279,337	2.2%	0	0	0
Kota Bharu	132,565	46,904	179,469	0	0	0	179,469	280,556	-36.0%	0	0	0
Ipoh	0	0	0	0	665	665	665	0	-	0	0	0
Kuala Terengganu	38,610	80	38,690	0	0	0	38,690	36,402	6.3%	0	0	0
Alor Setar	52,421	377,244	429,665	0	0	0	429,665	343,891	24.9%	0	0	0
Melaka	0	0	0	0	0	0	0	0	-	0	0	0
Subang	1	5,364	5,365	0	0	0	5,365	44	12093.2%	0	0	0
Kuantan	0	0	0	0	0	0	0	407	-	0	0	0
Tioman	0	0	0	0	0	0	0	0	-	0	0	0
Pangkor	0	0	0	0	0	0	0	0	-	0	0	0
Labuan	351,973	74,456	426,429	0	0	0	426,721	522,929	-18.4%	292	0	292
Lahad Datu	148	3	151	0	0	0	151	3,100	-95.1%	0	0	0
Sandakan	66,282	4,341	70,623	0	0	0	70,623	35,950	96.4%	0	0	0
Tawau	251,494	15,849	267,343	0	0	0	267,343	196,984	35.7%	0	0	0
Bintulu	44,441	9,361	53,802	0	0	0	54,403	56,917	-4.4%	601	0	601
Miri	1,968,984	687,456	2,656,440	378	0	378	2,656,818	2,823,981	-5.9%	0	0	0
Sibu	454,952	17,471	472,423	0	0	0	472,573	604,111	-21.8%	150	0	150
Mulu	0	0	0	0	0	0	0	0	-	0	0	0
Limbang	2,416	42,079	44,495	0	0	0	44,495	42,322	5.1%	0	0	0
STOL Sabah	0	0	0	0	0	0	0	0	-	0	0	0
STOL Sarawak	16,096	15,682	31,778	0	0	0	33,352	37,160	-10.2%	1,574	0	1,574
Peninsular Malaysia	1,371,025	1,933,568	3,304,593	14,691,180	18,216,571	32,907,751	36,234,208	34,935,682	3.7%	6,613	15,251	21,864
Sabah	1,034,239	685,979	1,720,218	424,208	75,269	499,477	2,219,987	2,148,169	3.3%	292	0	292
Sarawak	2,605,792	1,195,452	3,801,244	378	0	378	3,804,504	4,279,020	-11.1%	2,882	0	2,882
Total 2015	5,011,056	3,814,999	8,826,055	15,115,766	18,291,840	33,407,606	42,258,699	41,362,871	2.2%	9,787	15,251	25,038
Total 2014	5,141,360	4,050,677	9,192,037	16,208,934	15,907,872	32,116,806	41,362,871			10,622	43,406	54,028
% change	-2.5%	-5.8%	-4.0%	-6.7%	15.0%	4.0%	2.2%			-7.9%	-64.9%	-53.7%

