MALAYSIA AIRPORTS

THE CENTRE OF EXCITEMENT

Annual Report 2014

16th ANNUAL GENERAL MEETING

THE CENTRE OF EXCITEMENT

In the last one decade, Malaysia Airports has striven to bring unparalleled efficiency in airport operations and management, top-notch service quality and solid returns to our shareholders while remaining committed to sustainable and ethical practices. Our moving forward strategy is meant to energise the company and imbue our employees with innovative spirit.

We aim to create centres of excitement, not just at our airports but throughout the whole company. For all of us at Malaysia Airports, we look beyond our boundaries, to give all our stakeholders a complete experience.

Date : *5 May 2015, Tuesday*
Time : *11.00 a.m.*
Venue : *Gateway Ballroom, Level 1*
Sama-Sama Hotel
Kuala Lumpur International Airport
Jalan CTA 4B
64000 KLIA, Sepang
Selangor Darul Ehsan


MITSUI OUTLET PARK KLIA
MALL
HOTEL SAMA-SAMA
MAHB

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i-MAHB ios icon

i-MAHB android icon

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4. Click the start button from the i-MAHB App to launch the AR camera.
5. Look for the "AR Icon" in the book and scan it with the AR camera to enjoy interactive AR content.
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OUR MISSION

TOGETHER WE CREATE JOYFUL EXPERIENCES BY CONNECTING PEOPLE AND BUSINESSES

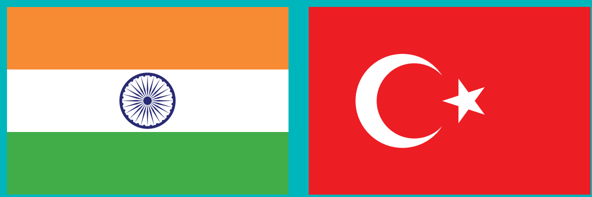
OUR VISION

TO BE THE GLOBAL LEADER IN CREATING AIRPORT CITIES

Leading Global Airport Company

OPERATING
5 INTERNATIONAL AIRPORTS
16 DOMESTIC AIRPORTS
18 STOLPORTS IN MALAYSIA

3 OVERSEAS
AIRPORTS INVESTMENT–
2 AIRPORTS IN INDIA AND
1 IN TURKEY



MALAYSIA AIRPORTS TODAY

A DYNAMIC TEAM OF NEARLY
10,600
EMPLOYEES

SERVING
95 AIRLINES &
83.3 MILLION
PASSENGERS
IN 2014

Listed on Main Market of Bursa Malaysia since 1999 with market capitalisation of
RM11.55
BILLION AS AT 31 MARCH 2015

Total assets of
RM22.53
BILLION AS AT 31 DECEMBER 2014

KEY MILESTONES

‘91 MALAYSIA AIRPORTS

MALAYSIA AIRPORTS INCORPORATION

‘98

OPENING OF KLIA

‘99

MALAYSIA AIRPORTS LISTED ON MAIN BOARD OF BURSA MALAYSIA SECURITIES BERHAD

‘03

NEW MANAGEMENT TEAM appointed and given the goal of driving a new business philosophy

‘04

50% MINISTRY OF FINANCE (INC.) STAKE TRANSFERRED TO KHAZANAH, increasing Khazanah’s stake to 73%. Transformation initiatives to run Malaysia Airports as a commercial entity kicked off

KEY MILESTONES

'06

MALAYSIA AIRPORTS IS KHAZANAH'S TOP 20 GLC
for high performance and the first in the region to recognise the booming Low-Cost Carrier (LCC) sector by opening the first dedicated terminal for LCCs (LCCT-KLIA)

'09

NEW OPERATING AGREEMENTS SIGNED

'10

THE GROUND BREAKING CEREMONY
for the construction of klia2

'13

SAMA-SAMA BRAND LAUNCHED
Malaysia Airports embarked on the airport hotel business and launched a new airport hotel brand.

SMOOTH AND SUCCESSFUL TRIAL LANDING TESTING FOR RUNWAY 3 AT KLIA

'14

COMPLETION AND SUCCESSFUL OPENING OF klia2

FULL ACQUISITION OF ISTANBUL SABIHA GOKCEN INTERNATIONAL AIRPORT IN TURKEY

MEDIA HIGHLIGHTS


New era for MAHB

PASSING THE BATON: Badlisham to take over as managing director effective June 23


More green days

Programme will be held at other airports in phases


MAHB wins Doha job


Ipoh airport ready to take on bigger aircraft

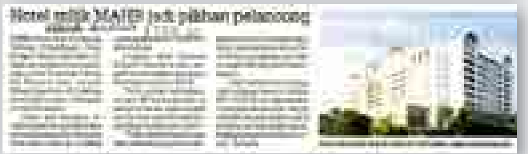

MAHB enjoys healthy passenger traffic growth


KLIA2 jadi hab peruncitan


MAHB to own 100% stake in ISGA


MAHB bangun KLIA Aeropolis


MAHB goes for renewable energy at KLIA


Hotel milik MAHB jadi pilihan pelancong


Niaga

MAHB syarikat terbaik menerusi Anugerah Majikan Malaysia


Home business

MAHB reveals 5-year vision, strategy themes

MEDIA HIGHLIGHTS

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


30,000 serbu KLIA2

Hari terbuka dapat sambutan hangat pengunjung


MAHB: More S'wak schools for Beyond Borders programme


KLIA menang anugerah Lapangan Terbang Terbaik


British Airways coming back to KL

BY LEE WENG KHUEN

KUALA LUMPUR: British Airways, which is spending [illegible] billion (RM[illegible] billion) for the renewal of its aircraft globally, will resume the Kuala Lumpur-London route, after it was suspended in 2001.

Its area general manager for Asia Pacific, Middle East and Africa Jamie Cassidy said the Asia Pacific region has become important for the aviation industry, citing that "timing is right" for a Malaysian comeback.

"This decision has been years in the making ... we have seen a lot of development in Malaysia, and now about [illegible] people travel between UK and Kuala Lumpur, so it is a huge market," he said, adding that 70,000 Malaysia students are studying in the UK.

Cassidy believes the new route between Kuala Lumpur and London will also get the benefit from the group's total

in the aviation sector.

When asked about its competition with MAS on the same route, Cassidy said collaborative efforts can be pursued but one should not be seen as a competitor to another, considering both are members of the One World Alliance.

Meanwhile, in a statement released yesterday, Malaysia Airports Holdings Bhd (MAHB) managing director Datuk Badlisham Ghazali said MAHB has been working closely with British Airways in planning the resumption of British Airways' flights to Kuala Lumpur for several years.

"This decision encapsulates the collaboration and partnership that had existed between the airline and MAHB," he added.

British Airways will resume direct daily flights from Kuala Lumpur to London from May 27, 2015, and will be operated by Boeing 777-200ER aircraft. It began selling flight tickets


KLIA2 has what it takes to soar, says Najib


MAHB bantu kakitangan mangsa banjir


KLIA2 opens to handle low-cost air travel

Facts about KLIA2


Sandaran terminal baru

MAHB yakin catat peningkatan penumpang sehingga 9.7% akhir tahun ini


'MAHB poised for higher profits in 2015'

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 2014. The Annual Report also contains the Notice of the 16th 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 Tuesday, 5 May 2015 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 world-class 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. Therefore, it is only apt to choose "The Centre of Excitement" as the theme of our Annual Report.

The Annual Report and Audited Financial Statements provides a comprehensive statement of our strategic direction, latest undertakings, achievements & awards, corporate responsibilities & 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 2015, ten (10) 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 up to 4.32 sen per ordinary share but not less than 3.60 sen per ordinary share in respect of the financial year ended 31 December 2014 with a total quantum of final single-tier dividend amounting to RM59.47 million, subject to the shareholders' approval at the AGM. The Board had on 13 February 2015 determined that the Dividend Reinvestment Plan ("DRP") will apply to the entire final dividend. Therefore, the Notice of Book Closure Date, the Entitlement Date and the Payment Date will only be announced on the day the Issue Price of the shares to be issued under DRP is announced.

At the AGM, the Board is recommending the re-election of six (6) Directors who are due for retirement, namely, Datuk Mohd Badlisham bin Ghazali, Dato' Siti Zauyah binti Md. Desa, Datuk Dr. Ismail bin Hj. Bakar, Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah, Jeremy bin Nasrulhaq and Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin 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, the re-appointment of the auditors, and the renewal of authority to allot and issue shares in relation to the DRP, 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 16TH ANNUAL GENERAL MEETING

***NOTICE IS HEREBY GIVEN THAT** the 16th 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 Tuesday, 5 May 2015 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 2014 together with the Reports of the Directors and Auditors 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 up to 4.32 sen per ordinary share but not less than 3.60 sen per ordinary share, in respect of the financial year ended 31 December 2014 as recommended by the Directors, with a total quantum of final single-tier dividend amounting to RM59.47 million. ***Ordinary Resolution 1***

Explanatory Note:
In accordance with Article 154 of the Company's Articles of Association, the Board is recommending that the shareholders to approve the payment of a final single-tier dividend ("Dividend"). Pursuant to Paragraph 8.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Dividend, if approved, will be paid no later than three (3) months from the shareholders' approval. The Book Closure Date ("BCD") will be announced by the Company after the Annual General Meeting.

On 27 January 2015, the Company has announced the issuance of Renounceable Rights Issue of 275,308,267 new ordinary shares of RM1 each in MAHB. The total quantum of a Dividend is RM59.47 million. In the event that none of the new shares under the Rights Issue ("Rights Shares") are issued by the BCD, a Dividend would be 4.32 sen per ordinary share. In the event that all the Rights Shares are issued by the BCD, a Dividend would be 3.60 sen per ordinary share.

On 27 March 2015, the Rights Issue has been completed following the listing of 275,308,267 Rights Shares on Main Market of Bursa Malaysia Securities Berhad. The Proposed Dividend in respect of financial year ended 31 December 2014 is 3.60 sen per ordinary shares based on the issued and paid up share capital post the completion of the Rights Issue of 1,651,849,606.

NOTICE OF THE 16TH ANNUAL GENERAL MEETING

3. To approve the payment of Directors' fees for the financial year ended 31 December 2014. ***Ordinary Resolution 2***

Explanatory Note:
In accordance with Article 112 of the Company's Articles of Association, the Board is recommending that the shareholders to approve the payment of Directors' fees totalling RM1,053,000 to the Non-Executive Directors for the financial year ended 31 December 2014.

4. To re-elect Datuk Mohd Badlisham bin Ghazali who shall retire in accordance with Article 129 of the Company's Articles of Association and being eligible, offers himself for re-election. ***Ordinary Resolution 3***

5. To re-elect Dato' Siti Zauyah binti Md Desa who shall retire in accordance with Article 129 of the Company's Articles of Association and being eligible, offers herself for re-election. ***Ordinary Resolution 4***

6. To re-elect Datuk Dr. Ismail bin Hj. Bakar who shall retire in accordance with Article 129 of the Company's Articles of Association and being eligible, offers himself for re-election. ***Ordinary Resolution 5***

Explanatory Note for Ordinary Resolutions 3 to 5:
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/she shall retire but shall then be eligible for re-election.

7. To re-elect Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan 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 6***

8. To re-elect Jeremy bin Nasrulhaq 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 7***

9. To re-elect Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin 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 8***

Explanatory Note for Ordinary Resolutions 6 to 8:
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 for re-election.

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

10. To re-appoint Messrs. Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. ***Ordinary Resolution 9***

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.

NOTICE OF THE 16TH ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

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

(i) Proposed Renewal of the Authority to Allot and Issue New Ordinary Shares of RM1.00 each in MAHB ("MAHB Shares"), for the purpose of the Company's Dividend Reinvestment Plan ("DRP") that provides the Shareholders of MAHB ("Shareholders") the option to elect to reinvest their cash dividend in MAHB Shares

"THAT pursuant to the DRP as approved by the Shareholders at the Extraordinary General Meeting held on 30 November 2012 and subject to the approval of the relevant authority (if any), approval be and is hereby given to the Company to allot and issue such number of new MAHB Shares from time to time as may be required to be allotted and issued pursuant to the DRP until the conclusion of the next Annual General Meeting in such number and to such person and upon such terms and conditions as the Directors may, in their sole and absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new MAHB Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price ("VWAP") of MAHB Shares immediately prior to the price-fixing date, of which the VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price and the issue price may not be less than the par value of MAHB Shares at the material time;

AND THAT the Directors and the Secretary of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRP with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments or at the discretion of the Directors in the best interest of the Company." ***Ordinary Resolution 10***

Explanatory Note:
As at the date of the Notice, the Company has issued a total of 42,491,339 MAHB Shares pursuant to the implementation of the DRP approved by the shareholders at the Extraordinary General Meeting held on 30 November 2012. The authority to allot MAHB Shares pursuant to the DRP was first granted on 30 November 2012 and subsequently at the 14th and 15th Annual General Meetings held on 28 March 2013 and 20 March 2014 respectively.

The above proposed Ordinary Resolution, if passed, would allow the Company to allot and issue new MAHB Shares pursuant to the DRP from the 16th Annual General Meeting until the convening of the next Annual General Meeting. It would also allow the Directors to fix the issue price of such new MAHB Shares at a discount of up to 10% of the adjusted five (5)-day VWAP of MAHB Shares immediately prior to the price-fixing date.

The above proposed Ordinary Resolution, if passed, would allow the Directors and the Secretary to act on behalf of the Company in executing and giving effect to all the relevant and necessary transactions, arrangements and documents pertaining to the implementation of the DRP in the interest of expedience and efficiency subject always to the best interest of the Company.

NOTICE OF THE 16TH ANNUAL GENERAL MEETING

12. 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
13 April 2015

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/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 proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her 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/her 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 forty-eight (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 27 April 2015 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.

STATEMENT ACCOMPANYING NOTICE OF THE 16TH ANNUAL GENERAL MEETING

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

1. The Directors who are retiring pursuant to Article 129 of the Company's Articles of Association and seeking re-election are as follows:

   (i) Datuk Mohd Badlisham bin Ghazali;
   (ii) Dato' Siti Zauyah binti Md Desa; and
   (iii) Datuk Dr. Ismail bin Hj. Bakar.

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) Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah;
   (ii) Jeremy bin Nasrulhaq; and
   (iii) Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin.

The profiles of the above Directors are set out in the section entitled "Board of Directors' Profile" from pages 82 to 98 of this Annual Report. Their shareholdings in the Company are set out in the section entitled "Statistics of Shareholdings" on page 378 of this Annual Report.

LOCATION OF THE ANNUAL GENERAL MEETING

LOCATION OF THE AGM

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

Tel : 03-8787 3333

Fax : 03-8787 5555

Website : www.samasamahotels.com

HOW TO GET THERE?

By Car

- The Sama-Sama Hotel, KLIA is:
  - 80 km drive from Kuala Lumpur City Centre.
  - 40 km drive from Petaling Jaya.
  - 30 km drive from Putrajaya/Cyberjaya via the North-South Expressway Central Link (ELITE).
- Signposts are visibly placed with directions to the right location.
- Ample parking spaces are available at the Hotel and at the short term car park, KLIA.

By Express Rail Link

The Express Rail Link service can be boarded from the KL Sentral Station.

ADDITIONAL INFORMATION

Mobile Phones

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

Registration

Please register your attendance at the registration desks which are clearly located at the front entrance of Gateway Ballroom.

KEY FINANCIAL HIGHLIGHTS

INCOME STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	2014 RM Million	2013 RM Million	% Change
Revenue	**3,343.7**	4,098.8	(18.4)
Operating profit	**385.9**	618.0	(37.6)
Gain arising from re-measurement of fair value of investment	**502.5**	-	-
Gain on bargain purchase	**379.1**	-	-
Impairment of goodwill	**(229.4)**	-	-
Finance costs	**(151.3)**	(28.4)	432.7
Share of results of associates	**0.1**	(39.4)	(100.3)
Share of results of jointly controlled entities	**(52.7)**	3.0	(1,856.7)
Profit before tax and zakat from continuing operations	**834.2**	553.2	50.8
Taxation and zakat	**(85.9)**	(175.5)	(51.1)
Profit from continuing operations, net of tax	**748.2**	377.7	98.1
Profit attributable to:			
Owners of the parent	**748.2**	377.4	98.3
Non-controlling interests	**(0.0)**	0.1	(100.0)
	748.2	377.5	98.2
Earnings per share attributable to owners of the parent (sen per share)			
- basic, for profit from continuing operations	**55.40**	30.80	
Return on equity	**12.37%**	8.36%	
Average Equity	**6,050.3**	4,518.8	

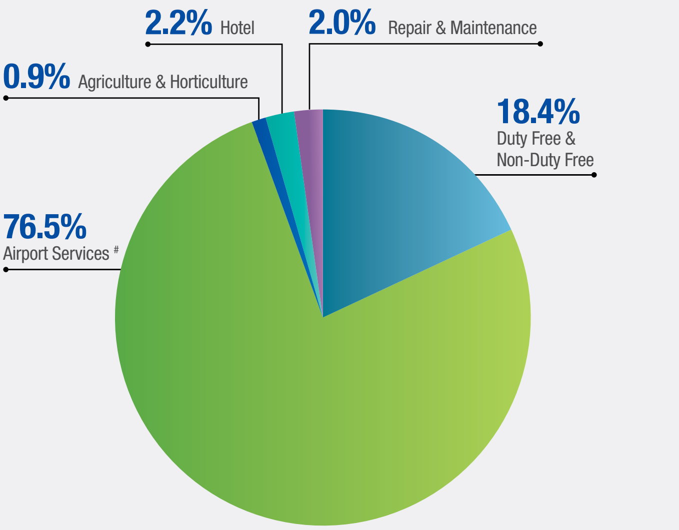
KEY FINANCIAL HIGHLIGHTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

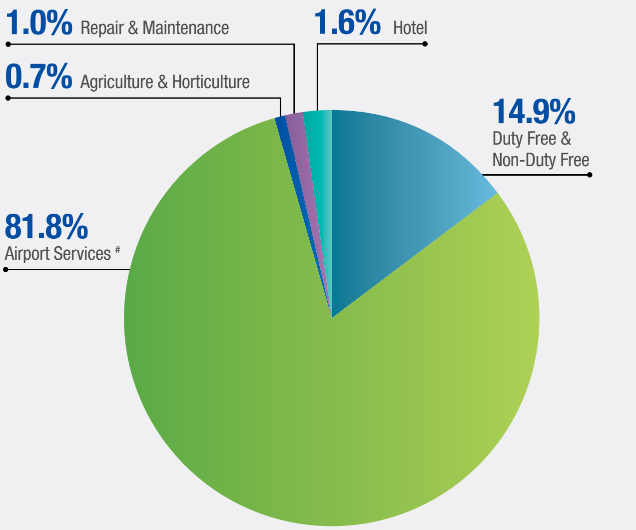
	2014 RM Million	2013 RM Million	% Change
Assets			
Property, plant and equipment	**426.4**	386.6	10.3
Investments	**568.8**	431.4	31.8
Other non-current assets	**18,622.6**	8,667.0	114.9
Current assets	**2,912.2**	1,038.2	180.5
Assets of disposal group classified as held for disposal	**0.1**	0.1	-
Total assets	**22,530.1**	10,523.3	114.1
Equity and liabilities			
Share capital	**1,374.2**	1,232.4	11.5
Perpetual sukuk	**997.8**	-	-
Share premium	**2,373.1**	1,409.4	68.4
Retained earnings	**2,676.8**	2,037.4	31.4
Fair value adjustment reserve	**(1.9)**	(0.5)	280.0
Other reserve	**2.6**	2.5	4.0
Foreign exchange reserve	**(0.5)**	(2.9)	(82.8)
	7,422.1	4,678.3	58.7
Non-controlling interests	**0.0**	0.0	(45.3)
Total equity	**7,422.2**	4,678.3	58.7
Non-current liabilities	**11,396.2**	4,674.5	143.8
Current liabilities	**3,711.7**	1,170.5	217.1
Liabilities of disposal group classified as held for disposal	**0.0**	0.0	(39.5)
Total liabilities	**15,107.9**	5,845.0	158.5
Total equity and liabilities	**22,530.1**	10,523.3	114.1
Net asset per share (RM)	**5.40**	3.80	42.11
Return on assets	**3.3%**	3.6%	

GROUP SEGMENTAL ANALYSIS

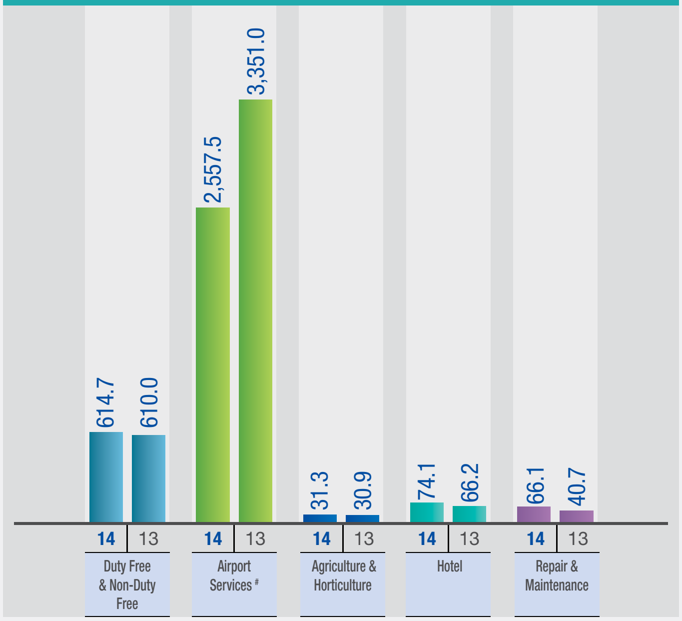
REVENUE 2014



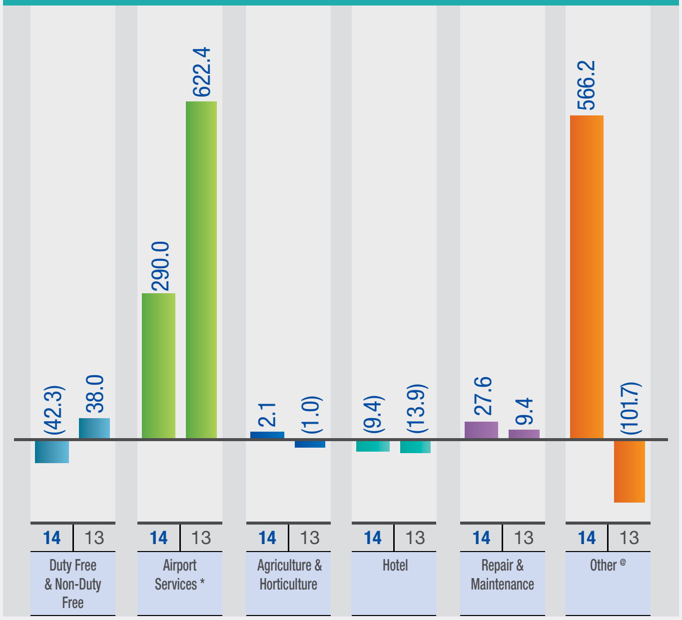
REVENUE 2013



2014 TOTAL REVENUE: RM3,343.7 MILLION



2014 TOTAL PROFIT BEFORE TAXATION: RM834.2 MILLION



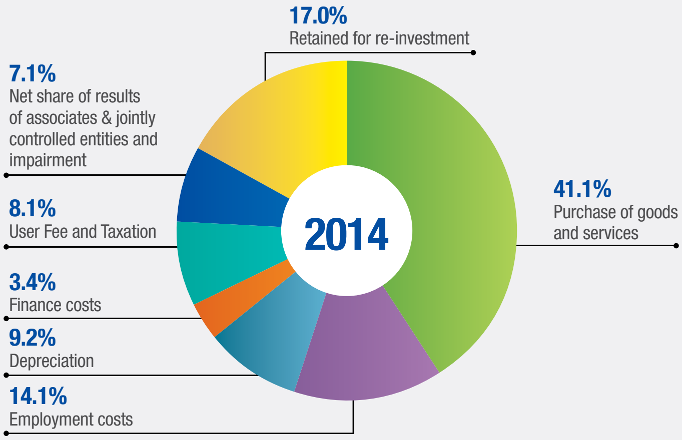
Note:

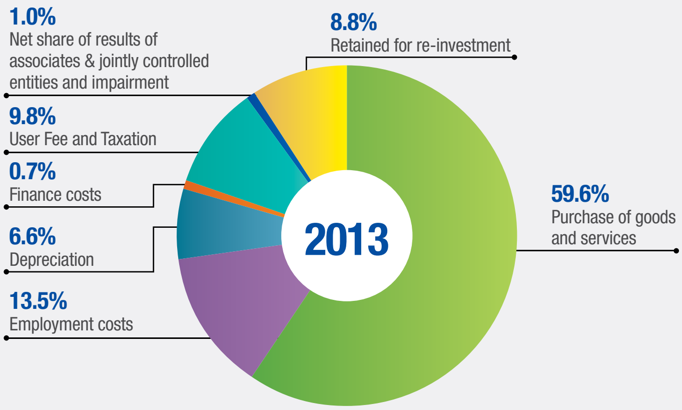
Airport Services revenues include IC 12 construction revenues amounting to RM662.4 million and RM1,635.9 million in FY2014 and FY2013 respectively.

* Airport Services profit before taxation include IC 12 construction profits amounting to RM28.5 million and RM72.0 million in FY2014 and FY2013 respectively.

@ The group segmental profit before taxation includes inter-segment eliminations and consolidation entries.

STATEMENT OF DISTRIBUTION





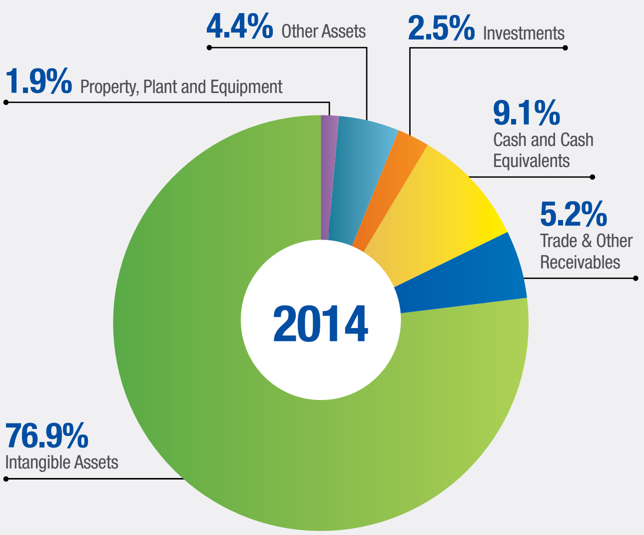
	2014 RM Million	%	2013 RM Million	%
Current income available for distribution	**4,392.0***		4,233.8	
To supplier				
Purchase of goods and services	**1,804.4**	41.1	2,526.5	59.6
To employees				
Employment costs	**619.3**	14.1	569.9	13.5
Utilisation of assets				
Depreciation	**405.4**	9.2	277.9	6.6
To financier				
Finance costs	**151.3**	3.4	28.4	0.7
To government				
User fee and taxation	**357.3**	8.1	413.3	9.8
**To net share of results of associates & jointly controlled entities and impairment ** **				
Net share of results of associates & jointly controlled entities and impairment	**306.1**	7.1	40.3	1.0
Retained for re-investment and future growth and dividend payment				
Current year	**748.2**	17.0	377.5	8.8
	4,392.0	100.0	4,233.8	100.0

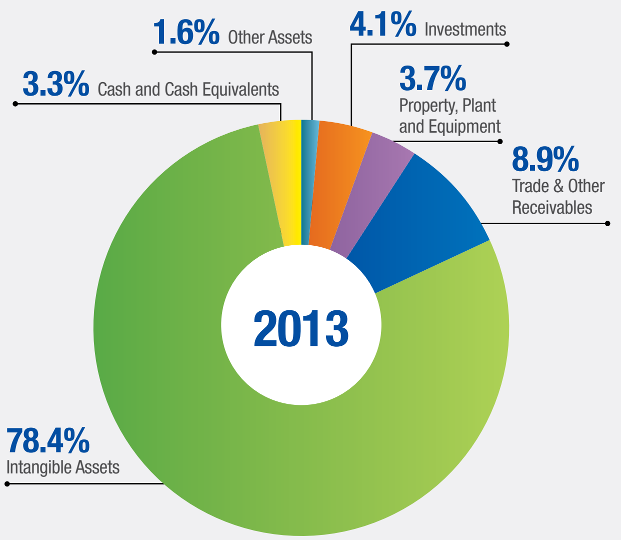
* Included in current income available for distribution are gain arising from re-measurement of fair value of investment (RM502.5 million) and gain on bargain purchase (RM379.1 million) in FY2014.

** Included in net share of results of associates & jointly controlled entities and impairment are impairment of investments (FY2014: RM24.0 million; FY2013: RM3.7 million) and impairment of goodwill (FY2014: RM229.4 million; FY2013: Nil)

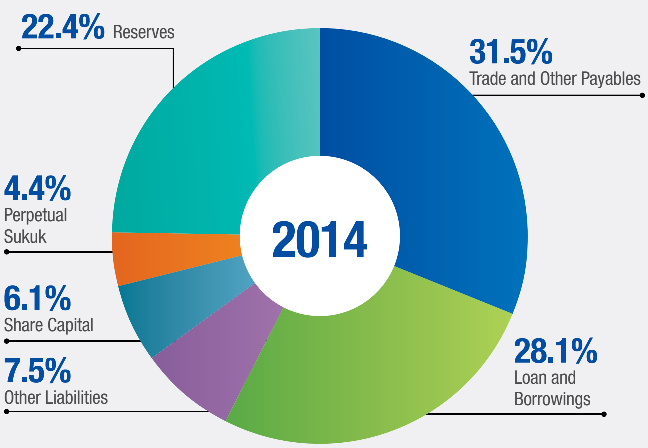
STATEMENT OF FINANCIAL POSITION

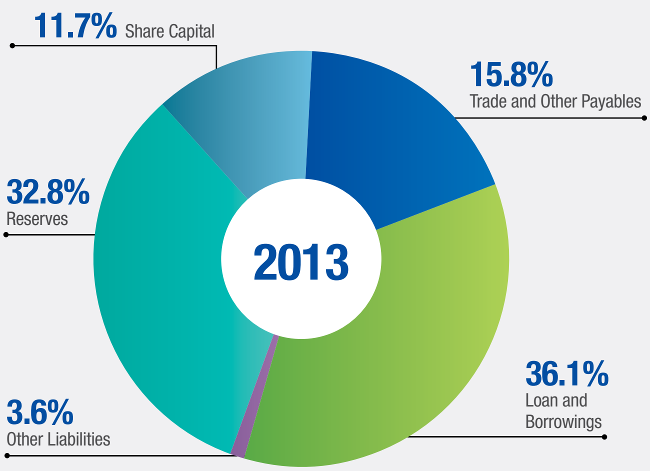
ASSETS





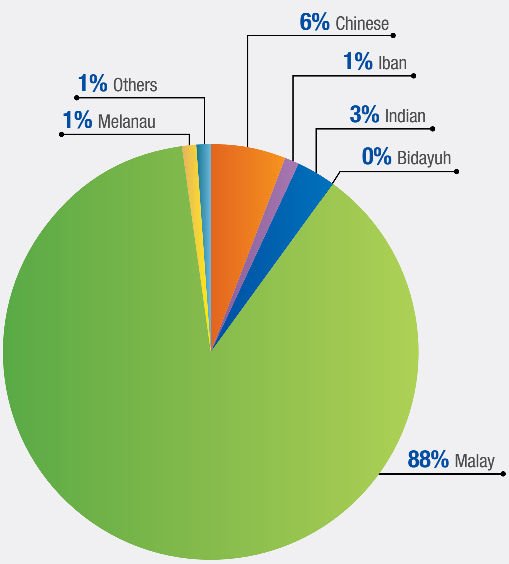
EQUITY AND LIABILITIES



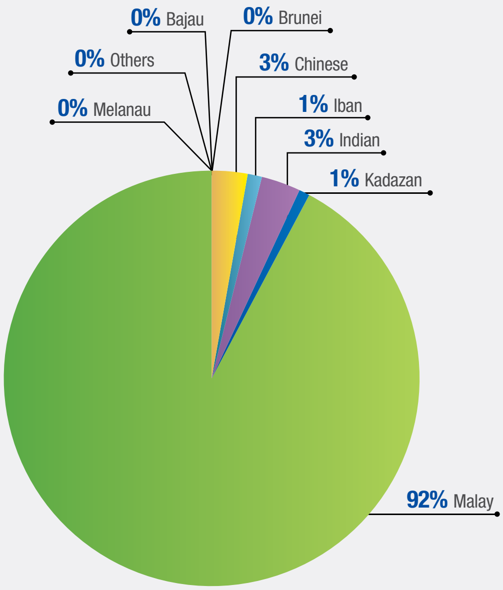


STATEMENT OF WORKFORCE

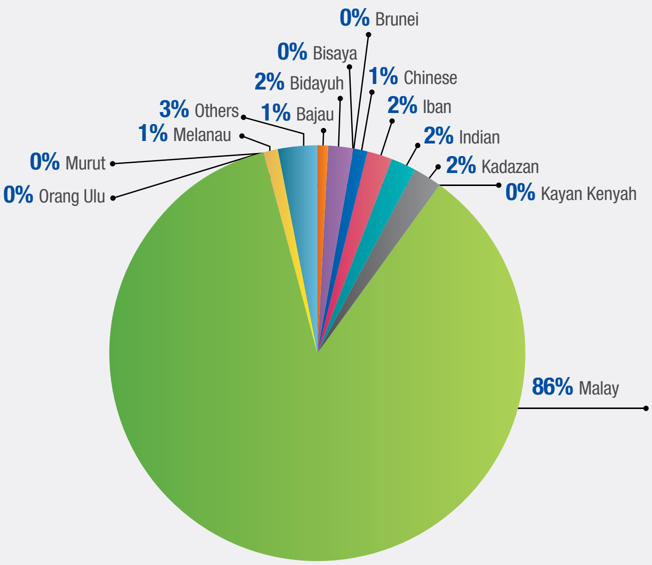
MANAGEMENT



EXECUTIVE



NON-EXECUTIVE



GROUP QUARTERLY PERFORMANCE

Year 2014 In RM Million	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2014
Financial Performance					
Operating revenue	**781.1**	**1,175.5**	**675.8**	**711.3**	**3,343.7**
Profit before tax and zakat for the continuing operations	**179.0**	**(37.7)**	**10.6**	**682.3**	**834.2**
Profit net of tax	**128.7**	**(44.7)**	**1.6**	**662.9**	**748.2**
Earnings per share (sen)	**10.19**	**(3.39)**	**0.12**	**49.06**	**55.40**

Year 2013 In RM Million	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2013
Financial Performance					
Operating revenue	1,027.2	978.2	972.7	1,120.7	4,098.8
Profit before tax and zakat for the continuing operations	185.6	132.0	151.0	84.6	553.2
Profit net of tax	126.1	101.8	112.8	37.0	377.7
Earnings per share (sen)	10.37	8.34	9.21	2.87	30.80

GROUP 5-YEAR SUMMARY

INCOME STATEMENT YEAR ENDED 31 DECEMBER

	2014 RM Million	2013 RM Million	2012 RM Million	2011 RM Million	2010 RM Million
Revenue	**3,343.7**	4,098.8	3,548.1	2,754.8	2,468.0
Profit before tax from continuing operations	**834.2**	553.2	602.8	574.2	475.0
Taxation and zakat	**(85.9)**	(175.5)	(208.5)	(173.0)	(157.5)
Profit from continuing operations, net of tax	**748.2**	377.7	394.3	401.2	317.5
(Loss)/profit for the year from discontinued operations, net of tax	**(0.1)**	(0.1)	0.2	-	-
Profit for the year	**748.2**	377.5	394.5	401.2	317.5
Profit attributable to:					
Owners of the parent	**748.2**	377.4	394.5	401.2	316.8
Non-controlling interests	**(0.0)**	0.1	-	-	0.7
Profit for the year	**748.2**	377.5	394.5	401.2	317.5
Earnings per share attributable to equity holders of the Company (sen)					
Basic, for continuing operations	**55.40**	30.80	33.24	36.47	28.80
Basic, for (loss)/profit from discontinued operations	**-**	(0.01)	0.02	-	-
Basic, for profit for the year	**55.40**	30.79	33.26	36.47	28.80

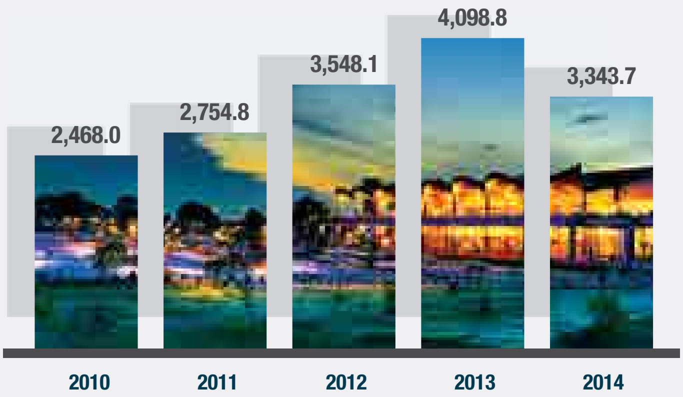
GROUP 5-YEAR SUMMARY

STATEMENTS OF FINANCIAL POSITION YEAR ENDED 31 DECEMBER

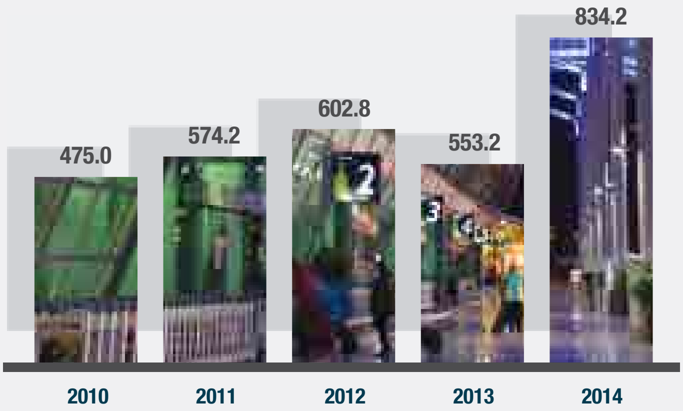
	2014 RM Million	2013 RM Million	2012 RM Million	2011 RM Million	2010 RM Million
Assets					
Non-current assets	**19,617.8**	9,485.0	7,326.2	5,784.9	4,814.8
Current assets	**2,912.2**	1,038.2	1,513.5	1,641.9	2,295.7
Assets of disposal group classified as held for disposal	**0.1**	0.1	0.1	0.4	0.5
Total assets	**22,530.1**	10,523.3	8,839.8	7,427.2	7,111.0
Equity					
Share capital	**1,374.2**	1,232.4	1,210.0	1,100.0	1,100.0
Perpetual sukuk	**997.8**	-	-	-	-
Share premium	**2,373.1**	1,409.4	1,320.4	822.7	822.7
Retained earnings	**2,676.8**	2,037.4	1,826.8	1,625.2	1,387.0
Fair value of adjustment reserve	**(1.9)**	(0.5)	5.1	0.8	0.1
Other reserve	**2.6**	2.5	2.6	2.6	-
Foreign exchange reserves	**(0.5)**	(2.9)	(5.6)	(4.4)	(5.4)
	7,422.1	4,678.3	4,359.3	3,546.9	3,304.4
Non-controlling interests	**0.0**	0.0	-	-	5.5
Total equity	**7,422.2**	4,678.3	4,359.3	3,546.9	3,309.9
Non-current liabilities	**11,396.2**	4,674.5	3,646.9	3,001.5	3,073.6
Current liabilities	**3,711.7**	1,170.5	833.5	878.7	727.3
Liabilities of disposal group classified as held for disposal	**0.0**	0.0	0.1	0.1	0.2
Total liabilities	**15,107.9**	5,845.0	4,480.5	3,880.3	3,801.1
Total equity and liabilities	**22,530.1**	10,523.3	8,839.8	7,427.2	7,111.0
Net asset per share (RM)	**5.40**	3.80	3.60	3.22	3.01

5-YEAR FINANCIAL HIGHLIGHTS

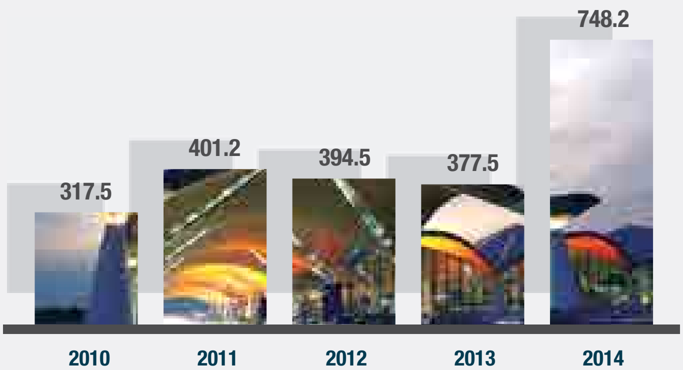
REVENUE
(RM Million)



PROFIT BEFORE TAXATION
(RM Million)



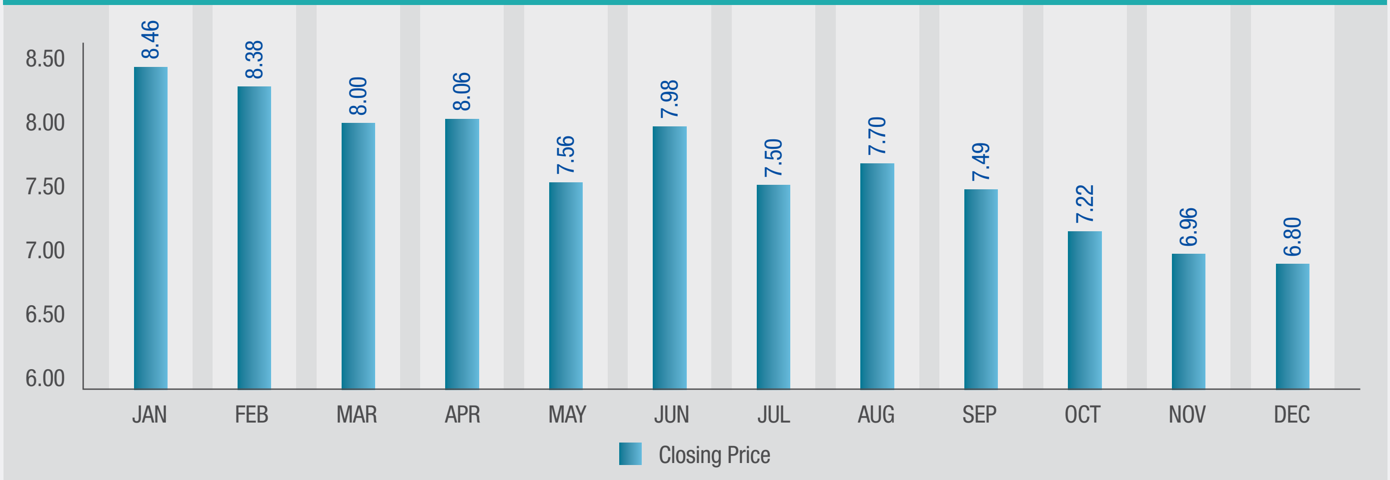
PROFIT FOR THE YEAR
(RM Million)



TOTAL EQUITY
(RM Million)

SHARE PRICE, VOLUME TRADED & MARKET CAPITALISATION

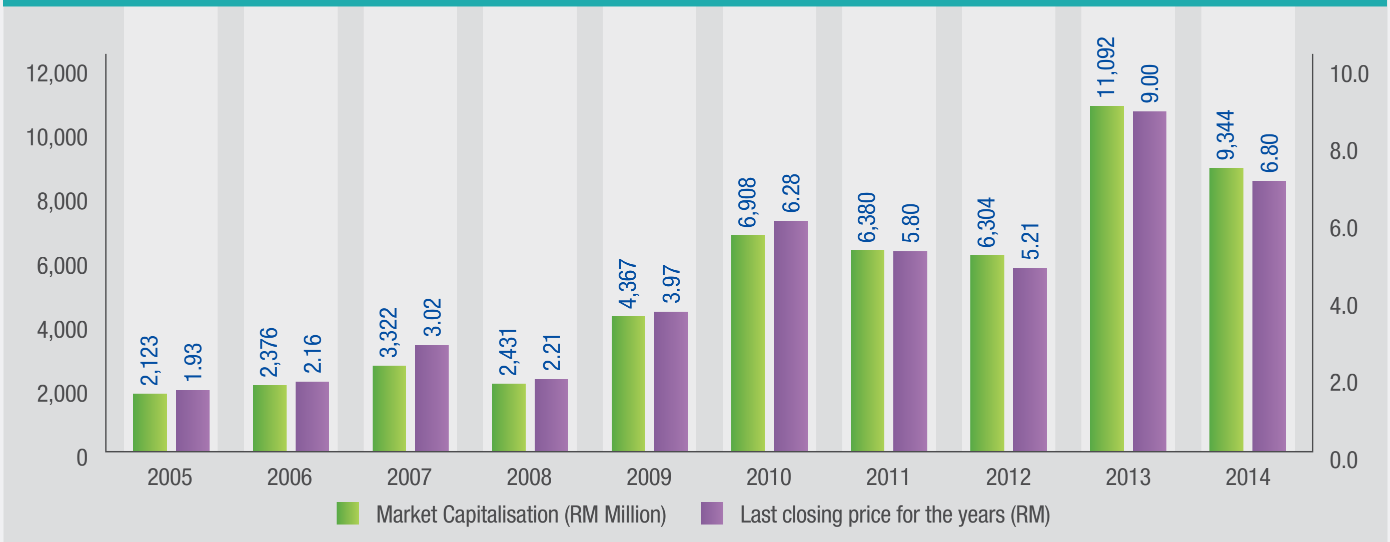
SHARE PRICE MOVEMENT



2014 MONTHLY TRADING VOLUME & SHARE PRICE STATISTICS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Volume (mil)	41.19	32.79	97.10	31.73	37.04	31.80	47.31	26.51	16.08	29.25	20.87	21.48
High (RM)	9.40	8.52	8.49	8.18	8.12	8.05	8.65	7.96	7.89	7.49	7.28	6.97
Low (RM)	8.40	7.87	7.77	7.90	7.18	7.48	7.50	7.25	7.28	6.40	6.39	6.35
Closing Price (RM)	8.46	8.38	8.00	8.06	7.56	7.98	7.50	7.70	7.49	7.22	6.96	6.80

MARKET CAPITALISATION



GROUP FINANCIAL PERFORMANCE REVIEW

KEY FINANCIAL PERFORMANCE

Malaysia Airports Holdings Berhad ("Malaysia Airports") had registered earnings before interest, tax, depreciation and amortisation ("EBITDA") of RM861.4 million, representing growth for the year of 4.1%, its financial headline KPI for FY2014. The achievement was on the back of a 4.7% growth in passenger movements in Malaysia in 2014. Malaysia Airports had recorded revenue of RM3,343.7 million, while profit before tax ("PBT") for the same period grew by 50.8% to RM834.2 million.