* Including transit mail

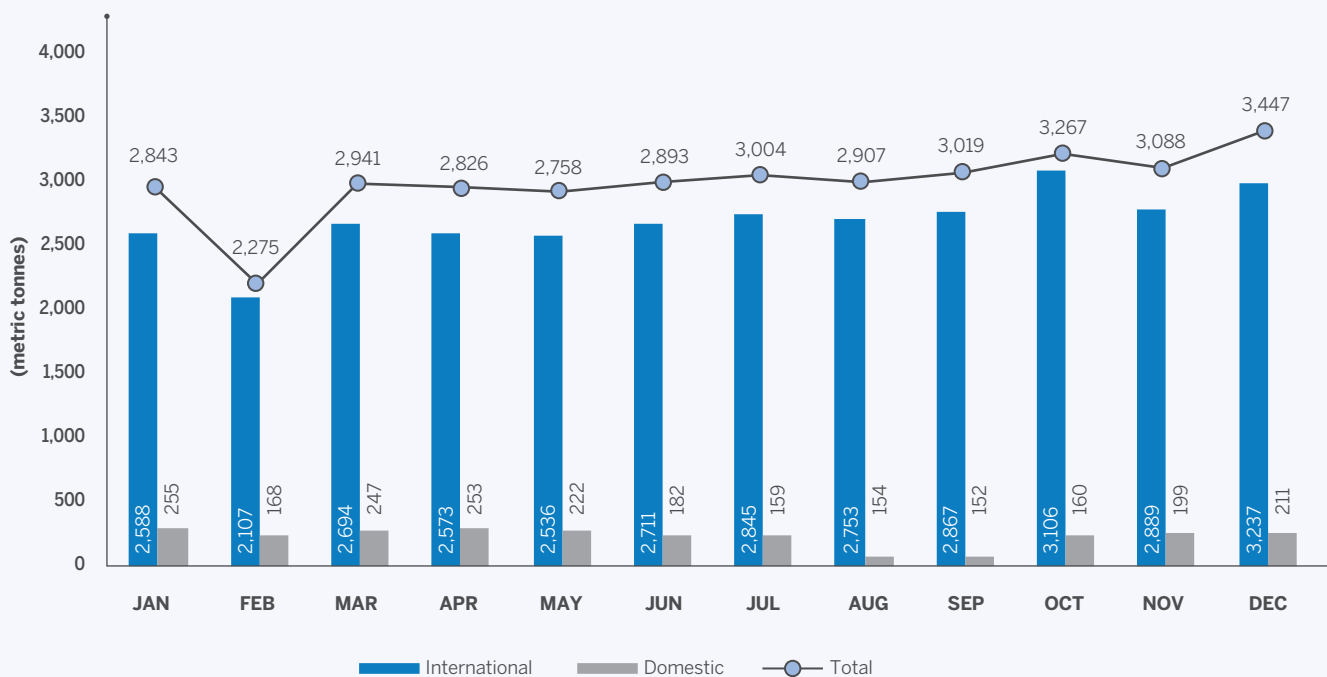
MAIL MOVEMENTS 2015
MALAYSIA OPERATIONS

MAIL MOVEMENTS AT ALL MAHB AIRPORTS IN MALAYSIA 2015



MAIL MOVEMENTS 2015
MALAYSIA OPERATIONS

MAIL MOVEMENTS AT KL INTERNATIONAL AIRPORT 2015

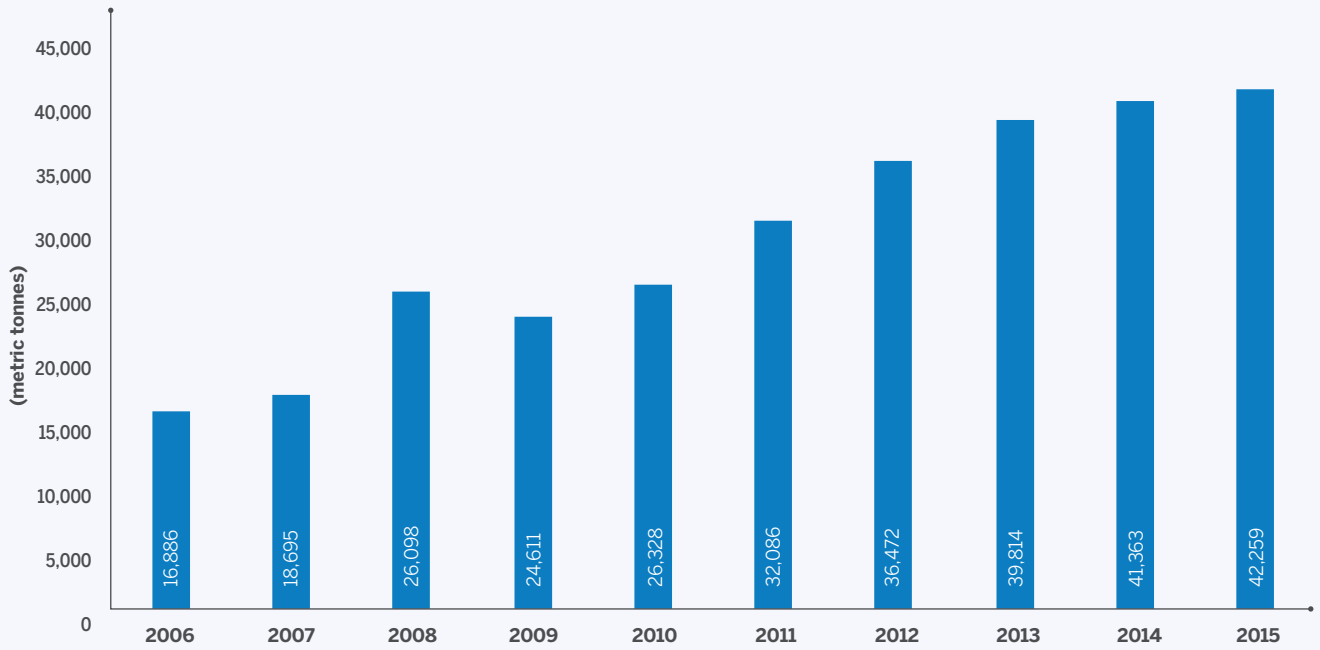


MAIL MOVEMENTS (2006 - 2015) MALAYSIA OPERATIONS

AIRPORTS (Metric tonnes)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	%+/-
KLIA	4,558	8,794	18,418	17,061	19,394	25,463	29,119	32,271	33,942	35,268	3.9%
Penang	2	1.4	0.4	7	4	12	2	3	53	27	-49.2%
Kota Kinabalu	3,787	4,044	3,149	1,744	2,158	1,810	2,246	1,751	1,389	1,455	4.7%
Kuching	3,467	3,137	999	821	642	479	497	727	715	543	-24.0%
Langkawi	58	58	83	73	90	131	227	263	279	286	2.2%
Kota Bharu	171	175	236	322	322	330	214	244	281	179	-36.0%
Ipoh	0	0	0	0	0	0	0	0	0	1	-
Kuala Terengganu	10	4	8	5	12	16	48	38	36	39	6.3%
Alor Setar	0	0	2	55	47	58	185	224	344	430	24.9%
Melaka	0	0	0	0	0	0	0	0	0	0	-
Subang	1,656	0	0	0	0	0	0	7	0.04	5	12,093.2%
Kuantan	0	0	0	0	2	0	0	0	0	0	-
Tioman	0	0	0	0	0	0	1	0	0	0	-
Pangkor	0	0	0	0	0	0	0	0	0	0	-
Labuan	291	334	399	360	378	414	496	511	523	427	-18.4%
Lahad Datu	212	157	193	212	207	213	275	165	3	0.2	-95.1%
Sandakan	90	9	233	254	476	465	440	301	36	71	96.4%
Tawau	102	27	281	242	439	457	497	471	197	267	35.7%
Bintulu	240	83	339	382	264	218	41	53	57	54	-4.4%
Miri	1,439	1,806	1,665	2,171	1,564	1,608	1,903	2,124	2,824	2,657	-5.9%
Sibu	698	59	0	849	287	371	237	611	604	473	-21.8%
Mulu	0	0	0	0	0	0	0	0	0	0	-
Limbang	0.1	0	0	0	28	25	38	37	42	44	5.1%
STOL Sabah	0	0	0	0	0	0	0	0	0	0	-
STOL Sarawak	106	6	94	53	13	15	7	13	37	33	-10.2%
Peninsular Malaysia	6,455	9,033	18,747	17,523	19,870	26,010	29,795	33,049	34,936	36,234	3.7%
Sabah	4,481	4,572	4,254	2,812	3,659	3,360	3,954	3,199	2,148	2,220	3.3%
Sarawak	5,950	5,090	3,097	4,276	2,798	2,716	2,722	3,565	4,279	3,805	-11.1%
Grand Total	16,886	18,695	26,098	24,611	26,328	32,086	36,472	39,814	41,363	42,259	2.2%
% change	-30.3%	10.7%	39.6%	-5.7%	7.0%	21.9%	13.7%	9.2%	3.9%	2.8%	

MAIL MOVEMENTS (2006 - 2015)
MALAYSIA OPERATIONS

MAIL MOVEMENTS AT ALL MAHB AIRPORTS IN MALAYSIA (2006-2015)



INTERNATIONAL MAIL MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

Sector (kg)	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
SOUTH EAST ASIA							
Bandar Seri Begawan	7,936	5,852	370,060	264,810	377,996	270,662	39.7%
Bangkok	379,303	327,000	219,550	261,470	598,853	588,470	1.8%
Denpasar Bali	20	25,981	1,007	4,656	1,027	30,637	-96.6%
Don Mueang	2,770	4,044	43	0	2,813	4,044	-30.4%
Hanoi	43,589	100,494	52,872	27,033	96,461	127,527	-24.4%
Ho Chi Minh City	4,450	3,326	79,953	128,690	84,403	132,016	-36.1%
Jakarta	294,241	302,690	383,925	405,404	678,166	708,094	-4.2%
Koh Samui	3	0	0	0	3	0	-
Krabi	119	214	0	0	119	214	-44.4%
Kuala Namu	1,255	470	16,637	28,482	17,892	28,952	-38.2%
Manila	43,020	49,838	237,134	239,064	280,154	288,902	-3.0%
Phnom Penh	21,203	23,618	284,213	256,502	305,416	280,120	9.0%
Phuket	338	495	72,878	594	73,216	1,089	6623.2%
Siem Reap	80	660	0	0	80	660	-87.9%
Singapore	639,714	998,813	687,956	195,609	1,327,670	1,194,422	11.2%
Yangon	107	0	117,130	111,460	117,237	111,460	5.2%
Total	1,438,148	1,843,495	2,523,358	1,923,774	3,961,506	3,767,269	5.2%
NORTH EAST ASIA							
Beijing	72,068	223,284	951,556	777,990	1,023,624	1,001,274	2.2%
Fuzhou	2,450	1,823	0	0	2,450	1,823	34.4%
Guangzhou	969,374	873,933	275,062	381,578	1,244,436	1,255,511	-0.9%
Hong Kong	792,997	944,080	552,207	533,624	1,345,204	1,477,704	-9.0%
Osaka	170,171	157,493	4,356	7,924	174,527	165,417	5.5%
Seoul	1,103,408	1,019,418	403,755	372,254	1,507,163	1,391,672	8.3%
Shanghai Pu Dong	359,302	336,739	541,441	797,950	900,743	1,134,689	-20.6%
Shenzhen	2,806,189	2,929,726	1,268,511	1,348,853	4,074,700	4,278,579	-4.8%
Taipei	191,769	315,895	844,481	558,105	1,036,250	874,000	18.6%
Tokyo Narita	482,535	328,465	584,528	275,387	1,067,063	603,852	76.7%
Xiamen	131,125	85,691	0	0	131,125	85,691	53.0%
Total	7,081,388	7,216,547	5,425,897	5,053,665	12,507,285	12,270,212	1.9%

INTERNATIONAL MAIL MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

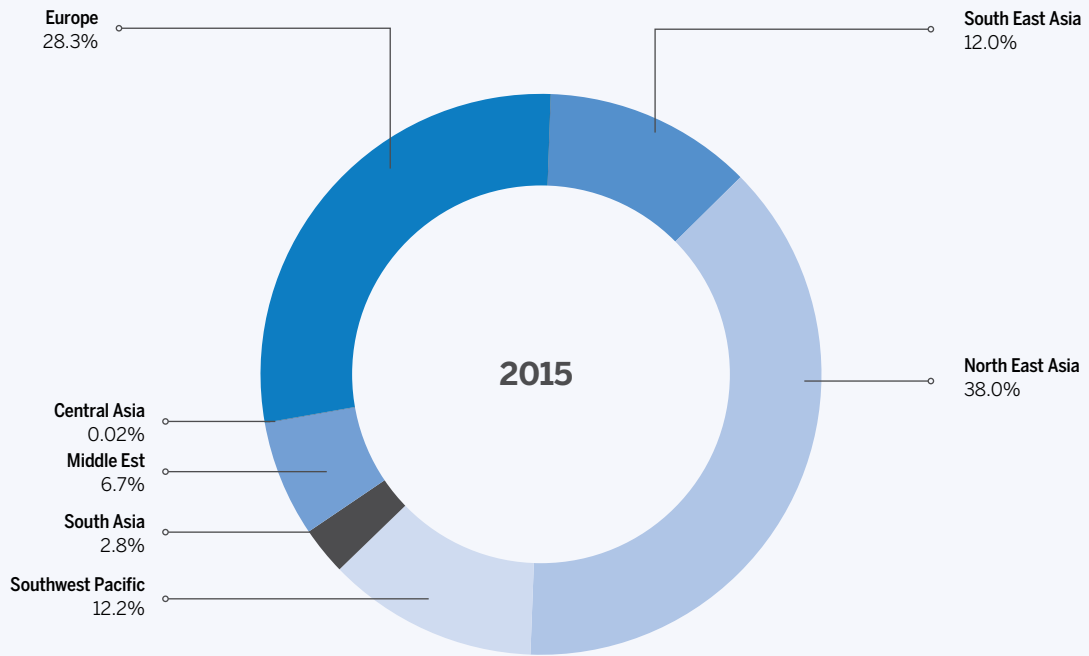
Sector (kg)	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
SOUTHWEST PACIFIC							
Adelaide	0	265	8,506	23,135	8,506	23,400	-63.6%
Auckland	3,643	2,756	761,337	684,019	764,980	686,775	11.4%
Brisbane	177	805	105,799	293,244	105,976	294,049	-64.0%
Darwin	1	0	0	0	1	0	-
Melbourne	217	876	865,825	1,068,537	866,042	1,069,413	-19.0%
Perth	67	80	424,444	407,452	424,511	407,532	4.2%
Sydney	55,052	46,732	1,776,517	2,066,418	1,831,569	2,113,150	-13.3%
Total	59,157	51,514	3,942,428	4,542,805	4,001,585	4,594,319	-12.9%
SOUTH ASIA							
Bangalore	5	0	100	0	105	0	-
Chennai	1,783	2,396	37,977	54,186	39,760	56,582	-29.7%
Colombo	44,643	13,827	275,579	109,390	320,222	123,217	159.9%
Delhi	31	0	80,930	47,956	80,961	47,956	68.8%
Dhaka	146,551	46,685	106,241	107,181	252,792	153,866	64.3%
Karachi	1,394	1,940	0	166	1,394	2,106	-33.8%
Kathmandu	37	16	52,293	54,139	52,330	54,155	-3.4%
Kochi	0	2	0	9	0	11	-
Lahore	0	186	8	0	8	186	-95.7%
Male	263	488	29,454	36,384	29,717	36,872	-19.4%
Mumbai	92	7,199	132,470	62,522	132,562	69,721	90.1%
Peshawar	0	0	130	0	130	0	-
Total	194,799	72,739	715,182	471,933	909,981	544,672	67.1%
MIDDLE EAST							
Abu Dhabi	22,318	10,224	180,309	290,734	202,627	300,958	-32.7%
Amman	24,397	35,803	109	179	24,506	35,982	-31.9%
Doha	18,963	24,921	224,777	79,506	243,740	104,427	133.4%
Dubai	10,947	7,157	1,583,725	32,867	1,594,672	40,024	3884.3%
Jeddah	8,770	7,998	75,080	18,212	83,850	26,210	219.9%
Kuwait	32,297	19,480	237	361	32,534	19,841	64.0%
Medinah	198	0	0	0	198	0	-
Muscat	600	575	5,605	19	6,205	594	944.6%
Riyadh	10,738	10,612	454	561	11,192	11,173	0.2%
Sanaa	365	1,578	5	6	370	1,584	-76.6%
Tehran	2,004	91,217	362	222	2,366	91,439	-97.4%
Total	131,597	209,565	2,070,663	422,667	2,202,260	632,232	248.3%