IC INTERPRETATION 12: SERVICE CONCESSION ARRANGEMENT

Malaysia Airports adopted IC Interpretation 12: Service Concession Arrangements (IC12) 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 and expansion for Penang International Airport, which are public sector infrastructure assets and services currently being undertaken by Malaysia Airports. In FY2014 and FY2013, Malaysia Airports recognised the construction revenues in relation to the aforesaid projects amounting to RM662.4 million and RM1,635.9 million respectively. Malaysia Airports also recognised the construction costs amounting to RM633.9 million and RM1,563.9million for the above projects in FY2014 and FY2013 respectively. klia2 and the expansion for Penang International Airport were completed in May 2014 and June 2013 respectively.

GROUP PROFITABILITY

Excluding construction revenue and costs, Malaysia Airports registered revenue of RM2,681.3 million for FY2014 which was 8.9% higher than the RM2,462.9 million registered in the corresponding period in 2013. PBT had increased by 67.4% to RM805.7 million while profit after tax ("PAT") had also increased by 135.4% to RM719.7 million from RM305.6 million in FY2013.

The higher operating revenues were attributable to improved results from the airport operations segment which grew by 7.9% to RM2,509.8 million. Revenue in non-airport operations segments grew by 24.5% to RM171.6 million. The increase in PBT and PAT were attributable to gains arising from the acquisition of the final 40% stake in Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim, Yapim ve Isletme A.S. ("ISG") and LGM Havalimani Isletmeleri Ticaret ve Turizm A.S. ("LGM") upon which both entities became wholly owned subsidiaries of Malaysia Airports effective 31 December 2014. RM379.1 million was recognised when Malaysia Airports acquired ISG for less than its fair market value, also known as gain on bargain purchase. A further RM502.5 million was also recognised as gains from fair value re-measurement of ISG and LGM assets.

The increase in PBT and PAT was offset by impairment of goodwill, associate and unquoted shares of RM229.4 million, RM9.0 million and RM15.0 million respectively. If the gain on bargain purchase, gain arising from re-measurement of fair value of ISG, and various impairments are excluded, the Group will have recorded a PBT of RM177.5 million. The increase was also dampened by higher operating, finance, depreciation and amortisation costs as well as the recognition of previously unrecognised one-off losses upon the acquisition of the 40% stake in ISG back in April 2014, amounting to RM42.5 million.

GROUP FINANCIAL PERFORMANCE REVIEW

OPERATIONS REVIEW

Airport operations revenue continued to be driven by passenger growth of 4.7% in 2014. The commendable growth is on the back of the 18.4% growth achieved in 2013. Total aircraft movements grew 7.3% to 791,562 aircrafts while cargo movements grew by 7.5%, registering a volume of 1,007,463 metric tonnes, the highest cargo volume handled through the group of airports operated by Malaysia Airports since 2006.

The 7.9% increase in revenue generated by airport operations segment was mainly driven by aeronautical revenue which had improved by 10.7% to RM1,341.1 million on the back of the increase in passenger and aircraft numbers. The improvement in aeronautical revenue was also attributed to the recognition of Marginal Cost Support for Passenger Service Charge (“MARCS PSC”) as the new PSC rates are lower than the benchmark rate as stipulated in the Operating Agreements signed with the Government. Also contributing to the increase in aeronautical revenue is the rise in landing and parking charges which became effective from 1 January 2012 and increased 9% and 18% respectively (compounded annually) until 1 January 2014.

As mentioned above, higher operating, finance, depreciation and amortisation costs curtailed the impact of improved revenues, thus causing a reduction in PBT. Operating costs which contributed to the increase during FY2014 were mainly user fees, utilities and staff costs.

The non-aeronautical revenue in airport operations recorded a growth of 4.9% to RM1,168.7 million on the back of improved performance in the rental businesses. Revenue from rental of space, advertising and other commercial segments grew 9.9% to RM554.0 million, contributed by higher occupancy rate and higher rental resulting from increase in rental space at klia2. Malaysia Airports’ own retail business registered a marginal growth of 0.8% to RM614.7 million.

The non-airport operations segment recorded revenue of RM171.6 million in FY2014, representing an increase of 24.5% from RM137.8 million recorded in FY2013 mainly due to higher revenue recorded in all segments. The project, repair and maintenance segment grew by 62.6% to RM66.1 million due to new facility management work won including for the provision of facility maintenance and IT services at the new Doha International Airport.

The hotel segment revenue increased by 12.0% to RM74.1 million contributed mainly by higher occupancy rate and average room rate. The agriculture and horticulture segment registered higher revenue of RM31.3 million, 1.2% higher than FY2013 due to higher Fresh Fruit Bunches price against lower production volume.

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 Malaysia Airports’ earnings driver, accounting for 50.0%, or RM1,340.2 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.

GROUP FINANCIAL PERFORMANCE REVIEW

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 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	FY2014 (RM'000)	FY2013 (RM'000)	Variance (%)
I) Airport operations	**3,172,165**	3,960,970	(19.9)
1. Airport Services:			
Aeronautical	**1,341,075**	1,211,040	10.7
Non-aeronautical (Rental & Others)	**553,997**	504,106	9.9
Constuction Revenue	**662,405**	1,635,864	(59.5)
2. Duty free and non-dutiable goods	**614,688**	609,960	0.8
II) Non-airport operations			
Hotel	**74,136**	66,198	12.0
Agriculture and horticulture	**31,304**	30,924	1.2
Project and repair maintenance	**66,116**	40,667	62.6
Total revenue	**3,343,721**	**4,098,759**	**(18.4)**

SEGMENTAL REVENUE

1. Airport operations

(a) **Airport services**: This business segment comprises of aeronautical revenue from collection of passenger service charge (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 10.7% to RM1,341.1 million in tandem with growth in passenger and aircraft traffic. The improvement was also attributed to the recognition of Marginal Cost Support for Passenger Service Charge ("MARCS PSC") as the new PSC rates are lower than the benchmark rate as stipulated in the Operating Agreements signed with the Government. Also contributing to the increase in aeronautical revenue is the rise in landing and parking charges which became effective from 1 January 2012 and increased 9% and 18% respectively (compounded annually) until 1 January 2014. However, this was offset by the higher Airline Incentives of RM107.6 million in FY2014 compared to RM75.9 million recorded in the previous year. Revenue from rental of space, advertising and other commercial segments grew 9.9% to RM554.0 million, contributed by higher occupancy rate and higher rental resulting from increase in rental space at klia2.

GROUP FINANCIAL PERFORMANCE REVIEW

(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 0.8%, to RM614.7 million in FY2014.

2. 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. Despite the lower production volume, the higher price of Fresh Fruit Bunch (“FFB”) per tonne (2014: 63,458MT/RM497.07 vs. 2013: 64,819MT/ RM471.68) resulted in revenue contribution from the agriculture and horticulture segment to increase to RM31.3 million in FY2014, which was 1.2% higher than the RM30.9 million registered in FY2013.

(b) **Hotel**: The Hotel segment manages and operates the Sama-Sama Hotel. The hotel segment revenue increased by 12.0% to RM74.1 million, mainly attributed to higher occupancy rate (FY2014: 75%, FY2013: 68%) and average room rate (FY2014: RM371.30, FY2013: RM357.50).

(c) **Project and repair maintenance services**: The main activities include provision of mechanical, electrical and civil engineering services and the airport business consulting, maintenance andtechnical services. This segment recorded a very strong growth of 62.6% in revenue to RM66.1 million in FY2014, 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 53.4% to RM290.0 million in FY2014 compared to RM622.4 million reported in FY2013. This was mainly attributed to lower construction profit, higher operating, finance, depreciation and amortisation costs curtailed the impact of improved revenues, thus causing a reduction in PBT. Operating costs which contributed to the increase during FY2014 were mainly user fees, utilities and staff costs.

(b) **Operations of duty free and non-duty free outlets**: This segment incurred a loss before tax of RM42.3 million in FY2014 from a profit before tax of RM38.0 million in FY2013, 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 RM2.1 million from a loss before tax of RM1.0 million in FY2013 due to stronger FFB prices.

(b) **Hotel**: The hotel business recorded loss before-tax of RM9.4 million in FY2014, an improvement compared to loss before-tax of RM13.9 million recorded in FY2013. This was mainly due higher occupancy rate and average room rate post completion of hotel renovation from June 2012 to March 2013.

(c) **Project and repair maintenance services**: This segment recorded a PBT of RM27.6 million in FY2014 compared to a PBT of RM9.4 million in FY2013, 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.

GROUP FINANCIAL PERFORMANCE REVIEW

The Group recorded an economic profit of RM44.8 million for FY2014 as compared to a loss of RM103.9 million in FY2013. The economic profit in 2014 was mainly due to the gain on bargain purchase and gain on re-measurement of fair value of investment recognised upon consolidation of ISG and LGM. The economic loss in 2013 was due to higher average invested capital resulting from cost incurred for the construction of klia2.

DIVIDENDS

Malaysia Airports has declared and paid a single tier interim dividend amounting to RM27.5 million (2 sen per ordinary share) part of which was reinvested in the Dividend Reinvestment Plan (DRP). The DRP recorded 53.4% acceptance rate.

The Board had on 13 February 2015, recommended a final single-tier dividend of up to 4.32 sen per ordinary share but not less than 3.60 sen per ordinary share in respect of the financial year ended 31 December 2014, with a total quantum of final single-tier dividend amounting to RM59.47 million.

HEADLINE KEY PERFORMANCE INDICATORS ('KPIs') FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2015 ('FY2015')

The Headline KPIs are targets or aspirations meant to drive Malaysia Airports' performance in 2014. These Headline KPIs are disclosed publicly on a voluntary basis, signalling Malaysia Airports' commitment towards transparent performance measures and good corporate governance.

These Headline KPIs shall not be construed as forecasts, projections or estimates of Malaysia Airports 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.

FY2015 HEADLINE KPIs

Malaysia Airports' Headline KPIs for FY2015 are as follows:

FINAL		FY2015
(i)	EBITDA	RM1,522 million
	Malaysia Airports Group (excluding Turkey)	RM880 million
	Overseas business (Turkey Operations)	RM642 million
(ii)	Airport Service Quality Awards	Above 40 million pax category: **KLIA Ranking Top 5**

Malaysia Airports Group's EBITDA KPI for the financial year ending 2015 is RM1,522 million upon the consolidation of ISG and LGM. The increase in EBITDA will also be complemented by the impact of full year retail and commercial operations at klia2 along with higher passenger movements.

Similar to FY 2014, Malaysia Airports has decided to exclude ROE from its Headline KPI. The completion of klia2 will result in significantly higher annual amortization cost, thereby contributing to a lower ROE. The Malaysia Financial Reporting Standard requires concession assets, including klia2, to be amortized within the shorter period of the remaining life of the Operating Agreements instead of the asset's useful life. Further to this, Malaysia Airports has raised the matter with the Government of Malaysia and due to the ongoing discussions, Malaysia Airports has decided for the time being to exclude ROE from its Headline KPI for 2015.

Notwithstanding the above, Malaysia Airports' performance is expected to further improve from 2015 onwards with the full year operations of klia2. KLIA position as a Next Generation Hub and the nation's flagship international gateway has cemented Malaysia as the region's aviation hub for intra-ASEAN travel. The acquisition of the remaining stake at ISG and LGM will strengthen Malaysia Airports' foothold and influence as an airport manager and airport operator in Turkey 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 involving 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.

AIRPORT PERFORMANCE BENCHMARK

(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.

(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). 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.

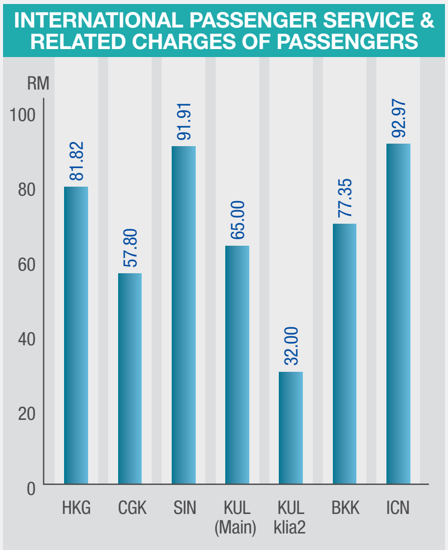
On the passenger traffic side, KLIA registered the highest growth in the region in 2013. This is the highest growth for KLIA since 2004. The traffic performance of some airports in the region is as follows:

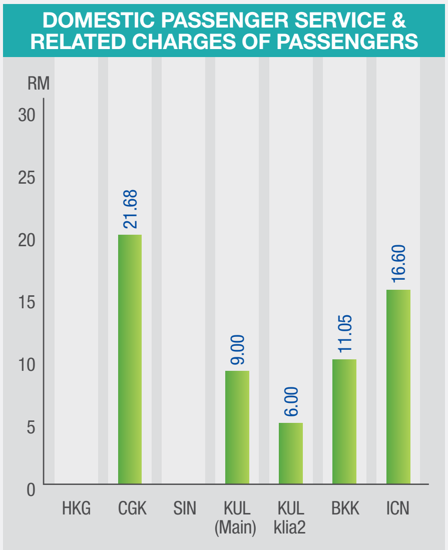
Airport	2014	% Change
Hong Kong International Airport (HKG)	63.15m	6.0%
Soekarno-Hatta International Airport Jakarta (CGK)	57.00m	-5.2%
Changi International Airport Singapore (SIN)	54.09m	0.7%
KL International Airport (KUL)	48.93m	3.0%
Suvarnabhumi Airport Bangkok (BKK)	46.42m	-9.6%
Incheon International Airport Seoul (ICN)	45.66m	9.6%

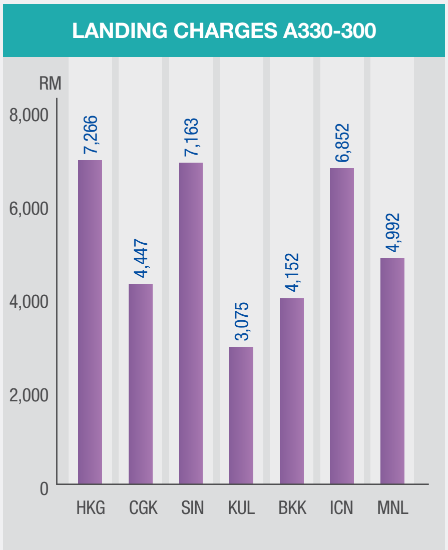
Source: ACI (preliminary)/website

AIRPORT PERFORMANCE BENCHMARK

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:







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 & 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 2014 are tabulated below:

Dividends declared from 2006 to 2014

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%[2]
2012		6.00		7.63	50.00%[2]
2013		6.00		5.78	50.00%[2]
2014		2.00		3.60[1]	50.00%[2]

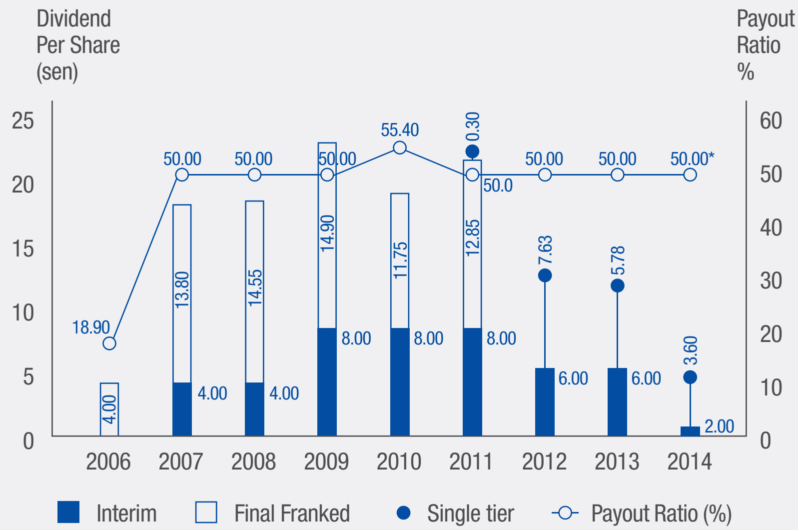
[1] On 27 January 2015, the Company has announced the renounceable Rights Issue of 275,308,267 new ordinary shares of RM1 each in Malaysia Airports. The total quantum of the Dividend is RM59.47 million. In the event that none of the new shares under the Rights Issue ("Rights Shares") are issued by the books closure date for the Dividend ("BCD"), the Dividend would be 4.32 sen per Share. In the event that all the Rights Shares are issued by the BCD, the Dividend would be 3.60 sen per Share.

On 27 March 2015, the Rights Issue has been completed following the listing of 275,308,267 Rights Shares on Main Market of Bursa Malaysia Securities Berhad. The Proposed Final Dividend in respect of FYE 31 December 2014 is 3.60 sen per ordinary shares based on the issued and paid up share capital post the completion of the Rights Issue of 1,651,849,606

[2] 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.

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 MAHB Shares traded on the Main Market of Bursa Malaysia Securities Berhad

On 23 January 2015, the Company had announced the listing of 2,391,485 of new MAHB Shares on Bursa Securities which represents 53.4% of the total number of new MAHB Shares made available for reinvestment under the DRP for the FY2014 interim dividend.

The details of the past five 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%**

FINANCIAL CALENDAR

FINANCIAL YEAR 2014

QUARTERLY RESULTS ANNOUNCEMENTS

24.04.2014
Unaudited consolidated results for the 1st quarter ended 31 March 2014

24.07.2014
Unaudited consolidated results for the 2nd quarter ended 30 June 2014

03.11.2014
Unaudited consolidated results for the 3rd quarter ended 30 September 2014

13.02.2015
Unaudited consolidated results for the 4th quarter ended 31 December 2014

HEADLINE KEY PERFORMANCE INDICATORS ANNOUNCEMENT

27.01.2015
2015 Headline Key Performance Indicators

DIVIDENDS

Final Single-Tier Dividend of 5.78 sen per ordinary share of RM1.00 each

25.03.2014
Notice of book closure date

03.04.2014
Entitlement date

30.04.2014
Payment date of which the Dividend Reinvestment Plan was applied to the dividend payment

Single-Tier Interim Dividend of 2 sen per ordinary share of RM1.00 each

10.12.2014
Notice of book closure date

24.12.2014
Entitlement date

22.01.2015
Payment date of which the Dividend Reinvestment Plan was applied to the dividend payment

Final Single-Tier Dividend of up to 4.32 sen per ordinary share but not less than 3.60 sen per ordinary share

The Board had on 13 February 2015, recommended a final single-tier dividend of up to 4.32 sen per ordinary share but not less than 3.60 sen per ordinary share in respect of the financial year ended 31 December 2014, with a total quantum of final single-tier dividend amounting to RM59.47 million.

The Board had on 13 February 2015, determined that the Dividend Reinvestment Plan ("DRP") will apply to the entire Final Dividend. Therefore, the Notice of Book Closure Date, the Entitlement Date and the Payment Date will only be announced on the day the Issue Price of the shares to be issued under the DRP is announced.

GENERAL MEETING

08.12.2014
Notice of Extraordinary General Meeting for the proposed acquisitions of 40% collective equity stake in ISG and LGM respectively ("EGM")

23.12.2014
EGM

13.04.2015
Notice of 16th Annual General Meeting ("AGM")

05.05.2015
16th AGM

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. We implement our comprehensive Investor Relations Programme 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 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 Malaysia Airports's website in conjunction with the release of financial results announcement to Bursa Malaysia Securities Berhad. Hard copies 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 800 meetings and conference calls and large group presentations organised by local and foreign research houses. In addition, the team continuously reach out to wider investors base by participating in overseas conferences in the US, Europe, Japan, Hong Kong, Singapore and Australia.

- **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 presentations, 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.

MAHB CREDIT RATING

Malaysia Airports is committed towards sound financial position and robust balance sheet. In FY2014, Malaysia Airports continues to exhibit strong fundamentals, evident by its strong investment grade credit ratings:

Rating Agency	Credit Rating
RAM	AAA
Moody's	A3

Malaysia Airports 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:
Vinie Chong Pui Ling, CFA
General Manager, Corporate Finance, Treasury and Investor Relations
Tel : +603 8777 7675
Fax : +603 8777 7830
E-Mail : vinie@malaysiaairports.com.my

INVESTOR RELATIONS

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

CONFERENCES ATTENDED IN 2014

09.01.2014 - 10.01.2014
Credit Suisse 5th Annual ASEAN Conference
Singapore

21.01.2014
Alliance Corporate Day 2014
Kuala Lumpur

24.03.2014 - 28.03.2014
Credit Suisse 17th Annual Asian Investment Conference
Hong Kong

09.06.2014 - 10.06.2014
Bursa Malaysia and CIMB Invest Malaysia 2014
Kuala Lumpur

12.06.2014 - 13.06.2014
Citibank ASEAN Investor Conference 2014
Singapore

02.07.2014 - 04.07.2014
UBS Malaysia Corporate Day
Sydney

05.08.2014
RHB Regional Infrastructure Conference
Kuala Lumpur

01.09.2014 - 02.09.2014
Bursa Malaysia and Maybank Kim Eng Invest Malaysia 2014
London

03.09.2014 - 04.09.2014
J.P. Morgan 18th Annual Asia Pacific Equity Conference
Boston

05.09.2014
J.P. Morgan APAC 1x1 Forum
New York

14.10.2014
Bursa Malaysia and RHB Invest Malaysia 2014
Hong Kong

26.11.2014
CLSA ASEAN Access Day
Hong Kong

27.11.2014
CLSA ASEAN Access Day
Singapore

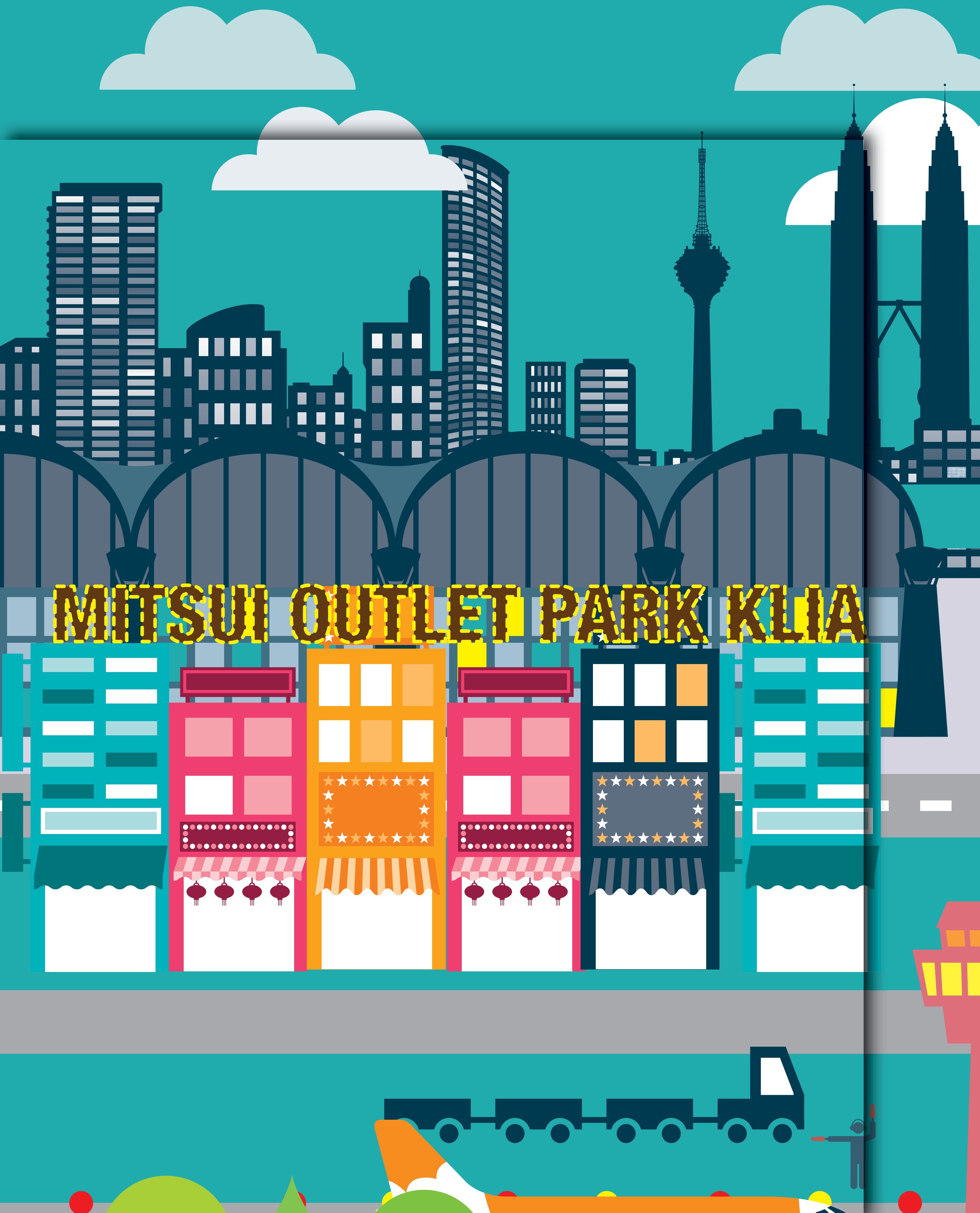
04.12.2014
Nomura Investment Forum 2014
Tokyo

EQUITY RESEARCH COVERAGE

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

Delighting Our Guests

We are committed to providing world-class services to all our clients and customers from airlines to passengers, concessionaires and other business partners. Over the years, we have devised programmes that are designed not only to raise service standards, but also to recognise those who go the extra mile in providing joyful experience to all our stakeholders.


MITSUI OUTLET PARK KLIA

We provide an experience that goes beyond expectations »

And ensure that travellers receive exciting surprises « at every turn

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

Chairman

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS

IN MY THIRD YEAR AS CHAIRMAN, I AM HEARTENED TO REPORT THAT MALAYSIA AIRPORTS TURNED IN A CREDIBLE PERFORMANCE IN THE 12 MONTHS ENDED 31 DECEMBER 2014, A YEAR IN WHICH WE ALSO OPENED klia2, THE WORLD'S LARGEST TERMINAL DEDICATED TO LOW-COST CARRIERS (LCC), AND EXPANDED OUR BUSINESS OPERATIONS IN TURKEY.

FINANCIAL PERFORMANCE IN 2014

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. In FY2014, Malaysia Airports recognised construction revenue and costs of RM662.4 million and RM633.9 million respectively for klia2, which opened for business in May. As a result, revenue for the year was RM3,343.7 million, which was 18.4% less than the amount recorded in FY2013.

In the absence of construction-related revenues and costs, revenue for FY2014 was RM2,681.3 million, which was 8.9% more than the RM2,462.9 million the company reported the year before. This higher revenue reflected higher passenger and cargo movements, and the final increment in landing charges and other fees. These rates were raised in three stages starting from January 2012 with the last one introduced in January 2014.

The growth in passenger numbers helped support earnings before interest, tax, depreciation and amortisation (EBITDA) which rose 4.1% to RM861.4 million as compared to FY2013, helping Malaysia Airports meet its financial headline KPI for the year.

Together, our 39 airports handled 83.3 million passengers in total, an impressive achievement in view of the challenges that the Malaysian and regional aviation industry endured in 2014.

CHAIRMAN'S STATEMENT

Total passenger movements at KLIA, including the LCCT, which ceased operations early May and klia2, which opened for business on 2 May, increased by 3.0% to 48.9 million passengers, one of the highest rates of growth among airports of the ten members of ASEAN (Association of South East Asian Nations). It is worth noting that klia2 is more than four times bigger than the LCCT it replaced and is built to handle as many as 45 million passengers a year.

Based on the latest ACI Global Traffic Report, KLIA rose seven places in the global rankings to 20th place in terms of total passenger movements. In terms of international traffic, it was ranked 11th in 2014 compared to 15th in 2013. This is a testament to KLIA's impressive growth considering that KLIA once stood in 69th position at the turn of the millennium.

Other airports in the Group apart from KLIA also saw robust growth in passengers and flights. Overall passenger numbers increased by 7.3%. It is encouraging to note that Langkawi, which is expected to host several ASEAN meetings in 2015, and Sultan Abdul Aziz Shah Airport, Subang, the site of the former international airport and now the base for the turboprop fleets of Firefly and Berjaya Air, both welcomed a record two million passengers. Meanwhile, the refurbished Penang International Airport handled more than six million passengers in 2014, another record.

I am encouraged too by the performance of our freight business, which handled the most cargo (1.007 million metric tonnes) since 2006. The 7.5% growth rate was considerably higher than the global growth of 4.7%.

The Group continues to benefit from the arrival of new airlines and the opening of new routes, with aeronautical charges that remain among the most competitive in the business. Moreover, our Airline Incentive Programme rewards both new airlines and passenger growth and provides an added attraction to our airline partners.

Increasingly, airlines are providing point-to-point services through secondary cities, which has benefited not only our Kuala Lumpur facilities, but also our smaller airports such as Ipoh, Kuantan and Melaka. Airlines that made their debut in Malaysia in 2014 included Saudi Arabian low-cost carrier, Flynas and South Korean budget airline, Jin Air, which started flights between Seoul and Kota Kinabalu in December. In addition, Iran Aseman, began twice weekly services between Tehran and Kuala Lumpur and Mega Maldives, the island nation's leading international carrier, started flights between Male and Kuala Lumpur on 23 December.

With more people using the facilities and the expansion of retail and commercial space in tandem with the opening of klia2's mega terminal, which has some 257,845 square metres of space, it is also heartening to report that non-aeronautical revenue continues to grow (up 4.9% to RM1,168.7 million in 2014).

MAHB PERFORMANCE

REVENUE
RM3,343.7 MILLION

EBITDA ROSE 4.1% TO
RM861.4 MILLION

Note: Excluding construction profit of RM28.5 million

39 AIRPORTS HANDLED

83.3 MILLION PASSENGERS

"INCREASINGLY, AIRLINES ARE PROVIDING POINT-TO-POINT SERVICES THROUGH SECONDARY CITIES, WHICH HAS BENEFITED NOT ONLY OUR KUALA LUMPUR FACILITIES, BUT ALSO OUR SMALLER AIRPORTS SUCH AS IPOH, KUANTAN AND MELAKA."

CHAIRMAN'S STATEMENT

Global Economic Climate 2014

The world economy is estimated to have grown by 3.3% in 2014, according to the IMF, helping support the aviation industry, which is typically correlated with GDP. Lower oil prices, which more than halved in the last three months of 2014, and a stronger than expected U.S. economy helped offset slower growth in China, the Eurozone and Japan.

In the U.S., an accommodative monetary policy, coupled with lower oil prices, fuelled growth of 2.4% in 2014. The IMF expects the growth to accelerate to 3.6% in 2015.

But expansion in Europe remained lacklustre, despite the depreciation of the Euro, amid a decline in investment and continuing debt concerns. The IMF puts growth in Europe at 0.8% in 2014 and 1.2% in 2015.

Airport Council International's (ACI) preliminary report indicates that 5.7 billion passengers globally travelled by air in 2014, 5.1% above 2013. Asia Pacific was one of the regions that experienced highest growth at 5.9% over 2013. International passengers grew by 6% worldwide while Asia Pacific recorded 5.9% growth compared to 2013.

Consumer spending remained robust in China, despite concerns of slower growth in the local economy, supported demand for domestic air travel, which surged 11.0% in 2014 and, in turn, ensured strong growth in the global air travel market. Across the globe, demand for domestic air travel rose 5.4% in 2014, with all markets showing expansion.

Passenger traffic in Europe climbed 5.7%, with budget carriers and Turkey-registered airlines showing the most growth. In North America, demand rose 3.1% and in the Middle East, 13.0%.

CHAIRMAN'S STATEMENT

HERE AT MALAYSIA AIRPORTS, WE STRIVE TO ENSURE THAT OUR FACILITIES, ON THE GROUND AND IN THE AIR, ARE AS EFFICIENT AS POSSIBLE. SHORTER TURNAROUND TIMES AND SMOOTH TRAFFIC FLOW BOTH HELP REDUCE WASTE FUEL BURN.

The drop in oil prices towards the end of 2014 brought welcome relief to the aviation industry, where jet fuel is a significant cost. In December, IATA forecast the world's airlines to post a collective net profit of some USD19.9 billion, compared to a June projection of USD18.0 billion. In 2015, with oil prices likely to remain low – IATA expects jet fuel to average USD99.90 per barrel - profits are estimated to rise further, to USD25.0 billion. If that price is correct, it will be the first time the average oil price has fallen below USD100.00 a barrel since 2010.

Nevertheless, airline profit margins will remain slim, at about 3.2%, and fuel will remain one of the biggest costs for the industry.

Here at Malaysia Airports, we strive to ensure that our facilities, on the ground and in the air, are as efficient as possible. Shorter turnaround times and smooth traffic flow both help reduce waste fuel burn.

The third runway at KLIA helps improve efficiency by easing congestion and cutting down on taxiing time in both arrival and departure. KLIA is among the first airports in the Asia Pacific to have a third runway, which underlines our competitive advantage in this rapidly growing region.

Regional Economic Performance in 2014

Malaysia's economy expanded a better-than-expected 6.0% in 2014, according to Bank Negara Malaysia. Consumer spending and sustained demand for exports contributed towards the growth. The central bank expects Malaysia's economy to remain resilient; with manufacturing benefiting from overseas demand and lower oil prices ensuring households have more disposable income.

In addition, the government continues to move ahead with its Economic Transformation Plan, which is designed to transform Malaysia into a high-income economy by 2020.

With the expansion of the middle class not only in Malaysia, but the rest of the region, many more people now have the kind of income that allows them to travel by plane, prompting the launch of numerous LCCs throughout Asia.

The Centre for Aviation reports that LCC capacity in Southeast Asia has surged eight-fold over the past decade, while traditional carriers have expanded capacity by about 45% over the same period. The arrival of new airlines, new routes and increased flight frequencies are reflected in the steady growth of passenger movements at our facilities.

U.S. aircraft manufacturer Boeing expects air travel within the region to record annual growth of 7.7% a year over the next 20 years, fuelling demand for the single-aisle aircraft that are the backbone of the LCC fleets.

Against such a backdrop, the opening of klia2, a terminal catering specifically to the needs of budget airlines, is expected to be hugely beneficial.

Growth among our neighbours in ASEAN, with a combined population of more than 620 million people, remained strong in 2014, albeit at a slightly slower pace than in 2013. For the ASEAN-5 (Indonesia, Thailand, Philippines, Vietnam and Malaysia), the IMF predicts growth will ease to 4.5% in 2014, compared with 5.2% in 2013.

Growth is moderating in China too, amid falling property prices and concerns about hefty corporate and government debt. China's economy slowed to 7.4% in 2014 and is expected to moderate further to 6.8% in 2015 as the Chinese government undertakes reform initiatives.

CHAIRMAN'S STATEMENT

Future plans

include conference facilities, the development of a cargo and logistics hub to take advantage of Kuala Lumpur's strategic location at the heart of Asia Pacific.

CREATING NEW AND RELEVANT BUSINESSES

2014 marked the conclusion of our five-year business plan, Runway to Success, which saw Malaysia Airports through a number of world-class airport business achievements, some of which had been mentioned earlier. The past successes had also created the conditions and platform for our next stage of growth – to become the global leader in creating airport cities.

A key element to this aspiration is our Next Generation Hub – KLIA and klia2, which will sit at the core of the KLIA Aeropolis.

The state-of-the-art klia2 terminal is dedicated to cater to the needs of low cost carriers. The building is designed to be user-friendly, both to travellers and airlines. Passengers using klia2 enjoy superior facilities from check-in to boarding from the aerobridges to world-class retail and restaurant services and the opportunity to relax in the Sama-Sama Express klia2 Hotel, which extends the award-winning comforts of the Sama-Sama Hotel to transit passengers. The Sama-Sama lounge, meanwhile, gives travellers the chance to freshen up while waiting for their flights.

The klia2 terminal can handle as many as 45 million passengers a year, and, at a total construction cost of RM4 billion for a new terminal building, runway, control tower and the associated infrastructure works, is one of the cheapest airport construction projects in terms of cost per passenger anywhere in the world.

Beyond the terminal itself, as part of our commitment to creating airport cities, those who come to klia2, even if they are not travelling themselves, can take advantage of the multitude of shops and food and beverage (F&B) facilities in the adjoining gateway@klia2 mall. Even better, the new terminal is fully accessible by public transport including the express rail link to KL Sentral.

Construction for the KLIA Aeropolis continues with the development of the Mitsui Outlet Park on an 180,000 square metre plot close to Malaysia Airports' corporate office. The mall, a joint venture with Japan's Mitsui Fudosan Co. will open in May 2015, offering airport visitors as well as people from Kuala Lumpur and the Greater Klang Valley the opportunity to buy top brands at bargain prices.

The Mitsui Outlet Park is very much a pacesetter for the KLIA Aeropolis development and a sign to investors and developers of the value, and commercial potential, of the project.

Future plans for the phased development include conference facilities, the development of a cargo and logistics hub to take advantage of Kuala Lumpur's strategic location at the heart of Asia Pacific, as well as a technology park to house aviation-related industries.

For LCCT-KLIA, the next immediate plan is to convert it into air cargo logistics, which will commence in the coming years. The tender for the conversion works was issued in July 2014. The cargo hub is expected to play a major role towards the realisation of KLIA Aeropolis.

Even as we seek to realise our ambitious plans, Malaysia Airports remains committed to the highest standards of governance and integrity.

Malaysia Airports has implemented various policies and guidelines of corporate governance and anti-corruption such as, Code of Ethics and Conduct, whistleblowing policy, asset declaration, no gift policy, and vendor integrity pact, which aim to eliminate corruption amongst our employees and clients

Further to this, in August 2014, we established the Corporate Integrity Unit. The independent unit, established by a senior officer on secondment from the Malaysian Anti-Corruption Commission, will take the lead in ensuring our Group is free from corruption.

CHAIRMAN'S STATEMENT

PROVIDING A WORLD CLASS STANDARD OF SERVICE

Malaysia Airports is committed to providing world-class service to all its clients and customers from airlines to passengers, concessionaires and other business partners. Over the years we have devised programmes that are designed not only to raise service standards, but also recognise those who go the extra mile in performing their duties.

Our commitment has been recognised globally with KLIA awarded the World's Second Best Airport 2014 (40 - 50 million passengers per annum) in the widely respected Skytrax awards. KLIA was also named the Large Airport of the Year 2014 in the CAPA Awards for Excellence in Asia Pacific Aviation, acknowledging KLIA as the fastest growing major airport in the region. We also received the World Best Airport Award 2014 from Smart Travel Asia.

Over the years KLIA has received consistent praise for the high standard of service provided by its staff, including at the immigration desks. We launched the T.O.U.C.H. campaign in September 2012 to cultivate a culture of customer service excellence through the provision of service standards, guidelines, assessment and recognition.

The initiative was shortlisted (Top 5) in the Best Employee Engagement Strategy category at the Loyalty and Engagement Awards in Singapore in 2014 and nominated as a finalist in two categories at the Marketing Excellence Awards 2014 – Excellence in Government Marketing and Excellence in Public Relations, Internal.

Malaysia Airports' has also developed a reputation as an employer of choice, with career development programmes that are among the most sought-after in the country such as the seven-month internship that we offer to fresh graduates.

Our efforts have been widely recognised and in 2014 we were awarded the Silver Award for Employer of Choice in the Malaysian HR Awards and the Anugerah Majikan 1Malaysia from the Ministry of Human Resources. Malaysia Airports also ranked in the top three in the awards for graduate employer of choice.

The flood crisis in December had affected some of our staff and families stationed at their East Coast airports. To ease sufferings and hopefully to partially compensate their loss of properties, we have donated a total of RM22,000 of 'wang zakat' to a total of 25 families affected in Kota Bharu. We have also channelled food aid and 'wang zakat' to affected staff at Sultan Ahmad Shah Airport, Kuantan, Pahang and Sultan Mahmud Airport, Kuala Terengganu, Terengganu. A total of RM240,000 in kind or cash has been channelled to these victims.

KLIA WAS ALSO NAMED THE LARGE AIRPORT OF THE YEAR 2014 IN THE CAPA AWARDS FOR EXCELLENCE IN ASIA PACIFIC AVIATION, ACKNOWLEDGING KLIA AS THE FASTEST GROWING MAJOR AIRPORT IN THE REGION.

OUTLOOK FOR 2015

Global economic growth is expected to accelerate to 3.8% in 2015, the first time in five years that it will have exceeded 3.0%, despite the likelihood of a continued slowdown in China.

The decline in the price of oil is good for consumers – who will have more money to spend – and also for the airline industry. IATA predicts jet fuel prices at an average US99.90 a barrel in 2015, which would mean fuel costs amounting to about 26% of airlines total costs. The airline industry group is predicting lower fuel bills will mean a drop in air fares, spurring demand and boosting passenger traffic by 7.0% in 2015.

Sustained growth in emerging Asian economies, even with the slower pace expected in China and Japan, is expected to underpin traffic growth in Asia-Pacific. Malaysia's own economy, supported by the government's continuing reform efforts is expected to expand as much as 5.5%.

Given the mixed economic outlook and the slowdown in China, Malaysia Airports has adopted a cautious 3.0% growth for passenger traffic to 85.8 million in 2015. There are, however, reasons for optimism.

We will mark the first full year of operations at klia2 in May, with first year passenger traffic expected at about 20 million passengers. As the world's biggest terminal dedicated to LCCs, klia2 is well placed to benefit from the projected expansion of the LCC business in this region, particularly with the increased connectivity within Southeast Asia that is expected under ASEAN's Open Skies policy. With LCCs tending to fly point-to-point direct to airports in smaller cities, Malaysia Airports' other facilities are also expected to benefit from this trend.

We are delighted that British Airways, after a 14-year hiatus, will return to KLIA in May, offering daily flights on a three class Boeing 777-200ER to London. All Nippon Airways (ANA), meanwhile, will start operations to Tokyo in September on its new Boeing 787 Dreamliner.

The Mitsui Outlet Park will also open in 2015, raising further the profile of Malaysia Airports and representing another step forward in our ambitious plans for the KLIA Aeropolis.

Overseas, the Group completed the acquisition of the remaining stake in Istanbul Sabiha Gokcen International Airport that we did not already own at the end of December 2014. ISG's passenger growth was 25.4% in 2014, and the airport is expected to break even in 2015. In our view, the airport not only enhances Malaysia Airports' profile in Europe, Middle East and Africa, but also offers significant long-term growth potential.

Our other overseas ventures are also poised for growth. The Group was awarded a RM192 million repair and maintenance contract at the New Doha International Airport in December. Our presence in two Indian sub-continent is also strategically placed to benefit from the expansion of aviation in India. India's economy grew 5.5% in 2014 and the World Bank predicts that India's growth will overtake China by 2017.

Malaysia Airports has set an EBITDA target for 2015 of RM1,522 million, including RM642 million from our businesses in Turkey. Given the economic climate and the potential upside to the aviation industry from lower oil prices, I am confident we can achieve our goals.