INTERNATIONAL MAIL MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

Sector (kg)	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
CENTRAL ASIA							
Almaty	0	74	0	0	0	74	-
Tashkent	3,807	2,251	1,258	499	5,065	2,750	84.2%
Total	3,807	2,325	1,258	499	5,065	2,824	79.4%
EUROPE							
Amsterdam	537,934	483,375	309,669	232,279	847,603	715,654	18.4%
Frankfurt	152,908	339,570	75,367	191,514	228,275	531,084	-57.0%
Istanbul	26,702	2,900	16,092	12,767	42,794	15,667	173.1%
London	5,039,851	5,494,581	1,880,432	1,913,304	6,920,283	7,407,885	-6.6%
Paris	23,775	130,700	1,253,730	1,031,139	1,277,505	1,161,839	10.0%
Total	5,781,170	6,451,126	3,535,290	3,381,003	9,316,460	9,832,129	-5.2%
AFRICA							
Addis Ababa	6	724	370	119	376	843	-55.4%
Cairo	539	1,651	18	49	557	1,700	-67.2%
Mauritius	556	411	1,415	102	1,971	513	284.2%
Total	1,101	2,786	1,803	270	2,904	3,056	-5.0%
Grand Total	14,691,167	15,850,097	18,215,879	15,796,616	32,907,046	31,646,713	4.0%

INTERNATIONAL MAIL MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

**TOTAL INTERNATIONAL MAIL MOVEMENTS:
32,907 METRIC TONNES**



MOVEMENTS AT MAHB STOLPORTS IN SABAH & SARAWAK 2015/2014

STOLports	Aircraft Movements	% Chg	Passengers	% Chg	Cargo & Mail (kg)	% Chg
SARAWAK REGION						
Ba'kelalan	328	1.2%	3,435	6.1%	-	-
Bario	2,228	26.4%	22,084	19.7%	79,513	-22.7%
Lawas	4,192	3.3%	50,191	-0.9%	252,349	361.7%
Long Akah	299	-7.1%	1,215	-20.3%	-	-
Long Banga	226	3.7%	2,571	5.2%	-	-
Long Lellang	320	17.6%	2,564	8.4%	-	-
Long Seridan	228	7.5%	1,695	4.1%	2,913	-17.4%
Marudi	5,376	12.4%	43,689	6.4%	389,140	21.4%
Mukah	3,258	-3.3%	35,935	-5.4%	-	-
Belaga	-	-	-	-	-	-
Long Semado	-	-	-	-	-	-
Kapit	-	-	-	-	-	-
Total	16,455	7.4%	163,379	2.6%	723,915	50.3%
SABAH REGION						
Kudat	230	1.8%	5,309	15.7%	0	-
Long Pasia	-	-	-	-	-	-
Semporna	-	-	-	-	-	-
Total	230	1.8%	5,309	15.7%	0	-
Grand Total	16,685	7.3%	168,688	2.9%	723,915	50.3%

AIRLINES OPERATING AT KL INTERNATIONAL AIRPORT 2015

		WEEKLY FLIGHT FREQUENCY
1	Air Astana	3
2	Air China	4
3	Air France	4
4	Air India Express	3
5	Air Mauritius	5
6	AirAsia	684 int/539 dom
7	AirAsia X	139
8	AirAsia Zest	7
9	All Nippon Airways	7
10	Bangkok Airways	11
11	Biman Bangladesh Airlines	11
12	British Airways	7
13	Cargolux Airlines International (Cargo)	5
14	Cathay Pacific Airways	28
15	Cebu Pacific Air	12
16	China Airlines	7 (3 C)
17	China Eastern Airlines	1
18	China Southern Airlines	14
19	Egyptair	3
20	Emirates	35
21	Ethiopian Airlines	4
22	Etihad Airways	14
23	Eva Airways	7
24	Federal Express Corp (Cargo)	6
25	Gading Sari (Cargo) - Domestic	14
26	Garuda Indonesia	29
27	Hong Kong Airlines (Cargo)	1
28	Indonesia AirAsia	73
29	Indonesia AirAsia X	35
30	Iran Air	2
31	Iran Aseman Airlines	2
32	Iraqi Airways	1
33	Japan Airlines International	7
34	Jetstar Asia	31
35	KLM- Royal Dutch Airlines	14
36	Korean Air	7(3C)

		WEEKLY FLIGHT FREQUENCY
37	Kuwait Airways	6
38	Lion Air	21
39	Lufthansa German Airlines	4
40	Mahan Air	3
41	Malaysia Airlines	563+ 23 (C) int/ 486 dom
42	Malindo Air	155 int/60 dom
43	Mega Maldives Air	2
44	Myanmar Airways International	3
45	National Air Sevcies	5
46	Nepal Airlines	6
47	Oman Air	14
48	Pakistan International Airlines	6
49	Qatar Airways	21
50	Rayani Air (Domestic)	9
51	Regent Airways	5
52	Royal Brunei Airlines	14
53	Royal Jordanian	4
54	Saudi Arabian Airlines	12
55	Shanghai Airlines	7
56	Silkair	49
57	Singapore Airlines	16
58	Srilankan Airlines	14
59	Thai AirAsia	28
60	Thai AirAsia X	1
61	Thai Airways International	14
62	Tiger Airways	23
63	Turkish Airlines	10
64	Turkmenistan Airlines	2
65	Ukraine Air Alliance (Cargo)	5
66	United Airways Bangladesh	2
67	United Parcel Services (Cargo)	9
68	Uzbekistan Airways	2
69	Vietnam Airlines	21
70	Xiamen Airlines	14
71	Yemenia Yemen Airways	1

DEFINITIONS

1. FLIGHT, INTERNATIONAL

A flight operated with one or both terminals in the territory of a State, other than the State in which the airline is registered. The term State includes all territories subject to the sovereignty, protection or mandate of such State.

2. FLIGHT, DOMESTIC

A flight operated between points within the domestic boundaries of a State by an airline registered in that State. A flight between a State and territories belonging to it, as well as a flight between two such territories, should be classified as domestic. This applies even though the flight may cross international waters or over the territory subject to the sovereignty, suzerainty, protection or mandate of such State.

3. COMMERCIAL AIR TRANSPORT OPERATION

An aircraft operation involving the transport of passengers, baggage, cargo or mail for remuneration or hire.

4. AIR SERVICES, SCHEDULED

Air services provided by flights scheduled and performed for remuneration according to a published timetable, or so regular or frequent as to constitute a recognisably systematic series which are open for use by public including empty flights related thereto and preliminary revenue flights on planned new air services.

5. NON SCHEDULED FLIGHT

Commercial flights not listed in the time table of an airline including General Aviation aircraft carrying passenger or cargo for remuneration or hire.

6. PASSENGER

Any person, except members of the crew, carried or to be carried in an aircraft with the consent of the carrier.

7. TRANSFER PASSENGER (CARGO, MAIL)

A passenger making a direct connection between two flights. i.e using different aircraft and flight numbers, operated by the same or another airline. Synonymous with connecting passenger.

8. TRANSIT PASSENGER (CARGO, MAIL)

A passenger arriving and departing on one and the same aircraft.