CHAIRMAN'S STATEMENT

THE BOARD

On behalf of the Board, I would like to recognise and thank members of the Board who had resigned in 2014 and early 2015. Tan Sri Bashir Ahmad Abdul Majid, Datuk Seri Long See Wool, Puan Eshah Meor Suleiman and Mr Chua Kok Ching had all served the Group with distinction and dedication during their tenure. I must also record my utmost appreciation to Tan Sri Bashir Ahmad who had served Malaysia Airports for more than a decade as Managing Director.

Meanwhile, I am pleased to welcome our new Board members - Datuk Mohd Badlisham Ghazali, Datuk Dr. Ismail Hj. Bakar, Dato' Siti Zauyah Md Desa and Datuk Ruhaizah Mohamed Rashid.

I am confident that the Board's wealth of experience and expertise will guide the Group forward as it draws on this momentum and to continue the commendable work that has been done.

APPRECIATION

Finally, I would like to take this opportunity to record my appreciation to all those who have helped ensure the continued success of Malaysia Airports throughout the year.

To the Government of Malaysia and the regulatory authorities, we thank you for providing the regulatory frameworks with which to guide our path ahead.

To our valued customers, vendors, bankers and business partners. We look forward to your continued support in the Group's endeavours.

To Malaysia Airports' talented management team – my heartfelt thanks for your leadership, dedication and contribution towards the Group's continued growth.

To our wonderful employees for their hard work and passionate commitment to Malaysia Airports and all that it stands for and aspires to achieve.

And last, but not least, our shareholders, for the trust and confidence that you have placed in us. I can assure you that Malaysia Airports will continue to deliver value.

Thank you.

Yours sincerely,

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


DATUK
BADLISHAM
BIN GHAZALI
Managing Director

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

MALAYSIA AIRPORTS RECORDED A COMMENDABLE PERFORMANCE IN THE FINANCIAL YEAR ENDED 31 DECEMBER 2014, HANDLING MORE PASSENGERS, AIRCRAFT AND CARGO; AND OPENING klia2, THE WORLD'S LARGEST TERMINAL DEDICATED TO LOW-COST CARRIERS.

The financial performance reflects the resilience of Malaysia Airports' business, with the company's system of airports surpassing the 80 million passenger-mark for the first time in its history.

The improved performance was achieved despite the unprecedented aviation tragedies in 2014 that affected traveller sentiment. We wish to once again give our most heartfelt condolences to the families and friends affected by the tragedy.

HIGHLIGHTS OF THE FINANCIAL YEAR 2014

- Earnings before interest, tax, depreciation and amortisation (EBITDA) rose 4.1% in FY2014 to RM861.4 million, as passenger numbers increased.

- Malaysia Airports recorded revenue of RM3,343.7 million in FY2014, compared with RM4,098.8 million the previous year. The 18.4% decline reflected the reduction in construction revenue with the completion of klia2 in May 2014. Revenue without construction rose 8.9% or RM218.4 million in FY2014.

- Total passenger movements at Malaysia Airports' facilities exceeded 80 million for the first time, rising 4.7% in 2014 to 83.3 million passengers. The number of international and domestic passengers for the year increased by 4.9% and 4.5% respectively.

- Malaysia Airports recorded 791,562 commercial aircraft movements in FY2014, an increase of 7.3% from FY2013.

- Cargo movements rose by 7.5% to 1,007,463 metric tonnes, the highest volume handled by Malaysia Airports since 2006.

- Malaysia Airports completed the acquisition of both Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim ve Isletme A.S. (ISG) and LGM Havalimani Isletmeleri Ticaret ve Turizm A.S. (LGM) last year. Both companies became wholly-owned subsidiaries of Malaysia Airports on 31 December 2014.

- klia2, the world's largest terminal dedicated to low-cost carriers (LCC), opened to flights and passengers in May 2014.

- KLIA won the Large Airport of the Year at the CAPA Awards for Excellence in Asia Pacific Aviation and the world's number two airport (40 – 50 million passengers per annum) in the Skytrax 2014 World Airport Awards.

- Langkawi International Airport was voted Best Airport by Region (Asia Pacific) in the Airport Council International Airport Service Quality Awards 2014. It is the second consecutive year in which Langkawi has won the award in the category of airports that handle up to two million passengers per annum.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

MALAYSIA AIRPORTS RECORDED EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) OF RM861.4 MILLION IN FY2014, UP 4.1% FROM FY2013, SUPPORTED BY CONTINUED GROWTH IN PASSENGER NUMBERS. AS A RESULT, THE GROUP MET ITS FINANCIAL HEADLINE KPI FOR THE YEAR.

Airline travel is, typically, closely correlated with GDP growth. According to IMF, the world's GDP is expected to have grown by 3.3% in 2014, while Malaysia's GDP growth is expected to be at 6%.

Globally, 5.7 billion passengers travelled by air in 2014 based on Airport Council International (ACI) preliminary report - a 5.1% increase over 2013. Apart from the Middle East region which registered 10.3% growth, Asia Pacific was one of the regions that experienced highest growth of 5.9% over 2013. According to the same report, global international passenger numbers grew by 6% with Asia Pacific recording 5.9% in 2014. Across the globe, demand for domestic air travel rose 5.4% in 2014, with all markets showing expansion.

In Europe, passenger traffic rose over 5% with most major airports seeing a revival. Turkish airports in particular continue to post robust growth. ISG remains as one of the busiest airports in the world with 10.6% growth. It was noted that falling oil prices had helped support demand for travel.

FINANCIAL PERFORMANCE

Malaysia Airports recorded earnings before interest, tax, depreciation and amortisation (EBITDA) of RM861.4 million in FY2014, up 4.1% from FY2013, supported by continued growth in passenger numbers. As a result, the Group met its financial headline KPI for the year.

Revenue for the year was RM3,343.7 million, which was 18.4% less than the amount recorded in FY2013.

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 (IC12) and Financial Reporting Standard 111: Construction Contracts (FRS 111), which were adopted on 1 January 2011.

In FY2014, Malaysia Airports recognised construction revenue and costs of RM662.4 million and RM633.9 million for klia2, which opened for business in May.

In the absence of IC12-related revenues and costs, the Group reported revenues of RM2,681.3 million for FY2014, which was 8.9% more than the RM2,462.9 million the Group reported the year before. Profit before tax, meanwhile, rose 67.4% to RM805.7 million and profit after tax more than doubled from RM305.6 million in FY2013 to RM719.7 million in FY2014.

The increased revenue reflected the strength of the Group's core airport operations business. A decline in the construction revenue recorded under IC12, from RM1,635.9 million in FY2013 to RM662.4 million in FY2014, resulted in a drop in overall revenue from airport operations, but if construction revenue is excluded, Malaysia Airports reported a 7.9% increase in airport operations revenue, thanks mainly to the expansion of aeronautical revenue. Higher passenger and aircraft movements, and the implementation of new landing charges helped lift aeronautical revenue to RM1,341.1 million in 2014, compared with RM1,211.0 million in 2013, an increase of 10.7%.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

Profit before tax (PBT) for the year under review rose 50.8% to RM834.2 million, including a construction profit of RM28.5 million as a result of the building works at klia2. The construction profit in FY2013 was RM72.0 million.

Removing the construction profit from both periods, profit before tax increased by 67.4% to RM805.7 million, reflecting a gain from the revaluation of our investment in ISG and LGM, which was realised once the two companies became wholly-owned subsidiaries of Malaysia Airports.

The Group also recognised a gain on bargain purchase of RM379.1 million arising from the acquisition of ISG and an impairment of goodwill from the purchase of LGM of RM229.4 million.

However, the higher PBT was reduced by the impairment of investments in GMR Male of RM9.0 million and RM15.0 million in relation to a minority stake in a local company. Total costs (excluding construction) rose by 26.1% in FY2014 to RM541.2 million reflecting a significant increase in expenses related to depreciation and amortisation, finance, utilities, administrative fees, employee benefits and user fees.

The group of airports operated by Malaysia Airports handled 83.3 million passengers in 2014, which marks the first time passenger movements have exceeded 80 million. The sustained growth in the number of travellers using the Group's airports helped fuel gains in non-aeronautical revenue, along with the expansion of retail and commercial space with the opening of klia2.

Overall, non-aeronautical revenue grew 4.9% to RM1,168.7 million in FY2014. Revenue from the rental of space, advertising and other commercial operations grew 9.9% to RM554.0 million amid higher occupancy and increased rental. Malaysia Airports' own retail business recorded modest growth of 0.8%.

The Group's non-airport operations saw total revenue rise by 24.5% in the year under review to RM171.6 million. Project and repair maintenance recorded robust revenue growth of 62.6% to RM66.1 million, thanks to higher revenue at the MACS Middle East LLC, which provides maintenance and IT services at the new Doha International Airport in Qatar.

Revenue from hotel operations rose 12.0% to RM74.1 million as the occupancy rate improved to 75% in FY2014 compared with 68% in 2013. Average room rates also rose; to RM371.30 a night in 2014, compared with RM357.50 a night the previous year. The opening of Sama-Sama Express in the KLIA satellite building also marked a step forward for the Sama-Sama brand. The transit hotel offers travellers the choice of 80 stylish rooms, some of which are accessible to the disabled. Our newest terminal, klia2 also offers a transit hotel with 70 rooms. Both these hotels offer standard hotel amenities providing passengers with a comfortable environment to relax.

Malaysia Airports' agriculture business contributed RM31.3 million compared with RM30.9 million the year before as prices of Fresh Fruit Bunches (FFB) picked up.

MAHB PERFORMANCE

PROFIT BEFORE TAX ROSE 50.8% TO
RM834.2 MILLION

PASSENGER TRAFFIC GREW BY 4.7% TO
83.3 MILLION

CARGO MOVEMENT ROSE BY 7.5% TO
1,007,463 METRIC TONNES

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

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 profit of RM44.8 million for FY2014 compared with an economic loss of RM103.9 million in the previous year. The profit in FY2014 reflected the re-measurement of the fair value of the Group's investments in ISG and LGM, which became wholly-owned subsidiaries of Malaysia Airports at the end of December 2014.

TRAFFIC PERFORMANCE

Passenger Movements

The group of airports operated by Malaysia Airports drew a record number of passengers in 2014, surpassing the 80 million passenger mark for the first time. The Group experienced 4.7% growth in passenger movements despite the Malaysia-related aviation disasters that affected consumer attitudes towards flying.

International passenger traffic rose 4.9%, while domestic passenger traffic grew by 4.5% in FY2014, compared to FY2013.

KLIA registered total passenger movements of 48.9 million in FY2014, representing an increase of 3.0% from FY2013 – one of the highest rates of growth among ASEAN countries. This number was inclusive of LCCT which ceased operations in early May, and klia2 which had its commercial opening on 2 May 2014. klia2 is more than four times larger than LCCT and was built to handle 45 million passengers a year.

Passenger movements at KLIA's main terminal rose by 0.3% (international: 0.2%, domestic 0.8%). However, the disappearance of MH370 en route to Beijing in March 2014, appeared to have a serious effect on Chinese demand for

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

air travel in the remaining nine months of the year. Meanwhile, the shooting down of the MH17 aircraft over Ukraine in July 2014 weighed on the European sector. It is worth noting that the 4.7% growth for FY2014 was on the back a particularly strong FY2013 (18.4%) in terms of passenger movements.

Total passenger numbers at klia2, the state-of-the-art terminal dedicated to low cost carriers, rose 5.9% helped by a 12.7% surge in international passengers compared with a year ago. Domestic passenger movements, fell 5.2%. klia2 is just two kilometers from KLIA Main with transfers available by express rail link, and caters to ten airlines flying to both domestic and foreign destinations.

We also recorded strong growth in passenger numbers (7.3%) for other airports managed by the Group, apart from KLIA. Sultan Abdul Aziz Shah Airport (LTSAAS), Subang – currently the base for turboprop fleets, Firefly and Berjaya Air – and Langkawi International Airport both have surpassed the two million-passenger mark. Meanwhile, Penang International Airport also reached a new milestone when it registered more than 6 million passengers for FY2014.

Aircraft Movements

Aircraft movements across all our airports rose 7.3% to 791,562, as airlines began operating new routes from Kuala Lumpur and other airports, and also increased flight frequencies. KLIA and klia2 currently cater to 57 passenger airlines and 5 freighter carriers, serving 111 international and 15 domestic destinations.

Among the new airlines and routes, Flynas began flying between Jeddah and Kuala Lumpur, while YOU Wings started flights from Medan in Indonesia to Terengganu and Ipoh. Iran Aseman introduced Tehran-Kuala Lumpur services while Jin Air now connects Seoul with Kota Kinabalu and Mega Maldives operates on the Male – Kuala Lumpur route. A noticeable feature of recent years has been the growth in direct flights between Asia's secondary cities, skirting traditional hubs.

Cargo Movements

Cargo movements at our airports grew by 7.5% to 1.007 million metric tonnes, reflecting the growth in global and regional trade and the highest volume since 2006.

This was faster than the global growth rate, which was 4.7% in 2014, according to ACI.

OVERSEAS VENTURES

Malaysia Airports took full control of ISG and LGM in Turkey, which manages the services at Istanbul's second airport, at the end of 2014. The acquisition of the remaining 40% stake, at the equivalent of about RM1.2 billion, is being financed through a one-for-five rights issue.

ISG reported a smaller loss of EUR23.4 million in 2014, after passenger traffic surged by 25.4%. The company has also refinanced its debts, which will result in interest savings of between EUR20 million and EUR25 million annually.

The airport is expected to break even in 2015 with passenger numbers estimated to grow by 15%. Of that, international passenger movements are forecast to rise 19% and domestic passenger movements by 12%. Aircraft movements are estimated to increase by 13%.

ISG has a 22-year concession from the Turkish government to operate the airport on a design-build-operate agreement starting from May 2008. The terminal opened in 2009 and now has a capacity for 33 million passengers a year. Malaysia Airports aims to expand the facility to cater to as many as 40 million passengers a year by 2028. The Turkish government's plan to construct a second runway in ISG will also contribute to this expansion. ISG was the world's fastest growing airport in 2009 and 2010, as well as in 2012 and 2013 and has been Europe's fastest growing for the past five years.

The airport has won numerous awards since it started operations and in 2014 was named Airport of the Year by CAPA (15-25 million passengers per annum).

Malaysia Airports also owns minority stakes in airports in India - one of which is the Rajiv Gandhi International Airport in Hyderabad.

The Rajiv Gandhi International Airport is situated about 25km from Hyderabad and has the capacity to handle as many as 40 million passengers a year. Its strategic location means it is possible to fly to all major Indian cities within two hours, making it the cargo gateway for south central India. The airport currently

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

serves 15 international destinations and 30 domestic routes and was named third best in the world (5-15 million passengers per annum) in the Airport Service Quality Awards 2014 by ACI.

ENHANCING OUR AIRPORTS

Malaysia Airports continues to upgrade its 39 airports and STOLports to ensure airlines and passengers receive the best possible standards of service.

The opening of the klia2 terminal on 2 May 2014 was a milestone for Malaysia Airports, providing a better experience to travellers using LCCs. klia2 has the capacity to handle as many as 45 million passengers a year and marks a significant step forward in the development of our airport city - KLIA Aeropolis.

The terminal handles flights for AirAsia, AirAsia X, Indonesia AirAsia, Thai AirAsia, AirAsia Zest, Cebu Pacific Airways, Malindo Air, Mandala Air, Mega Maldives, Lion Air and Tiger Airways.

Meanwhile, improvements to the terminal building at Sandakan Airport in Sabah started at the end of May 2013 and were completed on 29 November 2014.

The new building has a more contemporary facade, a new roof and is larger – 12,000 square metres compared with 8,000 square metres previously. Fully air-conditioned, the terminal has improved water distribution, sewerage, telecommunication and electrical systems, as well as an upgraded fire engineering system. Passengers will also benefit from renovations to the toilets and prayer rooms, new seating and luggage trolleys.

During the construction, Malaysia Airports also took the opportunity to enhance security at Sandakan Airport. Arched metal-detector machines have been installed with baggage screening and handling improved. New closed circuit TV (CCTV) camera and master antenna television equipment were also installed.

The renovation of Miri Airport in Sarawak was completed in 2014, expanding the apron area to accommodate an extra three Code 3C stands and four Code 2B stands to provide sufficient parking space at busy times. In the interior of Sarawak at the Ba'kelalan STOLport, rehabilitation works on the runway, taxiway and parking apron were completed in June 2014.

Works to improve the domestic transfer corridor at Kuching International Airport, Sarawak's main airport, is underway and targeted for completion in November 2015. The wider corridor will ease congestion for passengers, especially during peak hours.

klia2

The world's largest terminal dedicated to low cost carriers was built at a cost of RM4 billion and began operations in May 2014. In line with our business plan, Runway to Success, the new terminal was designed not only to enhance the traveller's aviation experience, but also as a catalyst to the development of airport cities.

Situated just two kilometers from KLIA Main, the facility boasts 128 check-in counters, 52 self-check-in kiosks and a fully-automated baggage handling system. A dedicated runway and control tower, meanwhile, ensure efficient aircraft operations and on-time departures and arrivals.

klia2 complements the KLIA system which serves as the core to the KLIA Aeropolis development. It functions not merely as a pass-through terminal but as a destination in itself where passengers as well as meeters and greeters converge.

Hence, of the 257,845 square metres of floor space available, some 35,200 square meters is devoted to commercial use. Once fully taken up, the terminal will house up to 225 outlets dedicated to providing the kind of shopping, food and beverage and services demanded by today's travellers. While some units may come in the form of island cafes, there is also the potential for al-fresco dining, duplex storefronts, duty-free walkthroughs and speciality boutiques, with more than half the units designated for retail purposes. Data captured in 2014 has shown that there was a ratio of 2:1 passenger to non-passenger who visits klia2 in a given month.

Passengers also enjoy seamless connectivity between flights through the express rail link with KLIA, which also provides onward travel to Kuala Lumpur in just 28 minutes. Buses, taxis and ample covered car parking (a 6,000 bay multi-storey car park) are also available to both travellers and staff.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

MALAYSIA AIRPORTS HAS IDENTIFIED SEVERAL AIRPORTS FOR IMPROVEMENT AND EXPANSION OVER THE NEXT FIVE YEARS, IN ORDER TO FULFIL OUR MISSION OF MAKING OUR CUSTOMERS' AIRPORT EXPERIENCE ONE THAT IS JOYFUL AND EXCITING.

FUTURE DEVELOPMENT PROJECTS AT OUR AIRPORTS

Malaysia Airports has identified several airports for improvement and expansion over the next five years, in order to fulfil our mission of making our customers' airport experience one that is joyful and exciting.

The Group plans to register the development proposals with the government for the 11th Malaysia Plan, which lays out the country's economic development plans until 2020.

KLIA has reached its capacity of 25 million passengers per annum and with expansion expected to continue, Malaysia Airports is considering a number of options to facilitate this growth, including an extension to the Main Terminal Building, the construction of a new Satellite Building, additional parking for large aircraft such as the A380 and the expansion of contact piers to support the growth of domestic flights. The development of more car park blocks are also on the agenda to prepare for capacity of 45 million passengers per annum after 2025.

Further improvements are also likely to Langkawi International Airport, to create a building that reflects better its position as a gateway to Malaysia's fabled tropical islands. Malaysia Airports is proposing a terminal that can handle five million passengers per annum in comfort. The plans include an In-Line Hold Baggage Handling System (ILHBS), new boarding bridges and a covered walkway to improve safety.

One improvement which was initiated in 2014 was the new VIP Annex Complex – Lang Merah. Built over nine months at the cost of RM4.8 million, it was completed in the first quarter of 2015. The 600-square meter complex is equipped with immigration, customs, health, as well as quarantine services, and also offers free WiFi to passengers.

Malaysia Airports is also planning for the expansion of other local airports such as the Sultan Ismail Petra Airport in Kelantan, which has already exceeded its 1.5 million capacity. The building will be expanded to cater to four million passengers with a new multi-storey car park and additional aircraft stands to cope with the expected increase in traffic in the coming decade.

Miri Airport, which is currently the country's sixth busiest airport, will also be expanded to handle as many as four million passengers a year. Some 2.4 million people used Miri Airport in 2014. The new airport will have more parking and the construction of a mini-mall will further enhance our passengers' travelling experience.

AIR SERVICES DEVELOPMENT

Attracting Airlines to Our Airports

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.

In our effort to strengthen KLIA's position as the Next Generation Hub, Malaysia Airports actively promotes KLIA as an attractive airport to airlines. The opening of klia2 has made it possible for passengers to enjoy seamless connectivity between full service and low cost flights due to the close proximity of klia2 to KLIA Main, as well as the availability of the express rail link running between the two terminals.

Malaysia Airlines' entry into the *oneworld* alliance in 2013 had a knock-on effect on passenger traffic, fuelling double-digit growth rates. The government has designated 2015 the Year of Festivals with a target of 29.4 million tourists arrivals. It is worth noting that even with the aviation disasters, tourism in 2014 grew at its fastest pace in six years, supported by visitors from ASEAN and rising numbers of tourists from India and Western Europe.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

THE GROUP ENVISAGES KLIA AS NOT ONLY AN AIRPORT, BUT ALSO AS AN INTERNATIONAL MEETING PLACE AND A CENTRE FOR BUSINESS AND ENTERTAINMENT; THE ULTIMATE AIRPORT CITY. WE HAVE CALLED THIS DEVELOPMENT, KLIA AEROPOLIS.

Naturally, Malaysia Airports pursues its own marketing strategies to encourage more airlines to fly to Malaysia, whether to KLIA/klia2 or one of the country's four regional International Airports (Penang, Langkawi, Kuching and Kota Kinabalu). The Group works closely with its airline partners on market intelligence and traffic forecasts and provides carriers with the opportunity to market their promotional packages and fares through a dedicated portal, flyklia.com. The Airline Incentive Programme has also proved an effective tool in bringing in business. In addition, Malaysia Airports seeks to raise awareness by participating in travel trade events such as the World Route Development Forum and World Travel Mart.

In 2014, we welcomed five new airlines to our airports.

Flynas, a low cost carrier based in Saudi Arabia, began long haul operations in April 2014 with flights between Jeddah and Kuala Lumpur. Malaysia was chosen as the first destination because of the large number of Malaysians who travel to Saudi Arabia to perform the Haj and the Umrah. The service operates three times a week.

Iran Aseman, began twice weekly services between Tehran and Kuala Lumpur using an Airbus A340 in a three class configuration, in December. With the entry of Iran Aseman, there are now three Iranian airlines connecting the capitals of Iran and Malaysia and offering six flights each week.

Mega Maldives, the island nation's leading international carrier, started flights between Male and Kuala Lumpur on 23 December. The carrier flies three times a week in each direction.

Meanwhile, Jin Air, the low-cost arm unit of Korean Air, started Boeing 737-800 flights between Seoul and Kota Kinabalu on 24 December. The route will operate daily during peak periods and four times a week during the quieter months.

The newly upgraded Sultan Azlan Shah Airport in Ipoh opened in May and began operations on 3 October with Malindo Air connecting Ipoh and Johor Bahru. International flights began the next month with the arrival of PT Sriwijaya's Boeing 737-500 from Kuala Namo (Medan).

Melaka Airport also became more active when Malindo Air began ATR-72 flights connecting Melaka to Penang and Pekanbaru in Indonesia on 5 November 2014. A fortnight later it began flights between Melaka and Kota Bharu.

KLIA AEROPOLIS DEVELOPMENT

Malaysia Airports' vision for the future is not only about making KLIA the region's premier aviation hub; it is also about making KLIA a destination in its own right. The Group envisages KLIA as not only an airport, but also as an international meeting place and a centre for business and entertainment; the ultimate airport city. We have called this development, KLIA Aeropolis.

As airports become an increasingly important link to global markets and a major factor in a country's competitiveness, KLIA's land bank provides us with a unique opportunity to establish a platform for international business and trade that will enhance our business and contribute to Malaysia's economic development. The KLIA Aeropolis will focus on logistics and aerospace development in the immediate stages. We also plan to develop leisure and recreational facilities that will draw people to the airport regardless of whether they have a plane to catch or friends and family to meet.

A cornerstone of Malaysia Airports new vision as a global leader in creating airport cities, KLIA Aeropolis will also enhance Malaysia's attractiveness as a destination for business, tourism, leisure and shopping. The masterplan envisages development will take place in phases over the next 15 to 25 years, gradually transforming the core area around KLIA and klia2 into a vibrant hub of economic activity and leveraging on the country's strategic development plans for the

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

tourist and aviation sectors, which aim to quadruple tourist receipts from RM19 billion in 2013 to RM79 billion in 2025 and create some 32,000 aviation-related jobs by 2030.

Construction began in April 2014 on two of the KLIA Aeropolis' key projects – the Mitsui Outlet Park KLIA and the Solar Power System at KLIA.

The first phase of the outlet park, involving 140 shops over 25,000 square meters, is set to open in May 2015. The park will be expanded in two phases, in 2018 and 2021, and will eventually accommodate 260 outlets over 46,300 square metres. The development reflects the market potential of KLIA's proximity to the urban centres of Kuala Lumpur and Greater Klang Valley.

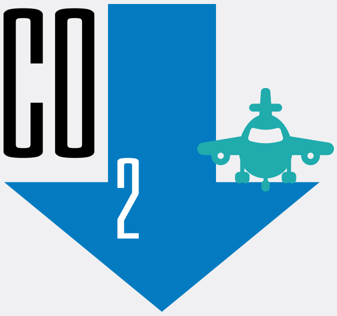
The tenant mix at the outlet will include luxury brands as well as well-known international and Asian brands and reflect the mall's strategic offerings and positioning.

As a joint venture with Japan-based Mitsui Fudosan Co. Ltd. (Mitsui), the park will be among the biggest outlet shopping centre in Southeast Asia. Malaysia Airports has a 30% stake in the joint venture company known as MFMA Development Sdn. Bhd., which is responsible for leasing units to tenants and promoting its development. The Group is proud to have Mitsui as its partner, a company that operates 12 factory outlets in Japan and has a proven track record in property development.

Like the KLIA Aeropolis itself, the Mitsui Outlet Park is closely allied with government development plans, which aims to transform KLIA into a retail hub under the Economic Transformation Programme that was launched in 2010. By 2020, the project is expected to have created 2,577 jobs and generated some RM221 million in Gross National Income. Outlet parks are a specific focus of the government's Entry Point Project (EPP) 3, while the EPPs on the development of indoor entertainment centres and outdoor theme parks has potential for our substantial landbank.

The Group remains committed to creating a more sustainable business, including the use of renewable energy. As part of the KLIA Aeropolis project, KLIA now has three photovoltaic (PV) solar power plant facilities, which provide renewable power in conjunction with the government's Feed-in-Tariff programme and allow us to maximise our return on investment and electricity savings.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS



MALAYSIA AIRPORTS AIMS TO BE A SIGNIFICANT AND DIRECT CONTRIBUTOR TO THE GOVERNMENT'S TARGET OF REDUCING CARBON EMISSIONS BY 40% BY 2025.

The PV solar power plants, developed in partnership with New York-listed solar technology company SunEdison, are located at three areas around KLIA. One is located within the Group's oil palm land with a capacity of 5 megawatts that can produce about 7,615 MWh a year. The second, with a capacity of 10 megawatts, is sited on the canopy of KLIA's long-term car park and can generate 13,556 MWh a year, while the third is on the roof of KLIA's satellite terminal. It has a capacity of 4 megawatts and can produce a total of 5,593 MWh a year.

The use of solar power provides greater energy efficiency and promotes cost savings and will benefit both our stakeholders and our business partners. The project also supports the national efficient energy management initiative and is a step towards the Green Airport Initiative under the Clean Airports Partnership Programme based in the USA. As a measure of our commitment, Malaysia Airports aims to be a significant and direct contributor to the government's target of reducing carbon emissions by 40% by 2025.

Realising Our Vision

In realising our new corporate vision of being a global leader in creating airport cities, our targets for the next phase of growth leading to 2020 include achieving passenger movements of at least 110 million passengers per annum, revenue of at least RM5 billion a year, EBITDA exceeding RM1.65 billion and the development of more than 1,214 hectares of commercial land at KLIA Aeropolis. In addition, by 2020, it is envisaged that the share of aeronautical to non-aeronautical revenue will be at 45% to 55% respectively.

COMMERCIAL PERFORMANCE

Our commercial services focused on the Group's retail offerings as well as the provision of other services such as banking, lounges and hospitality to the passengers who use our facilities. We continuously review and improve the mix of retailers and service providers in order to boost passenger spend. Various marketing and advertising initiatives were designed to increase awareness and engender loyalty among our frequent flyers. We aim to put the customer first and ensure those who use our airports enjoy world-class services and the best experience possible.

The opening of klia2, a cornerstone of the KLIA Aeropolis, was the highlight of 2014 for our commercial services, taking us a step further towards our goal of becoming a world leader in developing airport cities.

Some 14% of the 257,845 square metre terminal is devoted to commercial use. Of the 225 units available, 118 are dedicated to retail, 81 to food and beverage (F&B) and the remainder to services. Occupancy currently stands at 80% and demand for the right to operate in the terminal is high - more than 1,600 potential operators attended the tender briefing sessions on the project.

Passengers at klia2 have the option of two lounges at the departure level of the satellite building, which both offer scenic views of the airport apron. A sports lounge, movie lounge and Kids Zone are part of its available facilities.

Enhancing Passenger Experience

Malaysia Airports has tagged klia2 as "Destination Curious," an invitation to travellers to broaden their travel experience and discover their inner explorer, taking advantage of the myriad attractions available at the terminal. Our retail, F&B and service offerings are designed to incorporate what we call our E.L.I.T.E. brand pillars – Experiential, Liberating, Innovative, Thrilling and Ever-Changing.

A series of successful sales campaigns were launched in conjunction with the opening of klia2, including the "Wonderful Visit to Oz" contest from 26 June to

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

7 August 2014 with a Gold Coast holiday for four as the Grand Prize. Supporting contests included ELITE 5 Senses, teasing participants' sense of touch, smell, taste, hearing and sight, with shopping vouchers to the winners as well as six weekly games offering instant prizes.

The Indulge Till You Fly (ITUF) Campaign, in its fourth year and themed "Wonderland" in 2014, concluded in February with the Grand Winner receiving a RM1 million shopping spree to Hong Kong, Tokyo, New York, London, Paris, Dubai and Kuala Lumpur. The campaign operates simultaneously at all the Group's international airports.

Malaysia Airports has been an enthusiastic adopter of digital technology for its marketing campaigns, boosting participation in our competitions and promotions by around 20%. Sales generated have more than doubled with passengers' average spending about a third more than it is outside the campaign months.

The ITUF Campaign continues to win major awards including the Silver Trophy for Excellence in Shopper Marketing at Advertising and Marketing's Marketing Excellence Awards 2014. The initiative also won the Order of Excellence for Dragons of Asia for Best Business to Business or Trade Marketing Campaign and Best Innovative Idea or Concept.

Nurturing Airport Businesses

More than 250 concessionaires from 90 companies attended our sixth Concessionaires Conference, which we organise in order to deepen the business relationship between Malaysia Airports, its concessionaires and passengers.

Concessionaires are the "guardians" of the country's premier airport gateways and provide the first and last impressions for travellers on their way in or out of Malaysia. At the conference, we encouraged all our concessionaires to strive towards sales and service excellence, which is critical to the long-term success of our business. Malaysia Airports recognised the 12 outstanding performers with the Malaysia Airports Category Champion Award 2014 and the Excellence Performance Award 2014.

The Entrepreneur Development Programme, meanwhile, is designed to nurture small and medium sized enterprises (SMEs) owned by the Bumiputera and is part of Malaysia Airports' Corporate Social Responsibility (CSR) initiatives.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

The Programme provides a platform for these SMEs to gain experience of retailing and services in an international airport environment with prime locations in our facilities. 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 CSR 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.

Beyond the CSR programme, Bumiputera participation is at 38% of klia2's retail space by the end of 2014.

Customer Service Excellence Campaign – T.O.U.C.H.

The T.O.U.C.H. Campaign was launched in KLIA in 2012 and has now been expanded to klia2 and the Group's other international airports. The programme is designed to nurture world-class service standards not only among our own staff, but all those who work directly with passengers.

Malaysia Airports has identified communication skills, product knowledge, service standards, demeanour and overall appearance as the key attributes in dealing with customers. As part of our commitment to providing excellent service and creating a positive first impression, training in all these areas is held regularly with awards to the frontline staff who perform best in surveys by mystery shoppers.

OPERATIONS PERFORMANCE

Sustainability of Airport Systems and Facilities

Malaysia Airports has embarked on a number of engineering initiatives to maintain and improve the Group's airport infrastructure to ensure we offer the most efficient and secure services 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 Group and provides an opportunity to share knowledge and experiences.

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

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

MALAYSIA AIRPORTS ENGINEERING DIVISION HAS EMBARKED ON A NUMBER OF ENGINEERING INITIATIVES TO MAINTAIN AND IMPROVE THE GROUP'S AIRPORT INFRASTRUCTURE TO ENSURE WE OFFER THE MOST EFFICIENT AND SECURE SERVICES TO AIRLINES AS WELL AS TO THE PASSENGERS WHO USE OUR FACILITIES.

the facility's infrastructure from runways and taxiways to specialised systems such as passenger boarding bridges, baggage handling systems, airfield ground lighting and fire safety vehicles.

The Asset Management Programme is complemented by the Asset Replacement Programme, which focuses on the total cost of ownership, cost optimisation, product efficiency and reliability.

In 2012, we began a series of upgrading projects including the overhaul of the track transit system at KLIA. Passenger connectivity has also been enhanced with the "shuffling" of the transit tracks to ensure a seamless service even when one train unit might need to be transferred to the designated building for maintenance.

In 2014, we also enhanced passenger and baggage screening at all our airports. The x-ray sceening machines will be replaced in stages to minimise disruption to travellers and airport operations. Meanwhile, a total of 176 walk-through metal detectors were replaced in 2014.

Passenger Boarding Bridges (PBB) at KLIA are also being upgraded with the replacement of the computer control system, which acts as the nerve centre of the PBB. The improvements were completed in 2014 and the updated technology ensures greater ease of operation and an improved level of service to both airlines and travellers.

At klia2, which has 68 gates for both domestic and international departures and arrivals, more travellators are being installed to shorten the walking distance for passengers and ensure easier movement between flights and gates. The first phase, involving three pitless travellators - the first ever such installation in Malaysia - took place from August 2014 to December 2014. The second phase consisting of 16 more travellators, will be completed by end of 2015.

With regards to airside facilities, Malaysia Airports is in the midst of upgrading and improving the design and pavement for taxiways A10 and A11 at KLIA. Phase one, involving taxiways A10 and A11 as well as the rehabilitation of runway 32R commenced in April 2014 and is expected to be completed by the first quarter of 2015. The work on taxiways C1 and C2 will start in 2015.

The Group has also reviewed and assessed the airfield ground lighting system at KLIA and embarked on an upgrade programme that will take place in phases to minimise disruption to air services. At six other airports (Penang, Kota Kinabalu, Kuching, Subang, Langkawi and Miri), we have started in-field photometric testing using Mobile Airfield Lighting Measurement System (MALMS) on the ground lighting system to ensure the facilities are aligned with ICAO, Annex 14, Chapter 10. MALMS allows pilots to have a better view as they come into land, standardising visibility and ensuring a safer approach for aircraft.

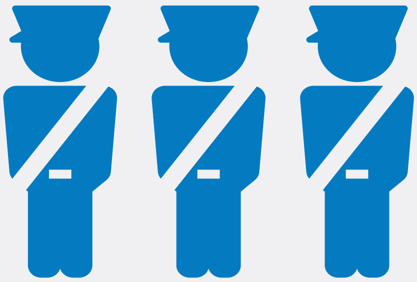
We are also continuously monitoring the klia2 pavement to forecast soil movement and ensure fast and accurate decisions can be made on any remedial work that is required.

Airport Fire and Rescue Services

Airport fire and rescue services (AFRS) continue to be an important component in the readiness and efficiency of airport operations. AFRS personnel are trained in rescue, first aid and life-saving skills in the event of accidents or emergencies, as well as in fire-fighting and fire prevention at airports. 2014 was an especially challenging year for aviation where a series of air disasters affected public confidence towards air travel. For this reason, we ramped up our Airport Emergency Exercises at all our airports to ensure that our AFRS personnel were well-equipped in handling all foreseeable emergencies at the airports.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

IN 2014, MALAYSIA AIRPORTS RECRUITED 800 AUXILIARY POLICE OFFICERS TO PROVIDE SECURITY SERVICES AT klia2.



We also reviewed the AFRS organisational structure to further streamline operations. To this end, specific units were formed to oversee crucial functions such as training, logistics, fire prevention and audit to ensure that we maintain our excellent compliance track record and service quality. In tandem with the restructure, a new uniform and motto – Professional and Responsive - were unveiled to imbue our AFRS personnel with new vigour.

As part of our corporate responsibility (CR), we had embarked on a mission to provide urban STOLports in Sabah and Sarawak with aircraft rescue and firefighting capabilities. We achieved this with the cooperation of Malaysian Volunteer Fire and Rescue Associations based in East Malaysia. Our objective was to ensure that our service at the STOLports are continuously upgraded to comply with ICAO requirements. Following this, we will be procuring specialised fire rescue vehicles for use at the identified locations.

SAFETY AND SECURITY

Safety and security are a crucial component of the global aviation industry and Malaysia Airports has zero tolerance for any security breaches.

Since the catastrophic events of 9/11, the security environment of airports around the world has undergone immense change in the interest of all air travellers.

KLIA is certified for 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. KLIA security has been rated among the world's best. Meanwhile, all our other airports are in full compliance with ICAO SARPs.

In 2014, Malaysia Airports recruited 800 auxiliary police officers to provide security services at klia2. Before taking up their positions, the new recruits were required to complete a customised training course in compliance with ICAO's Annex 17 (Security) as well as the competency requirement of the Department of Civil Aviation's National Civil Aviation Security Programme. The training consisted of two months basic police training at the Polis DiRaja Malaysia Training Centre in Langkawi, two months of basic aviation security training at Malaysia Airports Training Centre in Penang and two months on-the-job training at KLIA itself.

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 a Code of Ethics and Conduct. The Group has a clear whistleblowing policy and requires asset declarations from relevant employees. It also follows a strict 'no gift' policy.

On 15 August 2014, the Company formed a Corporate Integrity Unit, which is headed by a senior officer seconded from the Malaysia Anti-Corruption Commission. The unit is an independent body and has completed a survey on corporate integrity that will serve as a blueprint for risk assessment.

The CIU also acts as the secretariat for the Whistleblowing Programme, which is designed to provide employees with the means to raise their concerns regarding possible malpractices in a safe and secure environment.

Procurement Integrity Pact

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 the Group's procurement processes. In retail and services, we have found open tender exercises to be the most effective way of securing the best product brands and pricing for our airports.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

CREATING A CONDUCIVE WORKPLACE

Malaysia Airports had 10,600 people on its payroll at the end of December 2014, 13.3% higher than in 2013, mostly due to the opening of klia2, a terminal that is considerably larger than the LCCT that it had replaced.

It is Malaysia Airports' goal to be 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, which was initiated in 2013, is given to the individuals who have shown exemplary achievement and contributed significantly to the Group's development. It is based on four criteria: high performance in the employee's annual performance appraisal, active involvement in company improvement initiatives, participation in company-organised events and representation of the company at the state, national or international level.

Employees who show their commitment to a healthy lifestyle by not taking any sick leave are also rewarded.

In addition, Malaysia Airports implements comprehensive career development programmes including industrial training and Skim Latihan 1Malaysia (SL1M), a government-backed project to introduce fresh graduates to the airport business over a seven-month period.

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

An RM140 monthly cost of living allowance was introduced on 1 January 2014 for 8,000 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 increased allowances.

Malaysia Airports' employees also enjoy first class facilities to maintain their health and well-being including an on-site gymnasium, a football field and a netball court at the corporate headquarters. In our experience, team sports not only improve physical fitness, but also create closer working relationships.

A child care centre and nursery is under construction and will be able to care for as many as 150 children up to the age of six once it is completed.

I am pleased to report that Malaysia Airports' commitment to its employees' welfare has been widely acknowledged. In 2014, we won a number of awards including the Anugerah Majikan 1Malaysia from the Ministry of Human Resources, the Silver Award for Excellence in Employee Development and Bronze Award for Workplace Well-Being from HR Magazine. We were also among the top three in the most popular graduate employer (GLC category) at the 100 Leading Graduate Employers Award 2014.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

OUTLOOK FOR 2015

OUTLOOK FOR 2015

Malaysia Airports expects another year of steady growth at its airports in 2015, reflecting the global economic outlook and the expectation that lower oil prices will have a positive effect on the growth of airlines.

IMF had earlier predicted that the global economy will expand 3.8% in 2015 with Malaysia's economy likely to grow as much as 6.0%. Nevertheless, in January 2015, IMF had revised down their prediction for global economy to 3.5%.

ACI has forecast global passenger traffic growth at 4.8% in 2015. However, Malaysia Airports has taken a more conservative approach in its forecast for 2015, in view of of the lower global forecast by IMF, as well as possible negative impact from uncertainties in the Middle East region and some lingering negative sentiments from the MH370 incident.

We are expecting growth at our airports of 3% in 2015 to 85.8 million passenger movements a year, but there is room for optimism.

Load factor and airlines' seat analysis suggest that despite the effect of the aftermath of 2014's unprecedented air disasters, there is potential for growth. Load factor averaged about 72% in 2014, but some long-haul routes had a load factor closer to 85% hinting at an opportunity for increased flight frequencies.

Malaysia has made 2015 its Year of Festivals with tourist arrivals forecast to reach 29.4 million, helped by the introduction of visa fee waiver for Chinese nationals. Other positive factors include the ASEAN Open Skies policy and Malaysia Airlines' membership of the *oneworld* alliance, which significantly expands connectivity between Malaysia and the rest of the world. Under Malaysia's economic development plan for tourism, the country aims to welcome 36 million tourists by 2020 with receipts totalling RM168 billion.

In addition, KLIA continues to welcome new, and returning, airlines.Turkmenistan Airlines began a weekly service between Kuala Lumpur and Ashgabat in February 2015.

British Airways resumes direct flights to and from London in May 2015 after an absence of 14 years and All Nippon Airways (ANA), a member of Star Alliance, will start daily flights between Kuala Lumpur and Tokyo at the beginning of September. ANA will use the new Boeing 787 Dreamliner on the route and provide onward connectivity to the United States.

klia2 will celebrate its first year of operations in May and is now established as a major hub for low-cost travel as well as the home base of AirAsia.The expansion of retail space in the terminal with the "Mall in an Airport; Airport in a Mall" concept is expected to have a favourable effect on Malaysia Airports' commercial revenue.

Malaysia Airports is also anticipating a strong performance from its new Turkish operations in Istanbul. Turkey is the world's sixth most popular tourist destination and the industry is growing faster than the global average, which will have a positive effect on the airport's performance. Passenger traffic at ISG is expected to grow by 15% in 2015, with aircraft movements increasing by 13% and cargo movements 5%.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

WORDS OF APPRECIATION

Before I conclude, I would like to thank Malaysia Airports' Board of Directors for their guidance and expertise in helping the Group achieve its goals in what has been a more challenging year than any could have predicted. I would also like to record my appreciation to the Board for putting their trust in the Senior Management team.

I would like to thank my colleagues in senior management as well as the Group's employees for their hard work and dedication to helping Malaysia Airports realise its ambitions and reach even greater heights.

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.

Last, by no means least, when I became Managing Director in June, I took over from Tan Sri Bashir Ahmad Abdul Majid, a hugely respected aviation veteran who had held the post for 11 years. I would like to put on the record my thanks and appreciation for his commitment to Malaysia Airports and am delighted that he remains an advisor to the Group.

Datuk Badlisham bin Ghazali
Managing Director

SUBSIDIARIES' PERFORMANCE

KL AIRPORT HOTEL SDN. BHD.

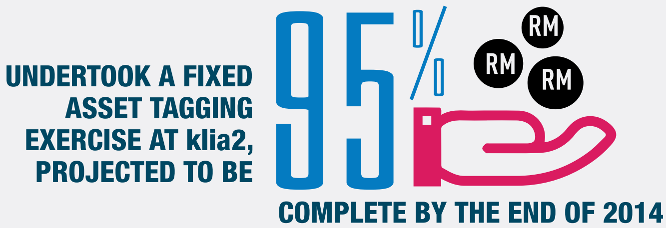
Located within the vicinity of the KL International Airport, Sama-Sama Hotel, with its modern, chic and comfortable rooms, offers a rejuvenating experience and the ultimate in convenience for both business and leisure travellers alike.

Launched in January 2013, the Sama-Sama Hotel had objectives to drive brand awareness both locally and internationally, as well as endeavouring to maintain its positioning as one of the best airport hotels in Asia.

This position was reaffirmed with the hotel being awarded as one of the Top 10 Luxury Hotels in Malaysia and a Certificate of Excellence by online travel site, TripAdvisor. In addition, the hotel was once again honoured as Asia's Best Luxury Airport Hotel by the World Luxury Hotel's Association. Further cementing our brand standards were the results of this year's guest satisfaction survey: a 2% year-on-year improvement ingrains the high standards that we demand from our brand. For the year until November 2014, the Sama-Sama Hotels Group recorded lower revenue compared to our budget estimates. Food & Beverage resulted in a RM2 million shortfall from the budget due to a decrease in M.I.C.E activities.

In its inaugural year of operation, our new hotel at klia2, Sama-Sama Express, performed well against a challenging backdrop. Their Food & Beverage revenue outperformed budget estimates by RM330,000 and closed the month of November with revenue amounting to RM665,000. Overall revenue for the year under review until November increased by RM8.7 million mainly due to room occupancy numbers. Gross Operating Profits (GOP) ended the 11th month with RM21.4 million, a RM374,000 increase from budget estimates. The GOP percentage increased by 1.4% above budget estimates of 28.8% and year-on-year GOP numbers increased by 23% or RM4 million.

Our commitment to continuous improvement, coupled with our determination to provide best-in-class services and amenities places us on a firm footing for yet another encouraging year for the Sama-Sama Hotels Group.



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 for MAHB Group and provides Facilities Management for MAHB Corporate Office at KLIA.

During the year under review, Malaysia Airports (Properties) undertook a fixed asset tagging exercise at klia2, projected to be 95% complete by the end of 2014. The entire exercise is targeted to be completed by the first quarter of 2015.

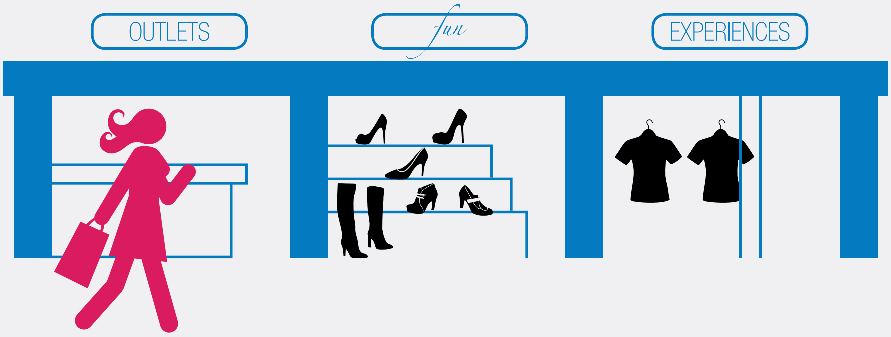
The enforcement team also held several Knowledge Sharing Sessions related to fixed assets in the months of August, October and November.

MAHB's tax unit also enlisted the assistance of KPMG to organise several workshops with Malaysia Airport (Properties) on the implementation of Goods & Services Tax (GST), which will come into effect on 1 April 2015.

In November 2014, after a fourth audit Malaysia Airports (Properties) renewed its ISO 9001 Certification with SIRIM Malaysia.

SUBSIDIARIES' PERFORMANCE

MORE THAN A 'SHOP & GO' EXPERIENCE



MALAYSIA AIRPORTS (NIAGA) SDN. BHD.

The year 2014 represented a major step forward for Malaysia Airports Niaga [MA (Niaga)], with the opening of the klia2 mega terminal. As one of the main concessionaires in the new klia2 terminal, MA (Niaga) strives to offer passengers more than a 'shop & go' experience. The terminal provides travellers a chance not only to shop, but to also enjoy the surrounding ambience and myriad food options available at the airport.

One of the highlights of MA (Niaga)'s klia2 operations is the Level 3 International Departure Emporium, MA (Niaga)'s largest single retail space to date. The emporium consists of four retail outlets selling chocolates, liquor, tobacco and fragrances. It is described as a "best-of-world" showcase in the new terminal. The primary focus here is on creating brand experiences rather than selling products – interactive elements and ambience are key to achieving this goals.

Another major highlight for MA (Niaga) is the International Arrival Emporium at Level 2, which has four outlets selling fragrances, liquor, tobacco and chocolates. Opened on 2 May 2014, this emporium exudes a friendly ambience with a stylish open concept, enhancing customer browsing experience. The space is designed to group products by category rather than brand, in order to make it easier and faster for arriving passengers to shop. The main attraction for both International Emporiums is that all products are priced lower compared to downtown. Selected travel retail exclusives for cosmetics and perfumes are sold in convenient travel kits.

To raise awareness about MA (Niaga)'s outlets, a series of signs have been installed to direct passengers towards our flagship outlets and raise awareness about MA (Niaga) for passengers as they move through the terminal.

With the opening of klia2, MA (Niaga) has also launched its own brands, including Apron Series and Flying Nomad, as a way to further boost revenue. At the same event, the company also releases the 7th edition of the Eraman Shop and Dine catalogue, titled "Celebrations." Published three times a year, the Celebrations catalogue aims to provide key information to customers on the brand's latest products and promotions. The last edition of Celebration in 2014 highlights available offers and promotions until February 2015.

As MA (Niaga) expands its operations, it continues to win several awards, in recognition of its consistent effort to be one of the world's leading airport retailers.

Flying Nomad @gateway klia2 won the Service & Courtesy Excellence Award for Retailers, Speciality Store category from the Malaysian Retailers Association in November 2014.

At the Concessionaires Conference 2014, MA (Niaga) secured a slew of awards, including the Champions Award 2014 (Chocolates & Confectioneries), Champions Award 2014 (Perfumes & Cosmetics) and Best Supporting Partner Award 2014.

One of MA (Niaga)'s franchises, Marrybrown KL International Airport outlet and Marrybrown Langkawi International Airport outlet received the Best Sales Growth Award 2014 and Best Quality Assurance Award 2014 respectively during the Marrybrown Managers' Convention held in December.

SUBSIDIARIES' PERFORMANCE

MAAH PLANS TO PLANT OIL PALM SURROUNDING THE AIRPORTS OF MIRI, BINTULU AND KLIA, WHICH WILL COVER AN ESTIMATED LAND AREA OF

970.00

HECTARES

MAB AGRICULTURE-HORTICULTURE SDN. BHD.

A certified ISO 9001:2008 company, MAB Agriculture-Horticulture Sdn. Bhd. (MAAH) is involved in the cultivation and management of oil palm and coconut plantations covering 5,858.10 hectares and 126.78 hectares respectively.

During the year under review, MAAH replanted 173.59 hectares of oil palm at KLIA. As part of the Group's commitment to maximise land utilisation at our airports, a new oil palm plantation of 280.00 hectares was established near Sibu Airport, Sarawak. These green areas not only provide a stable souce of recurring revenue, they also help mitigate the effects of noise pollution and provide a pleasant view for surrounding areas.

In 2015, MAAH plans to plant oil palm near the airports of Miri, Bintulu and KLIA, which will cover an estimated land area of 970.00 hectares.

Sales of oil palm fresh fruit bunches accounted for 99.0% of MAAH's total turnover, while landscape activities and coconuts made up the remaining 1.0%. MAAH expects to make a positive contribution to overall Group revenue in 2015, given the expected higher yield and the projected improvement 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 in 1995 when it was awarded the contract to operate two airports in the Kingdom.

In March 2014, MACS participated in a tender for the repair and maintenance services of Airport Special Systems at the Hamad International Airport in Qatar. The final contract worth RM206.90 million over three years was received in December.

In October 2014, MACS participated in a pre-qualification exercise for the management, operations and maintenance of King Abdulaziz International Airport (KAIA) in the Kingdom of Saudi Arabia. The successful bidder is expected, among other things, to take control of the existing facilities and operate them until the new terminal is complete, take over and manage the new terminal once it is ready and improve the commercialisation of KAIA. A decision on the tender is expected to be awarded by the first half of 2015.

MACS also co-ordinates the Airport Service Quality (ASQ) programme under the Airport Council International as part of Malaysia Airports continuous efforts to ensure service standards are at world-class levels. KLIA and Langkawi International Airport have been part of the benchmarking initiative with Penang International Airport joining in 2014.

AWARDED CONTRACT FOR REPAIR AND MAINTENANCE OF AIRPORT SPECIAL SYSTEMS IN QATAR WORTH

RM206.90

MILLION

SUBSIDIARIES' PERFORMANCE

BECOMING A GLOBAL AEROSPACE PLAYER

MALAYSIA INTERNATIONAL AEROSPACE CENTRE (MIAC) SDN. BHD.

Malaysia International Aerospace Centre Sdn. Bhd. (MIAC) marked its ninth year of operations in 2014. This subsidiary is intended to be a catalyst in realising the Malaysian government's aim of becoming a global aerospace player, as well as to provide facilities and infrastructure at competitive leases to attract industry players.

Covering more than 121.4 hectares at the Sultan Abdul Aziz Shah Airport (LTSAAS), MIAC's development clusters include maintenance, repair & overhaul (MRO), a helicopter centre, an aerospace technology centre, an aerospace training centre, a general aviation centre and a business support centre.

Its achievement, has been the redevelopment of LTSAAS's Terminal 3, now known as Skypark Terminal, as a hub for both general aviation and corporate jets. Firefly Airlines, Berjaya Air and Malindo Airlines connect LTSAAS to various domestic and regional destinations.

MIAC also helped establish Spirit Aerosystem's first aircraft components and aerostructure assembly facility outside the USA and Europe, which is based at a site adjacent to the runway at Subang Airport.

The Helicopter Centre houses Airbus Helicopter Malaysia, the world's most prominent and integrated aerospace company, which has a dedicated headquarters onsite. The centre is also home to eight other local and international companies, including Agusta Westland Malaysia, BHIC Aero Services (BHICAS), and Mycopter Aviation Services. The Helicopter Centre at MIAC is set for rapid growth. It has the most comprehensive facilities in the region, including an all-weather heliport, six helipads, MRO workshops and hangar and the first helicopter simulator in the Asia-Pacific region.

In early 2014, the Regional Aviation Centre (RAC) under the management of the concessionaire Subang Skypark Sdn. Bhd. (SSSB) commenced its operations. Located at the end of Runway 33, it consists of five different sized hangar blocks to accommodate all types of aircraft for parking, maintenance and operations. Later in the year, Global Turbine Asia (GTA), a local joint venture with Safran Group of France involved in helicopter engine maintenance, commenced its operations at the former customs complex in Subang. GTA is involved in helicopter engine maintenance.

In competing with emerging countries such as Vietnam, Thailand and India, Malaysia Airports, through MIAC, continues to provide a holistic service to current and potential investors in the aerospace industry.

UTW SUPPORT AND EXPERTISE HELPED ENSURE THE SUCCESSFUL OPENING OF klia2

URUSAN TEKNOLOGI WAWASAN SDN. BHD.

Urusan Teknologi Wawasan Sdn. Bhd (UTW) offers integrated facilities management services and solutions with a track 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 personnel, UTW has strategically positioned itself as one of the nation's preferred asset and facilities management solutions providers.

In 2014, UTW expanded its customer list with new contracts from KLCC Urus Harta, Sime Darby Plantations and Airbus Helicopters Malaysia. Some of UTW key contracts were with KLIA, klia2, Penang International Airport, Skypark, KLCC Twin Towers & Tower 3, Masjid As-Syakirin KLCC and Sepang International Circuit.

UTW continues to perform an important role in ensuring KLIA remains as one of the best international airports in the world. Its support and expertise helped ensure the successful opening of klia2 in May 2014 and the company is committed to providing superior service at the new mega terminal.

CORPORATE RESPONSIBILITY

At Malaysia Airports, we are serious about the need to manage our business responsibly, and are constantly searching for innovative ways in which to manage the impact of our business on those around us, whether in relation to profits, people or the planet itself. We are committed to creating a sustainable world-class aviation gateway.

We focus on four key areas of corporate responsibility in our business operations: marketplace development, workplace development, community development and environmental sustainability.

MARKETPLACE DEVELOPMENT

As an airport operator, our stakeholders include the airlines, passengers, government agencies, suppliers, business partners, media and the many other members of the public who use our facilities or come into contact with us through our business. We are proud to develop strategic partnerships with our suppliers and vendors whether budding entrepreneurs or established business operators.

We are also committed to 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.

WORKPLACE DEVELOPMENT

At Malaysia Airports, business is not only about profits. We believe in creating 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, so we also aim 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 all 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 leadership skills and ensure that our workforce is ready to meet the challenge of managing a group of world-class airports.

COMMUNITY DEVELOPMENT

Malaysia Airports' flagship community programme, Beyond Borders, is a nationwide school adoption initiative. Launched in 2007, it aims to enhance self-esteem among under-privileged children by raising awareness about the importance of education. 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 and seeks to raise standards through engagement and support with the children, teachers and parents.

CORPORATE RESPONSIBILITY

ENVIRONMENTAL SUSTAINABILITY

Efficient energy management is the cornerstone of Malaysia Airports' commitment to 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.

MALAYSIA AIRPORTS' SIXTH SUSTAINABILITY REPORT (2014)

It gives us great pleasure to present to you Malaysia Airports' sixth Annual Sustainability Report as a complement to this Annual Report. Written in accordance with the Global Reporting Initiative (GRI) G3.1 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.

Committed to upholding the highest level of ethics and integrity in all our business transactions, we 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 also pays tribute to some of our company's longest-serving employees.

As we aim to make our airport experiences as enjoyable as possible for our employees, our business partners and our customers, Malaysia Airports embarked on several simple yet practical reward-based campaigns in 2014. These campaigns, focusing on customer experience and hospitality proved enormously successful in making the flying experience fun and exciting for all those involved. Ultimately, we believe that ensuring everyone has a great time at the airport makes excellent business sense.

Our 2014 Sustainability Report represents some of Malaysia Airports' most significant work in relation to sustainability over the year. We are proud of the fact that over 40 of our own staff from almost 30 departments came together to make it a success.

Providing Seamless Connectivity

Our flagship international gateway KLIA, offers travellers efficient connective convenience, not only to the rest of the world through extensive air connectivity network but also as a comprehensive land transportation hub.


We connect people
around the world
with Malaysia »


We connect people
across Malaysia with
the world

BOARD OF DIRECTORS

FROM LEFT TO RIGHT

1 **JEREMY BIN NASRULHAQ**
Senior Independent Non-Executive

2. **DATUK DR. ISMAIL BIN HJ. BAKAR**
Non-Independent Non-Executive

3. **MOHD IZANI BIN GHANI**
Non-Independent Non-Executive

4. **DATO' SITI ZAUYAH BINTI MD DESA**
Non-Independent Non-Executive

5. **DATUK BADLISHAM BIN GHAZALI**
Managing Director
Non-Independent Executive

6. **TAN SRI DATO' SRI DR. WAN ABDUL AZIZ BIN WAN ABDULLAH**
Chairman
Non-Independent Non-Executive

BOARD OF DIRECTORS

FROM LEFT TO RIGHT

7. **DATUK SERI YAM KONG CHOY**
   Independent Non-Executive

8. **DATUK ZALEKHA BINTI HASSAN**
   Independent Non-Executive

9. **TUNKU DATO' MAHMOOD FAWZY BIN TUNKU MUHIYIDDIN**
   Non-Independent Non-Executive

10. **ROSLI BIN ABDULLAH**
    Independent Non-Executive

11. **SABARINA LAILA BINTI DATO' MOHD HASHIM**
    Company Secretary

12. **NORAZURA BINTI TADZIM**
    Alternate Director to Dato' Siti Zauyah binti Md Desa
    Non-Independent Non-Executive

13. **DATUK RUHAIZAH BINTI MOHAMED RASHID**
    Alternate Director to Datuk Dr. Ismail bin Hj. Bakar
    Non-Independent Non-Executive

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 62, 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. and MAB Agriculture-Horticulture Sdn. Bhd., 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., Syarikat Jaminan Kredit Perumahan Berhad and GOM Resources Sdn. Bhd., a subsidiary of Puncak Niaga Holdings Berhad. He also sits on the Boards of Permodalan Nasional Berhad, Sime Darby Berhad and RAM Holdings Berhad.

BOARD OF DIRECTORS' PROFILE

DATUK BADLISHAM BIN GHAZALI

Managing Director
Non-Independent Executive

Datuk Badlisham bin Ghazali, Malaysian, aged 51, 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 eighteen (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. and Istanbul Sabiha Gokcen International Airport Investment Development and Operation Inc.

BOARD OF DIRECTORS' PROFILE

JEREMY BIN NASRULHAQ

Senior Independent Non-Executive

Jeremy bin Nasrulhaq, Malaysian, aged 61, 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 and 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 thirty (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 Sweetyet 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

MOHD IZANI BIN GHANI

Non-Independent Non-Executive

Mohd Izani bin Ghani, Malaysian, aged 47, 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.

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.

BOARD OF DIRECTORS' PROFILE

TUNKU DATO' MAHMOOD FAWZY BIN TUNKU MUHIYIDDIN

Non-Independent Non-Executive

Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin, Malaysian, aged 56, was appointed to the Board of MAHB as a Non-Independent Non-Executive Director on 5 December 2012.

He has held a variety of different positions throughout his career, starting out as a foreign exchange analyst with NCR UK Limited and then moving to Svenska Handelsbanken, London as a Risk Analyst for Derivatives Markets. He then joined Shell Malaysia Trading Sdn. Bhd. in 1990 and thereafter was cross posted to Shell New Zealand Ltd in 1991 for eighteen (18) months and subsequently held a variety of positions with Shell Malaysia. In 1997, he joined an investment holding company, Wira Securities Holdings Sdn. Bhd. as Executive Director and later moved to Tajo Berhad as Chief Executive Officer. In 2000, Tunku Dato' Mahmood joined PricewaterhouseCoopers as Executive Director, Corporate Finance.

In 2002, he was appointed Managing Director and Chief Executive Officer of Engen Limited, an integrated oil company in South Africa, a subsidiary of Petroliam Nasional Berhad (PETRONAS). He was appointed as Non-Executive Director of Energy Africa Limited until January 2004 and was a member of the Board of Governors of the South African Petroleum Industry Association (SAPIA). Tunku Dato' Mahmood left Engen in June 2005 and thereafter became the Chief Executive Officer of a shipping company until December, 2006.

He joined Khazanah Nasional Berhad in May 2007 and retired as Executive Director, Investments in May 2010.

He holds a Bachelor of Arts (Hons) Business Studies degree from the Polytechnic of Central London (known as Westminster University), a Master in Business Administration (MBA) from the University of Warwick and a 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 the Malaysian Institute of Corporate Governance.

He currently holds directorship in Hong Leong Islamic Bank Berhad, Hong Leong Assurance Berhad, Hong Leong MSIG Takaful Berhad, Hong Leong Asset Management Berhad, SapuraKencana Petroleum Berhad, Telekom Malaysia Berhad, and Packet One Networks Sdn. Bhd.

BOARD OF DIRECTORS' PROFILE

DATUK SERI YAM KONG CHOY

Independent Non-Executive

Datuk Seri Yam Kong Choy, Malaysian, aged 61, 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 thirty (30) years in construction, real estate and corporate sectors, helming 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 the UK with various companies including the British Civil Service. Upon his return to Malaysia, he had served in various large organisations actively involved in the development of hotels, resorts, shopping malls, golf courses, international schools, residential and mixed developments in Malaysia, Australia, UK, Mauritius and South Africa.

He is also involved in various government and non-government organisations, serving as, the Chairman of InvestKL Corporation, a member of the Advisory Board to the Mayor and City of Kuala Lumpur, a member of the NKEA Steering Committee for the transformation of Greater Kuala Lumpur and Klang Valley and as a director of Malaysia Property Incorporated. He is also elected to the Board of Trustees of Standard Chartered Foundation and the Board of Directors of the British Malaysian Chamber of Commerce. He was the President of the Real Estate and Housing Developers' Association Malaysia.

In 2009, Datuk Seri Yam had established a private equity, corporate and project management consultancy known as Impetus Alliance Advisors Sdn. Bhd. to provide advisory services to the industry.

Datuk Seri Yam graduated in Building and Management Studies from the University of Westminster, UK. He is a Fellow of the Chartered Institute of Building and also a Fellow of the Royal Institution of Chartered Surveyors.

Datuk Seri Yam also sits on the Board of Paramount Corporation Berhad, Sunway 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.

BOARD OF DIRECTORS' PROFILE

DATUK ZALEKHA BINTI HASSAN

Independent Non-Executive

Datuk Zalekha binti Hassan, Malaysian, aged 61, 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 61, 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 and Board Risk Management Committee of MAHB. He also sits on the Board of Malaysia Airports Consultancy Services Sdn. Bhd. and Istanbul Sabiha Gokcen International Airport Investment Development and Operation 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 Bank Pembangunan Malaysia Berhad, Keretapi Tanah Melayu Berhad, Time Engineering Berhad, and Global Maritime Venture Berhad and its Group of Companies.

BOARD OF DIRECTORS' PROFILE

DATO' SITI ZAUYAH BINTI MD DESA

Non-Independent Non-Executive

Dato' Siti Zauyah binti Md Desa, Malaysian, aged 56, was appointed to the Board of MAHB as a Non-Independent Non-Executive Director on 6 June 2014. She is a member of the Board Procurement Committee and Board Nomination and Remuneration Committee of MAHB.

She started her career as a Quantity Surveyor with the Public Works Department in 1982 after graduating from the University of Reading, UK 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 (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, UK.

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.) and 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 to her current position as Director for the National Budget Office.

She currently holds directorships in Bank Simpanan Nasional, Johor Corporation, Malaysia Debt Ventures Berhad, Syarikat Prasarana Negara Berhad and Westports Malaysia Sdn. Bhd.

BOARD OF DIRECTORS' PROFILE

DATUK DR. ISMAIL BIN HJ. BAKAR

Non-Independent Non-Executive

Datuk Dr. Ismail bin Hj. Bakar, Malaysian, aged 55, was appointed as a Non-Independent Non-Executive Director of MAHB on 16 February 2015. He also sits on the Board Procurement Committee and Board Risk Management Committee of MAHB. He is a member on the Boards of Malaysia Airports (Sepang) Sdn. Bhd. and Malaysia Airports Sdn. Bhd., both wholly-owned subsidiaries of MAHB.

Datuk Dr. Ismail is currently the Secretary General for the Ministry of Transport.

Prior to his current position, he has held various positions in several ministries, among others, as Assistant Secretary, Contract and Supply Division, Ministry of Finance Malaysia (MOF), Assistant Director, Anti Narcotics 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.

Datuk Dr. Ismail is currently Chairman of Railway Asset Corporation and Deputy Chairman of Bintulu Port Authority. He is also on the Board of Penang Port Commission (PPC).

Datuk 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).

BOARD OF DIRECTORS' PROFILE

NORAZURA BINTI TADZIM

Alternate Director to Eshah binti Meor Suleiman
(Ceased with effect from 6 June 2014)
Alternate Director to Dato' Siti Zauyah binti Md Desa
Non-Independent Non-Executive

Norazura binti Tadzim, Malaysian, aged 36, was appointed to the Board of MAHB as Alternate Director to Dato' Siti Zauyah binti Md Desa on 6 June 2014. 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 and Industry. She is currently the Principal Assistant Secretary, Government Investment Companies Division (Air Transport).

She graduated from Universiti Teknologi MARA (UiTM) 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.

She is currently a Director of Keretapi Tanah Melayu Berhad.

BOARD OF DIRECTORS' PROFILE

DATUK RUHAIZAH BINTI MOHAMED RASHID

Alternate Director to Datuk Dr. Ismail bin Hj. Bakar
Non-Independent Non-Executive

Datuk Ruhaizah binti Mohamed Rashid, Malaysian, aged 58, was appointed to the Board of MAHB as Alternate Director to Datuk Dr. Ismail bin Hj. Bakar on 16 February 2015.

Datuk Ruhaizah is currently the Deputy Secretary General (Planning) for the Ministry of Transport.

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 the 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 Perbadanan Aset Keretapi from 2005 to 2008.

Datuk Ruhaizah holds a Bachelor of Economic Studies from University Kebangsaan Malaysia and a Diploma in Public Administration, National Institute of Public Administration (INTAN).

BOARD OF DIRECTORS' PROFILE

TAN SRI BASHIR AHMAD BIN ABDUL MAJID

Non-Independent Executive
(Resigned with effect from 6 June 2014)

Advisor to the Board
(Appointed with effect from 9 June 2014)

Tan Sri Bashir Ahmad bin Abdul Majid was the Managing Director of MAHB since 7 June 2003 until 6 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.

Upon the expiry of his contract as Managing Director on 6 June 2014, he was appointed as Advisor to the MAHB's Board of Directors with effect from 9 June 2014.

BOARD OF DIRECTORS' PROFILE

ESHAH BINTI MEOR SULEIMAN

Non-Independent Non-Executive

(Resigned with effect from 6 June 2014)

Eshah binti Meor Suleiman, Malaysian, aged 60, was a Non-Independent Non-Executive Director since 4 July 2011 until 6 June 2014. She was also a member of the Board Procurement Committee and Board Nomination and Remuneration Committee of MAHB.

Puan Eshah obtained a Bachelor of Economics (Hons) Degree from University of Malaya, a Diploma in Public Administration from the National Institute of Public Administration (INTAN) and a Master in Business Administration (Finance) from Oklahoma City University, USA.

She has also served as Assistant Director (Macro Economic Section), Economic Planning Unit, Assistant Secretary, Government Procurement Management Division, Ministry of Finance (MOF), Assistant Secretary, Public Services Department, Principal Deputy Assistant Secretary, Finance Division, MOF, Deputy Under Secretary, Investment, MOF (Inc.) and Privatisation Division (formerly known as MOF (Inc.) Companies, Privatisation and Public Enterprise Division) and Under Secretary, Investment, MOF (Inc.) and Privatisation Division, MOF. She was the Under Secretary, Statutory Bodies Strategic Management Division, MOF, before her retirement on 31 October 2014.

She currently holds directorships in Pos Malaysia Berhad and Bursa Malaysia Berhad.

BOARD OF DIRECTORS' PROFILE

DATUK SERI LONG SEE WOOL

Non-Independent Non-Executive

(Resigned with effect from 16 February 2015)

Datuk Seri Long See Wool, Malaysian, aged 61, was a Non-Independent Non-Executive Director of MAHB since 9 September 2008 until 16 February 2015. He has a Bachelor of Arts (Hons) from University of Malaya and a Diploma in Public Administration from National Institute of Public Administration (INTAN).

He has served as Assistant Secretary (Air Transport), Principal Assistant Secretary (Airport Development) of Aviation Division, Ministry of Transport (MOT). He was subsequently appointed as Under Secretary (Aviation), Aviation Division, MOT from 2002 to 2006. He was the Secretary General of MOT before his retirement on 18 November 2014.

Datuk Seri Long resigned as a member of the Board of MAHB and Board Committees namely Board Procurement Committee and Board Risk Management Committee on 16 February 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 February 2015.

BOARD OF DIRECTORS' PROFILE

CHUA KOK CHING

(Alternate Director to Datuk Seri Long See Wool)
Non-Independent Non-Executive
(Ceased with effect from 16 February 2015)

Chua Kok Ching, Malaysian, aged 57, was an Alternate Director to Datuk Seri Long See Wool since 25 June 2012 until 16 February 2015.

Prior to his current position, he has held various positions in several ministries, amongst others, as Assistant Director, Socio-Economic Research Unit, Prime Minister's Department, Assistant Secretary, Policy and Planning Division, Ministry of Agriculture, Assistant Secretary, Finance Division, Ministry of Health, Principal Assistant Secretary, Procurement and Privatisation Division, Ministry of Health, Principal Assistant Secretary, Land, Survey and Mapping Division, Ministry of Natural Resources and Environment, Under Secretary, Secretariat of the Working Committee, Royal Commission of Enhancement of Management and Modernisation for the Royal Malaysian Police, Ministry of Internal Security and Under Secretary, Implementation Monitoring Division, Royal Malaysian Police, Ministry of Home Affairs.

He is currently the Deputy Secretary General (Operations), Ministry of Transport Malaysia. He holds a Bachelor of Arts (Hons) from University of Malaya and a Master of Public Administration from University of Oklahoma, USA.

Mr Chua has resigned as Alternate Director to Datuk Seri Long See Wool effective from 16 February 2015.

Notes:
None of the Directors 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 145 to 146.

BOARD OF DIRECTORS' PROFILE

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

Datuk Badlisham Ghazali
Managing Director

Faizal Mansor
Chief Financial Officer

Dato' Abd Hamid Mohd Ali
Chief Operating Officer

Dato' Azmi Murad
Senior General Manager
Operation Services

Faizah Khairuddin
Senior General Manager
Commercial Services

Muhamad Khair Mirza
Senior General Manager
Planning

GROUP SENIOR MANAGEMENT

Ir. Suradini Abdul Ghani
Senior General Manager
Human Resource Services

Ir. Mohd Zaifuddin Idris
Senior General Manager
Technical Services

Mohamed Sallauddin Mohamed Shah @ Mat Sah
General Manager
Marketing

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

Nasrein Fazal Sultan
General Manager
Internal Audit

Dato' Ir. Hj Abdul Nasir Abdul Razak
General Manager
Special Projects (Construction)

Rokmah Abdullah
General Manager
Procurement & Contract

Ir. Khairiah Salleh
General Manager
Engineering

GROUP SENIOR MANAGEMENT

Nik Anis Nik Zakaria
General Manager
Corporate Communications

Mustafa Kamal Hj. Alang Othman
General Manager
Aviation Security

Nornajihah Ismail
General Manager
Finance Services

Veelayudan Krishnan Nair
General Manager
Special Projects

Nor Azlina Mohd Isa
General Manager
Planning & Development

Abd Malik Mohd Yunus
General Manager
Airport Fire & Rescue Services

Randhill Singh
General Manager
Corporate Planning

Mohammad Suhaimi Abdul Mubin
General Manager
Malaysia Airports (Sepang) Sdn. Bhd.

GROUP SENIOR MANAGEMENT

Zainol Mohd Isa
General Manager
Malaysia Airports Sdn. Bhd.

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

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

Brian Iskandar Zulkarim
General Manager
Urusan Teknologi Wawasan Sdn. Bhd.

Vinie Chong Pui Ling, CFA
General Manager
Corporate Finance, Treasury & Investor Relations

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

Md. Shamsuri Md Isa
General Manager
Human Resource

Radin Asrul Adza
General Manager
Information Technology

GROUP SENIOR MANAGEMENT PROFILE

DATUK BADLISHAM GHAZALI

Managing Director

Datuk Badlisham bin Ghazali, 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 Mohd 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 inovative 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 Diploma in Computer Science from Universiti Teknologi MARA (UiTM).

Datuk Mohd 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. and Istanbul Sabiha Gokcen International Airport Investment Development and Operation Inc.

FAIZAL MANSOR

Chief Financial Officer

Faizal joined MAHB in 2006. He is a Chartered Accountant, a fellow member of the Institute of Chartered Accountants in Australia since 2003. He is primarily responsible for the financial restructuring of MAHB which was successfully completed in 2009. In 2014, he was named CFO of the Year in the National Award for Management Accounting (NAfMA). In 2013, he was named Best CFO in Malaysia in FinanceAsia's 13th Annual Poll of Asia's top Companies. In 2012, Faizal was awarded Best CFO for Investor Relations (Mid-Cap category) by the Malaysian Investor Relations Association (MIRA). In 2009, under his leadership, MAHB won the Best Practice Award for Management Accounting (NAfMA). He has had extensive experience in treasury, corporate finance and investment banking initially with the Bank of Tokyo-Mitsubishi and subsequently with the AmInvestment Group. He had also worked in Australia as a Corporate Accountant in a manufacturing company being involved in its corporate restructuring and process improvements. Prior to joining MAHB, he was a CFO of a public-listed construction and wastewater management company.

He holds a Bachelor of Science Degree in Accounting from Rutgers University (1993) and an MBA from Ohio University (1994). He also recently obtained a Diploma in Aviation Studies from the International Air Transport Association (IATA) (2013). He sits on the board of Istanbul Sabiha Gokcen International Airport in Turkey where he was involved in the acquisition and subsequently the funding for the airport's expansion.

DATO' ABD HAMID MOHD ALI

Chief Operating Officer

Dato' Abd Hamid Mohd Ali is the Chief Operating Officer of MAHB. He 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 34 years of experience in airport planning, development, operations and maintenance, Dato Abd Hamid was involved in many of the company's

GROUP SENIOR MANAGEMENT PROFILE

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. One of the more prominent ones was the construction of Formula One Racing Circuit in KLIA, and the latest one was 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 2009. 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.

DATO' AZMI MURAD

Senior General Manager, Operation Services

Dato' Azmi Murad is the Senior General Manager of Operation Services at MAHB. He 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. In 2004 before attaining his current position in June 2006. Dato' Azmi was the Chairman of the Airport Council International World Facilitation and Services Standing Committee until November 2011. He is 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.

FAIZAH KHAIRUDDIN

Senior General Manager, Commercial Services

Faizah Khairuddin is the Senior General Manager of Commercial Services at MAHB. She graduated from Universite De Picardie, France and started her career as a Process Engineer in Thomson Electronic Parts Malaysia. She spent eight years in the manufacturing industry, rising to General Manager at a local manufacturing company. She moved to banking in 1998 in the midst of the Asian financial crisis. She spent ten years there, during which she mostly worked with multinational banks such as Standard Chartered and HSBC, mostly focusing on Retail Banking. Her last position in the financial industry was as General Manager for Consumer Banking in Bank Islam, prior to joining MAHB in October 2008. Since becoming Senior General Manager, Commercial Services, Faizah has taken on an important role in transforming the approach towards developing Commercial Services with the core purpose of enhancing stakeholders' value while improving core capabilities. Under her dynamic and pragmatic leadership, Commercial Services has re-strategised commercial development at airports with the introduction of the Airport Commercial Models where airports are being developed according to lifestyle, leisure, community or corporate responsibility models with the objective of enhancing commercial revenue and customer experience. Leveraging on the greenfield airport and a true change platform for a leisure model, Faizah exercised her wealth of experience and passion into the success of klia2. The result was an overwhelming positive response, which will ultimately translate to premium value for the benefit of all stakeholders. Her approach and efforts were recognised when she was named the Moodie Report Personality of the month for November 2011.

GROUP SENIOR MANAGEMENT PROFILE

MUHAMAD KHAIR MIRZA

Senior General Manager, Planning

Muhamad Khair Mirza is the Senior General Manager for Planning at Malaysia Airports. He joined MAHB in November 2011. He manages all cross-functional teams, with emphasis on the business side of aviation-related units (Airline Marketing and Research and Planning) and the overall company's corporate-level planning (Corporate Planning and Overseas Ventures). Other cross-functional units in the Planning pillar include Corporate Quality Management, IT, Risk Management, Transformation Management Office and Sustainability. He holds a Bachelor of Science in Economics and International Studies from University of Warwick, United Kingdom. Khair Mirza has served companies based in both Singapore and Malaysia. His experience encompasses strategic research for 16 Asia-Pacific markets; writing, managing and commissioning industry reports; as well as business and investment planning in industries including aviation, F&B and retail. His last post was Associate Director at Maybank Investment Bank Bhd, which was voted as the Best Equity House 2011 by IFR Asia. His other personal achievements include being ranked No. 1 Consumer Analyst in The Edge 2007 and 2008 polls, and being the only analyst in Malaysia ranked in the Top 3 for two different industries in separate 2010 Asiamoney Broker Polls and 2010 Asian Wall Street Best Analyst Awards. A key achievement in 2012 was the signing of an MoU with a globally acclaimed outlet mall developer and operator to open an over RM300 million factory outlet development in KLIA.

Ir. SURADINI ABDUL GHANI

Senior General Manager, Human Resource Services

Ir. Suradini Abdul Ghani is the Senior General Manager of Human Resource Sevices for MAHB. She is a Member of the Malaysian Institute of Human Resource Management (MIHRM) and also a Member of the Institute of Engineers Malaysia. She holds a Bachelor of Science Degree in Electrical & Electronics Engineering from the University of Nottingham, United Kingdom and a Postgraduate Diploma in Airport Engineering from Nanyang Technological University, Singapore. 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. Over the past 20 years, she has served in various departments in MAHB including as Head of Engineering at KLIA and as General Manager of Malaysia Airports Consultancy Services Sdn. Bhd. 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 was appointed as General Manager, Human Resource in 2011 and assumed the position of Senior General Manager of Human Resources Services in 2012.

Ir. MOHD ZAIFUDDIN IDRIS

Senior General Manager, Technical Services

Ir. Mohd Zaifuddin is the Senior General Manager of Technical Services at MAHB. He joined MAHB in 2010 and led the project management team for klia2. Ir. Mohd Zaifuddin 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 27 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 Sepang.

GROUP SENIOR MANAGEMENT PROFILE

MOHAMED SALLAUDDIN MOHAMED SHAH @ MAT SAH

General Manager, Marketing

Mohamed Sallauddin is the General Manager of Marketing at MAHB. He 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. He has been in the aviation industry his entire professional life, starting in 1986 as a Management Trainee in Malaysia Airlines (MAS). He went on to diversify his aviation knowledge in 1997 when he joined Malaysia's first aircraft manufacturing company Composite Technology Research Malaysia (CTRM) Sdn. Bhd., which presented him with the opportunity to serve in general aviation sectors in the USA and Australia. He joined MAHB in 2001 as the pioneer group that led the marketing of the international gateways managed by MAHB. Entrusted to encourage more airlines to operate to Malaysia, his immediate and long term aim is to establish KLIA as the Next Generation Hub for both commercial airlines and travellers. He currently serves as a Council Member of the Institute of Marketing Malaysia and is also the Executive Board Member of the Pacific Asia Travel Association (PATA) for 2013-2015.

SABARINA LAILA DATO' MOHD HASHIM

General Manager, Secretarial and Legal Services, and 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.

NASREIN FAZAL SULTAN

General Manager, Internal Audit

Nasrein Fazal Sultan is the General Manager of Internal Audit at MAHB. She 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. She is the secretariat of the MAHB Whistleblowing Independent Committee.

DATO' Ir. HJ ABDUL NASIR ABDUL RAZAK

General Manager, Special Projects (Construction)

Dato' Ir. Hj. Abdul Nasir is the General Manager of Special Projects (Construction) at MAHB. He holds a Bachelor of Science Degree in Civil Engineering from the University of Hartford, Connecticut, USA and a Master of Science Degree in Integrated Construction and Project Management from Universiti Teknologi Mara (UiTM). He is also a Professional Engineer and Certified Value Manager, with more than 30 years experience in infrastructure planning and development, both in the government and the private sector. He is the Deputy President and a Fellow at the Institute of Value Management Malaysia (IVMM). He started his career in the Public Works Department (JKR) in 1982, in the oil and gas sector. He then worked for several years in Singapore, in high-rise building construction before joining MAHB in 1993. Prior to assuming his current position, he was the General Manager, Operational Readiness and Airport Transfer, klia2 and the Employer Representative for klia2.

GROUP SENIOR MANAGEMENT PROFILE

ROKMAH ABDULLAH

General Manager, Procurement and Contract

Rokmah Abdullah is the General Manager of Procurement and Contract at MAHB. She 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.

Ir. KHAIRIAH SALLEH

General Manager, Engineering

Ir. Khairiah is the General Manager of Engineering at MAHB. She 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.

NIK ANIS NIK ZAKARIA

General Manager, Corporate Communications

Nik Anis is the General Manager of Corporate Communications at MAHB. She holds a Bachelor of Science Degree in Economics from Northern Illinois University, USA, and has 25 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.

MUSTAFA KAMAL HJ. ALANG OTHMAN

General Manager, Aviation Security

Mustafa Kamal is the General Manager of Aviation Security at MAHB. He holds a Bachelor of Communication (Hons) from University Putra Malaysia. He started his career in 1980 and had held Chief of Security positions at all international airports including KLIA whilst working with Department of Civil Aviation (DCA). He has extensive experience in airport operations ranging from Aviation Security, Terminal Operations, Airport Operations Centre and Airport Fire and Rescue Services (AFRS). He was a Shadow Management Group (SMG) member for the KLIA Project and the subject-matter expert in Aviation Security. He is frequently invited as a speaker at various airport security seminars locally and abroad. He is a Certified Incident Stress Management (CISM) and also a member of the International Air Transport Association (IATA) Pilot Program on Secure Freight Program (SFP) and had attended the Senior Crisis Management Course USA, Anti-Terrorism Planning (ATP) USA, International Disaster Management Course UK and Gold Commanders Crisis Management Course at Cranfield University, UK. He was a Board Member of MAB Agriculture-Horticulture Sdn. Bhd. (MAAH), Malaysia Airports (Technologies) Sdn. Bhd., Malaysia Airports Sdn. Bhd.

GROUP SENIOR MANAGEMENT PROFILE

He is currently a Board Member of Malaysia Airports (Sepang) Sdn. Bhd., and the President of Malaysia Airports Sports Club (KESUMA) and also the Deputy President of the Auxiliary Police Association of Malaysia.

NORNAJIHAH ISMAIL

General Manager, Finance Services

Nornajihah Ismail is the General Manager of Finance Services at MAHB. She graduated with a Bachelor of Arts (Hons) in Accounting and Finance from South Bank University, London and also holds a Diploma in Accountancy from Universiti Teknologi MARA (UiTM). She is a registered Chartered Accountant of Malaysian Institute of Accountants (MIA) as well as a Fellow member of Association of Chartered Certified Accountants (ACCA). She joined MAHB in June 2006 as Senior Manager, Finance with vast experience and knowledge in Group accounting and auditing. In February 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 Review Committee for procurements and also a Board member of Malaysia International Aerospace Centre Sdn. Bhd. Prior to Malaysia Airports, she was the Head of Group Accounts in Padiberas Nasional Berhad.

VEELAYUDAN KRISHNAN NAIR

General Manager, Special Projects

Veelayudan is the General Manager of Special Projects at MAHB. He 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 25 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.

NOR AZLINA MOHD ISA

General Manager, Planning and Development

Nor Azlina is the General Manager of Planning and Development at MAHB. She graduated from University of Malaya in 1999 with an Honours Degree in Civil Engineering. She also 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 has led operational design reviews and assessments of various airport 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 2008. Nor Azlina completed the ACI-ICAO Airport Management Professional Accreditation Program (AMPAP) and obtained her International Airport Professional (IAP) designation in 2011. She is a member of the Institute of Value Management Malaysia (IVMM) and the Board of Engineers Malaysia (BEM). She is currently pursuing her Master’s degree in Business Administration from Universiti Utara Malaysia.

GROUP SENIOR MANAGEMENT PROFILE

ABD MALIK MOHD YUNUS

General Manager, Airport Fire and Rescue Services

Abd Malik is the General Manager of Airport Fire and Rescue Services for MAHB. 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.

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 years 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 ACIICAO Airport Management Professional Accreditation Program (AMPAP) and obtained his International Airport Professional (IAP) certification in 2011.

MOHAMMAD SUHAIMI ABDUL MUBIN

General Manager, Malaysia Airports (Sepang) Sdn. Bhd.

Mohd Suhaimi is the General Manager of Malaysia Airports (Sepang) Sdn. Bhd., a wholly-owned subsidiary of MAHB. He 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 Segi Astana Sdn. Bhd. and Malaysia Airports (Properties) Sdn. Bhd., as well as the Nazir for Masjid Sultan Abdul Samad KLIA.

ZAINOL MOHD ISA

General Manager, Malaysia Airports Sdn. Bhd.

Zainol Mohd Isa is the General Manager of Malaysia Airports Sdn. Bhd. He 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 and operations of 38 airports other than KLIA. 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 has more than 30 years experience in airport operations and maintenance, planning and development, project

GROUP SENIOR MANAGEMENT PROFILE

management including pioneering event operation management for MotoGP and Formula1, 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 lead the team to catapult Langkawi into achieving the top Asia Pacific Best Airport (Small Airport) for two consecutive years, 2013 and 2014.

AHMAD TARMIZI MOHD HASHIM

General Manager, Malaysia Airports Consultancy Services Sdn. Bhd.

Ahmad Tarmizi is the General Manager for Malaysia Airports Consultancy Services Sdn. Bhd. (MACS), a wholly-owned subsidiary of MAHB. He 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.

MOHD NASIR ISMAIL

General Manager, MAB Agriculture-Horticulture Sdn. Bhd.

Mohd Nasir Ismail is the General Manager of MAB Agriculture-Horticulture Sdn. Bhd. He 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.

BRIAN ISKANDAR ZULKARIM

General Manager, Urusan Teknologi Wawasan Sdn. Bhd.

Brian Iskandar Zulkarim is the General Manager of Urusan Teknologi Wawasan Sdn. Bhd., a wholly-owned subsidiary of MAHB. He 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 September 2011, he was appointed to lead Urusan Teknologi Wawasan Sdn. Bhd. (UTW). Since then, UTW has made a cumulative growth of 453% with an average growth of 151% year-on-year. This has immediately catapulted UTW to be within the top 5 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.

GROUP SENIOR MANAGEMENT PROFILE

VINIE CHONG PUI LING, CFA

General Manager, Corporate Finance, Treasury and Investor Relations

Vinie Chong Pui Ling, CFA, heads the Corporate Finance, Investor Relations, Treasury and Business Advisory divisions. She joined MAHB in 2010 and was instrumental in the financing transactions of MAHB. The maiden debt financing exercise was rated as the "Highly Commendable Corporate Sukuk" by the renowned The Asset Asian Awards in 2011, followed by the landmark first global rated Shariah-compliant corporate hybrid sukuk programme established in 2013. She was also primarily responsible for MAHB's local and cross border investment transactions. She graduated with a Bachelor of Commerce Degree from the University of Melbourne, Australia in 2000. She has had extensive experience in corporate finance and business advisory initially with a boutique financial advisory firm covering Malaysia and Middle East regions, and subsequently joined Malaysia's largest business process outsourcing firm as a Manager in the CEO's office in charge of corporate finance, investment and crossfunctional initiatives. She was voted as the All-Asia's Best IR Professional (Transportation) by the sell-side analysts in the third Institutional Investor's survey for the 2013 All-Asia Executive Team.