9. CARGO

Anything carried or to be carried in an aircraft, except mail, or baggage carried under a passenger ticket and baggage check, but includes baggage moving under an airway bill or shipment record.

10. MAIL, SERVICE

- Dispatches of correspondence and other objects tendered by and intended for delivery to postal administration.
- Goods carried under the terms of an international Postal Convention.

11. DEPARTURE

The boarding of an aircraft for the purpose of commencing a flight, except by such crew or passengers as have embarked on a previous stage of the same through-flight.

12. ARRIVAL

The leaving of an aircraft after a landing except by crew or passenger continuing to the next stage of the same through-flight.

13. STOLPORT

An airport designed to serve short take-off and landing (STOL) aircraft.

STATEMENT OF SHAREHOLDINGS

as at 1 March 2016

Share Capital

Authorised Share Capital	: RM2,000,000,001/-
Issued and Fully Paid-Up Capital	: RM1,659,191,828/-
Class of Equity Securities	: 1,659,191,828 Ordinary Shares of RM1/- each and One Special Rights Redeemable Preference Share of RM1/-
Voting Rights	: One vote per ordinary share The Special Share has no voting right other than that referred to in Note 27 of the Audited Financial Statements.

ANALYSIS OF SHAREHOLDINGS AS AT 1 MARCH 2016

A. DISTRIBUTION OF SHAREHOLDINGS (MALAYSIAN & FOREIGN)

Size of Holding	No. of Holders		No. of Holdings		Percentage	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
1-99	366	6	5,613	218	0.00	0.00
100-1,000	3,323	30	2,867,812	16,761	0.17	0.00
1,001 – 10,000	5,137	82	13,871,370	334,080	0.84	0.02
10,001 – 100,000	436	178	11,008,752	7,503,581	0.66	0.45
100,001 – 82,959,590 (*)	133	205	308,925,333	311,541,241	18.62	18.78
82,959,591 and above (**)	3	0	1,003,117,067	0	60.46	0.00
Total	9,398	501	1,339,795,947	319,395,881	80.75	19.25
Grand Total	9,899		1,659,191,828		100.00	

Remark : * Less than 5% of Issued Holdings
 ** 5% and above of Issued Holdings

Note(s) : The above information is based on records as provided by Bursa Malaysia Depository Sdn Bhd and number of holders reflected is in reference to CDS account numbers.

STATEMENT OF SHAREHOLDINGS

B. LIST OF TOP 30 SECURITIES ACCOUNT HOLDERS AS AT 1 MARCH 2016

(without aggregating securities from different securities accounts belonging to the same person)

	Name of Shareholders	No. of Holdings	Percentage
1.	KHAZANAH NASIONAL BERHAD	609,105,141	36.71
2.	AMANAHRAYA TRUSTEES BERHAD <i>AMANAH SAHAM BUMIPUTERA</i>	197,514,900	11.90
3.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD</i>	196,497,026	11.84
4.	AMANAHRAYA TRUSTEES BERHAD <i>AMANAH SAHAM WAWASAN 2020</i>	36,308,741	2.19
5.	AMANAHRAYA TRUSTEES BERHAD <i>AS IMALAYSIA</i>	34,808,300	2.10
6.	PERMODALAN NASIONAL BERHAD	31,823,539	1.92
7.	HSBC NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (JPMTSTCOJER AIF)</i>	31,413,451	1.89
8.	AMANAHRAYA TRUSTEES BERHAD <i>AMANAH SAHAM MALAYSIA</i>	24,258,311	1.46
9.	CARTABAN NOMINEES (ASING) SDN BHD <i>GIC PRIVATE LIMITED FOR GOVERNMENT OF SINGAPORE (C)</i>	17,029,617	1.03
10.	LEMBAGA TABUNG ANGKATAN TENTERA	16,879,560	1.02
11.	CARTABAN NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)</i>	16,869,600	1.02
12.	HSBC NOMINEES (ASING) SDN BHD <i>BBH AND CO BOSTON FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND</i>	13,931,300	0.84
13.	CARTABAN NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR RBC INVESTOR SERVICES TRUST (CLIENTS ACCOUNT)</i>	11,862,763	0.71
14.	HSBC NOMINEES (ASING) SDN BHD <i>TNTC FOR NEW ZEALAND SUPERANNUATION FUND</i>	10,623,391	0.64
15.	HSBC NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.S.A.)</i>	10,012,678	0.60
16.	CITIGROUP NOMINEES (ASING) SDN BHD <i>CBHK FOR HOSTPLUS POOLED SUPERANNUATION TRUST (NORTHCAPE CAP)</i>	9,728,212	0.59

STATEMENT OF SHAREHOLDINGS

	Name of Shareholders	No. of Holdings	Percentage
17.	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N 14011940100)</i>	9,498,573	0.57
18.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD <i>BNYM LUX FOR INVESCO FUNDS</i>	8,900,080	0.54
19.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD (AFFIN-HWG)</i>	8,524,614	0.51
20.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD <i>STATE STREET AUSTRALIA FUND REMI FOR RETAIL EMPLOYEES SUPERANNUATION TRUST</i>	8,484,101	0.51
21.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD (AMUNDI)</i>	7,520,487	0.45
22.	CITIGROUP NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)</i>	7,299,400	0.44
23.	HSBC NOMINEES (ASING) SDN BHD <i>TNTC FOR THE HIGHCLERE INTERNATIONAL INVESTORS EMERGING MARKETS SMID</i>	7,109,400	0.43
24.	HSBC NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (BVI)</i>	6,394,236	0.39
25.	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>SETIAUSAHA KERAJAAN PULAU PINANG</i>	5,940,000	0.36
26.	HSBC NOMINEES (ASING) SDN BHD <i>TNTC FOR COMMONWEALTH SUPERANNUATION CORPORATION</i>	5,742,228	0.35
27.	HSBC NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR BNP PARIBAS SECURITIES SERVICES (CLIENT ASSETS)</i>	5,423,282	0.33
28.	CIMB COMMERCE TRUSTEE BERHAD <i>PUBLIC FOCUS SELECT FUND</i>	4,857,672	0.29
29.	HSBC NOMINEES (ASING) SDN BHD <i>TNTC FOR THE HIGHCLERE INTERNATIONAL INVESTORS SMALLER COMPANIES FUND</i>	4,818,400	0.29
30.	AMANAHRAYA TRUSTEES BERHAD <i>PB GROWTH FUN</i>	4,648,576	0.28

STATEMENT OF SHAREHOLDINGS

C. LIST OF SECURITIES ACCOUNT HOLDERS OF SPECIAL RIGHTS REDEEMABLE PREFERENCE SHARE AS AT 1 MARCH 2016

1. The Minister of Finance (Incorporated)

D. SUBSTANTIAL SHAREHOLDERS AS AT 1 MARCH 2016

(as shown in the register of substantial shareholders)

Name of Substantial Shareholders	No. of Shares held		Percentage
	Direct	Indirect	
Khazanah Nasional Berhad	609,105,141	-	36.71
Employees Provident Fund Board	218,817,653	-	13.19
AmanahRaya Trustees Berhad – Skim Amanah Saham Bumiputera	197,514,900	-	11.90

E. DIRECTORS' SHAREHOLDINGS AS AT 1 MARCH 2016

(as shown in the register of directors' shareholdings)

Name of Directors	No. of Shares		Percentage
	Direct	Indirect	
1. Tan Sri Dato' Sri Dr Wan Abdul Aziz bin Wan Abdullah	-	-	-
2. Datuk Mohd Badlisham bin Ghazali	-	-	-
3. Dato' Sri Dr Mohmad Isa bin Hussain	-	-	-
4. Datuk Seri Yam Kong Choy	-	-	-
5. Datuk Zalekha binti Hassan	-	-	-
6. Jeremy bin Nasrulhaq	-	-	-
7. Rosli bin Abdullah	-	-	-
8. Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin	-	-	-
9. Dato' Mohd Izani bin Ghani	-	-	-
10. Norazura binti Takzim <i>(Alternate Director to Dato' Sri Dr Mohmad Isa bin Hussain)</i>	-	-	-

SHAREHOLDERS AND INVESTORS INFORMATION

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel : 603-2084 9000
Fax : 603-2094 9940/2095 0292

LISTING

The Company's shares are listed on the Main Market of Bursa Malaysia Securities Berhad in Malaysia.

MALAYSIAN TAXES ON DIVIDEND

The change in the tax structure from imputation to single tier system is the most significant change in Malaysia's tax laws. The company has now moved to the single tier system. Therefore, dividend received by the shareholders will be exempted from tax in Malaysia.

ANNUAL REPORT

The Annual Report is available to the public who are not shareholders of the Company, by writing to:

The Company Secretary
Malaysia Airports Holdings Berhad
Malaysia Airports Corporate Office
Persiaran Korporat KLIA
64000 KLIA, Sepang
Selangor Darul Ehsan
Tel : 603-8777 7011
Fax : 603-8777 7512

LIST OF PROPERTIES

Registered Owner and Location	Description and Existing Use	Tenure	Land Area	Built-up Area (sqm)	Net Book Value as at 31 Dec 2015 (RM'000)
LEASED PROPERTIES					
MALAYSIA AIRPORTS (SEPANG) SDN. BHD. FEDERAL LAND COMMISSIONER* Location: District of Sepang, Selangor Malaysia	KLIA	A total right of occupation of 25 years (Expiry date of 11 February 2034)	22,165 acres	-	-
MALAYSIA AIRPORTS HOLDINGS BHD. FEDERAL LAND COMMISSIONER** Location: District of Petaling, Selangor Malaysia	Sultan Abdul Aziz Shah Airport	A total right of occupation of 60 years (Expiry date of 31 December 2066)	1,122 acres	-	-
LANDED PROPERTIES OWNED BY THE GROUP					
MALAYSIA AIRPORTS (NIAGA) SDN. BHD. Location: Desa Cempaka, Bandar Baru Nilai Mukim Nilai, District of Seremban Negeri Sembilan, Malaysia	48 units of apartments	Freehold	-	3,791	2,130
MALAYSIA AIRPORTS (PROPERTIES) SDN. BHD. Location: Genting Permai Park & Resort District of Bentong, Pahang Malaysia	4 units of apartments	Freehold	-	342	697

Note:

* Pursuant to the KLIA Land Lease Agreement dated 18 October 1999 entered into between Malaysia Airports (Sepang) Sdn. Bhd. and the Federal Land Commissioner, Malaysia Airports (Sepang) Sdn. Bhd. has been granted the right of use of the KLIA land for a period of 50 years.

However, following a restructuring exercise for MAHB, the Land Lease Agreement was replaced by a new Land Lease Agreement dated 12 February 2009. Malaysia Airports (Sepang) Sdn. Bhd. has been granted the right of use of the KLIA land for a period of 25 years.

** Pursuant to the Land Lease Agreement dated 26 October 2007 entered into between Malaysia Airports Holdings Bhd and the Federal Land Commissioner, Malaysia Airports has been granted a lease of land of Sultan Abdul Aziz Shah (SAAS) Airport for a period of 60 years.

LIST OF PROPERTIES

Registered Owner and Location	Description and Existing Use	Tenure	Land Area	Built-up Area (sqm)	Net Book Value as at 31 Dec 2015 (RM'000)
LANDED PROPERTIES OWNED BY THE GROUP (CONT'D.)					
MALAYSIA AIRPORTS (PROPERTIES) SDN. BHD.					
Location: Teluk Dalam, Pulau Pangkor District of Manjung, Perak Malaysia	10 units of apartments	Freehold	-	744	812
MALAYSIA AIRPORTS SDN. BHD.					
Location: CL 205357688 Sierra Estates Condominium Jalan Ranca-Ranca Federal Territory of Labuan Malaysia	32 units of apartments	Leasehold of 99 years (Expiry date of 31 December 2089)	-	3,175	-
MALAYSIA AIRPORTS SDN. BHD.					
Location: CL 205359593 Kg. Nagalang Federal Territory of Labuan Malaysia	Land (Residential)	Leasehold of 99 years (Expiry date of 31 December 2090)	1.10 acres	-	255
MALAYSIA AIRPORTS (PROPERTIES) SDN. BHD.					
Location: CL 205317951 Kg. Nagalang Federal Territory of Labuan Malaysia	Land (Agriculture)	Leasehold of 99 years (Expiry date of 31 December 2077)	1.22 acres	-	210

GROUP CORPORATE DIRECTORY

MALAYSIA AIRPORTS HOLDINGS BERHAD AND GROUP

Registered Address:
Malaysia Airports Corporate Office
Persiaran Korporat KLIA
64000 KLIA, Sepang,
Selangor Darul Ehsan
Tel : 603-8777 7000
Fax : 603-8777 7778/603-8777 7512

MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)

MALAYSIA AIRPORTS SDN. BHD. (230646-U)

MALAYSIA AIRPORTS CONSULTANCY SERVICES SDN. BHD. (375245-X)

MALAYSIA AIRPORTS CITIES SDN. BHD. (1114062-X)

Business Address:
Malaysia Airports Corporate Office
Persiaran Korporat KLIA
64000 KLIA, Sepang,
Selangor Darul Ehsan
Tel : 603-8777 7000
Fax : 603-8777 7778/603-8777 7512

MALAYSIA AIRPORTS (SEPANG) SDN. BHD. (320480-D)

Business Address:
4th Floor, Airport Management Centre
Kuala Lumpur International Airport
64000 KLIA, Sepang,
Selangor Darul Ehsan
Tel : 603-8776 2000/603-8777 8888
Fax : 603-8926 5510/603-8926 5209

MALAYSIA AIRPORTS (NIAGA) SDN. BHD. (281310-V)

Business Address:
3rd Floor, Airport Management Centre
Kuala Lumpur International Airport
64000 KLIA, Sepang,
Selangor Darul Ehsan
Tel : 603-8776 8600
Fax : 603-8787 3747

MALAYSIA AIRPORTS (PROPERTIES) SDN. BHD. (484656-H)

Business Address:
Block C, Ground Floor,
Short Term Car Park
Kuala Lumpur International Airport
64000 KLIA, Sepang,
Selangor Darul Ehsan
Tel : 603-8776 8401
Fax : 603-8776 8181

K.L. AIRPORT HOTEL SDN. BHD.