ZULHIKAM AHMAD

General Manager, Malaysia Airports (Niaga) Sdn. Bhd.

Zulhikam Ahmad is the General Manager of Malaysia Airports (Niaga) Sdn. Bhd., a wholly-owned subsidiary of Malaysia Airports. He 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.

MD. SHAMSURI MD ISA

General Manager, Human Resource

Md. Shamsuri Md Isa is a General Manager in the Human Resource (HR) Division. He graduated with a Bachelor of Science in Business Administration majoring in Human Resource Management and Marketing from Drexel University of Pennsylvania in 1998 and a Masters of Science in Management Psychology from University of Nottingham in 2009. He is also a Certified British Psychology Society (BPS) Assessor. He has had a diverse career in HR both as a consultant and practitioner in various organisations. Prior to his appointment with Malaysia Airports, he was with Khazanah Nasional Berhad and was responsible for the development and implementation of talent management practices and initiatives as well as organisation and resources development for Government-Linked Companies (GLCs) and government ministries.

RADIN ASRUL ADZA

General Manager, Information Technology

Radin Asrul Adza is a General Manager in the Information Technology Division. He 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.

CORPORATE PROFILE

MALAYSIA HAS COME A LONG WAY SINCE THE COUNTRY RECORDED ITS FIRST FLIGHT MORE THAN A CENTURY AGO AND WITH FIVE INTERNATIONAL AIRPORTS, 16 DOMESTIC AIRPORTS AND 18 SHORT TAKE-OFF AND LANDING PORTS, MALAYSIA AIRPORTS IS THE COMPANY THAT HELPS CONNECT THE COUNTRY – BRINGING TOGETHER REMOTE, RURAL COMMUNITIES WITH THE VIBRANT CITIES AND PROVIDING THE COUNTRY'S PREMIER GATEWAY TO THE WORLD BEYOND.

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 some 10,600 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, commercial leasing and car park management.

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 carved out of the jungle with few services, if any, 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 new goal is to develop the "Airport City" of the future – 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 maintain aviation charges at a competitive level, but also to keep returns to shareholders robust. 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.

CORPORATE PROFILE

Malaysia Airports completed improvements to some of its other domestic airports in 2014, notably in Penang with a record six million people using the facility last year. Subang, which mostly handles turbo-prop flights, and Langkawi in the Andaman Sea also handled record numbers of passengers.

Since its debut on the stock exchange, Malaysia Airports has endeavoured to boost its return to shareholders through the expansion of its airport portfolio overseas. It is currently managing a few international hubs, one of which is the Istanbul Sabiha Gokcen Airport in Turkey, which is 100 percent owned by Malaysia Airports.

A slew of awards and accolades in 2014 is a testament to our success in the aviation business. The KL International Airport won the Large Airport of the Year at the CAPA Awards for Excellence in Asia Pacific Aviation and the world's number two airport (40 – 50 million passengers per annum) in the Skytrax 2014 World Airport Awards. Readers of SmartTravelAsia.com also voted KLIA the third best airport worldwide. In addition, Tan Sri Bashir Ahmad Abdul Majid, Malaysia Airports current advisor and former managing director from 2003 to 2014, was recognised by BrandLaureate as the "Aviation Man of the Year," and TripAdvisor travellers voted Sama-Sama KLIA among their Top Ten hotels in the Luxury/Romance category.

KL INTERNATIONAL AIRPORT

KL International Airport, the premier gateway to Malaysia, opened in June 1998 with the capacity to handle as many as 35 million passengers and 1.2 million tonnes of cargo a year. The main terminal building and the satellite building provide world-class facilities and an exceptional airside experience for passengers from all over the world. KLIA is now recognised as one of Southeast Asia's leading aviation hubs offering flight connections on 57 carriers to 126 destinations. The airport is the only one in the region to offer three independent runways and is now ranked the 11th busiest in the world in terms of the number of international passengers it handles. Total passenger traffic was 48.9 million passengers, as increase by 3% from 2013.

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 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 17 years ago and is at the heart of Malaysia Airports mission to become a leader in the creation of airport cities. Combined with klia2, which opened in 2014, KLIA will be the Next Generation Hub, in the heart of ASEAN – a geographical zone of some 620 million people all within flying times of between four and five hours. Together, KLIA 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 and space for a fourth runway.

CORPORATE PROFILE

klia2

Malaysia Airports was proud to welcome its first passengers and airlines to klia2, the world's largest dedicated low cost carrier terminal, in 2014. The 257,000 square meter building with aerobridges and other support facilities were built at a cost of RM4 billion to replace the Low-Cost Carrier Terminal (LCCT) and redefine the traveller experience with world-class services and connectivity. Situated just two kilometers from KLIA Main, the facility boasts 128 check-in counters, 52 self-check-in kiosks and fully automated baggage handling system. A dedicated runway and control tower, meanwhile, 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 – three times more than the LCCT - with the flexibility to expand based on capacity growth, airline projections and future low cost travel trends. The terminal is designed not only for customer comfort and convenience, but also to ensure an exceptional travelling and retail experience. klia2 is the first terminal in the region with a subbridge which allows full segregation at International Departure and Arrival.

Some 35,200 square meters of space is dedicated to retail including food and beverage outlets and a fully stocked 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 express rail link, which also provides onward travel to Kuala Lumpur. Buses, taxis and ample covered car parks are also available to both travellers and staff.

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)
(Appointed w.e.f. 23 June 2014)

Jeremy bin Nasrulhaq
(Senior Independent Non-Executive)

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)

Rosli bin Abdullah
(Independent Non-Executive)

Dato' Siti Zauyah binti Md Desa
(Non-Independent Non-Executive)
(Appointed w.e.f. 6 June 2014)

Datuk Dr. Ismail bin Hj. Bakar
(Non-Independent Non-Executive)
(Appointed w.e.f. 16 February 2015)

Norazura binti Tadzim
(Alternate Director to Dato' Siti Zauyah binti Md Desa)
(Non-Independent Non-Executive)
(Appointed w.e.f. 6 June 2014)
(Alternate Director to Eshah binti Meor Suleiman)
(Non-Independent Non-Executive)
(Ceased w.e.f. 6 June 2014)

Datuk Ruhaizah binti Mohamed Rashid
(Alternate Director to Datuk Dr. Ismail bin Hj. Bakar)
(Non-Independent Non-Executive)
(Appointed w.e.f. 16 February 2015)

Tan Sri Bashir Ahmad bin Abdul Majid
(Managing Director/ Non-Independent Executive)
(Resigned w.e.f. 6 June 2014)
(Advisor to the Board)
(Appointed w.e.f. 9 June 2015)

Eshah binti Meor Suleiman
(Non-Independent Non-Executive)
(Resigned w.e.f. 6 June 2014)

Datuk Seri Long See Wool
(Non-Independent Non-Executive)
(Resigned w.e.f. 16 February 2015)

Chua Kok Ching
(Alternate Director to Datuk Seri Long See Wool)
(Non-Independent Non-Executive)
(Ceased w.e.f. 16 February 2015)

COMPANY SECRETARY

Sabarina Laila binti Dato' Mohd Hashim
(LS 0004324)

REGISTERED OFFICE

Malaysia Airports Corporate Office
Persiaran Korporat KLIA
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

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

PRINCIPAL BANKERS

CIMB Bank Berhad
Malayan Banking Berhad
Citibank Berhad

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, maintenance and provision of airport related services of designated airports in Malaysia other than K.L. International Airport ("KLIA") and klia2. The designated airports comprise:

- Four international airports (Pulau Pinang, Langkawi, Kuching and Kota Kinabalu)
- 16 domestic airports
- 18 Short Take-Off and Landing Port (STOLports)

100% MAHB

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

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

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 in 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 and Sama-Sama Express KL International Airport.

51% KLAH

Sama-Sama Hospitality Management Sdn. Bhd. (1029991-A)

Ceased operation.

100% MA (Properties)

MAB Agriculture-Horticulture Sdn. Bhd. (467902-D)

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

GROUP CORPORATE STRUCTURE

20% MA (Properties)

Kuala Lumpur Aviation Fuelling System Sdn. Bhd. (395396-X)
Development, management and operations of aviation fuelling system in 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 and undertaking Information and Communication Technology business ventures.

100% MA (Tech)

Malaysia Airports MSC Sdn. Bhd. (516854-V)
Investment holding.

100% MAHB

MAHB (Mauritius) Private Limited (64825 C1/GBL)
Investment holding.

100% MAHB

Malaysia Airports Capital Berhad (906593-U)
Investment holding.

100% MAHB

Malaysia Airports Capital (Labuan) Limited (LL07679)
Investment holding.

100% MAHB

Malaysia Airports (Labuan) Private Limited (LL05298)
Investment holding.

23% MA (Labuan)

GMR Malè International Airport Private Limited (C0490/2010)
Operation, management and development and provision of airport related services. However, the entity has ceased operations.

100% MAHB

MA Construction (Labuan) Private Limited (LL08348)
Investment holding.

100% 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 the klia2 Integrated Complex.

23% MAHB

Airport Cooling Energy Supply Sdn. Bhd. (923025-D)
Development, management and operations of chilled water plant and producing, distributing, applying, dealing and selling of chilled water.

100% 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.

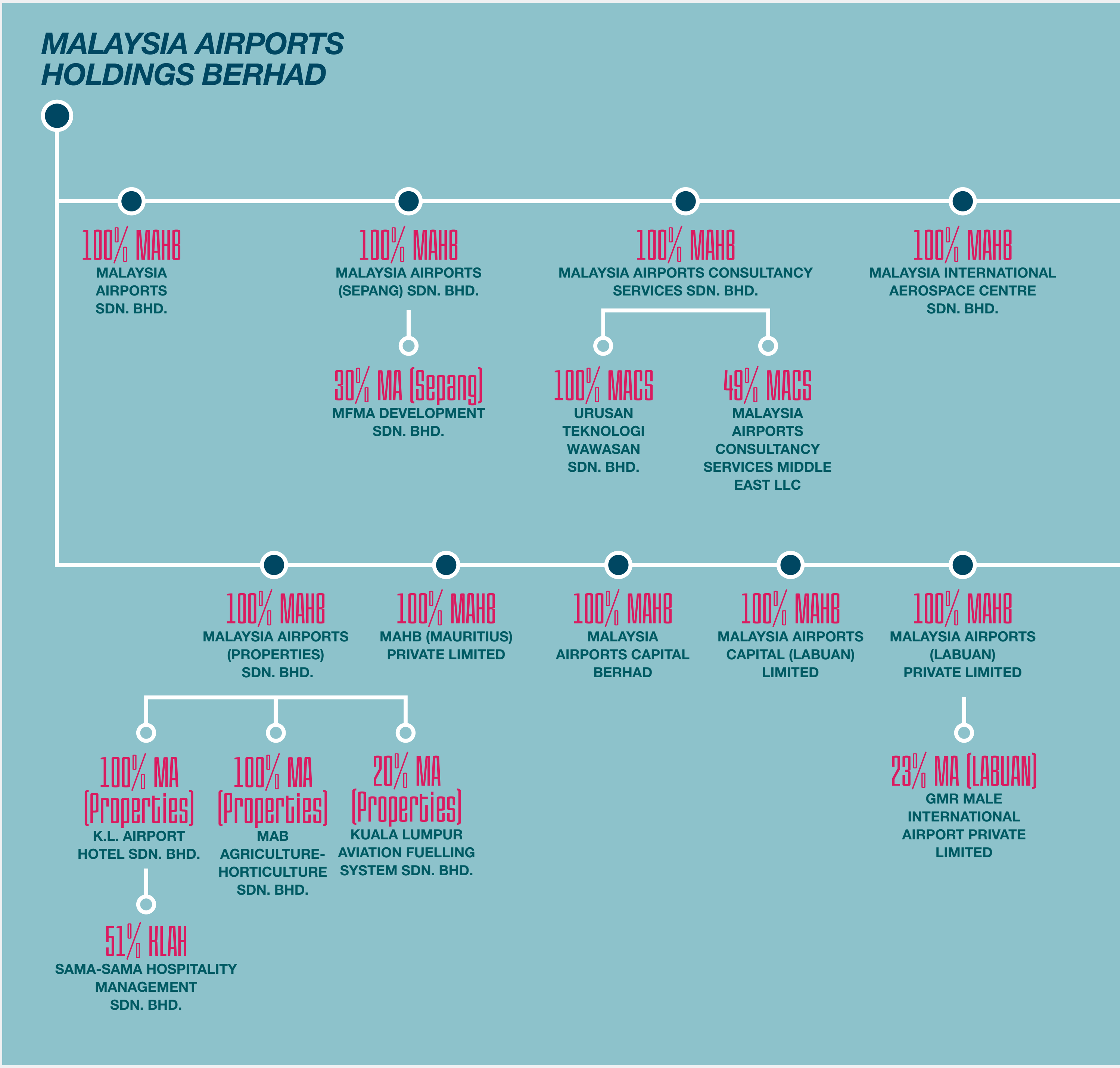
100% MAHB

Malaysia Airports Cities Sdn. Bhd. (1114062-X)
Investment holding.

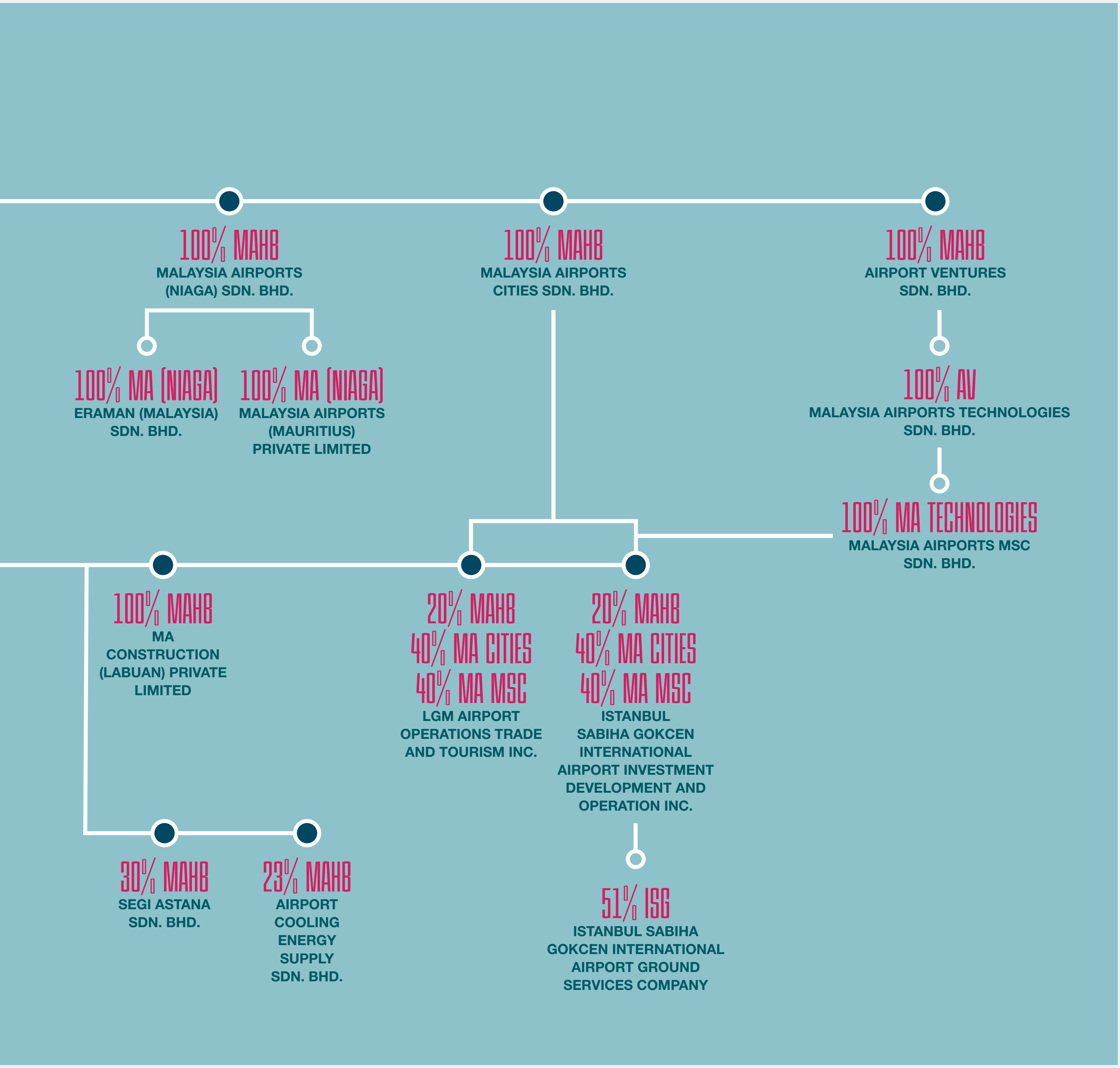
51% ISG

Istanbul Sabiha Gokcen International Airport Ground Services Company (660779)
Provision of ground handling services. Ceased operations.

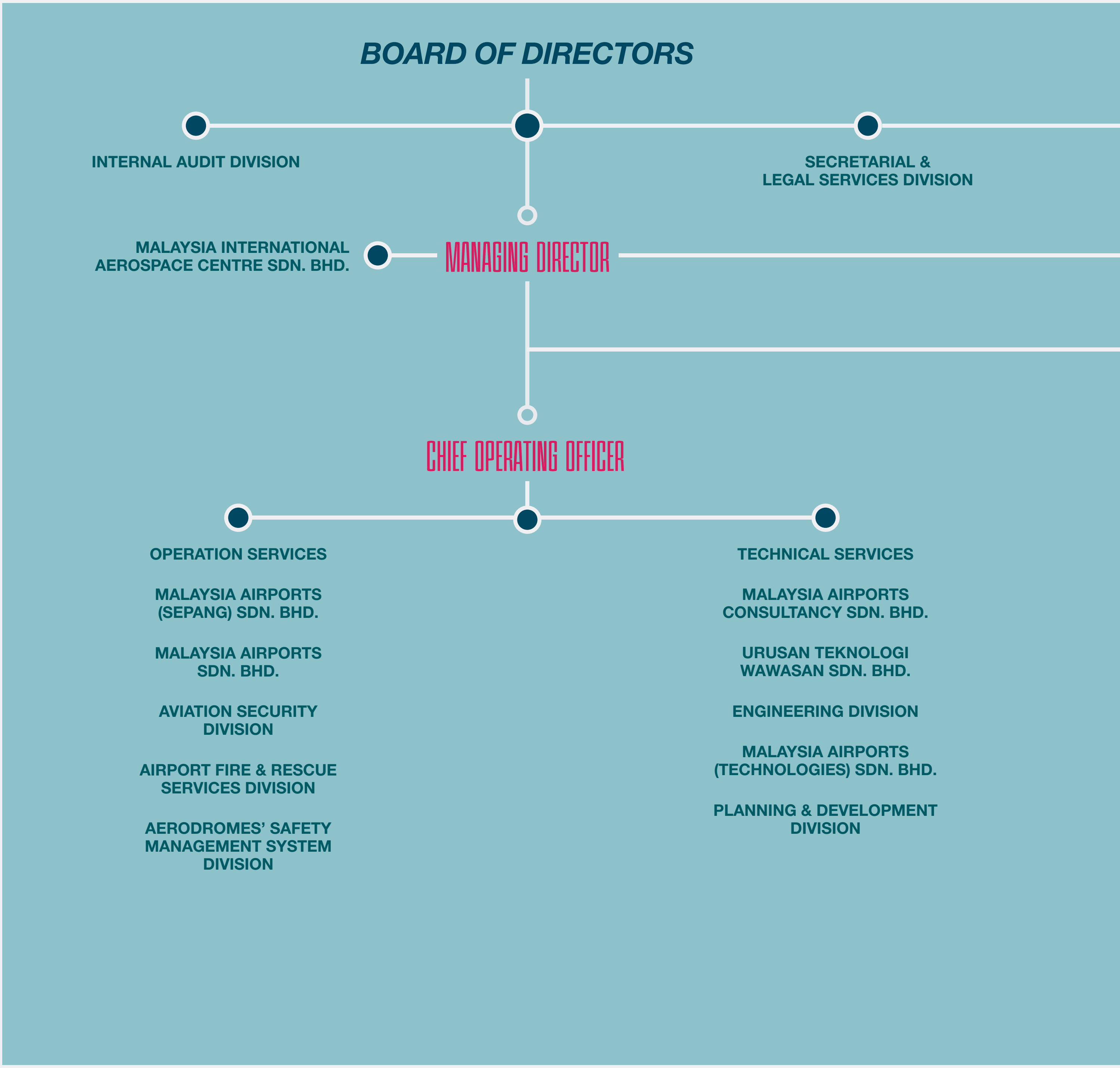
GROUP CORPORATE STRUCTURE



GROUP CORPORATE STRUCTURE



GROUP ORGANISATIONAL STRUCTURE



GROUP ORGANISATIONAL STRUCTURE

CORPORATE INTEGRITY UNIT

CORPORATE COMMUNICATIONS DIVISION

HUMAN RESOURCES SERVICES DIVISION

CHIEF COMMERCIAL OFFICER

COMMERCIAL SERVICES DIVISION

LAND DEVELOPMENT DIVISION

MALAYSIA AIRPORTS (NIAGA) SDN. BHD.

K.L AIRPORT HOTEL SDN. BHD.

MAB AGRICULTURE-HORTICULTURE SDN. BHD.

MALAYSIA AIRPORTS (PROPERTIES) SDN. BHD.

CHIEF FINANCIAL OFFICER

FINANCE DIVISION

PROCUREMENT & CONTRACT DIVISION

CORPORATE FINANCE, TREASURY & INVESTOR RELATIONS

PLANNING

CORPORATE PLANNING DIVISION

AIRLINE MARKETING DIVISION

OVERSEAS VENTURES DIVISION

IT DIVISION

RESEARCH & PLANNING DIVISION

TRANSFORMATION MANAGEMENT OFFICE

RISK MANAGEMENT DIVISION

CORPORATE QUALITY MANAGEMENT DIVISION

CALENDAR OF EVENTS 2014

09.01.2014

Launch of MAFT

The Malaysian Airports Football Team (MAFT) were officially assembled. Pictured above is the team wearing their own bespoke team jersey and logo.

23.01.2014

Sama-Sama Express Launched

Chairman of Malaysia Airports officially launched the Sama-Sama Express at KLIA. Located at the satellite building inside the KL International Airport, the airside hotel provides ultimate convenience and comfort for all transit passengers. The upgrading and rebranding of Sama-Sama Express is in recognition of the Hotel's vision to provide travellers a hassle free transit with exceptional service and amenities.

28.01.2014

Launch of Malaysia's First Airport Solar Power System at KLIA

Malaysia Airports and SunEdison announced the launch of Malaysia's first airport solar power system at KLIA. The 19MW (megawatt) DC (direct current) system is the largest in Malaysia as of its interconnection.

05.02.2014

Third Annual Green Day Programme

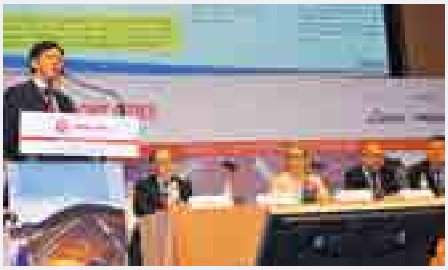
Malaysia Airports launched its third annual "Green Day" programme, a two-pronged employee engagement activity which aims to stimulate environmental awareness and enhance camaraderie among staff.

31.03.2014

Malaysia Airports Welcomed Lufthansa German Airline Non Stop Flight

With the start of the summer flight on 31 March 2014, Lufthansa launched non-stop flights from Kuala Lumpur to Frankfurt.

01.04.2014



Airport Cities Opened in Kuala Lumpur

The 13th Airport Cities Conference and Exhibition formally opened in Kuala Lumpur. The event is a global platform providing thought leadership, best practice, innovation and high-level debate and discussion around the creation and development of airports.

17.04.2014

Flynas Inaugural Flight to KLIA

Flynas made its maiden flight to KLIA, commencing with three flights weekly for the Jeddah-Kuala Lumpur route.

CALENDAR OF EVENTS 2014

27.04.2014

klia2 Open Day Recorded an Overwhelming 80,000 Visitors

Malaysia Airports received an overwhelming response from public at the klia2 Open Day, hosting around 80,000 visitors throughout the day.

29.04.2014

Ground Breaking Ceremony for Mitsui Outlet Park KLIA

The Secretary General of the Ministry of Tourism and Culture Malaysia officiated the ceremony for the commencement of the construction of the Mitsui Outlet Park KLIA.

02.05.2014

Smooth Opening for klia2

klia2 witnessed a smooth commercial opening and operations, with Malindo Air from Kota Kinabalu being the first airline to touch down while Cebu Pacific Airways to Manila being the first airline to depart from the terminal.

22.05.2014

Airport Shopper Won Big in ITUF

Donald Chung was the winner of Malaysia Airports' Indulge Till You Fly (ITUF) 2013-2014 Campaign. He won an RM1 million shopping spree at KLIA and trips to seven cities around the world.

29.05.2014

Malaysia Airports Honoured Loyal Serving Staff

279 staff who have served the company for ten years and above were awarded with the Loyal Service Award. The staff received the award from the Chairman of Malaysia Airports in the form of Bank Simpanan Nasional's Premium Saving Certificates.

19.06.2014

iStyle Fashion KLIA 2014

iStyle Fashion KLIA 2014 was a fashion/styling project organised by Malaysia Airports to encourage a showcase of creativity from design students between 18-25 years old. The winner at the Grand Finale, the Dream Team received a cash prize.

CALENDAR OF EVENTS 2014

24.06.2014

Prime Minister Launched klia2

klia2 was officially launched by the Prime Minister YAB Dato' Sri Mohd Najib Tun Abdul Razak, augmenting Malaysia's strong presence in the global aviation industry. klia2 was also officially inducted into the Malaysia Book of Records for the 'Biggest Purpose Built Terminal for Low Cost Carriers & First Airport Terminal Sky Bridge' in Asia.

26.06.2014

Malaysia Airports Signed MoU with Comintel

Malaysia Airports signed a Memorandum of Understanding (MoU) with Sepura's local partner Comintel. The MoU was intended to enhance communications solution in airports.

27.06.2014

KLIA Celebrated 16th Birthday

KLIA celebrated its 16th anniversary and continues to play an important part in the development of the nation's aviation industry. During the birthday celebration, KLIA also feted five lucky passengers with a special reception and prizes.

03.07.2014 & 07.07.2014

Malaysia Airports Berbuka Puasa with Media

Malaysia Airports organised two "Berbuka Puasa with Media" sessions during the month of Ramadhan. The first was on 3 July 2014 with the Putrajaya media bureaus, and the second was on 10 July 2014 with various media organisations in Kuala Lumpur. These sessions were part of an effort to maintain rapport with members of the media.

04.07.2014

World Cup Fever at KLIA & klia2

In conjunction with World Cup 2014, giant screens were installed in KLIA and klia2 for fans in the airports to catch the matches. Special Edition World Cup wristbands and five signed football jerseys were also up for grabs for those who participated in the KLIA Supershot event.

05.09.2014

klia2 User Won All-Expenses Paid Trip to Australia

As part of the "Destination Curious" campaign to promote Australian tourism, the "Wonderful Visit to Oz" contest was held for passengers in klia2. Participants were given a chance to win an all-expenses paid trip for four to Gold Coast Australia.

CALENDAR OF EVENTS 2014

11.09.2014

Malaysia Airports Continued Human Capital Development through NDTS

Malaysia continued to improve the ability and competency of its employees through the National Dual Training System (NDTS). A total of 46 employees received the Malaysian Skills Certificate (MSC) Level 3.

17.09.2014

British Airways Announced Return to Malaysia

British Airways announced that it will commence its services to Kuala Lumpur on 27 May 2015. British Airways last operated to Kuala Lumpur in 2001.

19.09.2014

Malaysia Airports Introduced New Uniforms for AFRS

New uniforms were introduced for the Airport Fire & Rescue Service (AFRS) personnel at the AFRS Basic Training Graduation Ceremony in KLIA. The new uniform is meant to revitalise the image of AFRS.

20.09.2014 – 23.09.2014

Malaysia Airports Participated in World Routes Development Forum

Malaysia Airports took part in the 20th World Route Development Forum held in Chicago, USA - a platform to allow its to engage with various airlines to offer opportunities for increased flight frequencies and open up new routes.

26.09.2014

Malaysia Airports' Networking Bowling

A total of 30 teams participated in the "Malaysia Airports Networking Bowling" competition, consisting of members of the media, government agencies, and business partners.

08.10.2014

Six More Bumiputra Retail Outlets for klia2

Malaysia Airports pushed the Bumiputera Economic Empowerment Plan (EEP) agenda further by awarding six more retail outlets under its Corporate Social Responsibility (CSR) Programme to qualified bumiputera companies to operate at klia2. This programme was a collaboration between Malaysia Airports and the Ministry of Trade and Industry (MITI).

CALENDAR OF EVENTS 2014

09.10.2014

Malaysia Airports' T.O.U.C.H. Campaign Culminated with Rewards at the Recognition Ceremony

Malaysia Airports' award-winning customer service campaign – T.O.U.C.H. -- culminated in a Recognition Ceremony to celebrate the success of its best-performing front liners, concessionaires and members of the public who took part in the Public Nomination campaign.

13.10.2014

MD MAHB Turun Padang

To commemorate his 100 days as the Managing Director of Malaysia Airports, Datuk Mohd Badlisham Ghazali 'turun padang' by taking members of the media for a tour and briefing at KLIA main and klia2. The 'Customer Comes First' event highlighted the effort Malaysia Airports was undertaking to enhance the services and facilities at KLIA and klia2.

14.10.2014

Heinemann Asia Pacific Opened in klia2

Heinemann Asia Pacific opened "be™ Duty Free", a 1,240 square metres, cross category concept duty free store at klia2. Operating 24 hours a day, the shop carries a wide range of brands specifically catered for travellers.

16.10.2014

Royal Jordanian Flew with B787 Dreamliner to KLIA

The Royal Jordanian Airline made its historic landing at KLIA using their brand new Boeing 787 Dreamliner aircraft becoming the first airline to operate scheduled flights with B787 Dreamliner into KLIA.

09.11.2014

Seven Schools Competed in Beyond Borders Awards

Malaysia Airports Beyond Borders Program attempts to highlight the importance of education and improvement of academic standards among underprivileged children. A total of seven schools participated in the Beyond Borders Awards held on 2 November at Sibu, Sarawak and 9 November at Bachang, Melaka. The competition allowed the students to showcase their talents through acting, writing and drama competitions.

11.11.2014

Malaysia Airports Concessionaires Conference

Malaysia Airports' sixth Concessionaires Conference was attended by over 250 participants representing 90 companies. Malaysia Airports recognised outstanding concessionaires by awarding them with the Malaysia Airports Champion Award 2014.

CALENDAR OF EVENTS 2014

21.11.2014

KLIA Awards 2013 Acknowledged The Outstanding Performers in Aviation Industry

Malaysia Airports held its KLIA awards presentation to honour partners with exceptional performance for the year 2013.

26.11.2014

Aircraft Emergency Accident Drill at klia2

A full scale aircraft accident practice was conducted at klia2 to evaluate the effectiveness of the Company's Airport Emerging Procedure (AEP) at the airport.

01.12.2014 - 03.12.2014

Malaysia Airports Hosted Future Travel Experience 2014

Malaysia Airports played host to Future Travel Experience (FTE) Asia 2014, a unique forum for travel industry stakeholders focusing on the end-to-end travel process from the passengers point of view.

21.12.2014

1600 Pandas at klia2

1,600 papier mache pandas were placed in klia2 for the filming and promotion of the "1,600 Papier Mache Pandas My Adoption Program". The program calls to attention the need for environmental conservation and sustainable development.

23.12.2014

klia2 Welcomed Mega Maldives

Mega Maldives Air commenced two flights weekly operations to klia2, offering direct connections from Kuala Lumpur to Maldives. To commemorate their service, Mega Maldives launched their Check-In Counter and celebrated the First Check-In Passenger of Mega Maldives Air.

31.12.2014

Malaysia Airports Assisted Staff Affected by Flood in Kota Bharu

Malaysia Airports assisted flood victims in the East Coast by contributing food supplies and 'wang zakat Syarikat' to 25 of its staff who were affected by the floods in Kota Bharu.

2014 AWARDS


CAPA
APAC Large International Airport of the Year 2014
KLIA


M100
MALAYSIA'S
100
EMPLOYERS


MALAYSIA RECORDS


SmartTravel

2014 AWARDS

- 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

PAST AWARDS & ACCOLADES

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.

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.

PAST AWARDS & ACCOLADES

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

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.

YEAR 2010

- Malaysia Airports was the recipient of Airport Investment Company of the Year while KLIA received the Asia Pacific Airport of the Year (above 15 mppa) in the 2010 Frost & Sullivan Asia Pacific Aerospace & Defense Awards.
- Malaysia Airports bagged two awards in the The StarBiz-ICR Malaysia Corporate Responsibility Awards 2009, for the Community and Environment categories.
- Malaysia Airports won the inaugural Corporate Nationhood Initiative Award in the Business Times' CEO of the Year 2009.
- KLIA service excellence was acknowledged during the Skytrax 2010 World Airport Awards 2010, when it won two awards – Best Airport Immigration Service and Staff Service Excellence in Southeast Asia category.
- KLIA was awarded The Brand Laureate 2009-2010 for Corporate Branding – Best Brands in Transportation – Airport for the fourth consecutive times.
- The Pan Pacific Kuala Lumpur International Airport Hotel was named Asia's Leading Airport Hotel and World's Leading Airport Hotel in the prestigious World Travel Awards 2009.
- The Pan Pacific Kuala Lumpur International Airport Hotel won the APBF BrandLaureate Award 2009 – 2010 in the Best Brands in Airport Hotel category.

AIRPORTS MANAGED BY MALAYSIA AIRPORTS

OVERSEAS AIRPORTS MANAGED BY THE GROUP

CAMBODIA
- Siem Reap International Airport (1995-2005)
- Phnom Penh International Airport (1995-2005)

KAZAKHSTAN
- Astana International Airport (2007-2009)

MALDIVES
- Ibrahim Nasir International Airport, Male (2010-2012)

INDIA
- Indira Gandhi International Airport, New Delhi (2007-Present)
- Rajiv Gandhi International Airport, Hyderabad (2003-Present)

TURKEY
- Sabiha Gokcen International Airport, Istanbul (2008-Present)

AIRPORTS MANAGED BY MALAYSIA AIRPORTS

MALAYSIAN AIRPORTS OPERATED BY THE GROUP

INTERNATIONAL

PENINSULA MALAYSIA
- KL International Airport
- Langkawi International Airport
- Penang International Airport

SABAH
- Kota Kinabalu International Airport

SARAWAK
- Kuching International Airport

SHORT TAKE-OFF AND LANDING PORTS (STOLPORTS)

PENINSULA MALAYSIA
- Pulau Redang
- Pulau Pangkor
- Pulau Tioman

SABAH
- Kudat
- Long Pasia
- Semporna

SARAWAK
- Lawas
- Marudi
- Long Semado
- Long Seridan
- Long Lellang
- Long Banga
- Bario
- Kapit
- Mukah
- Ba'kelalan
- Long Akah
- Belaga

DOMESTIC

PENINSULA MALAYSIA
- Sultan Abdul Halim Airport, Alor Setar
- Sultan Ismail Petra Airport, Kota Bharu
- Sultan Mahmud Airport, Kuala Terengganu
- Sultan Ahmad Shah Airport, Kuantan
- Sultan Azlan Shah Airport, Ipoh
- Skypark Terminal Sultan Abdul Aziz Shah Airport, Subang
- Melaka Airport

SABAH
- Sandakan Airport
- Labuan Airport
- Tawau Airport
- LahadDatu Airport

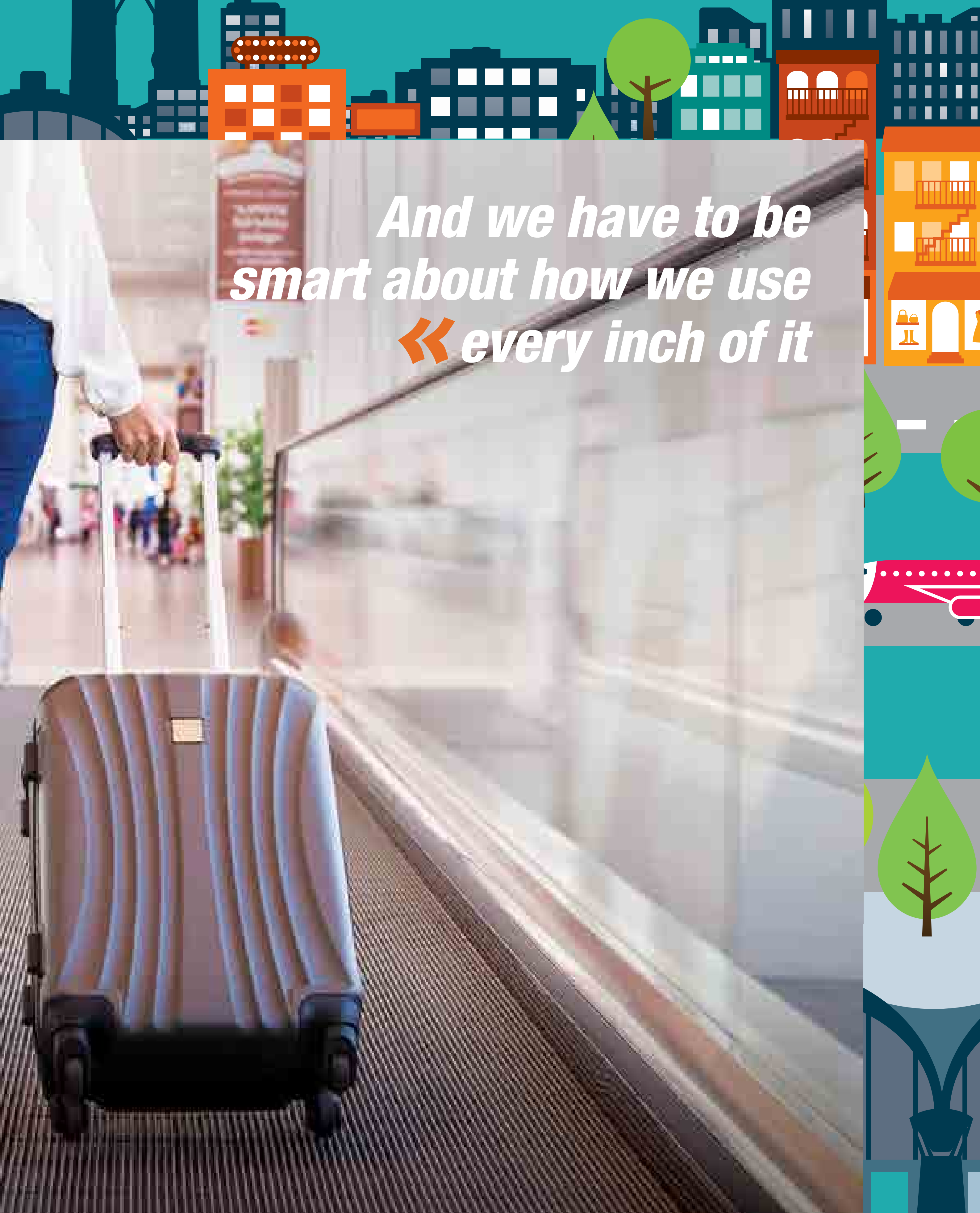
SARAWAK
- Miri Airport
- Bintulu Airport
- Sibu Airport
- Limbang Airport
- Mulu Airport

Sustaining Our Environment and Community

We are committed to ensuring responsible corporate citizenship through efficient management of resources and waste, active efforts in carbon reduction and sustainable contribution towards community development and nation-building initiatives.


KLIA


We built our airport on a scale that will meet future needs »



And we have to be smart about how we use every inch of it

STATEMENT ON CORPORATE GOVERNANCE

INTRODUCTION

Malaysia Airports seeks to attain our ultimate mission of achieving service excellence. Our Company's brand essence was found on the strength of connectivity, thus promoting desirable attributes in our people by encouraging them to develop connections with our stakeholders, the community and the environment by living the brand essence. At Malaysia Airports, we believe in the value of conducting our business in an open and transparent manner based on ethical values and respect for the community, employees, environment, shareholders and other stakeholders.

In our quest to achieve our Company's vision and mission, we are committed to continue our efforts to bring the Company to greater heights in order to become a dynamic and reliable airport operator, which is profitable in the highly competitive global aviation market. We are also committed to striving for the highest level of governance in the Company, and to endeavour to exceed the expectations of all our shareholders and stakeholders. The Board of Directors ("the Board") strongly believes that adopting and operating in accordance with high standards of corporate governance are the most essential elements for sustainable long-term performance and economic value creation for our shareholders as well as other stakeholders.

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

- Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Bursa Malaysia Listing Requirements").
- Malaysian Code on Corporate Governance 2012 ("MCCG 2012").
- The Green Book: Enhancing Board Effectiveness by the Putrajaya Committee on Government-Linked Companies (GLC) High Performance ("The Green Book").
- Corporate Governance Guide: Towards Boardroom Excellence – 2nd Edition ("CG Guide 2") issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia").
- Corporate Governance Blueprint issued by the Securities Commission of Malaysia.

The Board constantly strives to improve its efforts in enhancing and raising a high standard of corporate governance throughout MAHB Group, which is fundamental to fulfilling its responsibility of protecting and enhancing the shareholders' value and the financial performance of the Group.

Good corporate governance practices, however, should extend beyond mere statement of compliance. It should aim at achieving the highest standards of conduct, business integrity, ethics, accountability and professionalism across all the Group's activities. The Board acknowledges the importance of corporate governance in enhancing stakeholders' value, increasing investors' confidence, establishing customers' trust and building a competitive organisation to support the Group's corporate mission and vision. The commitment of the Board, Management and staff of MAHB Group in ensuring the interests of investors and all other stakeholders are well taken care of, is affirmed by the award and recognition that MAHB had received, namely, a Distinction Award (rated A+) under the inaugural Malaysian Corporate Governance ("MCG") Index 2011 ("Index") by the Minority Shareholder Watchdog Group ("MSWG"). The Index, an initiative by MSWG, creates awareness and encourages best corporate governance ("CG") practices among public listed companies ("Listed Issuer") in Malaysia. The Index rates and ranks Listed Issuer on many different levels which include, among others, compliance with CG best practices, quality of disclosures, financial sustainability, and corporate responsibility efforts. MAHB had also been given special recognition under the category of *"The Companies with 30% Women on its Board"* by MSWG in the MCG Index 2011. From 2012 until 2014, MAHB was also recognised as one of the Top 20 Companies amongst the top 500 Listed Issuer assessed in Malaysia, based on the Malaysia-ASEAN Corporate Governance Scorecard ("Scorecard"). The Index was switched to the Scorecard as a means of assessing the status of Listed Issuers' adoption and compliance with CG recommended principles and best practices.

MAHB had also received Practice Solution Award (Public Listed Company Category) of the National Award for Management Accounting ("NAfMA") 2011 by the Malaysian Institute of Accountants ("MIA") and Chartered Institute of Management Accountants ("CIMA").

STATEMENT ON CORPORATE GOVERNANCE

MAHB had been ranked second (2nd) position in Score A category under MCG 2010 and received the Distinction Award in the MCG Index 2009 as well as ranked seventh (7th) position (2007: 14th and 2006: 40th) in the MSWG – Nottingham University Business School CG survey conducted in 2008.

Business Direction

As the Group approaches the next phase of business planning with much greater achievements, the Board consistently and diligently ensures that the Group's businesses and affairs strictly adhere to the doctrine and principles of good corporate governance. 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, particularly with the operations of klia2.

THE BOARD OF DIRECTORS OF MALAYSIA AIRPORTS HOLDINGS BERHAD

The Board of Directors

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

The Board Charter clearly outlines the principles and adoption of best practices on the structures and processes towards achieving the highest governance standards, which include amongst others, 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 required mandates and activities.

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

A summary of the current Board Charter is published on the Company's website at *www.malaysiaairports.com.my*.

Directors' Code of Ethics

The Directors continue 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 Balance and Composition of the Board

MAHB 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 to ensure that it has wide experience of the sector and regulatory environment in which MAHB Group operates, added with appropriate financial and risk management skills. The Board considers that objectivity and integrity, (as well as the relevant skills, knowledge, experience, mindset and ability, which will assist the Board in strengthening its key functions), are the prerequisites for appointment of new Directors on the Board of MAHB.

The Board currently comprises five (5) Non-Independent Non-Executive Directors, four (4) Independent Non-Executive Directors and one (1) Managing Director, the composition of which is in compliance with Paragraph 15.02 of Bursa Malaysia Listing Requirements. The Directors' Profile are enclosed from pages 82 to 97 of this Annual Report.

Having a Non-Independent Non-Executive Chairman on the Board, the Board endeavors and has taken steps to achieve a Board that comprises a majority of Independent Directors. 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.

STATEMENT ON CORPORATE GOVERNANCE

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

Resignation of Directors/Alternate Directors

Name	Designation	Remark
Tan Sri Bashir Ahmad bin Abdul Majid	Managing Director/ Non-Independent Executive	Resigned with effect from 6 June 2014
Eshah binti Meor Suleiman	Non-Independent Non-Executive	Resigned with effect from 6 June 2014
Norazura binti Tadzim *(Alternate Director to Eshah binti Meor Suleiman)*	Non-Independent Non-Executive	Ceased with effect from 6 June 2014
Datuk Seri Long See Wool	Non-Independent Non-Executive	Resigned with effect from 16 February 2015
Chua Kok Ching *(Alternate Director to Datuk Seri Long See Wool)*	Non-Independent Non-Executive	Ceased with effect from 16 February 2015

Appointment of Directors/Alternate Directors

Name	Designation	Remark
Dato' Siti Zauyah binti Md Desa	Non-Independent Non-Executive	Appointed with effect from 6 June 2014
Norazura binti Tadzim *(Alternate Director to Dato' Siti Zauyah binti Md Desa)*	Non-Independent Non-Executive	Appointed with effect from 6 June 2014
Datuk Mohd Badlisham bin Ghazali	Managing Director/ Non-Independent Executive	Appointed with effect from 23 June 2014
Datuk Dr. Ismail bin Hj. Bakar	Non-Independent Non-Executive	Appointed with effect from 16 February 2015
Datuk Ruhaizah binti Mohamed Rashid *(Alternate Director to Datuk Dr. Ismail bin Hj. Bakar)*	Non-Independent Non-Executive	Appointed with effect from 16 February 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. The Independent Directors on the Board act as a caretaker of the minority shareholders 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 and a good mix of 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.

STATEMENT ON CORPORATE GOVERNANCE

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 shall endeavour to attain diversification in terms of experience, skills, expertise, competencies, gender, ethnicity and age to enable the Company to maximise its business and governance performance.

Currently, there are four (4) women Directors on the Board of MAHB, comprising a Non-Independent Non-Executive Director namely Dato' Siti Zauyah binti Md Desa; an Independent Non-Executive Director namely Datuk Zalekha binti Hassan and two (2) Non-Independent Non-Executive Alternate Directors namely Norazura binti Tadzim and Datuk Ruhaizah binti Mohamed Rashid.

Senior Independent Non-Executive Director

In line with best practices on Corporate Governance, Encik Jeremy bin Nasrulhaq has been appointed as the Senior Independent Non-Executive Director on 22 March 2013. Following his appointment, he has taken up the role of the Chairman of Board Nomination and 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 Encik Jeremy to address any concerns in writing to the Company's registered address or electronic mail to *jeremy@malaysiaairports.com.my.*

Principal Responsibilities of the Board

The Board members exercise due diligence and care in discharging their duties and responsibilities to ensure that high ethical standards are applied, through compliance with relevant rules and regulations, directives and guidelines in addition to adopting the best practices in the MCCG 2012 and CG Guide 2, and act in the best interest of the Group and shareholders.

The principal responsibilities of the Board include formulating, reviewing and adopting an effective strategic planning of the Group, steering the Group in the right direction to achieve its desired goals, overseeing the conduct of the Group's businesses to ensure that the business processes are in place to maintain the highest integrity of the Group's businesses, identifying and managing the risks affecting the Group, reviewing the adequacy and integrity of the Group's system of internal control and ensuring timely and accurate disclosure of material information regarding the financial situation, performance, ownership and governance of the Company. Apart from that, the Board also assumes the responsibility of developing and implementing an investor relations programme or shareholder communications policy for the Group, as well as ensuring that the Group has its own succession planning programme for the Directors and senior management of the Group.

The Role of the Board

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 thorough examination of the Group's present and future strategic directions. It is also responsible for ensuring that management maintains and updates its system of internal control that provides satisfactory assurances of its effectiveness and efficiency, in relation to operations, internal financial controls, and compliance with the laws and regulations.

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

STATEMENT ON CORPORATE GOVERNANCE

The Board is in compliance with the Bursa Malaysia Listing Requirements on the number of directorships in other Listed Issuer. The Board was informed of changes to the directorships held by their peers as and when notified by the respective Directors and 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 Chairman will be notified before the members accept any new directorship.

Independence of Non-Executive Directors

The Board considers all the four (4) Independent Non-Executive Directors, namely Jeremy bin Nasrulhaq, Datuk Seri Yam Kong Choy, Datuk Zalekha binti Hassan and Rosli bin Abdullah to be independent based on the definition as 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.

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 the 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 MAHB Board have served less than nine (9) years and are therefore not subject to this recommendation.

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 in the Group.

The Executive Director is responsible for the following:

(a) Implementation of the overall design of the performance management scheme, particularly developing the strategy, defining the Key Performance Indicators and cascading them through the organisation;

(b) Review of the performance of the businesses, taking corrective actions and reporting them to the Board; and

(c) Review of the performance of the Senior Management and delivering meaningful rewards and compensation.

On the other hand, the Non-Executive Directors are responsible for the following:

(a) Providing independent judgement on the Group's Strategies and Policies;

(b) Overseeing that the internal control systems and the risk management processes are appropriate and effective;

(c) Setting the appropriate targets/objectives and reviewing the performance of the Company and the Executive Director; and

(d) Setting the right remuneration of the Executive Director, and evaluating the effectiveness of the Company's succession planning programme.

The Board opined that the quality of its Directors, each of whom possesses an impeccable management background and offers relevant experience, ensures that they are able to challenge and help develop and drive the Group's vision and strategy, scrutinise performance and controls in ensuring 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.

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The 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, as outlined below:

Chairman

The Chairman's roles and responsibilities are as follows:

(a) Ensure orderly conduct and working of the Board, where healthy debates on issues being deliberated were encouraged to reflect any level of scepticism and independence;

(b) Ensure that every Board Resolution is put to a vote to make sure that the decision is made collectively and reflects the will of the majority;

(c) Ensure that the Board agrees on the strategy formulated by the Company and monitors its implementation;

(d) Exemplify the highest standards of corporate governance practices and ensure that these practices are regularly communicated to the stakeholders;

(e) Ensure the appropriateness and effectiveness of the succession planning programme at the Board and Senior Management levels;

(f) Ensure a healthy working relationship with the Managing Director and provide the necessary support and advice as appropriate; and

(g) 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.

Managing Director

The Managing Director's roles and responsibilities are as follows:

(a) Implementing the policies and decisions of the Board, overseeing the operations, as well as coordinating the development and implementation of business and corporate strategies;

(b) Developing and translating the strategies into a set of manageable goals and priorities;

(c) Setting the overall policy and direction of the business operations, investment and other activities based on effective risk management controls;

(d) Ensuring that the financial results are accurate and not misleading;

(e) Ensuring that the financial management practice is carried out at the highest level of integrity and transparency for the benefit of the shareholders;

(f) 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;

(g) Ensuring that whilst the ultimate objective is to maximise the shareholders return, the social and environmental factors are not being neglected;

(h) Developing and maintaining strong communication programmes and dialogues with the shareholders, investors, analysts, etc; and

(i) 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.

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Induction and Continuous Professional Development

All newly-appointed Directors have undergone a comprehensive induction programme arranged by the Company Secretary, 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.

All the Directors have attended and successfully completed the Mandatory Accreditation Programme as required by the Bursa Malaysia Listing Requirements, save for Datuk Dr. Ismail bin Hj. Bakar and Datuk Ruhaizah binti Mohamed Rashid.

In this context, the Bursa Malaysia Listing Requirements also prescribed that the onus is on the Board of Directors 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 Directors, the Company has embarked upon four (4) in-house training programmes for the Directors during the financial year 2014, as follows:

- Talk on "Experience in Managing Schiphol Airport";
- Talk on "The Role of Airports Council International ("ACI") in the Aviation Industry";
- Talk on "Corporate Liability"; and
- 2014 Risk Management Conference "Risk Management: Better Decisions, Better Outcomes".

Apart from that, the MAHB Directors have attended the following training programmes during the financial year 2014:

Name of Director	Training Programmes Attended
Tan Sri Dato' Sri Dr Wan Abdul Aziz bin Wan Abdullah	• Sime Darby Berhad – Board of Directors and Senior Management Retreat in Singapore (Presentation by Frost & Sullivan and Presentation by Boston Consulting Group); • RAM-World Bank Talk: Malaysia's Economic Outlook & Strategies to Promote High Performing Education; • Bank Pembangunan Malaysia Berhad Board Strategic Retreat – "Transformation of DFIs"; • 10th Khazanah Annual Review Briefing; • PNB Nominee Directors' Convention 2014; • Annual Director Duties, Governance and Regulatory Updates Seminar 2014; • Advocacy Sessions on Corporate Disclosure for Directors; and • Majlis Pelancaran Buku Garis Panduan Ahli Lembaga Pengarah Lantikan Menteri Kewangan Diperbadankan by Malaysian Directors Academy ("MINDA").
Datuk Mohd Badlisham bin Ghazali	• GSMA Mobile World Congress 2014, Barcelona Spain; • Global Entrepreneurship Congress 2014, Moscow, Russia; • The World Routes Chicago 2014, Chicago; • ACI Asia-Pacific Small & Emerging Airports Seminars 2014, Bali, Indonesia; and • GAD (Global Airport Development 2014) Athens, Greece.

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Name of Director	Training Programmes Attended
Dato' Siti Zauyah binti Md Desa	• Senior Leadership Programme: Branding Leaders, Branding the Nation; • FIDE Programme for Development Financial Institutions' Directors; • Senior Leadership Programme; • RHB Talk – REITS; • Money Laundering and Anti-Terrorism; and • Refresher Programme on Corporate Governance.
Jeremy bin Nasrulhaq	• Directors Forum (7/2014) 'Talent and Human Capital: the Drivers of Growth and Creativity'; • Khazanah Megatrends Forum 2014: *Scaling the Efficiency Frontier*; • Tax Free World Association (TFWA) Conference; • Future Travel Experience; • The Routes Asia Conference; and • Airport Cities World Conference & Exhibition.
Datuk Seri Yam Kong Choy	• Airport Cities World Conference & Exhibition; • PDPA 2010 Training for the Directors; • Cagamas 25th Anniversary Book Launch "Housing the Nation: Policies, Issues & Prospects"; • Structuring Successful Property Joint Ventures; • The EDGE Investment Forum on Real Estate Buy, Hold or Sell: Homes to Cost Less - Is It Possible?; • Housing Development in Klang Valley: Current Policies and Sharing Best Practices. "Overview of the Housing Market and Development in Klang Valley"; • Risk Appetite Training; • 6th RICS-RISM-AALSM International Surveying Conference For Undergraduates (Y2014): Young Surveyors, the Drivers of Transformation; • Symposium Kuala Lumpur Slope Information System (KuLSIS); • Advocacy Sessions on Corporate Disclosure for Directors; • Saadiq: Annual Dialogue with Syariah Advisory Committee; • FIDE Forum Event: "Risks: From Whereof?" by Tan Sri Andrew Sheng; • The Housing Delivery System in Malaysia - Opportunities and Challenges: Goods and Services Tax & Anti Money Laundering; • Directors Breakfast Series: Great Companies Deserve Great Boards By Beverly Behan; • Technology Optimising Facility Management Event: Enhancement Trends in the Property Industry; and • Briefing to Developers on Hillslope Projects: An Integrated Solution of Slope Management for Kuala Lumpur & Latest Guideline for Hillslope Developments in Kuala Lumpur.
Datuk Zalekha binti Hassan	• Airport Cities World Conference & Exhibition; • Briefing Session on CG Guide Towards Boardroom Excellence ("2nd Edition"); • Corporate Directors Onboarding Programme by MINDA; • Annual Directors Duties, Governance and Regulatory Updates Seminar 2014; • Strategic Retreat cum Board Meeting: *CIMB's Customer Experience Journey*; • Khazanah Megatrends Forum 2014: *Scaling the Efficiency Frontier*; and • Briefing on Goods and Services Tax ("GST") and Its Impact to Directors.

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Name of Director	Training Programmes Attended
Rosli bin Abdullah	• IFN 2014 - Issuers & Investors Asia Forum; • Advocacy Session on Corporate Disclosure for Directors of Listed Issuers; • The ETFs & SBL Conference for Institutions, Brokers & Exchanges; • Briefing Session on Corporate Governance Guide: Towards Boardroom Excellence ("2nd Edition") - An Update; • 2014 MASB Roundtable on Financial Reporting; • Breakfast Talk - Building Excellent, Ethical, and Enduring Organisations; and • AMLATFA 2014.
Mohd Izani bin Ghani	• Bonds, Loans, & Sukuk Conference, Dubai; • BoAML Global Central Bank and Sovereign Wealth Fund Conference, Boston; • Global Islamic Finance Forum (GIFF); • Istanbul Finance Summit 2014; and • 10th WIEF 2014.
Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin	• Enterprise Risk Management; • Khazanah Mega Trends; • International Malaysian Law Conference; • Goods & Services Tax; • Retail Marketing; • Firearms Handling and Live Fire Training – Glock 9mm; and • CommunicAsia.

From time to time, the Company would conduct several in-house training programmes in regard to various tasks/disciplines in relation to aviation/airport industry in order to aid the Board of Directors in discharging its 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

The Board Performance Evaluation framework and processes in MAHB have been developed and adopted in accordance with the principles as enunciated in The Green Book and the MCCG 2012.

The annual performance evaluation of the Board was primarily based on the answers to a detailed questionnaire. The questionnaire covers topics that include, amongst others, the roles and responsibilities and influence of the Board, Board structure, independence of the Independent Directors, conduct of Board/Board Committees meetings, decision-making, output, etc. Similar topics were covered in respect of the questionnaire for each of the Board Committees. Thereafter, the results of these questionnaires, were documented and collectively formed the basis of a report to be tabled at the Board Nomination and Remuneration Committee ("BNRC") meeting, subsequently for onward submission to the Board of Directors' Meeting for deliberation thereof, whereby the Board had evaluated their performance and formulate a "moving forward initiatives", to enhance the effectiveness of the Board.

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

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Whistleblowing Programme

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

(a) Commission of fraud, bribery and/or corruption;
(b) Unauthorised use of Company's money, properties and/or facilities;
(c) Exposure of Company's properties, facilities and/or staff to the risks of safety and security;
(d) Abuse of position;
(e) Involvement in unlawful act;
(f) Failure to meet Professional Standards;
(g) Negligence/malpractice;
(h) Disclosure of Company's information without proper authorisation; and
(i) Any act or omissions which constitute act of misconduct under MAHB Code of Ethics or any criminal offence under relevant legislations in force.

All concerns should be addressed to the Whistleblowing Independent Committee ("WIC"). Effective on 1 January 2013, the Board Audit Committee ("BAC") was tasked with overseeing the WIC, whereby an independent member of the Board Audit Committee was appointed as the Chairman of WIC. Pursuant thereof, Encik 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 concerns reported 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 to the name and position of the whistleblower will be kept strictly confidential throughout the investigation proceedings.

During the year, a total of eighteen (18) concerns were reported, 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 the Directors of MAHB, and to use their best endeavours to attend the meetings.

The Board meetings as well as Board Committee meetings are scheduled in advance 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 2014, sixteen (16) Board meetings were held, of which, five (5) were Special Board meetings. All the Directors had proportionately attended more than 50% of the Board meetings held for the financial year 2014, in compliance with the Bursa Malaysia Listing Requirements.

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The following table sets out the number of Board meetings held during the financial year 2014 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	16 out of 16	100%
Datuk Seri Long See Wool	10 out of 16	62.5%
Dato' Siti Zauyah binti Md Desa [1]	7 out of 8	87.5%
Eshah binti Meor Suleiman [2]	5 out of 8	62.5%
Mohd Izani bin Ghani	16 out of 16	100%
Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin	13 out of 16	81.25%
Chua Kok Ching *(Alternate Director to Datuk Seri Long See Wool)*	4 out of 4	100%
Norazura binti Tadzim [1] *(Alternate Director to Dato' Siti Zauyah binti Md Desa)*	1 out of 1	100%
Norazura binti Tadzim [3] *(Alternate Director to Eshah binti Meor Suleiman)*	3 out of 3	100%
Independent Non-Executive		
Jeremy bin Nasrulhaq	15 out of 16	93.75%
Datuk Seri Yam Kong Choy	16 out of 16	100%
Datuk Zalekha binti Hassan	16 out of 16	100%
Encik Rosli bin Abdullah	16 out of 16	100%
Non-Independent Executive		
Tan Sri Bashir Ahmad bin Abdul Majid [4]	8 out of 8	100%
Datuk Mohd Badlisham bin Ghazali [5]	8 out of 8	100%

Note:

[1] *Appointed as Director/Alternate Director with effect from 6 June 2014*

[2] *Resigned as Director with effect from 6 June 2014*

[3] *Ceased as Alternate Director with effect from 6 June 2014*

[4] *Resigned as Managing Director with effect from 6 June 2014*

[5] *Appointed as Managing Director with effect from 23 June 2014*

Non-attendance at the Board and Committee meetings is an exception, normally where Directors have prior commitment, or in the case of newly-appointed Directors, if there is a clash with a meeting which had been scheduled earlier and could not be re-arranged.

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Matters Reserved to the Board

The Board has a formal schedule of matters specifically reserved to it. These reserved matters include 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/intangible 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 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 (i.e. membership and financial authority), reviewing their activities and, where appropriate, ratifying their decisions.

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 fourteen (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 on 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

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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

MAHB is committed to ensuring 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 MAHB.

MAHB's 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 MAHB's media releases, social media platforms (namely, Twitter and Facebook), Corporate website and other appropriate channels. Each Division in MAHB is required to inform the Company Secretary on any potential price sensitive information concerning MAHB as soon as this becomes known.

Leverage on Information Technology for Effective Dissemination of Information

MAHB 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.

MAHB utilises its corporate website, Twitter and Facebook as a means of providing information to its shareholders/ stakeholders and the broader investment community. MAHB discloses 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 and to be issued via internal communications platform (namely, K-Office email). In addition, MAHB has dedicated a section on the website to MAHB's investors where presentations, annual reports, quarterly reports, audited financial statements, announcements, share and financial information can be viewed. The details of Investor Relations are disclosed on pages 40 to 41 of this Annual Report.

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 price-sensitive 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 purposes 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 all appointments and resignations of Directors are in accordance with the relevant legislations, the

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Board Performance Evaluation 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 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 kept informed of pertinent issues, which may have an impact on the Group's sustainability. However, there was 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 (namely, amongst others, skills set, experience, competency, gender, ethnicity and age) and on the needs of the Board and the present 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.

The BNRC is also responsible for evaluating the findings of the Board Performance Evaluation 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 Board Performance Evaluation, 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.

Re-election of Directors

All Directors, including the Managing Director, are subject to re-election by the shareholders at their first opportunity after their appointment, and are subject to re-election at least once every three (3) years, in accordance with Articles 129, 131 and 132 of the Company's Articles of Association. The re-election of Directors at a regular interval not only promotes the creation of an effective Board, but also presents the shareholders with the opportunity to gauge the performance of the Directors.

The Board has conducted an assessment of the independence of its retiring Independent Directors who are seeking for re-election, and upon their compliance of the criteria of independence pursuant to Bursa Malaysia Listing Requirements, the retiring Independent Directors have offered themselves for re-election.

At the 16th Annual General Meeting, Datuk Mohd Badlisham bin Ghazali, Dato' Siti Zauyah binti Md Desa and Datuk Dr. Ismail bin Hj. Bakar will stand for re-election in accordance with Article 129, whilst Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah, Jeremy bin Nasrulhaq and Tunku Dato' Mahmood

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Fawzy bin Tunku Muhiyiddin shall retire in accordance with Article 131 of the Company's Articles of Association and being eligible, have offered themselves for re-election.

The Board has determined that the performance of the above Directors who are subject to re-election, has continued to exemplify and demonstrate the highest commitment towards strengthening the effectiveness of the governance framework. Hence, the Board unanimously recommends that the shareholders vote in favour of the re-election of the above Directors at the Company's 16th Annual General Meeting.

Directors over the age of seventy (70) years old are also required to submit themselves for re-appointment annually, in accordance with Section 129(6) of the Companies Act, 1965. Currently, the Company has no Directors who have reached the above stipulated age.

Promoting Sustainability

The Board believes sustainability is integral to the long-term success of the MAHB Group. MAHB manages its business responsibly by managing the economic, social and environmental aspects of its operations. The Company 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 the Company's performance annually.

Further information on the MAHB Group's sustainability activities can be found in MAHB's Sustainability Report 2014, a separate report published in conjunction with this Annual Report. 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 of the Group. The component parts of the remuneration are structured as such, so as to link rewards to corporate and individual performance, in line with the "Enhancing Business and Performance Management" Programme developed by the Group with the assistance and in consultation with the external consultants.

The Managing Director's remuneration comprises basic salary and other customary benefits which are competitive that reflect his performance for the year, whilst the Non-Executive Directors' remuneration package, comprises 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 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.

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The Chairman and Non-Executive Directors received the following fees in respect of the financial year 2014:

Fee	Chairman	Non-Executive Director
1. Directors' Fee	RM180,000	RM108,000
2. Meeting Allowance		
2.1 - Board Meeting	RM5,000/meeting	RM3,000/meeting
2.2 - Board Committee Meeting	RM4,000/meeting	RM2,000/meeting
2.3 - Subsidiary Meeting	RM3,000/meeting	RM2,000/meeting

The details of the total remuneration of directors for the financial year 2014 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	-	180,000.00	296,008.75	21,700.00	497,708.75
Datuk Seri Long See Wool	-	108,000.00	45,265.00	10,000.00	163,265.00
Chua Kok Ching *(Alternate Director to Datuk Seri Long See Wool)*	-	-	34,000.00	4,207.00	38,207.00
Dato' Siti Zauyah binti Md Desa *(Appointed with effect from 6 June 2014)*	-	63,000.00	36,959.00	2,508.00	102,467.00
Norazura binti Tadzim *(Alternate Director to Dato' Siti Zauyah binti Md Desa)* *(Appointed with effect from 6 June 2014)*	-	-	5,000.00	5,257.00	10,257.00
Eshah binti Meor Suleiman *(Resigned with effect from 6 June 2014)*	-	54,000.00	42,000.00	10,000.00	106,000.00
Norazura binti Tadzim *(Alternate Director to Eshah binti Meor Suleiman)* *(Ceased with effect from 6 June 2014)*	-	-	18,000.00	-	18,000.00
Jeremy bin Nasrulhaq	-	108,000.00	151,959.00	11,826.50	271,785.50
Datuk Seri Yam Kong Choy	-	108,000.00	82,765.00	10,000.00	200,765.00
Datuk Zalekha binti Hassan	-	108,000.00	94,265.00	3,847.00	206,112.00
Encik Rosli bin Abdullah	-	108,000.00	118,265.00	4,348.00	230,613.00
Mohd Izani bin Ghani	-	108,000.00*	87,112.00*	10,000.00	205,112.00
Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin	-	108,000.00	48,112.00	12,889.72	169,001.72

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 (cont'd.)					
Dato' Sri Syed Faisal Albar bin Syed A.R Albar *(Resigned with effect from 31 December 2013)* #	-	-	3,000.00	10,000.00	13,000.00
Datuk Alias bin Haji Ahmad *(Resigned with effect from 31 December 2013)* #	-	-	8,500.00	10,000.00	18,500.00
Datuk Siti Maslamah binti Osman *(Resigned with effect from 31 December 2013)* #	-	-	7,000.00	10,000.00	17,000.00
Total		**1,053,000.00**	**1,078,210.75**	**136,583.22**	**2,267,793.97**
Executive Directors**					
Tan Sri Bashir Ahmad bin Abdul Majid *(Resigned with effect from 6 June 2014)*	2,450,231.00			18,333.36	2,468,564.36
Datuk Mohd Badlisham bin Ghazali *(Appointed with effect from 23 June 2014)*	590,928.66			12,157.14	603,085.80
Total	3,041,159.66			30,490.50	3,071,650.16
Grand Total	**3,041,159.66**	**1,053,000.00**	**1,078,210.75**	**167,073.72**	**5,339,444.13**

This disclosure is for the payment made to the respective directors in financial year 2014.

* *The amount of fee paid to Khazanah Nasional Berhad, the immediate holding company, in respect of services rendered to the Company by 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 2014 is tabulated, as follows:

	Number of Directors	
	2014	**2013**
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**	3
RM50,001 – RM100,000	**-**	-
RM100,001 – RM150,000	**2**	-
RM150,001 – RM200,000	**2**	5
RM200,001 – RM250,000	**4**	3
RM250,001 – RM300,000	**1**	-
RM300,001 – RM350,000	**-**	-
RM350,001 – RM400,000	**-**	-
RM400,001 – RM450,000	**-**	-
RM450,001 – RM500,000	**1**	-
RM500,001 – RM550,000	**-**	1

STATEMENT ON CORPORATE GOVERNANCE

Board Committees

The Board of Directors 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:

Board Committee	Key Functions	Composition
Board Audit Committee ("BAC")	Review and evaluate performance of External Auditors and Internal Audit Division in ensuring efficiency and effectiveness of the Group'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.	The BAC comprises no fewer than four (4) members, all of whom are Non-Executive Directors with majority being Independent Directors. At least one (1) member must be a member of the Malaysian Institute of Accountants, or he/she complies with the requirement of Paragraph 15.09 (1)(c) of the Bursa Malaysia Listing Requirements.
Board Nomination and Remuneration Committee ("BNRC")	Review, assess and recommend to the Board of Directors, remuneration packages of the Managing Director and Senior Management as well as to review matters relating to employees of MAHB Group, limited to Collective Agreement for Non-Executives, Terms and Conditions of Executives and staff bonus and annual increment. Determine criteria for Board/Board Committees' membership, structure, responsibilities and effectiveness, and to formulate/review policies and procedures on human resource matters with regard to recruitment, appointment, promotion and transfer of Managing Director and Senior Management.	The 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 Recommendations in the MCCG 2012.
Board Finance and Investment Committee ("BF&IC")	Review and monitor the financial performance of the Group, including the budgets and monitor investment policy and portfolio of the Group.	The BF&IC comprises at least four (4) members and at least one (1) member must be a member of the Malaysian Institute of Accountants or fulfils the requirements which are more particularly set out in the Committee's TOR.

STATEMENT ON CORPORATE GOVERNANCE

Board Committee	Key Functions	Composition
Board Risk Management Committee ("BRMC")	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.	The BRMC comprises at least four (4) members, made up of Independent Non-Executive Directors and Non-Independent Non-Executive Directors.
Board Procurement Committee ("BPC")	Approve procurement value above RM5 million up to RM200 million, review and approve procurement policies and procedures, oversee and monitor the overall implementation of the Red Book, ensure efficiency and effectiveness of procurement process, and support national development objectives.	The BPC comprises at least three (3) members, made up of both Independent Non-Executive Directors and Non-Independent Non-Executive Directors.

The details of the TOR of 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 170 to 172 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 will review its TOR on an annual basis.

The Chairman and members of each Board Committee shall be appointed by the Board. As a matter of good practice, the Chairman of the various Board Committees will report the outcome of the Board Committee meetings to the Board, and such reports and also the minutes of the Committee meetings would be noted in the minutes of the Board meetings.

The Special Board Procurement Committee ("SBPC") was formed to expedite the deliberation of all procurement matters pertaining to the construction of klia2 project. However, since klia2 has been completed on 2 May 2014, the BPC agreed that all procurement matters will be deliberated under BPC.

BNRC

The BNRC carried its duties and responsibilities in accordance with its TOR. During the year, 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;

STATEMENT ON CORPORATE GOVERNANCE

- Reviewed and approved the recommendation for directorships of External Director(s) on the Boards of subsidiaries of MAHB;
- 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 the employment contract 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.

The composition of the Board Committees and the attendance of members at Board Committee meetings held during the financial year 2014 are as detailed below:

Composition of the Board Committees

Director	BAC	BNRC	BF&IC	BRMC	BPC	SBPC#
Non-Independent Non-Executive						
Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah			C	C	C [1]	C
Datuk Seri Long See Wool				M	M	M
Mohd Izani bin Ghani	M	M	M			
Eshah binti Meor Suleiman [2]		M			M	M
Dato' Siti Zauyah binti Md Desa [3]		M			M	M
Independent Non-Executive						
Jeremy bin Nasrulhaq	M	C	M			
Datuk Seri Yam Kong Choy	M		M	M		
Datuk Zalekha binti Hassan		M			M	M
Rosli bin Abdullah [4]	C	M		M	M	M

Note: C: Chairman, M: Member

STATEMENT ON CORPORATE GOVERNANCE

Attendance at the Board Committee Meetings

Director	BAC	BNRC	BF&IC	BRMC	BPC	SBPC#
Non-Independent Non-Executive						
Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah			5/5	4/4	11/11	4/4
Datuk Seri Long See Wool					2/11	2/4
Chua Kok Ching *(Alternate Director to Datuk Seri Long See Wool)*				2/2	8/9	2/4
Mohd Izani bin Ghani	5/5	8/10	5/5			
Eshah binti Meor Suleiman [2]		6/7			3/5	3/3
Norazura binti Tadzim *(Alternate Director to Eshah binti Meor Suleiman)* [2]		1/1			2/2	
Dato' Siti Zauyah binti Md Desa [3]		3/3			6/6	1/1
Independent Non-Executive						
Jeremy bin Nasrulhaq	6/6	10/10	5/5			
Datuk Seri Yam Kong Choy	6/6		4/5	3/4		
Datuk Zalekha binti Hassan		9/10			10/11	4/4
Encik Rosli bin Abdullah [4]	6/6	10/10		4/4	6/6	1/1

Notes:

\# *SBPC ceased with effect from 8 July 2014*

1. *Resigned as a Chairman with effect from 31 December 2014*
2. *Ceased as a member of the BNRC and BPC with effect from 6 June 2014*
3. *Appointed as a member of the BNRC and BPC with effect from 6 June 2014*
4. *Appointed as a member of the BPC with effect from 22 June 2014*

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 shareholders, 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.

STATEMENT ON CORPORATE GOVERNANCE

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

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. Analyst briefing is 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*, which has since been revamped with a new outlook to satisfy the discerning taste of our shareholders.

The Board acknowledges the importance of shareholders to be informed in a prompt and timely manner of all material business matters affecting the Company. All announcements of quarterly financial results, change in the composition of the Board, etc. are disclosed to Bursa Malaysia within statutory timelines, with clear, accurate and sufficient information to enable shareholders and investors to make informed decisions. Likewise, 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

The Group has established appropriate procedures to ensure that it complies with Bursa Malaysia Listing Requirements with regard to related party transactions.

The Group did not seek any mandate from its shareholders pertaining to related party transactions during the financial year under review.

Investor Relations

MAHB recognises the value of transparent, consistent and coherent communications with the 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 make informed investment decisions.

MAHB holds analyst presentations in each quarter in 2014 in conjunction with the Group's quarterly financial results. The briefings include the corporate overview, review of business operations and financial performance, headline key performance indicators achievements and the business outlook for the Group.

In addition, MAHB organises regular one-on-one meetings with investment analysts and fund managers throughout the year. The analysts and fund managers' briefings will continue to be held regularly in 2015.

The design and content of MAHB's Investor Relations web portal is in line with our commitment towards strong corporate governance and best practices in investor relations. The website, *www.malaysiaairports.com.my*, provides a wealth of in-depth and up-to-date information for both existing and potential shareholders, with timely and accurate information about MAHB. The website also allows visitors to register and receive the latest information about MAHB, enhancing transparency, facilitate more effective communication with the investment community and promote Investor Relations best practice in the region.

STATEMENT ON CORPORATE GOVERNANCE

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 cashflow position, results of operations, business prospects, current and expected obligations, and such other matters as the Board of Directors may deem relevant.

Annual General Meeting

The Annual General Meeting ("AGM") will take place at the 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 twenty-one (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 the opinion 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:

Vinie Chong Pui Ling, CFA
General Manager, Corporate Finance, Treasury and Investor Relations

Contact Details
Tel : +603 8777 7675
Fax : +603 8777 7830
E-Mail : vinie@malaysiaairports.com.my

The profile of Vinie Chong Pui Ling is enclosed on page 111 of this Annual Report.

ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the 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. The Board Audit Committee assists the Board by reviewing the information to be disclosed to ensure 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 MFRS applicable for the Group's financial year 2014.

The adoption of the MFRS 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 200 to 234 of this Annual Report.

Statement of Risk Management and Internal Control

The Statement of Risk Management and Internal Control as set out from pages 163 to 169 of this Annual Report provides an overview of the system/processof risk management and internal controls within the Group.

STATEMENT ON CORPORATE GOVERNANCE

Relationship with External Auditors

The Board Audit Committee 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. The Board Audit Committee also has discussions with the external auditors and internal auditors at least twice in a year, without the presence of the Managing Director and Management, to discuss the adequacy of controls and any judgemental areas.

In order to ensure that the external auditors' independence and objectivity are not compromised by the provision of non-audit services, the Board Audit Committee'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 the 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 180 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 MAHB on 13 February 2015.

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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

1. **Option, Warrants or Convertible Securities**

   The Company did not issue any options, warrants or convertible securities during the financial year 2014.

2. **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 2014.

3. **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 25 March 2015 is as follows:

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Intended Timeframe for Utilisation	Deviation	
				Amount (RM'000)	%
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	631,460	18 months	368,540	36.9%

4. **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 2014 or entered into since the end of the previous financial year ended 31 December 2013.

ADDITIONAL COMPLIANCE INFORMATION

5. 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 2014, is a follows:

External Auditors	Report	Total Paid (RM'000)
Ernst & Young	Professional services and advisory work	540
Total		**540**

6. Profit Guarantee

There was no profit guarantee given by the Company during the financial year 2014.

7. Share Buy-Back

There was no share buy-back exercised by the Company during the financial year 2014.

8. 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 2014, there has been no ADRs sold under the ADR Programme.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Para 15.26(b) of Bursa Malaysia Securities Berhad (BMSB) Main Market Listing Requirements and Statement on Risk Management & Internal Control: Guidelines for Directors of Public Listed Companies, the Board is committed to maintaining a sound risk management and internal control framework and culture across Malaysia Airports to safeguard shareholders' investment, Group's assets and other stakeholders' interests.

RESPONSIBILITY AND ACCOUNTABILITY

The Board is ultimately responsible for the Group's system of risk management and internal control which includes 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). For associate companies and jointly-controlled entities, the system of their risk management and internal control falls within the governance of their majority shareholders. MAHB's interests are served through representation on the Board of Directors and Senior Management secondment to the associate companies as well as through the review of management accounts received. These provide the Board with performance-related information to enable informed and timely decision-making on the Group's investments in such companies.

PURPOSE OF RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The system of risk management and internal control is based on an ongoing process designed to identify the principal risks impeding the achievement of the organisation's goals and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. In view of the limitations in any system of risk management and internal control, the Board acknowledges that this system is designed 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 used 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.

2014 saw Risk Management being added as a module in the Value Management training which is being conducted in-house. In addition to this, the opening of klia2 in May 2014 saw enhanced understanding of Business Continuity Management (BCM) amongst personnel following the numerous discussions and simulations conducted with internal and external parties. These joint BCM Simulations with Operational Readiness and Airport Transfer (ORAT) (both MAHB and the Airlines) have greatly contributed towards the smooth and successful opening of klia2.

In our effort to ensure that sound risk management culture is embedded across the organisation, the Risk Management Awards is continued as a platform to recognise individuals, line management and airports which have shown good risk management practices.

As per 2013, 2014 again sees Risk Management for Malaysia Airports being recognised with the presentation and nomination of several awards. The Disaster Recovery Institute International (DRIi), the oldest and largest global education and certification organisation specialising in Business Continuity Management, awarded Malaysia Airports "Best BCM Organisation – GLC / Public Sector Award" at its Malaysia Awards of Excellence. Tricor Roots Consulting awarded the "Risk Icon of 2014" to the Head of Risk Management at its Governance Risk and Control Conference for her drive and passion in accelerating risk management excellence in Malaysia Airports. For Enterprise Risk Management, Malaysia Airports has been shortlisted for "Building Risk Management Capability" Category by the Institute of Risk Management (IRM), UK for their Global Risk Awards 2015.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF INTERNAL CONTROL EFFECTIVENESS

The internal control system is intertwined with the Group's operating activities and the Board's review of internal control effectiveness, centred on Committee of the Sponsoring Organizations of the Treadway Commission (COSO) 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 and Audit Committee

- 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.

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 (2010-2014)" where three key strategic thrusts were identified to support the achievement of the Group's objectives, which are as follows:
  - Traffic Growth, where the objective is to increase passenger numbers to over 60 million per year, with a focus on strengthening KLIA as the Next Generation Hub. Towards this end, the passenger movement has exceeded 80 million per year, surpassing the passenger target ahead of 2014.
  - Service Excellence, where the objective is to maintain top quality service levels, benchmarked against the best airports worldwide. KLIA has remained among the top ranking over the last five years in the 25-40 million passengers per annum (mppa) airport category.
  - Commercial Development, where the objective is to achieve Group EBITDA in excess of RM1 billion by 2014, with commercial development as the main driver. Malaysia Airports continues to drive higher non-aeronautical revenues through implementation of Retail Optimisation Plans (ROP) and Airport Commercial Model (ACM) initiatives across the airports, resulting in increased retail space by 30,000 sqm. Notable achievements also include the development of Mitsui Outlet Park at KLIA, a catalyst project for KLIA Aeropolis, which is expected to be the largest in South East Asia, as well as expanding international footprint in Turkey, Middle East and South East Asia.
- The Executive Committee (EXCO) provides direction and guidance for the implementation of these key strategies and action plans. The EXCO is assisted by the Corporate Planning Division in monitoring and aligning the overall delivery of the action plans/ initiatives towards meeting the business objectives and strategies through the Strategy Alignment Workshops.
- Currently, Malaysia Airports is embarking on a new business planning phase termed the "Runway to Success 2020" that is envisaged to steer the Group towards greater heights of economic development and

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

achievement, both at the local and international front. The newly redefined vision "To be the Global Leader in Creating Airport Cities" shall propel the Company to the next level of growth with focus on the broader aeropolis.

iii. Organisation Structure

- The current organisational structure for the Group incorporates the company's vision and mission, in ensuring that the business direction can be delivered. The responsibility, accountability and delegation of authority of each division/subsidiary head are clearly defined.
- 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 'To Create Joyful Experiences by Connecting People and Businesses'.
- The Corporate Integrity Unit was established on 15 August 2014 with the objective to implement integrity activities and promote ethical conduct within the MAHB Group. In addition to this, it is also to create a business environment that is free from corruption.

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 Code outlines clearly forms of acceptable business practices in the Group and to ensure that the employees adhere to one standard Code.
- 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

- The Code 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

- Top-down target setting process, with targets cascading from the Managing Director based on a Corporate Scorecard approved by the Board, aligns strategic focus and direction. As part of the implementation of the system, Senior Management are placed on contract compensation scheme.
- KPIs have been implemented to assess and reward all staff of the Group. Competency-based human resource processes, covering annual and semi-annual performance appraisals, career development, succession planning and structured training programmes, are implemented for all staff, to ensure staff are competent and adequately trained in carrying out their duties.
- 2014 also saw the introduction of 360° feedback as well as the initiation of the electronic Performance Management System (e-PMS) with this being the transition year.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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:

i. Enterprise Risk Management (ERM)

- The Risk Management Division is responsible for the overall coordination of the ERM Framework for Malaysia Airports. The Division works closely with the Risk Coordinators across the Group to ensure that the framework is embedded into business processes. 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.
- 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.
- Continuous reviews are undertaken to ensure that policies are in-line with regulatory requirements as well as to best practices. As part of this and to further distinguish Malaysia Airports from our competitors, Malaysia Airports' Consultancy Services (MACS), a subsidiary of Malaysia Airports is fully Shariah Certified under MS ISO 1900:2005
- All five international airports and eleven domestic airports have been awarded the Aerodrome Certification by the Department of Civil Aviation (DCA), as required under Airport Standards Directive 103 (ASD 103) of International Civil Aviation Organisation ("ICAO"). This certificate is a requirement to ensure safety, regulatory and efficiency of aerodromes.

iii. Safety Management System

Aerodrome Safety Management System (ASMS)

- As global aviation activities and complexities continues to grow, traditional methods for managing safety risks to an acceptable level become less effective. Thus, a more comprehensive method for understanding and managing safety risk is necessary. An integrated system was created and today is called 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.
- In 2009, after working together closely with DCA, KLIA has managed to establish its Safety Management System. KLIA has been certified on 29 August 2009 and emerged as the first airport in Asia Pacific to establish ICAO Aerodrome Safety Management System (ASMS) together with five other airports. Currently, all our five international and eleven domestic airports are ASMS certified.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- Besides the SMS and Aerodrome certified, 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. 2014 saw the completion of the RST set-up with Sandakan Airport being the 17th RST to be established for Malaysia Airports.
- 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.

iv. Continuous Improvement Initiatives

- The Continuous Improvement initiatives are on-going 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)

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 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 and as an entity serving the national interests.
- 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.

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). In order to be better prepare in facing the cyber threat in MAHB, the Information Security Management System (ISMS) certification was extended to Malaysia Airports Consultancy Services (MACS) and Penang International Airport.
- The review of Malaysia Airports Information Security Policy (MAISP) was approved by ISMC Chairman to suit with the current threat and included PDPA elements.
- As part of enhancing Information Security Awareness, an awareness CD was produced by IT Division and disseminated to all airports. There are also increased e-Notices published with regards Information Security awareness by Corporate Communications.

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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

- MAHB Group is committed to open and effective communication as an essential component of its culture in order to motivate the workforce to deliver high quality service and exceptional value to customers and other stakeholders as well as to anticipate their feedback. Communication with all stakeholders consist 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 is in place to guide the overall communication practices within the organisation as well as with external parties and media. This is to ensure 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:

i. Management Committees

- Two Top Level Committees are established, namely Executive Committee (EXCO) and Management Committee (MC), each with clear demarcation of roles in managing the Group's strategic and operational matters more effectively.
- 2014 sees the creation of another Top Level Committee, the Human Resources Committee - an extension of the EXCO to specifically discuss human resource-related issues.
- 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

ii. Group Internal Audit

- The Internal Audit Division carried out ongoing reviews of the internal control system of the Group. It also assists in promoting effective risk management at the lines of business. The audits conducted are in the areas of finance/accounts, operations, management, projects, information systems and investigation in accordance with the approved Risk-Based Audit Plan. The Internal Audit Division also undertakes special reviews as requested by the Board, Board Committees, Management or arising from the Whistleblowing Programme. Periodic follow-up reviews are conducted

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

to monitor the status of internal control issues raised. The Internal Audit Division continues 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.

- Based on the External Quality Assessment conducted by the Institute of Internal Auditors Malaysia in 2013, the Internal Audit Division achieved overall Conformance to the International Standards for the Professional Practice of Internal Auditing. The Internal Audit's practices and conduct are governed by its Internal Audit Charter. The Internal Audit Division reports directly to the Board Audit Committee. The Key Performance Indicators (KPIs) of the Head of the Internal Audit Division are approved by the Board Audit Committee.

iii. Other Internal Assurance Providers (IAP)

- Besides the Internal Audit Division, there are eleven (11) other IAP functions established under various divisions such as Airport Fire & Rescue Services (AFRS), Aviation Security (AVSEC), Corporate Quality Management (CQM), Malaysia Airports Consultancy Services (MACS), Engineering, IT Quality Assurance, Operations MASB, Airport Standard Unit, Risk Management, Aerodrome Safety Management System (ASMS), and Safety, Health & Environment (SHE).

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 confirms that the Company's risk management and internal control system is operating adequately and effectively as at 31 December 2014.

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 has not resulted in any material loss, contingency or uncertainty and that the risks are 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 risk management and internal control framework.

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 2014. 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 of whom three (3) are Independent Directors, as follows:

Rosli bin Abdullah
(Chairman)
Independent Non-Executive Director

Jeremy bin Nasrulhaq
Senior Independent Non-Executive Director

Datuk Seri Michael Yam Kong Choy
Independent Non-Executive Director

Mohd Izani bin Ghani
Non-Independent Non-Executive Director
(appointed w.e.f 15 January 2014)

The Chairman of the BAC is a member of the Malaysian Institute of Accountants.

MEETINGS

During the financial year ended 31 December 2014, the BAC met six (6) times, with the following record of attendance:

Name of Director	Attendance
Rosli bin Abdullah	6/6
Jeremy bin Nasrulhaq	6/6
Datuk Seri Michael Yam Kong Choy	6/6
Mohd Izani bin Ghani	5/5

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 and business ethics policies by assessing the Group's processes relating to internal controls, risk management and governance towards safeguarding the rights and interest of the Shareholders.

Membership: Comprise 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, then he must comply with para 15.09 (1)(c) of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

BOARD AUDIT COMMITTEE REPORT

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 and shall report to the BAC.

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 2014.

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.

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.

BOARD AUDIT COMMITTEE REPORT

Financial Results

- 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.