(330863-D)

SAMA-SAMA HOSPITALITY MANAGEMENT SDN. BHD. (1029991-A)

Business Address:
Sama-Sama Hotel
Kuala Lumpur International Airport
Jalan CTA 4B, 64000 KLIA
Sepang, Selangor Darul Ehsan
Tel : 603-8787 3333
Fax : 603-8787 5855

MAB AGRICULTURE-HORTICULTURE SDN. BHD. (467902-D)

Business Address:
4th Floor, Airport Management Centre
Kuala Lumpur International Airport
64000 KLIA, Sepang,
Selangor Darul Ehsan
Tel : 019-2824 362
Fax : 019-2163 025

MALAYSIA INTERNATIONAL AEROSPACE CENTRE SDN. BHD.

(438244-H)

Business Address:
Unit M8 & M9, Skypark Terminal
Sultan Abdul Aziz Shah Airport
47200 Subang, Selangor Darul Ehsan
Tel : 603-7846 3870
Fax : 603-7846 3300

MALAYSIA AIRPORTS TECHNOLOGIES SDN. BHD. (512262-H)

Business Address:
3rd Floor, Airport Management Centre
Kuala Lumpur International Airport
64000 KLIA, Sepang,
Selangor Darul Ehsan
Tel : 603-8776 8341
Fax : 603-8786 8680

URUSAN TEKNOLOGI WAWASAN SDN. BHD. (459878-D)

Business Address:
1st Floor, Civil Engineering Building
Engineering Complex
Kuala Lumpur International Airport
64000 Sepang, Selangor Darul Ehsan
Tel : 603-8776 7002
Fax : 603-8787 2455

AIRPORT DIRECTORY

INTERNATIONAL AIRPORTS

KL INTERNATIONAL AIRPORT

64000 KLIA Sepang
Selangor Darul Ehsan, Malaysia
T : 603-8777 8888
F : 603-8926 5510

PENANG INTERNATIONAL AIRPORT

11900 Bayan Lepas
Pulau Pinang, Malaysia
T : 604-252 0252
F : 604-643 5339

LANGKAWI INTERNATIONAL AIRPORT

07100 Padang Mat Sirat, Langkawi
Kedah Darul Aman, Malaysia
T : 604-955 1311
F : 604-955 1314

KOTA KINABALU INTERNATIONAL AIRPORT

Beg Berkunci No. 134
Aras 5, Bangunan Terminal
88740 Kota Kinabalu Sabah, Malaysia
T : 6088-325 555
F : 6088-325 511
(Under the supervision of Kota Kinabalu International Airport: STOL Port Kudat & Long Pasia)

KUCHING INTERNATIONAL AIRPORT

Peti Surat 1070
93722 Kuching, Sarawak, Malaysia
T : 6082-454 242
F : 6082-458 587

DOMESTIC AIRPORTS

SKYPARK TERMINAL

SULTAN ABDUL AZIZ SHAH AIRPORT

47200 Subang
Selangor Darul Ehsan, Malaysia
T : 603-7845 3245
F : 603-7846 3679

SULTAN AHMAD SHAH AIRPORT

26070 Kuantan
Pahang Darul Makmur, Malaysia
T : 609-531 2123/2100
F : 609-538 4017
(Under the supervision of Sultan Ahmad Shah Airport: STOL Port Tioman)

LABUAN AIRPORT

Jalan Tun Mustafa
Peti Surat 80569
87015 W.P. Labuan
Sabah, Malaysia
T : 6087-416 007/415 015
F : 6087-410 129

SULTAN AZLAN SHAH AIRPORT

31350 Ipoh
Perak Darul Ridzuan, Malaysia
T : 605-318 8202
F : 605-312 2295
(Under the supervision of Sultan Azlan Shah Airport: STOL Port Pangkor)

SULTAN ABDUL HALIM AIRPORT

06200 Alor Setar
Kedah Darul Aman, Malaysia
T : 604-714 6876
F : 604-714 5345

SIBU AIRPORT

Peti Surat 645
96000 Sibu, Sarawak, Malaysia
T : 6084-307 770
F : 6084-307 709
(Under the supervision of Sibu Airport: STOL Port Mukah & Kapit)

SULTAN ISMAIL PETRA AIRPORT

Pengkalan Chepa
16100 Kota Bharu, Kelantan Darul Naim, Malaysia
T : 609-773 7400
F : 609-773 3852

SULTAN MAHMUD AIRPORT

21300 Kuala Terengganu
Terengganu Darul Iman, Malaysia
T : 609-667 3666
F : 609-662 6670

BINTULU AIRPORT

97000 Bintulu, Sarawak, Malaysia
T : 6086-339 163
F : 6086-337 011
(Under the supervision of Bintulu Airport: STOL Port Belaga)

MELAKA AIRPORT

75350 Melaka, Malaysia
T : 606-317 5860
F : 606-317 5214

SANDAKAN AIRPORT

P.O. Box 1719
90719 Sandakan, Sabah, Malaysia
T : 6089-667 782/786
F : 6089-667 778

LIMBANG AIRPORT

98700 Limbang
Sarawak, Malaysia
T : 6085-212 090
F : 6085-214 979

MULU AIRPORT

Peti Surat 851
98008 Miri, Sarawak, Malaysia
T : 6085-615 204/205
F : 6085-614 537