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 IAD issued a total of sixty five (65) reports. The areas of coverage include human resource (medical, employee retention & bond), airport operations, engineering (train transit system, passenger boarding bridge), procurement, commercial (airports, tender, debtors), aeronautical revenue, IT & airport systems (crash alarm, access control & alarm monitoring, IT integration, security & network, IT third party management, document management, IT post implementation review, bar code asset tagging), customer relationship management, inventory management, retail operations, agriculture & horticulture, facilities management, free commercial zone, lifestyle business, insurance & risk management, projects (klia2, Penang International Airport & Miri Airport), 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, chaired by the Managing Director or his representative, to discuss the current status of audit issues before being tabled at the BAC.

In ensuring audit work performed by the Internal Auditors is in line with The Institute of Internal Auditors standards, an external quality assessment by a qualified independent reviewer was carried out in 2013. The Internal Audit Division conforms to the International Standards for the Professional Practice of Internal Auditing. The total expenditure incurred by the Internal Audit Division for the financial year 2014 is RM2.91 million.

STATEMENT OF DIRECTORS' RESPONSIBILITY

In respect of the preparation of the Financial Statements for the financial year ended 31 December 2014.

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 2014 set out from pages 174 to 328, 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 13 February 2015.

FINANCIAL STATEMENTS

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 2014.

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 other than the acquisition of subsidiaries as disclosed in Note 17 to the financial statements.

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	748,241	116,608
Loss from discontinued operation, net of tax	(57)	-
Profit net of tax	748,184	116,608
Profit attributable to:		
Owners of the parent	748,213	116,608

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 following:

(a) changes in amortisation method for infrastructure and construction assets from straight line to method reflecting asset's usage based on forecast passenger volume and usage of the airport activities over the concession period which has resulted in an increase in the Group net profit by RM101,056,000;

DIRECTORS' REPORT

RESULTS (CONT'D.)

(b) As disclosed in Note 17 to the financial statements, effective from 31 December 2014, Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim ve Isletme A.S. ("ISG") and LGM Havalimani Isletmeleri Ticaret ve Turizm A.S. ("LGM") became wholly owned subsidiaries of the Group. Upon consolidation of ISG and LGM , the Group recognised RM502,510,000 gain arising from the re-measurement of fair value of investments being the differences between the carrying amounts of previously held equity interest and the fair values of net identifiable assets at the acquisition date. In addition, there is a gain on bargain purchase of RM379,106,000 arising from the acquisition of ISG and impairment of goodwill of RM229,429,000 arising from the acquisition of LGM.

SHARE CAPITAL

On 4 February 2014, the Company increased its paid-up share capital to RM1,240,546,352 by the issuance of 8,102,473 new ordinary shares of RM1 each, for a total premium of RM57,203,000 less RM236,000 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 6.0%, on 1,232,443,879 ordinary shares for the financial year ended 31 December 2013, as disclosed in Note 27.

On 12 March 2014, the Company increased its paid-up share capital to RM1,364,596,352 via issuance of 124,050,000 new ordinary shares of RM1 each through private placements to investors identified via a book-building exercise. The issue price was fixed at RM7.90 per ordinary share, representing a discount of approximately 4.36% to the 5-day Volume Weighted Average Market Price ("VWAMP") of Malaysia Airports Holding Berhad ("MAHB") up to and including 3 March 2014 of RM8.26 and a discount of approximately 5.73% to the closing market price on 3 March 2014 of RM8.38.

On 2 May 2014, the Company further increased its paid-up share capital to RM1,374,149,854 by the issuance of 9,553,502 new ordinary shares of RM1 each, for a total premium of RM59,518,000 less RM489,000 share issuance expense arising from the DRP relating to electable portion of the single-tier final dividend of 5.78%, on 1,364,596,352 ordinary shares for the financial year ended 31 December 2013, as disclosed in Note 27.

DIVIDENDS

The amount of dividends declared or paid by the Company since 31 December 2013 were as follows:

	RM'000
In respect of the financial year ended 31 December 2013 as reported in the directors' report of that year:	
Single-tier final dividend of 5.78%, on 1,364,596,352 ordinary shares, declared on 20 March 2014 and paid on 30 April 2014 and partially re-invested on 2 May 2014	78,874
In respect of the financial year ended 31 December 2014:	
Single-tier interim dividend of 2.00%, on 1,374,149,854 ordinary shares, declared on 25 November 2014 and paid on 22 January 2015 and partially re-invested on 23 January 2015	27,483
	106,357

DIRECTORS' REPORT

DIVIDENDS (CONT'D.)

At the forthcoming Annual General Meeting, a final dividend in respect of the final year ended 31 December 2014, of up to 4.32% on 1,376,541,339 ordinary shares on single-tier basis, with a total quantum of RM59,467,000, will be proposed for shareholders' approval ("Proposed Final Dividend").

In the event none of the rights shares ("Rights Shares") are issued by the books closure date ("BCD") for the Proposed Final Dividend, the final dividend would be 4.32 sen per ordinary share. In the event all the Rights Shares have been issued by the BCD for the Proposed Final Dividend, the final dividend would be 3.60 sen per ordinary share. The actual amount of final dividend per ordinary share would be dependent on the number of the Company's ordinary shares outstanding by the BCD.

The Proposed Final Dividend may 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, subject to the relevant regulatory approvals as well as shareholders' approval of (i) the final dividend and (ii) the renewal of authority for the issuance and allotment of new ordinary shares of RM1 each in the Company for the purpose of the DRP at the forthcoming Annual General Meeting. The Board on 13 February 2015 has approved that the DRP shall apply to the Proposed Final Dividend and that the entire Proposed Final Dividend can be elected to be re-invested in new shares. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

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
Tan Sri Bashir Ahmad bin Abdul Majid (resigned on 6 June 2014)
Datuk Mohd Badlisham bin Ghazali (appointed on 23 June 2014)
Dato' Siti Zauyah binti Md Desa (appointed on 6 June 2014)
Jeremy bin Nasrulhaq
Datuk Seri Yam Kong Choy
Datuk Zalekha binti Hassan
Rosli bin Abdullah
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)
Mohd Izani bin Ghani
Eshah binti Meor Suleiman (resigned on 6 June 2014)
Norazura binti Tadzim [alternate director to Eshah binti Meor Suleiman] (resigned on 6 June 2014)
Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin
Norazura binti Tadzim [alternate director to Dato' Siti Zauyah binti Md Desa] (appointed on 6 June 2014)
Datuk Dr. Ismail bin Hj. Bakar (appointed on 16 February 2015)
Datuk Ruhaizah binti Mohamed Rashid [alternate director to Datuk Dr. Ismail bin Hj. Bakar] (appointed on 16 February 2015)

DIRECTORS' REPORT

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.

(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.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D.)

(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 EVENTS DURING THE YEAR

Significant events during the year are disclosed in Note 39 to the financial statements.

SUBSEQUENT EVENTS

Subsequent events are 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 13 March 2015.

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 184 to 327 are drawn up in accordance with the provisions 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 2014 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 44 on page 328 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 13 March 2015.

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, Faizal Sham bin Abu Mansor (MIA Number: 27407), 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 184 to 328 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.

Faizal Sham bin Abu Mansor

Subscribed and solemnly declared by the abovenamed Faizal Sham bin Abu Mansor at Kuala Lumpur in the Federal Territory on 13 March 2015.

Before me,

PESURUHJAYA SUMPAH
No: W 678
Name: KAPT (B) AFFANDI BIN AHMAD
MALAYSIA

No. 86, Tingkat Bawah
Jalan Pudu
50050 Kuala Lumpur

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 2014, 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 184 to 327.

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 statement 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 2014 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.

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 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 44 on page 328 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. 1759/02/16(J)
Chartered Accountant

Kuala Lumpur, Malaysia
13 March 2015

STATEMENTS OF PROFIT OR LOSS

for the financial year ended 31 December 2014

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Continuing operations					
Revenue	3	**3,343,721**	4,098,759	**728,988**	1,695,000
Cost of inventories sold		**(330,710)**	(325,287)	**-**	-
Other income	4	**166,672**	135,083	**311,523**	148,023
Employee benefits expense	5	**(619,334)**	(569,917)	**(122,392)**	(111,947)
Construction costs		**(633,880)**	(1,563,883)	**(633,880)**	(1,510,316)
Depreciation and amortisation		**(405,399)**	(277,862)	**(13,752)**	(16,675)
Other expenses		**(1,111,114)**	(875,231)	**(66,393)**	(62,064)
Finance costs	6	**(151,337)**	(28,375)	**(123,008)**	(25)
Impairment of investments in:					
- associate	18	**(9,011)**	(3,742)	**-**	-
- unquoted shares	20	**(15,000)**	-	**-**	-
Gain arising from re-measurement of fair value of investment	17	**502,510**	-	**-**	-
Gain on bargain purchase	17	**379,106**	-	**-**	-
Impairment of goodwill	17	**(229,429)**	-	**-**	-
Share of results of associates	18	**113**	(39,385)	**-**	-
Share of results of jointly controlled entities	19	**(52,736)**	3,008	**-**	-
Profit before tax and zakat from continuing operations	7	**834,172**	553,168	**81,086**	141,996
Taxation and zakat	9	**(85,931)**	(175,481)	**35,522**	(29,331)
Profit from continuing operations, net of tax		**748,241**	377,687	**116,608**	112,665
Discontinued operation					
Loss from discontinued operation, net of tax	10	**(57)**	(140)	**-**	-
Profit net of tax		**748,184**	377,547	**116,608**	112,665

STATEMENTS OF PROFIT OR LOSS

for the financial year ended 31 December 2014

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Profit attributable to:					
Owners of the parent		**748,213**	377,483	**116,608**	112,665
Non-controlling interests		**(29)**	64	**-**	-
		748,184	377,547	**116,608**	112,665
Earnings per share attributable to owners of the parent (sen per share)					
- basic, for profit from:					
- continuing operations	11	**55.40**	30.80		
- discontinued operation		**-**	(0.01)		
- basic, for profit for the year		**55.40**	30.79		
- diluted, for profit for the year		**55.14**	30.77		

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 2014

		Group		Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit net of tax		**748,184**	377,547	**116,608**	112,665
Other comprehensive income:					
Available-for-sale financial assets					
- Gain/(loss) on fair value changes		**1,390**	(3,747)	**927**	(2,841)
Foreign currency translation		**2,396**	2,633	**-**	-
Share of other comprehensive income of associates	18	**-**	(1,942)	**-**	-
Share of other comprehensive income of jointly controlled entities	19	**(10,461)**	-	**-**	-
Other comprehensive income for the year, net of tax		**(6,675)**	(3,056)	**927**	(2,841)
Total comprehensive income for the year		**741,509**	374,491	**117,535**	109,824
Total comprehensive income attributable to:					
Owners of the parent		**741,538**	374,427	**117,535**	109,824
Non-controlling interests		**(29)**	64	**-**	-
		741,509	374,491	**117,535**	109,824

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2014

	Note	Group 2014 RM'000	Group 2013 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	**365,099**	326,335
Plantation development expenditure	14	**53,903**	52,822
Land use rights	15	**7,379**	7,518
Intangible assets	16	**17,327,735**	8,259,114
Investments in associates	18	**39,034**	24,779
Investment in jointly controlled entities	19	**62,415**	57,152
Available-for-sale investments	20	**467,379**	349,450
Trade and other receivables	22	**452,253**	364,572
Staff loans	23	**39,325**	37,083
Deferred tax assets	24	**803,265**	6,236
		19,617,787	9,485,061
Current assets			
Inventories	25	**154,485**	122,317
Trade and other receivables	22	**716,634**	570,436
Cash and cash equivalents	26	**2,041,129**	345,413
		2,912,248	1,038,166
Assets of disposal group classified as held for disposal	10	**104**	104
		2,912,352	1,038,270
Total assets		**22,530,139**	10,523,331

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2014

		Group	
	Note	2014 RM'000	2013 RM'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	27	**1,374,150**	1,232,444
Perpetual sukuk	33	**997,842**	-
Share premium		**2,373,149**	1,409,376
Retained earnings	28	**2,676,767**	2,037,431
Fair value adjustment reserve	29	**(1,878)**	(553)
Other reserve	30	**2,635**	2,546
Foreign exchange reserve	30	**(545)**	(2,941)
		7,422,120	4,678,303
Non-controlling interests		**35**	64
Total equity		**7,422,155**	4,678,367
Non-current liabilities			
Other financial liability	31	**201,950**	189,256
Loans and borrowings	32	**5,619,277**	3,600,000
Trade and other payables	34	**4,121,740**	750,099
Deferred tax liabilities	24	**1,453,280**	135,149
		11,396,247	4,674,504
Current liabilities			
Loans and borrowings	32	**705,742**	200,000
Trade and other payables	34	**2,973,471**	917,295
Income tax payable		**32,498**	53,122
		3,711,711	1,170,417
Liabilities of disposal group classified as held for disposal	10	**26**	43
		3,711,737	1,170,460
Total liabilities		**15,107,984**	5,844,964
Total equity and liabilities		**22,530,139**	10,523,331

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2014

	Note	Company 2014 RM'000	Company 2013 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	**94,934**	87,740
Intangible assets	16	**-**	4,583,712
Investments in subsidiaries	17	**1,943,696**	1,777,266
Investments in associates	18	**-**	166,418
Investment in jointly controlled entities	19	**53,718**	53,718
Available-for-sale investments	20	**198,679**	80,969
Trade and other receivables	22	**5,116,586**	49,204
		7,407,613	6,799,027
Current assets			
Inventories	25	**13**	13
Trade and other receivables	22	**1,106,483**	176,161
Cash and cash equivalents	26	**788,099**	95,989
		1,894,595	272,163
Total assets		**9,302,208**	7,071,190

STATEMENT OF FINANCIAL POSITION

as at 31 December 2014

	Note	Company	
		2014	**2013**
		RM'000	**RM'000**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	27	**1,374,150**	1,232,444
Perpetual sukuk	33	**997,842**	-
Share premium		**2,373,149**	1,409,376
Retained earnings	28	**92,355**	84,624
Fair value adjustment reserve		**(1,600)**	(2,527)
Total equity		**4,835,896**	2,723,917
Non-current liabilities			
Loans and borrowings	32	**3,600,000**	3,600,000
Deferred tax liabilities	24	**15,629**	52,684
Other payables	34	**98,300**	98,300
		3,713,929	3,750,984
Current liabilities			
Loans and borrowings	32	**250,000**	200,000
Trade and other payables	34	**502,383**	396,289
		752,383	596,289
Total liabilities		**4,466,312**	4,347,273
Total equity and liabilities		**9,302,208**	7,071,190

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2014

		Attributable to owners of the parent									
				Non-distributable							
Group	Note	Share capital RM'000 (Note 27)	Perpetual Sukuk RM'000 (Note 33)	Share premium RM'000	Fair value adjustment reserve RM'000 (Note 29)	Foreign exchange reserve RM'000 (Note 30)	Other reserve RM'000 (Note 30)	Distributable retained earnings RM'000 (Note 28)	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2013		1,210,000	-	1,320,414	5,136	(5,574)	2,546	1,826,758	4,359,280	-	4,359,280
Total comprehensive income		-	-	-	(5,689)	2,633	-	377,483	374,427	64	374,491
Transactions with owners											
Issuance of new shares pursuant to DRP	27	22,444	-	88,962	-	-	-	-	111,406	-	111,406
Dividends	12	-	-	-	-	-	-	(166,810)	(166,810)	-	(166,810)
Total transactions with owners		22,444	-	88,962	-	-	-	(166,810)	(55,404)	-	(55,404)
At 31 December 2013		1,232,444	-	1,409,376	(553)	(2,941)	2,546	2,037,431	4,678,303	64	4,678,367

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2014

		Attributable to owners of the parent									
				Non-distributable							
Group	Note	Share capital RM'000 (Note 27)	Perpetual Sukuk RM'000 (Note 33)	Share premium RM'000	Fair value adjustment reserve RM'000 (Note 29)	Foreign exchange reserve RM'000 (Note 30)	Other reserve RM'000 (Note 30)	Distributable retained earnings RM'000 (Note 28)	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
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	-	748,213	741,538	(29)	741,509
Legal reserve	30	-	-	-	-	-	89	-	89	-	89
Issuance of perpetual sukuk	33	-	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	27	17,656	-	115,996	-	-	-	-	133,652	-	133,652
Issuance of new shares via Private Placement	27	124,050	-	847,777	-	-	-	-	971,827	-	971,827
Acquisition of subsidiaries	17	-	-	-	7,746	-	-	-	7,746	-	7,746
Dividends	12	-	-	-	-	-	-	(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		1,374,150	997,842	2,373,149	(1,878)	(545)	2,635	2,676,767	7,422,120	35	7,422,155

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2014

Company	Note	Share capital RM'000 (Note 27)	Perpetual Sukuk RM'000 (Note 33)	← Non-distributable: Share premium RM'000	Non-distributable →: Fair value adjustment reserve RM'000 (Note 29)	Distributable retained earnings RM'000 (Note 28)	Total equity RM'000
At 1 January 2013		1,210,000	-	1,320,414	314	138,769	2,669,497
Total comprehensive income		-	-	-	(2,841)	112,665	109,824
Transactions with owners							
Issuance of new shares pursuant to DRP	27	22,444	-	88,962	-	-	111,406
Dividends	12	-	-	-	-	(166,810)	(166,810)
Total transactions with owners		22,444	-	88,962	-	(166,810)	(55,404)
At 31 December 2013		1,232,444	-	1,409,376	(2,527)	84,624	2,723,917
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		**-**	**-**	**-**	**-**	**(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**

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 2014

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before tax and zakat from				
- continuing operations	**834,172**	553,168	**81,086**	141,996
- discontinued operation	**(26)**	(140)	**-**	-
Adjustments for:				
Interest income	**(15,936)**	(16,368)	**(777)**	(592)
Dividend income	**-**	-	**(66,583)**	(116,720)
Interest from late payments	**(4,456)**	(4,553)	**-**	-
Interest expense	**151,337**	28,375	**123,008**	25
Provision for liabilities (Note 34)	**4,394**	4,461	**32**	839
Writeback of provision for liabilities	**(39)**	(42)	**-**	-
Amortisation of:				
- intangible assets	**354,327**	228,434	**-**	-
- plantation development expenditure	**3,211**	2,745	**-**	-
- land use rights	**139**	121	**-**	-
Depreciation of property, plant and equipment	**47,722**	46,562	**13,752**	16,675
Amortisation of premium on investments	**-**	29	**-**	-
Impairment of:				
- investment in associate	**9,011**	3,742	**-**	-
- investment in unquoted shares	**15,000**	-	**-**	-
- intangible assets	**50,310**	-	**-**	-
Net (write-back)/allowance for doubtful debts	**(3,024)**	(1,188)	**(1,350)**	6,243
Net bad debt (write-back)/written off	**(393)**	7,203	**-**	3,756
(Gain)/loss on disposal of:				
- property, plant and equipment	**(39)**	343	**-**	-
- intangible assets	**(36)**	-	**-**	-
- quoted unit trust	**(10)**	(188)	**(10)**	-
- bonds and medium term notes	**-**	(363)	**-**	-
Property, plant and equipment written off	**2,398**	1,927	**1**	20
Intangible assets written off	**2,206**	110	**-**	-
Plantation development expenditure written off	**1,396**	-	**-**	-
Balance carried forward	**1,451,664**	854,378	**149,159**	52,242

STATEMENTS OF CASH FLOWS
for the financial year ended 31 December 2014

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D.)				
Balance brought forward	**1,451,664**	854,378	**149,159**	52,242
Inventories written off	**290**	1,079	**-**	-
Investment income	**(23,915)**	(14,834)	**(13,688)**	(1,730)
Profit from construction contract	**(28,525)**	(71,981)	**(28,525)**	(67,964)
Gain arising from re-measurement of fair value of investment	**(502,510)**	-	**-**	-
Gain on bargain purchase	**(379,106)**	-	**-**	-
Impairment of goodwill	**229,429**	-	**-**	-
Share of results of:				
- Jointly controlled entities	**52,736**	(3,008)	**-**	-
- Associates	**(113)**	39,385	**-**	-
Operating profit/(loss) before working capital changes	**799,950**	805,019	**106,946**	(17,452)
(Increase)/decrease in inventories	**(29,042)**	(24,299)	**-**	27
(Increase)/decrease in receivables	**(46,193)**	71,551	**3,014**	46,300
Increase in payables	**18,481**	191,346	**306,071**	32,766
Decrease in concession liabilities	**(22,834)**	(27,021)	**-**	-
(Decrease)/increase in provisions for liabilities	**(3,433)**	1,150	**(6)**	-
Changes in related company balances	**-**	-	**(860,471)**	520,854
Cash generated from/(used in) operations	**716,929**	1,017,746	**(444,446)**	582,495
Taxes and zakat (paid)/refund	**(143,228)**	(126,341)	**5,570**	(15,889)
Net cash generated from/(used in) operating activities	**573,701**	891,405	**(438,876)**	566,606

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2014

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of:				
- property, plant and equipment	**(75,968)**	(77,628)	**(21,351)**	(15,547)
- intangible assets	**(488,689)**	(1,836,074)	**(690,144)**	(1,660,328)
- quoted unit trust	**(116,842)**	(45,612)	**(116,784)**	(45,900)
- plantation development expenditure	**(5,960)**	(5,231)	**-**	-
Proceeds from disposals of:				
- property, plant and equipment	**39**	81	**-**	-
- intangible assets	**36**	-	**-**	-
- quoted shares	**11**	532	**11**	-
- bonds and medium term notes	**-**	5,459	**-**	-
Advances to an associate	**(9,020)**	(8,579)	**(9)**	(4,836)
Acquisition of a subsidiary	**-**	-	**(3)**	-
Additional investment in an associate	**(19,200)**	-	**-**	-
Acquisition of an associate	**-**	(840)	**-**	-
Additional investment in jointly controlled entities (Note 19)	**(963,213)**	-	**-**	-
Cash and cash equivalents arising from acquisition of subsidiaries (Note 17)	**913,960**	-	**-**	-
Redemption of bonds	**-**	5,459	**-**	-
Investment income received	**23,915**	14,834	**13,688**	1,730
Interest received	**4,370**	5,807	**777**	592
Dividend received from:				
- an associate	**3,600**	1,800	**-**	-
- subsidiaries	**-**	-	**66,583**	116,720
Net cash used in investing activities	**(732,961)**	(1,939,992)	**(747,232)**	(1,607,569)

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2014

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 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**	-
Perpetual sukuk issuance expense	**(2,158)**	-	**(2,158)**	-
Proceeds from issuance of perpetual sukuk	**1,000,000**	-	**1,000,000**	-
Repayment of loan	**(200,000)**	-	**(200,000)**	-
Drawdown of loans and borrowings	**250,000**	700,000	**250,000**	700,000
Interest paid	**(146,536)**	(27,642)	**(123,008)**	-
Dividends paid to shareholders of the Company	**(18,443)**	(53,007)	**(18,443)**	(53,007)
Net cash generated from financing activities	**1,854,690**	619,351	**1,878,218**	646,993
Net increase/(decrease) in cash and cash equivalents	**1,695,430**	(429,236)	**692,110**	(393,970)
Effects of foreign currency translation	**286**	524	**-**	-
Cash and cash equivalents at beginning of year	**345,517**	774,229	**95,989**	489,959
Cash and cash equivalents at end of year (Note 26)	**2,041,233**	345,517	**788,099**	95,989

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

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 other than the acquisition of subsidiaries as disclosed in Note 17 to the financial statements.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 13 March 2015.

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 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) The GoM shall procure the Federal Lands Commissioner ("FLC") as the registered owner of the Airport Lands ("Lands"), to lease to the Operator these Lands by procuring the execution by FLC of the New Lease Agreement (substantially in the form annexed of the Operating Agreements). The period of the lease under the New Lease Agreement shall be co-terminous with the operating period to the extent that if the Operating Rights are extended pursuant to the terms and conditions of the Operating Agreements or otherwise, the period of such lease shall be accordingly extended on such terms and conditions to be determined by the GoM, the FLC and the Operator for the relevant period.

(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. Until the Balance Residual Payment has been settled, the GoM shall be entitled to receive half of the User Fee whereby another half is paid to the GoM to reduce the Balance of Residual Payment. In previous year, the Balance Residual Payment had been fully settled. The accounting policy for User Fee is described in Note 2.4(v).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

1. CORPORATE INFORMATION AND OPERATING AGREEMENTS (CONT'D.)

1.2 Operating Agreements (cont'd.)

(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(x)(iv) for marginal losses suffered, arising from the undertaking of socio-economic activities and GoM policies.

(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 Gokchen 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).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

1. CORPORATE INFORMATION AND OPERATING AGREEMENTS (CONT'D.)

1.3 Concession Agreements relating to ISG and LGM (cont'd.)

(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.

(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 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 2014 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.1 Basis of preparation (cont'd.)

As at 31 December 2014, the Group is in a net current liabilities position of RM799,385,000 arising mainly from the Group's obligation to settle the amount due to Limak and Limak Yatirim (collectively referred to as "Limak") pursuant to the completion of the acquisition of the remaining 40% interest in ISG and LGM which amounted to RM1,182,856,000. On 2 January 2015, the Group had drawdown RM1,182,856,000 from a bridging loan facility to settle the outstanding debt. The Group has further considered its debts obligation via the issuance of the rights issue ("Rights Issue") of 275,308,267 which was approved by the shareholders at its Extraordinary General Meeting on 23 December 2014 and offered in the Abridged Prospectus on 26 February 2015. The Rights Issue has been fixed at RM4.78 per rights share, representing a discount of approximately 28.8% to the theoretical ex-rights price of MAHB Shares of RM6.71 and expected to raise gross proceeds of approximately RM1,316,000,000 to be used to settle the bridging loan and subsequently address the Group's net current liabilities position.

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 2014, 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 2014.

Effective for financial periods beginning on or after 1 January 2014

Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities
Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21 Levies

The nature and impact of the new and amended FRSs are described below:

<u>Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities</u>
The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and "simultaneous realisation and settlement". These amendments are to be applied retrospectively. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

<u>Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities</u>
These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under FRS 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Group, since none of the entities in the Group qualifies to be an investment entity under FRS 10.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies (cont'd.)

Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets
The amendments to FRS 136 remove the requirement to disclose the recoverable amount of a cash-generating unit ("CGU") to which goodwill or other intangible assets with indefinite useful lives has been allocated when there has been no impairment or reversal of impairment of the related CGU. In addition, the amendments introduce additional disclosure requirements when the recoverable amount is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by FRS 13 Fair Value Measurements.

The application of these amendments had no material impact on the disclosures 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 July 2014

Amendments to FRS 119: Defined Benefit Plans: Employee Contributions
Annual Improvements to FRSs 2010 – 2012 Cycle
Annual Improvements to FRSs 2011 – 2013 Cycle

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

Effective for financial periods beginning on or after 1 January 2017

FRS 15 Revenue from Contracts with Customers

Effective for financial periods beginning on or after 1 January 2018

FRS 9 Financial Instruments

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd.)

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:

<u>Amendments to FRS 119 Defined Benefit Plans: Employee Contributions</u>
The amendments to FRS 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. For contributions that are independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. For contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

<u>Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation</u>
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 Group is currently assessing the impact upon adopting the amendments to these standards.

<u>Amendments to FRS 116 and FRS 141 Agriculture: Bearer Plants</u>
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. The Directors anticipate that the application of these amendments will have a material impact on the amounts reported and disclosures made in the Group's and the Company's financial statements. The Group and the Company are currently assessing the impact of these amendments and plans to adopt the new standard on the required effective date.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

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 1 January 2016. Earlier application is permitted.

Amendments to FRS 11 Joint Arrangements: 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.

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd.)

Amendments to FRS 101: Disclosure Initiatives (cont'd.)
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 15 Revenue from Contracts with Customers
FRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. FRS 15 will supersede the current revenue recognition guidance including FRS 118 Revenue, FRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of FRS 15 is that an entity should recognise revenue which depict 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 FRS 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 2017 with early adoption permitted. The Group is currently assessing the impact of FRS 15 and plans to adopt the new standard on the required effective date.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd.)

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 2 September 2014, Malaysian Accounting Standards Board had announced the adoption of MFRS for the TEs is deferred to 1 January 2017.

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 2017.

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 2017.

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.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2014. 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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

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.)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(a) Subsidiaries and basis of consolidation (cont'd.)

(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.

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 either 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(c) Investment in associates and joint ventures (cont'd.)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(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 operation rights 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

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 operation rights in Turkey (cont'd.)

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.

During the year, the Group re-assessed its amortisation policy for infrastructure and construction assets and subsequently changed the annual depreciation method from straight line to assets usage based on forecast passenger volume to better reflect the pattern in which the related asset's future economic benefits are expected to be consumed by the Group.

The effect of this change in accounting estimates over the concession period is applied prospectively resulting in a decrease in amortisation charge for the Group by RM101,056,000 and increase in the Group's profit by RM101,056,000.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

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 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(e) Fair value measurement (cont'd.)

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.

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 each 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(f) Property, plant and equipment and depreciation (cont'd.)

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(k) Financial assets (cont'd.)

(i) Loans and receivables (cont'd.)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(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.

(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.

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

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.

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) 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.

(n) 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(n) Leases (cont'd.)

(i) As lessee (cont'd.)

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.

(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.

(o) 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.

(p) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(p) Income tax and zakat (cont'd.)

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(p) Income tax and zakat (cont'd.)

(iii) Zakat

Zakat payable by the Group and the Company is a form of contribution according to the principles of Syariah.

(q) 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.

(r) 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(r) Financial liabilities (cont'd.)

Other financial liabilities (cont'd.)

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.

(s) 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 pursuant to the Operating Agreements payable to a service provider at KLIA.

(iii) Privatisation of the Development of a Generation Plant at klia2.

(t) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(t) Employee benefits (cont'd.)

(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.

(u) 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(u) Foreign currencies (cont'd.)

(ii) Foreign currency transactions (cont'd.)

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.

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:

	2014 RM	2013 RM
United States Dollar (USD)	**3.50**	3.28
Great Britain Pound (GBP)	**5.45**	5.42
Singapore Dollar (SGD)	**2.65**	2.59
Euro (EUR)	**4.25**	4.51
Switzerland Swiss Franc (CHF)	**3.53**	3.68
China Renminbi (RMB)	**0.56**	0.54
Hong Kong Dollar (HKD)	**0.45**	0.42
Qatar Riyal (QAR)	**0.92**	0.93
South African Rand (ZAR)	**0.30**	0.30

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(v) 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.

(w) 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.

(x) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(x) Revenue recognition (cont'd.)

(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 marginal cost support sum ("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 RM80,297,000 was recognised during the year for the difference between actual PSC and Benchmark PSC rate. There was no MARCS PSC recognised in the previous financial year.

Apart from this, included in MARCS is MARCS Express Rail Link ("MARCS ERL") as disclosed in Note 3.

(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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(x) Revenue recognition (cont'd.)

(vii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(y) 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.

(z) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(aa) 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.

(ab) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(ab) Equity Instruments and Related Expenses (cont'd.)

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 asset 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:

- 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.

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 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 34.

(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 5% (2013: 4%) 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 34(d).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

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(aa) 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 current construction projects is 4.5% and 7.5% depending on the nature of work involved 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(s) and (z), 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) <u>Annual charges and land usage charges payable to GoM</u>
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 RM428,000 and lower by RM415,000 respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

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 RM543,000 and lower by RM515,000 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 RM2,234,000 and lower by RM2,200,000 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 2014

3. REVENUE

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Airport operations:				
- Airport services:				
- Aeronautical	**1,448,643**	1,286,950	**-**	-
Less: airline incentives	**(107,568)**	(75,910)	**-**	-
	1,341,075	1,211,040	**-**	-
- Non-aeronautical	**553,997**	504,106	**-**	-
- Construction revenue*	**662,405**	1,635,864	**662,405**	1,578,280
- Duty free and non-dutiable goods	**614,688**	609,960	**-**	-
Non-airport operations:				
- Agriculture and horticulture	**31,304**	30,924	**-**	-
- Hotel operations	**74,136**	66,198	**-**	-
- Project and repair maintenance	**66,116**	40,667	**-**	-
Dividend income from subsidiaries	**-**	-	**66,583**	116,720
	3,343,721	4,098,759	**728,988**	1,695,000

Included in aeronautical revenue is marginal cost support sum income of RM145,790,000 (2013: RM62,017,000) as disclosed in Note 2.4(x)(iv).

* Construction revenue relates to revenue recognised pursuant to IC 12 and in accordance with FRS111 in respect of the construction of klia2 and development of Penang International Airport.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

4. OTHER INCOME

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Interest income:				
- Unquoted investments and staff loan	**4,398**	4,908	**762**	592
- Other loans and receivables	**11,399**	11,132	**7**	-
- Available-for-sale financial assets	**-**	328	**-**	-
- Gain on financial instruments at fair value through profit or loss	**139**	-	**8**	-
Investment income from:				
Available-for-sale financial assets on equity instruments				
- quoted in Malaysia	**18,661**	5,104	**13,627**	1,730
- unquoted in Malaysia	**5,005**	8,983	**-**	-
Unquoted short-term investment	**249**	747	**61**	-
Rental income:				
- Minimum lease payments	**10,080**	9,311	**-**	-
Gain/(loss) on disposal of:				
- Property, plant and equipment	**39**	(343)	**-**	-
- Intangible assets	**36**	-	**-**	-
- Quoted unit trust	**10**	188	**10**	-
Gain on disposal of bonds and medium-term notes	**-**	363	**-**	-
Net realised foreign exchange gain	**3,553**	3,891	**1,858**	2,049
Management fee charged to subsidiaries	**-**	-	**159,822**	141,519
Interest from late payments	**4,456**	4,553	**-**	-
Recoupment of expenses	**89,377**	70,047	**124,625**	67
Miscellaneous	**19,270**	15,871	**10,743**	2,066
	166,672	135,083	**311,523**	148,023

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

5. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Wages and salaries	**369,768**	297,511	**71,520**	57,674
Bonus	**52,798**	112,284	**9,755**	21,926
Contributions to defined contribution plans	**73,085**	72,081	**13,464**	14,187
Social security contributions	**5,163**	4,265	**651**	537
Short-term accumulating compensated absences	**3,997**	2,681	**32**	839
Other employee benefits	**114,523**	81,095	**26,970**	16,784
	619,334	569,917	**122,392**	111,947

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM3,041,000 (2013: RM1,847,000) and RM3,041,000 (2013: RM1,847,000) respectively as further disclosed in Note 8.

6. FINANCE COSTS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Interest expense:				
- concession payables and borrowings	**202,802**	174,468	**178,330**	146,826
- financial liabilities	**4,801**	733	**944**	25
Less: Interest expense capitalised in intangible assets (Note 16)*	**(56,266)**	(146,826)	**(56,266)**	(146,826)
Total finance costs	**151,337**	28,375	**123,008**	25

* The amount is arrived at after netting off interest income of RM2,638,000 (2013: RM3,534,000).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-executive directors' remuneration excluding benefits-in-kind (Note 8)	**2,175**	2,069	**2,131**	2,042
Auditors' remuneration:				
- statutory	**692**	550	**120**	94
- other services	**540**	458	**540**	458
User Fee expenses	**271,369**	237,832	**-**	-
Rental expense	**57,018**	16,837	**8,673**	5,232
Depreciation of property, plant and equipment (Note 13)	**47,722**	46,562	**13,752**	16,675
Amortisation of:				
- plantation development expenditure (Note 14)	**3,211**	2,745	**-**	-
- land use rights (Note 15)	**139**	121	**-**	-
- intangible assets (Note 16)	**354,327**	228,434	**-**	-
Amortisation of premium on investments (Note 20)	**-**	29	**-**	-
Property, plant and equipment written off	**2,398**	1,927	**1**	20
Intangible assets written off	**2,206**	110	**-**	-
Plantation development expenditure written off	**1,396**	-	**-**	-
(Gain)/loss on disposal of:				
- intangible assets	**(36)**	-	**-**	-
- property, plant and equipment	**(39)**	343	**-**	-
Impairment of:				
- investment in unquoted shares	**15,000**	-	**-**	-
- intangible assets (Note 16)	**50,310**	-	**-**	-
Net (writeback of)/allowance for doubtful debts	**(3,024)**	(1,188)	**(1,350)**	6,243
Inventories written off	**290**	1,079	**-**	-
Bad debts (writeback)/written off	**(393)**	7,203	**-**	3,756
Utility charges	**284,950**	207,429	**1,452**	1,257
Repair and maintenance costs	**201,857**	178,196	**7,324**	5,132
Management fee paid to hotel operator	**-**	293	**-**	-
Legal and other professional fees	**43,436**	33,278	**10,245**	10,337

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

7. PROFIT BEFORE TAX AND ZAKAT FROM CONTINUING OPERATIONS (CONT'D.)

User Fee amounting to RM271,369,000 (2013: RM237,832,000) relates to license and operating rights payable to the GoM which ranges from 10.13% to 10.42% (2013: 9.76% to 10.04%) 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.

Construction cost is in respect of cost recognised relating to the construction of klia2 and development of Penang International Airport by reference to the stage of completion. Construction cost also includes employee cost of RM14,127,000 (2013: RM18,251,000).

8. DIRECTORS' REMUNERATION

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Executive directors' remuneration (Note 5):				
- Other emoluments	**3,041**	1,847	**3,041**	1,847
Non-executive directors' remuneration (Note 7):				
- Fees	**1,053**	900	**1,053**	900
- Other emoluments	**1,124**	1,169	**1,078**	1,142
	2,177	2,069	**2,131**	2,042
Total directors' remuneration	**5,218**	3,916	**5,172**	3,889
Estimated money value of benefits-in-kind	**167**	141	**167**	141
Total directors' remuneration including benefits-in-kind	**5,385**	4,057	**5,339**	4,030

NOTES TO THE FINANCIAL STATEMENTS

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8. DIRECTORS' REMUNERATION (CONT'D.)

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Executive:				
- Salaries and other emoluments	**2,268**	1,175	**2,268**	1,175
- Bonus	**503**	403	**503**	403
- Defined contribution plans	**270**	269	**270**	269
- Estimated money value of benefits-in-kind	**30**	20	**30**	20
	3,071	1,867	**3,071**	1,867
Non-executive:				
- Fees	**1,053**	900	**1,053**	900
- Allowances	**1,124**	1,169	**1,078**	1,142
- Estimated money value of benefits-in-kind	**137**	121	**137**	121
	5,385	4,057	**5,339**	4,030

Included in the Group non-executive directors' allowance was the subsidiaries directors' allowance of RM46,000 (2013: RM14,000).

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2014	2013
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**	-

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

8. DIRECTORS' REMUNERATION (CONT'D.)

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below: (cont'd.)

	Number of directors	
	2014	**2013**
Non-executive directors:		
Less than RM50,000	**5**	3
RM50,001 – RM100,000	**-**	-
RM100,001 – RM150,000	**2**	-
RM150,001 – RM200,000	**2**	5
RM200,001 – RM250,000	**4**	3
RM250,001 – RM300,000	**1**	-
RM300,001 – RM350,000	**-**	-
RM350,001 – RM400,000	**-**	-
RM400,001 – RM450,000	**-**	-
RM450,001 – RM500,000	**1**	-
RM500,001 – RM550,000	**-**	1

9. INCOME TAX AND ZAKAT

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Current income tax				
- Malaysian income tax	**90,788**	148,453	**104**	13,952
- Foreign tax	**1,171**	-	**-**	-
- Under/(over) provision in prior years	**9,208**	(8,168)	**(127)**	(2,626)
	101,167	140,285	**(23)**	11,326
Deferred tax (Note 24):				
Relating to origination and reversal of temporary differences	**(11,945)**	20,840	**8,909**	16,536
(Over)/under provision of deferred tax liabilities in prior years	**(8,076)**	10,840	**(775)**	990
Derecognition of deferred tax on control transfer of intangible assets	**-**	-	**(45,189)**	-
	(20,021)	31,680	**(37,055)**	17,526
	81,146	171,965	**(37,078)**	28,852

NOTES TO THE FINANCIAL STATEMENTS

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9. INCOME TAX AND ZAKAT (CONT'D.)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Income tax expenses/(credit)	**81,146**	171,965	**(37,078)**	28,852
Zakat	**4,785**	3,516	**1,556**	479
Total income tax expense/(credit) and zakat	**85,931**	175,481	**(35,522)**	29,331

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 2014 and 2013 are as follows:

	2014 RM'000	2013 RM'000
Group		
Profit/(loss) before tax and zakat from:		
Continuing operations	**834,172**	553,168
Discontinued operation (Note 10)	**(26)**	(140)
	834,146	553,028
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	**208,537**	138,257
Different tax rates in other countries	**(2,082)**	-
Tax effects of share of results of associate and jointly controlled entities	**13,156**	9,094
Income not subject to tax	**(240,670)**	(2,635)
Expenses not deductible for tax purposes	**101,559**	26,952
Utilisation of previously unrecognised unabsorbed capital allowances	**(13)**	(378)
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	**(473)**	-
Deferred tax assets recognised in respect of previous year's tax losses and unabsorbed capital allowances	**-**	(1,997)
Under/(over) provision of income tax in prior years	**9,208**	(8,168)
(Over)/under provision of deferred tax in prior years	**(8,076)**	10,840
Income tax expense for the year	**81,146**	171,965

NOTES TO THE FINANCIAL STATEMENTS

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9. INCOME TAX AND ZAKAT (CONT'D.)

Reconciliation between tax expense/(credit) and accounting profit (cont'd.)

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 2014 and 2013 are as follows: (cont'd.)

	2014 RM'000	2013 RM'000
Company		
Profit before tax and zakat	**81,086**	141,996
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	**20,272**	35,499
Expenses not deductible for tax purposes	**15,882**	9,402
Income not subject to tax	**(27,141)**	(14,413)
Overprovision of income tax in prior years	**(127)**	(2,626)
(Over)/under provision of deferred tax in prior years	**(775)**	990
Derecognition of deferred tax on control transfer of intangible assets	**(45,189)**	-
Income tax (credit)/expense for the year	**(37,078)**	28,852

Current income tax is calculated at the statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the year.

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 2014, 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. The process is expected to be concluded by the end of 2015.

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:

	2014 RM'000	2013 RM'000
Expenses	**(26)**	(140)
Loss before tax of a discontinued operation	**(26)**	(140)
Income tax expense	**(31)**	-
Loss for the year from a discontinued operation	**(57)**	(140)

The classes of assets and liabilities classified as held for disposal on the consolidated statement of financial position are as follows:

	2014 RM'000	2013 RM'000
Asset		
Cash and cash equivalents	**104**	104
Assets of disposal group classified as held for disposal	**104**	104
Liability		
Trade and other payables	**26**	43
Liabilities of disposal group classified as held for disposal	**26**	43

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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	
	2014 RM'000	**2013 RM'000**
Profit from continuing operations attributable to ordinary equity holders of the Company	**748,241**	377,687
Distribution to Perpetual Sukuk Holders	**(2,520)**	-
Net profit from continuing operations attributable to owner of the parent	**745,721**	377,687
Loss from a discontinued operation attributable to ordinary equity holders of the Company	**(57)**	(140)
Profit attributable to ordinary equity holders of the Company	**745,664**	377,547

	Group	
	2014	**2013**
Weighted average number of ordinary shares in issue ('000)	**1,346,049**	1,226,441

	Group	
	2014 sen	**2013 sen**
Basic earnings per share for:		
Profit from continuing operations	**55.40**	30.80
Loss from discontinued operation	**-**	(0.01)
Basic, for profit for the year	**55.40**	30.79

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11. EARNINGS PER SHARE (CONT'D.)

(b) Diluted

On 23 January 2015, the Company further increased its paid-up share capital to RM1,376,541,339 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 as disclosed in Note 40. Had this ordinary shares been issued as at 31 December 2014, the diluted earnings per share would be 55.39 sen.

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 as disclosed in Note 40. 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 be 55.14 sen.

Other than the above, there were no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

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-weighing factor. The time-weighing factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period.

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12. DIVIDENDS

	Dividends in respect of year		Dividends recognised in year	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Recognised during the year:				
Interim dividend for 2014:				
on 1,374,149,854 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	**78,874**	-
Interim dividend for 2013:				
on 1,232,443,879 ordinary shares				
- 6.00% on single-tier (6.00 sen net per ordinary share)	**-**	73,946	**-**	73,946
Final dividend for 2012:				
on 1,217,088,046 ordinary shares				
- 7.63% on single tier (7.63 sen net per ordinary share)	**-**	-	**-**	92,864
Proposed for approval at forthcoming Annual General Meeting (not recognised as liability as at 31 December 2014):				
Final dividend for 2014:				
on 1,376,541,339 ordinary shares up to 4.32% on single-tier (4.32 sen net per ordinary share)	**59,467**	-	**-**	-
	86,950	152,820	**106,357**	166,810

Proposed final dividend

At the forthcoming Annual General Meeting, a final dividend in respect of the final year ended 31 December 2014, of up to 4.32% but not less than 3.6% on 1,376,541,339 ordinary shares on single-tier basis, with a total quantum of RM59,467,000, will be proposed for shareholders' approval ("Proposed Final Dividend"). On 10 November 2014, the Company had announced the Proposed Rights Issue entails the issuance of 274,829,971 Rights Shares on the basis of one (1) Rights Share for every five (5) existing MAHB Shares held on an entitlement date to be determined and announced later. The number of Rights Shares to be issued was arrived at based on the issued and paid-up ordinary share capital of MAHB of 1,374,149,854 shares.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

12. DIVIDENDS (CONT'D.)

Proposed final dividend (cont'd.)