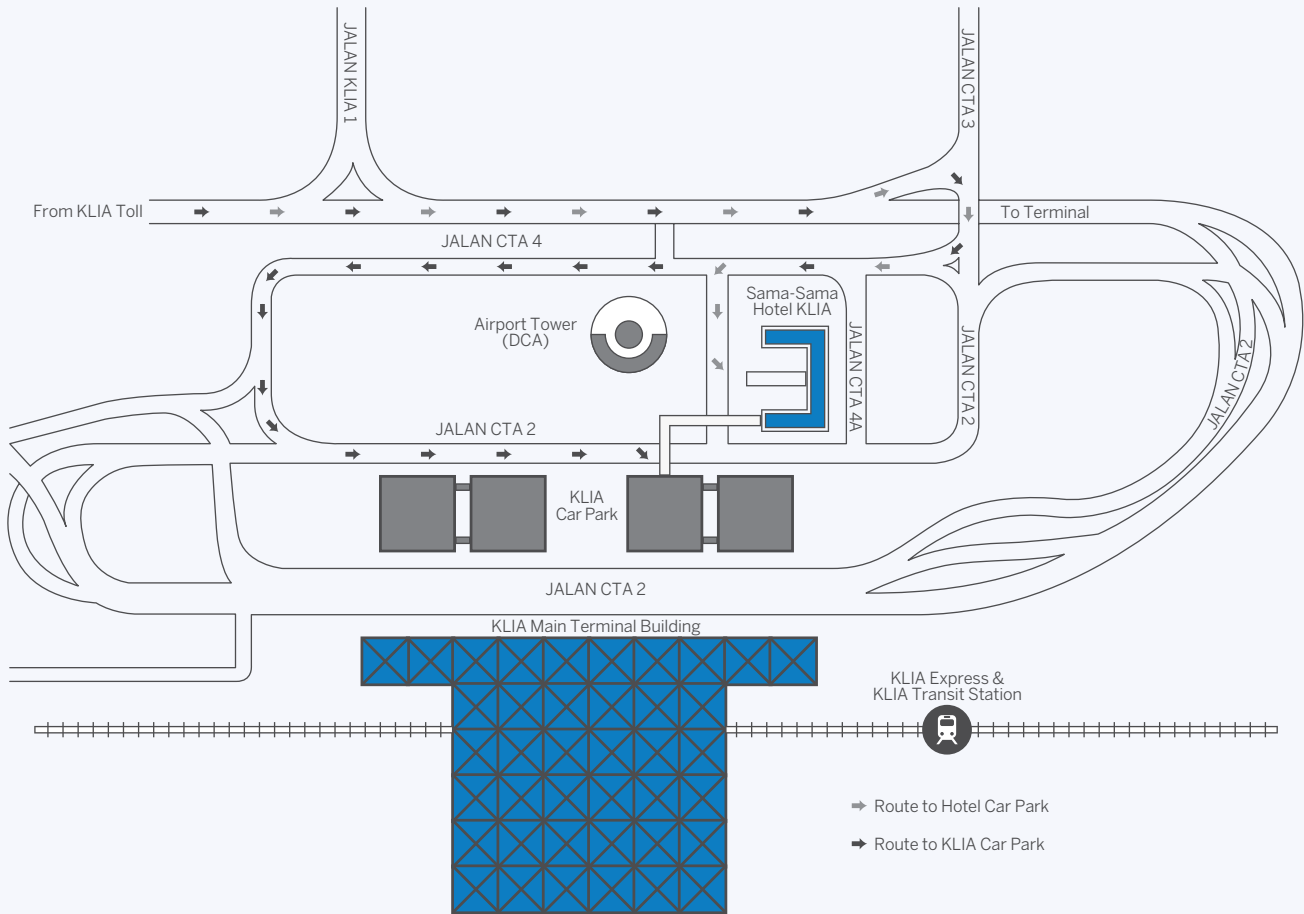
LAHAD DATU AIRPORT

P.O. Box 213
91108 Lahad Datu, Sabah, Malaysia
T : 6089-881 033
F : 6089-881 618

TAWAU AIRPORT

P.O. Box 60132
91011 Tawau, Sabah, Malaysia
T : 6089-950 777
F : 6089-950 781
(Under the supervision of Tawau Airport: STOL Port Semporna)

MAP TO THE AGM VENUE



PROXY FORM

Malaysia Airports Holdings Berhad (487092-W)
Incorporated in Malaysia



CDS Account No.	
No. of Shares Held	

I/We _____ NRIC No./Passport No./Company No. _____
[FULL NAME IN CAPITAL LETTERS]

of _____
[FULL ADDRESS]

_____ being a Member(s) of

MALAYSIA AIRPORTS HOLDINGS BERHAD, hereby appoint _____
[FULL NAME IN CAPITAL LETTERS]

_____ NRIC No./Passport No. _____

of _____
[FULL ADDRESS]

or failing him/her _____ NRIC No./Passport No. _____
[FULL NAME IN CAPITAL LETTERS]

of _____
[FULL ADDRESS]

or failing him/her the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held at Gateway Ballroom, Level 1, Sama-Sama Hotel, Kuala Lumpur International Airport, Jalan CTA 4B, 64000 KLIA, Sepang, Selangor Darul Ehsan on Wednesday, 27 April 2016 at 11.00 a.m. for the following purposes:-

Please indicate with an 'X' in the space provided below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

NO.	RESOLUTIONS	FOR	AGAINST
1.	ORDINARY RESOLUTION 1 To declare and approve the payment of a final single-tier dividend of 4.50 sen per ordinary share in respect of the financial year ended 31 December 2015 as recommended by the Directors.		
2.	ORDINARY RESOLUTION 2 To approve the payment of Directors' fees for the financial year ended 31 December 2015.		
3.	ORDINARY RESOLUTION 3 To re-elect Dato' Sri Dr Mohmad Isa bin Hussain who shall retire in accordance with Article 129 of the Company's Articles of Association and being eligible, offers himself for re-election.		
4.	ORDINARY RESOLUTION 4 To re-elect Datuk Seri Yam Kong Choy who shall retire in accordance with Article 131 of the Company's Articles of Association and being eligible, offers himself for re-election.		
5.	ORDINARY RESOLUTION 5 To re-elect Datuk Zalekha binti Hassan who shall retire in accordance with Article 131 of the Company's Articles of Association and being eligible, offers herself for re-election.		
6.	ORDINARY RESOLUTION 6 To re-elect Rosli bin Abdullah who shall retire in accordance with Article 131 of the Company's Articles of Association and being eligible, offers himself for re-election		
7.	ORDINARY RESOLUTION 7 To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		

As witness my/our hands this _____ day of _____, 2016.

Signature of Member/Common Seal

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation and the provisions of Section 149(a), (b) and (c) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
2. The instrument appointing a proxy shall be in print or writing under the hand of the appointer or his/her duly constituted attorney, or if such appointer is a corporation, under its common seal or the hand and seal of its attorney.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Malaysia Airports Corporate Office, Persiaran Korporat KLIA, 64000 KLIA, Sepang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the Meeting or at any adjournment thereof.
4. Shareholders' attention is hereby drawn to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which allows a member of the Company which is an exempt authorised nominee, as defined under the Securities Industry (Central Depositories) Act, 1991, who holds ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus Account) to appoint multiple proxies in respect of each Omnibus Account it holds.

STAMP

The Company Secretary
Malaysia Airports Holdings Berhad (487092-W)
Malaysia Airports Corporate Office
Persiaran Korporat KLIA
64000 KLIA, Sepang
Selangor Darul Ehsan