Bursa Securities had, vide its letter dated 5 December 2014, approved the amended application for the listing of and quotation for up to 275,777,660 Rights Shares to be issued pursuant to the Proposed Rights Issue on the Main Market of Bursa Securities. The Proposed Rights Issue was approved by shareholders at its Extraordinary General Meeting held on 23 December 2014.

On 27 January 2015, MAHB had announced on the number of 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 shares held on the entitlement date and the Issue Price of the Rights Shares has been fixed at RM4.78 per Rights Share, representing a discount of approximately 28.8% to the theoretical ex-rights price of MAHB Shares of RM6.71. Based on the Issue Price, the Rights Issue is expected to raise gross proceeds of approximately RM1,316,000,000.

In the event none of the Rights Shares are issued by the books closure date ("BCD") for the Proposed Final Dividend, the final dividend would be 4.32 sen per ordinary share. In the event all the Rights Shares have been issued by the BCD for the Proposed Final Dividend, the final dividend would be 3.60 sen per ordinary share. The actual amount of final dividend per ordinary share would be dependent on the actual number of Rights Shares issued by the Company by the BCD for the Proposed Final Dividend.

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 6 sen per ordinary share in respect of the financial year ended 31 December 2013 was declared on 8 November 2013. The interim dividend amounting to RM73,946,633 of which RM8,640,700 was paid on 30 January 2014 and the remaining was re-invested on 4 February 2014.

The reinvestment rate subsequent to the completion of the dividend payment was 88.4%.

A single-tier final dividend of 5.78 sen per ordinary share in respect of the financial year ended 31 December 2013 was approved by the Shareholders at its Annual General Meeting held on 20 March 2014. The final dividend amounting to RM78,874,000 of which RM9,802,000 was paid on 30 April 2014 and the remaining was re-invested on 2 May 2014.

The reinvestment rate subsequent to the completion of the dividend payment was 87.6%.

NOTES TO THE FINANCIAL STATEMENTS

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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 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 exchange differences	-	-	-	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

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 2013							
Cost							
At 1 January 2013	77,215	109,736	5,400	186,316	22,297	97,121	498,085
Additions	-	35	575	10,842	9	66,167	77,628
Disposals	-	(643)	-	-	-	-	(643)
Written off	-	(2,871)	(201)	(131)	-	-	(3,203)
Transfers	41,106	12,916	139	47,637	2,533	(104,331)	-
Reclassified from intangible assets	-	-	-	7,385	-	-	7,385
At 31 December 2013	118,321	119,173	5,913	252,049	24,839	58,957	579,252
Accumulated depreciation and impairment							
At 1 January 2013	17,630	45,812	503	126,726	14,089	2,496	207,256
Charge for the year (Note 7)	2,868	3,821	224	36,503	3,146	-	46,562
Disposals	-	(219)	-	-	-	-	(219)
Written off	-	(965)	(201)	(110)	-	-	(1,276)
Reclassified from intangible assets	-	-	40	554	-	-	594
At 31 December 2013	20,498	48,449	566	163,673	17,235	2,496	252,917
Analysed as:							
Accumulated depreciation	20,498	48,449	566	162,921	17,235	-	249,669
Accumulated impairment loss	-	-	-	752	-	2,496	3,248
	20,498	48,449	566	163,673	17,235	2,496	252,917
Net carrying amount	97,823	70,724	5,347	88,376	7,604	56,461	326,335

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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 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**
At 31 December 2013					
Cost					
At 1 January 2013	32,414	2,194	66,818	27,471	128,897
Additions	-	-	5,540	10,007	15,547
Transfers	443	-	8,084	(8,527)	-
Written off	-	-	(113)	-	(113)
At 31 December 2013	32,857	2,194	80,329	28,951	144,331
Accumulated depreciation					
At 1 January 2013	4,451	1,118	34,440	-	40,009
Charge for the year (Note 7)	1,516	137	15,022	-	16,675
Written off	-	-	(93)	-	(93)
At 31 December 2013	5,967	1,255	49,369	-	56,591
Net carrying amount	26,890	939	30,960	28,951	87,740

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

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 RM168,196,000 (2013: RM122,016,000) and RM33,579,000 (2013: RM31,539,000) respectively.

14. PLANTATION DEVELOPMENT EXPENDITURE

	Group	
	2014 RM'000	2013 RM'000
Cost		
At 1 January	**79,164**	73,933
Additions	**5,960**	5,231
Written off	**(1,446)**	-
Reclassified to property, plant and equipment	**(272)**	-
At 31 December	**83,406**	79,164
Accumulated amortisation		
At 1 January	**26,342**	23,597
Charge for the year (Note 7)	**3,211**	2,745
Written off	**(50)**	-
At 31 December	**29,503**	26,342
Net carrying amount	**53,903**	52,822

15. LAND USE RIGHTS

	Group	
	2014 RM'000	2013 RM'000
Net carrying amount		
At 1 January	**7,518**	7,639
Amortisation during the year (Note 7)	**(139)**	(121)
At 31 December	**7,379**	7,518
Analysed as:		
Short-term land use rights	**1,601**	1,667
Long-term land use rights	**5,778**	5,851
	7,379	7,518

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16. INTANGIBLE ASSETS

Group	Concession rights RM'000	Terminal building, plant and infrastructures RM'000	Capital work-in-progress RM'000	Total RM'000
At 31 December 2014				
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	7,542,841	1,977,158	-	9,519,999
At 31 December 2014	9,524,979	10,353,373	245,065	20,123,417
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	-	50,310	-	50,310
Acquisition of subsidiaries	488,355	411,473	-	899,828
At 31 December 2014	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	8,632,136	8,450,534	245,065	17,327,735

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16. INTANGIBLE ASSETS (CONT'D.)

Group	Concession rights RM'000	Terminal building, plant and infrastructures RM'000	Capital work-in-progress RM'000	Total RM'000
At 31 December 2013				
Cost				
At 1 January 2013	1,982,138	2,328,663	3,171,290	7,482,091
Additions	-	401,580	1,894,869	2,296,449
Written off	-	(3,186)	(15)	(3,201)
Transfers	-	226,980	(226,980)	-
Reclassified to property, plant and equipment	-	(7,385)	-	(7,385)
At 31 December 2013	1,982,138	2,946,652	4,839,164	9,767,954
Accumulated amortisation and impairment				
At 1 January 2013	307,026	977,065	-	1,284,091
Charge for the year (Note 7)	50,444	177,990	-	228,434
Written off	-	(3,091)	-	(3,091)
Reclassified to property, plant and equipment	-	(594)	-	(594)
At 31 December 2013	357,470	1,151,370	-	1,508,840
Net carrying amount	1,624,668	1,795,282	4,839,164	8,259,114

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

16. INTANGIBLE ASSETS (CONT'D.)

Company	Capital work-in- progress RM'000
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	**-**
At 31 December 2013	
Cost	
At 1 January 2013	2,855,420
Addition	1,728,292
At 31 December 2013	4,583,712
Net carrying amount	4,583,712

Included in the cost of intangible assets of the Group is cost of fully depreciated intangible assets which are still in use amounting to RM248,340,000 (2013: RM216,488,000).

The Group's capital work-in-progress 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 and 7.5% mark-up on the cost incurred for klia2 and expansion to Penang International Airport, respectively.

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 subsequently transferred to MA (Sepang), of which RM3,977,000,000 (2013: RM3,494,020,000) was relating to the construction cost of klia2.

The Company's intangible assets also include 4.5% mark-up on the cost incurred as at reporting date for klia2 which amounted to RM209,284,000 (2013: RM180,759,000) and borrowing costs arising from the borrowings under the Sukuk Program specifically for the purpose of the construction of klia2. Details of borrowings and securities are disclosed in Note 32. The net borrowing costs capitalised to date in capital work-in-progress amounted to RM439,168,000 (2013: RM382,902,000). Subsequently, mark-up on cost and borrowing cost relating to klia2 were also transferred to MA (Sepang).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

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.

The additions in intangible assets were acquired by way of:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash	**488,689**	1,836,074	**690,144**	1,660,328
Accrual for klia2	**338,079**	-	**-**	-
Concession asset*	**-**	388,394	**-**	-
Profit from construction contracts	**28,525**	71,981	**28,525**	67,964
Total additions	**855,293**	2,296,449	**718,669**	1,728,292

* Concession asset was in respect of privatisation of the Development of a Generation Plant at klia2.

17. INVESTMENTS IN SUBSIDIARIES

	Company	
	2014 RM'000	2013 RM'000
Unquoted shares at cost	**1,777,269**	1,777,266
Reclassified from investments in jointly controlled entities (Note 19)	**166,427**	-
	1,943,696	1,777,266

NOTES TO THE FINANCIAL STATEMENTS

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17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Name of Company	Issued and Paid-up Capital RM	Effective Interest Held 2014 %	Effective Interest Held 2013 %	Principal Activities
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 K.L. International Airport ("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 and Sama-Sama Express KL International Airport.
- 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.

NOTES TO THE FINANCIAL STATEMENTS

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17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Name of Company	Issued and Paid-up Capital RM	Effective Interest Held 2014 %	Effective Interest Held 2013 %	Principal Activities
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.
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.

NOTES TO THE FINANCIAL STATEMENTS

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17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Name of Company	Issued and Paid-up Capital RM	Effective Interest Held 2014 %	Effective Interest Held 2013 %	Principal Activities
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) @	Qatari 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**	-	Investment holding.
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim ve Isletme A.S. ("ISG")*@**	€ 178,741,000	**100**	-	Operation, management and development and provision of airport related services.
LGM Havalimani Isletmeleri Ticaret ve Turizm A.S. ("LGM")*@**	€ 209,037	**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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Name of Company	Issued and Paid-up Capital RM	Effective Interest Held 2014 %	Effective Interest Held 2013 %	Principal Activities
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yer Hizmetleri A.S. @	€ 2,420,582	**51^**	-	Provision of ground handling services. Ceased operations.

@ *Audited by a member firm of Ernst & Young Global*

* *Effective interest held in each subsidiary through*

	2014	2013
Company	**20%**	20%
MAMSC	**40%**	-
MA Cities	**40%**	-
	100%	20%

** *Investments in LGM and ISG with carrying amounts of RM888,000 (2013: RM189,000) and RM607,691,000 (2013: RM161,225,000) respectively are pledged to financial institutions for credit facilities granted to the subsidiaries.*

^ *51% shareholding held through ISG.*

Acquisition of subsidiaries

During the 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").

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Acquisition of subsidiaries (cont'd.)

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 (or the 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 was subsequently remitted to the acquiree on 2 January 2015.

Impact of acquisition in statements of profit or loss and statements of comprehensive income

If the acquisition had taken place at the beginning of the financial year, the acquired subsidiaries would have contributed revenue and loss net of tax attributable to owners of the parent as follows:

	ISG RM'000	LGM RM'000	Total RM'000
Revenue	816,154	90,764	906,918
(Loss)/profit before tax	(140,293)	61,129	(79,164)
(Loss)/profit net of tax	(146,855)	60,060	(86,795)

The following summarises the consideration paid on the acquisition of ISG and LGM, the fair value of assets acquired, 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

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Acquisition of subsidiaries (cont'd.)

Details of the net identifiable assets acquired are as follows:

	ISG RM'000	LGM RM'000	Total RM'000
Assets			
Property, plant and equipment	11,020	1,634	12,654
Intangible assets	8,235,586	384,585	8,620,171
Cash and cash equivalents	873,129	40,831	913,960
Trade and other receivables	138,359	15,804	154,163
Inventories	3,051	374	3,425
Deferred tax assets	209,644	408	210,052
	9,470,789	443,636	9,914,425
Liabilities			
Trade and other payables	4,026,137	22,306	4,048,443
Borrowings	2,449,211	25,806	2,475,017
Deferred tax liabilities	674,308	76,867	751,175
	7,149,656	124,979	7,274,635
Total identifiable net assets at fair value	2,321,133	318,657	2,639,790
Goodwill on acquisition	-	229,429	229,429
Gain on bargain purchase	(379,106)	-	(379,106)
(Gain)/loss on re-measurement of fair value of previously held equity interest	(628,047)	125,537	(502,510)
	1,313,980	673,623	1,987,603

The acquisition on a collective and aggregate basis gave rise to a re-measurement profit, bargain purchase and goodwill of RM502,510,000, RM379,106,000 and RM229,429,000 respectively, of which the goodwill has been impaired.

The Directors have carried out the Purchase Price Allocation ("PPA") exercise in compliance with FRS 3 Business Combinations.

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 accordingly on a retrospective basis should there be any changes made to the fair value of the assets and liabilities acquired.

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).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

18. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unquoted shares at cost:				
- outside Malaysia	**34,268**	191,675	**166,427**	166,418
- in Malaysia	**20,640**	1,440	**-**	-
Reclassified to jointly controlled entities (Note 19)	**-**	-	**(166,427)**	-
	54,908	193,115	**-**	166,418
Share of post-acquisition reserve	**65,795**	(95,678)	**-**	-
Impairment of investment	**(81,669)**	(72,658)	**-**	-
	39,034	24,779	**-**	166,418
Analysed as:				
Unquoted shares at cost:				
At 1 January	**193,115**	183,696	**166,418**	161,582
Acquisition during the year	**-**	840	**-**	-
Additional investment	**19,200**	-	**-**	-
Additional contribution	**9,020**	8,579	**9**	4,836
Reclassified to jointly controlled entities (Note 19)	**(166,427)**	-	**(166,427)**	-
At 31 December	**54,908**	193,115	**-**	166,418
Share of post-acquisition reserve:				
At 1 January	**(194,898)**	(151,771)	**-**	-
Share of results	**113**	(39,385)	**-**	-
Share of other comprehensive income of associates	**-**	(1,942)	**-**	-
Dividend received	**(3,600)**	(1,800)	**-**	-
Reclassified to jointly controlled entities	**264,180**	-	**-**	-
Share of post-acquisition reserve at 31 December	**65,795**	(194,898)	**-**	-
Additional investment (Note 34)	**-**	99,220	**-**	-
	65,795	(95,678)	**-**	-

18. INVESTMENTS IN ASSOCIATES (CONT'D.)

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.

There were no share of unrecognised losses in respect of ISG in the current financial year as ISG has become a subsidiary of MAHB as stated in Note 17 and 19.

GMR Male International Airport Limited

On 27 November 2012, the Maldivian Government declared the concession agreement with GMR Male International Airport Limited ("GMR Male") which was awarded in 2010, as void. 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.

Further to the arbitration proceedings filed by the respective parties against the others, GMR Male seeks inter alia, damages for repudiatory breach of the concession agreement. Pending the decision by the arbitration tribunal, the directors had made impairment on this investment in the previous financial years.

On 18 June 2014, 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 Maldives Airport Company Limited ("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 next hearing for the preliminary issue will be in 2015 and subsequently, a timetable will be set for the substantive quantum hearing.

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 RM95,234,000 (2013: RM73,342,000). 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.

Investment in GMR Male with carrying value of RM12,325,000 (2013:RM11,562,000) is pledged to financial institutions for credit facilities granted to the associate.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

18. INVESTMENTS IN ASSOCIATES (CONT'D.)

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 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	Effective Interest Held 2014 %	2013 %	Financial Year End	Principal Activities
Held by the Company:						
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim ve Isletme A.S. ("ISG")	Turkey	€ 178,741,000	-	20	31 December	Operation, management and development and provision of airport related services.
LGM Havalimani Isletmeleri Ticaret ve Turizm A.S. ("LGM")	Turkey	€ 209,037	-	20	31 December	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.
Held through a subsidiary:						
GMR Male International Airport Private Limited ("GMR Male")	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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

18. INVESTMENTS IN ASSOCIATES (CONT'D.)

Details of the associates are as follows (cont'd.):

Name of Associate	Country of Incorporation	Issued and Paid-up Capital	Effective Interest Held 2014 %	Effective Interest Held 2013 %	Financial Year End	Principal Activities
Held through a subsidiary (cont'd.):						
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. ("MFMA")**	Malaysia	RM66,800,000	**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 2014 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 2014 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 RM19,200,000.*

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

18. INVESTMENTS IN ASSOCIATES (CONT'D.)

Detail of the associates are as follows:

(a) The Group has a 20% interest in KAF, a private entity, which is involved in the development, management and operation of aviation fuelling system in KLIA. The Group's interest in KAF is accounted for using the equity method in the Consolidated Financial Statements. The following table illustrates the Group's investment in KAF:

	Group	
	2014 RM'000	**2013 RM'000**
Current assets	**34,517**	18,276
Non-current assets	**219,904**	228,158
Current liabilities	**(23,624)**	(22,736)
Non-current liabilities	**(117,530)**	(111,222)
Equity	**113,267**	112,476
Cost of investment	**600**	600
Revenue	**60,717**	56,512
Cost of sales	**(20,632)**	(15,503)
Other income	**613**	836
Administrative expenses	**(16,158)**	(12,667)
Finance costs	**(3,092)**	-
Profit before tax for the year	**21,448**	29,178
Income tax	**(2,654)**	(8,529)
Profit for the year	**18,794**	20,649
Group's share of profit for the year	**3,759**	4,130

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

18. INVESTMENTS IN ASSOCIATES (CONT'D.)

Detail of the associates are as follows (cont'd.):

(b) The Group has a 30% interest in MFMA, a private entity, which is involved in the development operation and maintenance of a Factory Outlet Centre and its complementary components known as "Mitsui outlet park KLIA". The Group's interest in MFMA is accounted for using the equity method in the Consolidated Financial Statements. The following table illustrates the Group's investment in MFMA:

	Group	
	2014 RM'000	2013 RM'000
Current assets	49,391	-
Non-current assets	163,617	-
Current liabilities	(5,977)	-
Non-current liabilities	(152,382)	-
Equity	54,649	-
Cost of investment	20,040	840
Revenue	-	-
Cost of sales	-	-
Other income	6,952	-
Administrative expenses	(17,522)	-
Finance costs	-	-
Loss before tax for the year	(10,570)	-
Income tax	-	-
Loss for the year	(10,570)	-
Group's share of loss for the year	(3,646)	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

18. INVESTMENTS IN ASSOCIATES (CONT'D.)

Detail of the associates are as follows (cont'd.):

(c) The Group has a 23% interest in GMR Male, a private entity, which is involved in the operation, management and development and provision of airport related services. The Group's interest in GMR Male is accounted for using the equity method in the Consolidated Financial Statements. The following table illustrates the Group's investment in GMR Male:

	Group	
	2014 RM'000	**2013 RM'000**
Current assets	**188,465**	190,673
Non-current assets	**30**	105
Current liabilities	**(659,646)**	(570,595)
Non-current liabilities	**(63)**	(59)
Equity	**(471,214)**	(379,876)
Cost of investment	**34,268**	25,257
Revenue	**-**	413
Cost of sales	**-**	(446)
Other income	**13,989**	7
Administrative expenses	**(126,150)**	(73,148)
Finance income	**3,955**	3,346
Loss before tax for the year	**(108,206)**	(69,828)
Income tax	**(17)**	49
Loss for the year	**(108,223)**	(69,779)
Group's share of loss for the year*	**-**	-

* As mentioned above, the Group did not recognised its share of loss during the current and previous financial year since the share of losses have exceeded the Group's interest.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

18. INVESTMENTS IN ASSOCIATES (CONT'D.)

Detail of the associates are as follows (cont'd.):

(d) The Company previously had a 20% interest in ISG and LGM. However, as at 31 December 2014, ISG and LGM became wholly owned subsidiaries as disclosed in Note 17.

The information when ISG and LGM were associates in prior year are as follows:

	Group 2013	
	ISG RM'000	**LGM RM'000**
Current assets	552,050	14,363
Non-current assets	5,664,583	59,287
Current liabilities	(682,791)	(32,174)
Non-current liabilities	(6,340,009)	(34,195)
Equity	(806,167)	7,281
Cost of investment	166,236	182
Revenue	966,443	94,395
Cost of sales	(655,393)	(72,467)
Other income	-	63
Administrative expenses	(115,429)	(15,934)
Finance costs	(490,124)	(1,674)
(Loss)/profit before tax for the year	(294,503)	4,383
Income tax	46,097	726
(Loss)/profit for the year	(248,406)	5,109
Total comprehensive income for the year	(10,223)	-
Total	(258,629)	5,109
Group's share of comprehensive income for the year	(1,942)	-
Group's share of (loss)/profit for the year	(44,745)	1,230

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

19. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unquoted shares at cost:				
- in Malaysia	**53,718**	53,718	**53,718**	53,718
Share of post-acquisition reserve	**8,697**	3,434	**-**	-
	62,415	57,152	**53,718**	53,718
Analysed as:				
Unquoted shares at cost:				
At 1 January	**53,718**	42,900	**53,718**	42,900
Acquisition during the year	**963,213**	10,818	**-**	10,818
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	**3,434**	426	**-**	-
Share of results	**(52,736)**	3,008	**-**	-
Share of other comprehensive income of jointly controlled entity	**(10,461)**	-	**-**	-
Reclassified from investment in associates	**(264,180)**	-	**-**	-
Reclassified to investment in subsidiaries	**332,640**	-	**-**	-
At 31 December	**8,697**	3,434	**-**	-

Acquisition of additional equity interest in ISG and LGM

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 share of results above is ISG's previous years share of unrecognised losses amounting to RM42,478,000 and ISG's and LGM's current year share of losses amounting to RM15,520,000. As disclosed in Note 17, ISG and LGM became wholly owned subsidiaries as at 31 December 2014.

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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 2014 %	Effective Interest Held 2013 %	Financial Year End	Principal Activities
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.

NOTES TO THE FINANCIAL STATEMENTS

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19. INVESTMENT IN JOINTLY CONTROLLED ENTITIES (CONT'D.)

Details of the jointly controlled entities are as follows (cont'd.):

(a) The summarised financial statement of SASB is as follows:

	Group	
	2014 RM'000	2013 RM'000
Assets and liabilities		
Current assets	66,843	33,851
Non-current assets	628,222	623,832
Current liabilities	(112,098)	(63,450)
Non-current liabilities	(487,271)	(492,569)
Equity	95,696	101,664
Cost of investment	31,818	31,818
Results		
Revenue	77,720	-
Cost of sales	(19,407)	-
Other income	6,554	1,066
Administrative expenses	(42,127)	(8,652)
Finance costs	(23,985)	-
Loss before tax for the year	(1,245)	(7,586)
Income tax	(4,820)	1,570
Loss for the year	(6,065)	(6,016)
Group's share of loss for the year	(2,483)	(1,142)

NOTES TO THE FINANCIAL STATEMENTS

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19. INVESTMENT IN JOINTLY CONTROLLED ENTITIES (CONT'D.)

Details of the jointly controlled entities are as follows (cont'd.):

(b) The summarised financial statement of ACES is as follows:

	Group	
	2014 RM'000	**2013 RM'000**
Assets and liabilities		
Current assets	**65,136**	48,455
Non-current assets	**360,258**	359,726
Current liabilities	**(4,070)**	(6,740)
Non-current liabilities	**(274,253)**	(289,976)
Equity	**147,071**	111,465
Cost of investment	**21,900**	21,900
Results		
Revenue	**73,819**	25,841
Cost of sales	**(16,024)**	(5,301)
Other income	**661**	16,288
Administrative expenses	**(1,322)**	(1,325)
Finance costs	**(16,452)**	(13,083)
Profit before tax for the year	**40,682**	22,420
Income tax	**(8,184)**	(4,375)
Profit for the year	**32,498**	18,045
Group's share of profit for the year	**7,745**	4,150

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20. AVAILABLE-FOR-SALE INVESTMENTS ("AFS")

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Quoted unit trust in Malaysia at fair value	**231,613**	113,488	**198,679**	80,969
* Unquoted shares at cost:				
- in Malaysia	**254**	15,254	**-**	-
- outside Malaysia	**235,512**	220,708	**-**	-
AFS at cost	**235,766**	235,962	**-**	-
Total other AFS investments	**467,379**	349,450	**198,679**	80,969

Movement in AFS investments is as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
At 1 January	**349,450**	303,179	**80,969**	37,910
Additions	**116,842**	45,612	**116,784**	45,900
Fair value adjustment	**1,390**	(3,747)	**927**	(2,841)
Amortisation of premium on investments (Note 7)	**-**	(29)	**-**	-
Disposals	**(1)**	(10,899)	**(1)**	-
Impairment of investment in unquoted shares	**(15,000)**	-	**-**	-
Foreign currency translation	**14,698**	15,334	**-**	-
At 31 December	**467,379**	349,450	**198,679**	80,969

* 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.

Unquoted shares of RM162,153,000 (2013: RM98,485,000) of the Group are pledged as security in respect of certain agreements entered into by the Group.

21. FAIR VALUE MEASUREMENT

Fair value measurement hierarchy for assets:

	Total RM'000	Fair value measurement using: 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 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**
As at 31 December 2013				
Available-for-sale financial investment (Note 20)				
Quoted unit trust	113,488	113,488	-	-
Unquoted equity shares	235,962	-	220,708	15,254
	349,450	113,488	220,708	15,254

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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current				
Trade receivables				
Third parties	**444,484**	348,092	**-**	-
Due from GoM	**75,841**	40,587	**-**	-
Accrued revenue	**132,476**	102,553	**-**	-
	652,801	491,232	**-**	-
Less: Allowance for doubtful debts				
Third parties	**(46,418)**	(48,909)	**-**	-
Trade receivables, net	**606,383**	442,323	**-**	-
Other receivables				
Amounts due from subsidiaries	**-**	-	**1,091,075**	151,986
Staff loans (Note 23)	**5,492**	7,326	**-**	-
Deposits	**5,545**	41,145	**29**	47
Tax recoverable	**27,732**	11,520	**1,492**	8,595
Prepayments	**33,994**	26,696	**2,889**	13,889
Sundry receivables	**49,025**	53,496	**17,682**	9,678
	121,788	140,183	**1,113,167**	184,195
Less: Allowance for doubtful debts	**(11,537)**	(12,070)	**(6,684)**	(8,034)
Other receivables, net	**110,251**	128,113	**1,106,483**	176,161
	716,634	570,436	**1,106,483**	176,161
Non-current				
Other receivables				
Due from GoM	**375,901**	364,572	**49,204**	49,204
Amount due from a subsidiary	**-**	-	**5,067,382**	-
Sundry receivables	**76,352**	-	**-**	-
	452,253	364,572	**5,116,586**	49,204
Total trade and other receivables (current and non-current)	**1,168,887**	935,008	**6,223,069**	225,365
Add: Cash and bank balances (Note 26)	**2,041,129**	345,413	**788,099**	95,989
Less: Tax recoverable and prepayments	**(61,726)**	(38,216)	**(4,381)**	(22,484)
Total loans and receivables	**3,148,290**	1,242,205	**7,006,787**	298,870

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	
	2014 RM'000	2013 RM'000
Neither past due nor impaired	**236,431**	140,472
1 to 30 days past due not impaired	**93,504**	92,186
31 to 60 days past due not impaired	**20,384**	31,661
61 to 90 days past due not impaired	**26,259**	14,770
91 to 120 days past due not impaired	**18,495**	10,287
More than 121 days past due not impaired	**53,982**	27,463
	212,624	176,367
Impaired	**71,270**	71,840
	520,325	388,679

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 90% (2013: 96%) of the Group's trade receivables arise from customers with more than 5 years of experience with the Group and losses have occurred infrequently.

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	
	2014 RM'000	2013 RM'000
Group		
Trade receivables		
- nominal amounts	**71,270**	71,840
Less: Allowance for doubtful debts	**(46,418)**	(48,909)
	24,852	22,931

NOTES TO THE FINANCIAL STATEMENTS

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22. TRADE AND OTHER RECEIVABLES (CONT'D.)

Receivables that are impaired (cont'd.)

(a) Receivables amounting to RM21,888,000 (2013: RM19,329,000) 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 RM2,964,000 (2013: RM3,602,000) are expected to be settled by installment arrangement plan.

Movement in allowance for doubtful debts:

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Trade				
At 1 January	**48,909**	50,679	**-**	-
Net writeback of doubtful debts	**(2,491)**	(1,770)	**-**	-
At 31 December	**46,418**	48,909	**-**	-
Other receivables				
At 1 January	**12,070**	11,488	**8,034**	1,791
Net (writeback of)/allowance for doubtful debts	**(533)**	582	**(1,350)**	6,243
At 31 December	**11,537**	12,070	**6,684**	8,034

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.

(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 four (2013: four) customers representing approximately 64% (2013: 55%) of the total trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

22. TRADE AND OTHER RECEIVABLES (CONT'D.)

(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 4.44% per annum.

(c) Sundry receivables (Non-current)

Included in sundry receivables is Value Added Tax ("VAT") receivables of RM70,244,000 (2013: RM nil) classified as long-term receivables are those arising on 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. The receivables from customers are due within one month following 31 December 2014.

(d) Other receivables (Non-current)

Amount due from GoM is further discussed in Note 22(f).

(e) Prepayments

Prepayments amounting to RM19,766,000 (2013: RM11,658,000) are in respect of leasing equipment for klia2.

(f) Due from GoM

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current				
Trade receivables				
MARCS (Note 2.4(x)(iv))	**75,841**	12,787	**-**	-
Landing rebates	**-**	27,800	**-**	-
	75,841	40,587	**-**	-
Non-current				
Other receivables				
Debts assumed from former subsidiary	**121,200**	121,200	**49,204**	49,204
Receivable on call option (Note 2.5(a)(ii))	**254,701**	243,372	**-**	-
	375,901	364,572	**49,204**	49,204
Total amount due from GoM	**451,742**	405,159	**49,204**	49,204

Other information on financial risks of other receivables are disclosed in Note 41.

NOTES TO THE FINANCIAL STATEMENTS
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23. STAFF LOANS

	Group	
	2014 RM'000	2013 RM'000
Staff loans	**44,817**	44,409
Less: Current (Note 22)	**(5,492)**	(7,326)
Non-current portion	**39,325**	37,083
Analysed as:		
Current	**5,492**	7,326
Non-current:		
Later than 1 year but not later than 2 years	**3,212**	3,091
Later than 2 years but not later than 5 years	**8,026**	7,821
Later than 5 years	**28,087**	26,171
	39,325	37,083
	44,817	44,409

The staff loans attract interest rate at 4% (2013: 4%) per annum.

The Group has assessed the non-current portion and considered that the fair value amounts to approximate the carrying amounts.

24. DEFERRED TAX (ASSETS)/LIABILITIES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
At 1 January	**128,913**	97,233	**52,684**	35,158
Recognised in statement of profit or loss (Note 9)	**(20,021)**	31,680	**(37,055)**	17,526
Acquisition of subsidiaries	**541,123**	-	**-**	-
At 31 December	**650,015**	128,913	**15,629**	52,684
Presented in the statements of financial position as follows:				
Deferred tax assets	**(803,265)**	(6,236)	**-**	-
Deferred tax liabilities	**1,453,280**	135,149	**15,629**	52,684
	650,015	128,913	**15,629**	52,684

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

24. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D.)

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 2014	**200,674**	**-**	**200,674**
Recognised in the statement of profit or loss	**200,565**	**-**	**200,565**
Acquisition of subsidiaries	**1,305,476**	**8,232**	**1,313,708**
At 31 December 2014	**1,706,715**	**8,232**	**1,714,947**
Less: Offset against deferred tax assets	**(261,667)**	**-**	**(261,667)**
	1,445,048	**8,232**	**1,453,280**
At 1 January 2013	160,211	-	160,211
Recognised in the statement of profit or loss	40,463	-	40,463
At 31 December 2013	200,674	-	200,674
Less: Offset against deferred tax assets	(65,525)	-	(65,525)
	135,149	-	135,149

Deferred tax assets of the Group:

	Unutilised tax losses and unabsorbed capital allowances RM'000	Receivables RM'000	Retirement benefits RM'000	Payables RM'000	Total RM'000
At 1 January 2014	**(6,877)**	**(31,857)**	**(22)**	**(33,005)**	**(71,761)**
Recognised in the statement of profit or loss	**(232,434)**	**2,378**	**22**	**9,448**	**(220,586)**
Acquisition of subsidiaries	**(186,063)**	**4,689**	**(17)**	**(591,194)**	**(772,585)**
At 31 December 2014	**(425,374)**	**(24,790)**	**(17)**	**(614,751)**	**(1,064,932)**
Less: Offset against deferred tax liabilities					**261,667**
					(803,265)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

24. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D.)

Deferred tax assets of the Group: (cont'd.)

	Unutilised tax losses and unabsorbed capital allowances RM'000	Receivables RM'000	Retirement benefits RM'000	Payables RM'000	Total RM'000
At 1 January 2013	(3,866)	(32,786)	2,555	(28,881)	(62,978)
Recognised in the statement of profit or loss	(3,011)	929	(2,577)	(4,124)	(8,783)
At 31 December 2013	(6,877)	(31,857)	(22)	(33,005)	(71,761)
Less: Offset against deferred tax liabilities					65,525
					(6,236)

Deferred tax liabilities of the Company:

	Property, plant and equipment and intangibles RM'000
At 1 January 2014	**66,884**
Recognised in the statement of profit or loss	**(44,421)**
At 31 December 2014	**22,463**
At 1 January 2013	44,306
Recognised in the statement of profit or loss	22,578
At 31 December 2013	66,884

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24. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D.)

Deferred tax assets of the Company:

	Payables RM'000
At 1 January 2014	**(14,200)**
Recognised in the statement of profit or loss	**7,366**
At 31 December 2014	**(6,834)**
At 1 January 2013	(9,148)
Recognised in the statement of profit or loss	(5,052)
At 31 December 2013	(14,200)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unutilised tax losses	**557**	557	**-**	-
Unabsorbed capital allowances	**10**	50	**-**	-
Other deductible temporary differences	**(9)**	1,895	**-**	-
	558	2,502	**-**	-

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.

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.

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25. INVENTORIES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cost				
Spares and consumables	**23,198**	20,650	**13**	13
Merchandise goods	**129,163**	100,849	**-**	-
Food and beverages	**2,124**	818	**-**	-
	154,485	122,317	**13**	13

The cost of inventories relating to merchandise goods, food and beverages recognised as an expense during the financial year amounted to RM330,710,000 (2013: RM325,287,000).

26. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash on hand and at banks	**1,034,902**	102,314	**5,390**	12,147
Deposits with licensed banks	**954,658**	196,584	**773,809**	66,052
Money on call with licensed banks	**51,569**	46,515	**8,900**	17,790
Cash and bank balances	**2,041,129**	345,413	**788,099**	95,989

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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash and bank balances:				
- Continuing operations	**2,041,129**	345,413	**788,099**	95,989
- Discontinued operation (Note 10)	**104**	104	**-**	-
Cash and cash equivalents	**2,041,233**	345,517	**788,099**	95,989

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31 December 2014

27. SHARE CAPITAL

	Number of shares of RM1 each		Amount	
	2014	2013	2014 RM	2013 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 2013		
Special Rights Redeemable Preference Share of RM1 each	1	1
Ordinary shares of RM1 each	1,210,000,000	1,210,000,000
DRP issued on:		
21 January 2013	7,088,046	7,088,046
14 May 2013	15,355,833	15,355,833
At 31 December 2013	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**

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 4 February 2014, the Company increased its paid-up share capital to 1,240,546,352 via the issuance of 8,102,473 new ordinary shares of RM1 each pursuant to DRP relating to electable portion of the single-tier interim dividend of 6.00% for the financial year ended 31 December 2013.

On 12 March 2014, the Company increased its paid-up share capital to 1,364,596,352 via issuance of 124,050,000 new ordinary shares of RM1 each through private placements to investors identified via a book-building exercise, which had attracted demand from both domestic and foreign institutional investors. The Issue Price was fixed at RM7.90 per ordinary share, representing a discount of approximately 4.36% to the 5-day VWAMP of MAHB up to and including 3 March 2014 of RM8.26 and a discount of approximately 5.73% to the closing market price on 3 March 2014 of RM8.38.

On 2 May 2014, the Company further increased its paid-up share capital to 1,374,149,854 via issuance of 9,553,502 new ordinary shares of RM1 each pursuant to DRP relating to electable portion of the single-tier final dividend of 5.78% for the financial year ended 31 December 2013.

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 re-investing 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").

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31 December 2014

27. SHARE CAPITAL (CONT'D.)

Dividend Reinvestment Plan ("DRP") (cont'd.)

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.

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.

Proposed Rights Issue

On 10 November 2014, MAHB had announced that it is to undertake the Proposed Rights Issue via the issuance of Rights Issue of 274,829,971 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 to be determined later. The number of Rights Shares to be issued was arrived at based on the issued and paid-up ordinary shares capital of 1,374,149,854.

On 28 November 2014, the Company had announced that Bursa Malaysia Securities Berhad ("Bursa Securities") had, vide its letter dated 28 November 2014, approved the application for the listing of and quotation for 274,829,971 Rights Shares to be issued pursuant to the Proposed Rights Issue.

On 5 December 2014, the Company had announced that Bursa Securities had, vide its letter dated 5 December 2014, approved the amended application for the listing of and quotation for up to 275,777,660 Rights Shares to be issued pursuant to the Proposed Rights Issue on the Main Market of Bursa Securities. Save for the change in the number of Rights Shares to be issued, all terms and conditions of Bursa Securities' approval letter as announced on 28 November 2014 remain unchanged.

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27. SHARE CAPITAL (CONT'D.)

Proposed Rights Issue (cont'd.)

The Proposed Rights Issue was approved by shareholders at its Extraordinary General Meeting held on 23 December 2014.

On 27 January 2015, MAHB announced the number of 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 shares held on the entitlement date. The Issue Price of the Rights Shares has been fixed at RM4.78 per Rights Share, representing a discount of approximately 28.8% to the theoretical ex-rights price of MAHB shares of RM6.71. Based on the Issue Price, the Rights Issue is expected to raise gross proceeds of approximately RM1,316,000,000.

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 2014 and 2013 under the single-tier system.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

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.

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	
	2014 RM'000	2013 RM'000
Reserve arising from acquisition of non-controlling interest		
As at 1 January/31 December	**2,546**	2,546
Legal reserve		
At the date of incorporation	**-**	-
Created during the year	**89**	-
As at 31 December	**89**	-
	2,635	2,546

(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

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.

NOTES TO THE FINANCIAL STATEMENTS
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31. OTHER FINANCIAL LIABILITY

	Group	
	2014 RM'000	2013 RM'000
At 1 January	**189,256**	176,562
Foreign currency translation	**12,694**	12,694
At 31 December	**201,950**	189,256

Other financial liability is in respect of unsecured debentures issued by a foreign subsidiary comprising 57,700,000 (2013: 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.

32. LOANS AND BORROWINGS

		Group		Company	
	Maturity	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current					
Unsecured:					
Murabahah Tawarruq	2015	**250,000**	200,000	**250,000**	200,000
Revolving Credit Facility					
Term Loan	2015	**25,807**	-	**-**	-
Secured:					
Subordinated Loan	2015	**368,225**	-	**-**	-
Senior Term Facility	2015	**61,710**	-	**-**	-
		705,742	200,000	**250,000**	200,000
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	**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	2021	**2,019,277**	-	**-**	-
		5,619,277	3,600,000	**3,600,000**	3,600,000

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

32. LOANS AND BORROWINGS (CONT'D.)

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Total loans and borrowings				
Unsecured:				
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	**250,000**	200,000	**250,000**	200,000
Euribor + 5.5% p.a. Term Loan	**25,807**	-	**-**	-
	3,875,807	3,800,000	**3,850,000**	3,800,000
Secured:				
7.95% p.a. fixed rate Subordinated Loan	**368,225**	-	**-**	-
Euribor + 2.75% p.a. Senior Term Facility	**2,080,987**	-	**-**	-
	2,449,212	-	**-**	-
	6,325,019	3,800,000	**3,850,000**	3,800,000

The remaining maturities of the loans and borrowings as at 31 December 2014 are as follows:

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
On demand or within one year	**705,742**	200,000	**250,000**	200,000
More than 1 year and less than 2 years	**388,296**	-	**250,000**	-
More than 2 years and less than 5 years	**692,438**	500,000	**250,000**	500,000
5 years or more	**4,538,543**	3,100,000	**3,100,000**	3,100,000
	6,325,019	3,800,000	**3,850,000**	3,800,000

(a) 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).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

32. LOANS AND BORROWINGS (CONT'D.)

(a) ICP Programme and IMTN Programme (collectively referred to as the "Sukuk Programmes") (cont'd.)

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.

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

(b) 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

32. LOANS AND BORROWINGS (CONT'D.)

(b) 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 a short-term rating of P1 and 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 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 (ab) 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).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

32. LOANS AND BORROWINGS (CONT'D.)

(b) Senior Sukuk Programme and Perpetual Subordinated Sukuk Programme (collectively referred to as the "Sukuk Musharakah Programmes") (cont'd.)

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.

(c) 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, the 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 (EUR 29,073,000 (equivalent to RM123,560,000)), payment of bank fees (EUR 10,000,000 (equivalent to RM42,500,000)), debt service reserve account ("DSRA") funding for the new Senior Term Loan (EUR 1,272,000 (equivalent to RM5,406,000)) and injection of working capital in ISG (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 (2014: EUR 1,272,000 (equivalent to RM5,406,000)).

The financial covenants of the current Senior Term Loan beginning from 30 June 2015 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 FINANCIAL STATEMENTS
31 December 2014

32. LOANS AND BORROWINGS (CONT'D.)

(c) Senior Term Facility (cont'd.)

These Senior Term Facility with total face value of EUR 500,000,000 (equivalent to RM2,125,000,000) 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.	489,644*	2,080,987	24.12.2014	31,446	30.06.2015
				30,264	31.12.2015
				69,866	30.06.2016
				68,430	31.12.2016
				85,828	30.06.2017
				83,989	31.12.2017
				138,083	30.06.2018
				134,538	31.12.2018
				221,795	30.06.2019
				215,513	31.12.2019
				244,294	30.06.2020
				237,044	31.12.2020
				246,853	30.06.2021
				273,044	23.12.2021
				2,080,987	

* The proceeds received is after netting off the transaction cost of EUR 10,356,000 (equivalent to RM44,013,000).

Other information on financial risks of borrowings are disclosed in Note 41.

(d) Subordinated Loan

ISG had drawdown Subordinated Loan of EUR 40,000,000 each in year 2010 and 2013 for working capital purposes. The loan was subsequently settled on 21 January 2015 as disclosed in Note 40(ii).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

33. PERPETUAL SUKUK

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Nominal value	1,000,000	-	1,000,000	-
Transaction costs	(2,158)	-	(2,158)	-
	997,842	-	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.

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 2014, a periodic distribution for Perpetual Sukuk payable was 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;

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

33. PERPETUAL SUKUK (CONT'D.)

(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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

34. TRADE AND OTHER PAYABLES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current				
Trade payables				
Third parties	**346,564**	231,676	**-**	-
Utilisation fee liability (Note 34(h))	**386,784**	-	**-**	-
	733,348	231,676	**-**	-
Other payables				
Amounts due to subsidiaries	**-**	-	**31,523**	187,904
Accruals	**537,655**	144,743	**370,562**	42,333
Provisions for liabilities	**23,654**	22,738	**4,607**	4,581
Sundry payables	**1,463,969**	256,802	**51,112**	65,283
Deferred income	**73,113**	80,130	**-**	-
Dividend payable	**30,055**	73,998	**30,055**	73,998
Deposits	**84,733**	81,703	**14,524**	22,190
Concession liabilities (Note 34(g))	**26,944**	25,505	**-**	-
	2,240,123	685,619	**502,383**	396,289
	2,973,471	917,295	**502,383**	396,289
Non-current				
Trade payables				
Third parties	**82,148**	-	**-**	-
Utilisation fee liability (Note 34(h))	**3,397,850**	-	**-**	-
	3,479,998	-	**-**	-
Other payables				
Third party (Note 34(e))	**98,300**	98,300	**98,300**	98,300
Sundry payables	**1,519**	-	**-**	-
Deferred income	**64,343**	47,078	**-**	-
Provision for additional investment relating to an associate (Note 18)	**-**	99,220	**-**	-
Retirement benefit obligations	**1,385**	-	**-**	-
Concession liabilities (Note 34(g))	**476,195**	505,501	**-**	-
	641,742	750,099	**98,300**	98,300
	4,121,740	750,099	**98,300**	98,300
Total trade and other payables (current and non-current)	**7,095,211**	1,667,394	**600,683**	494,589
Add: Loans and borrowings (Note 32)	**6,325,019**	3,800,000	**3,850,000**	3,800,000
Less: - Provisions for liabilities	**(23,654)**	(22,738)	**(4,607)**	(4,581)
- Deferred income	**(137,456)**	(127,208)	**-**	-
- Provision for additional investment relating to an associate	**-**	(99,220)	**-**	-
Total financial liabilities carried at amortised cost	**13,259,120**	5,218,228	**4,446,076**	4,290,008

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

34. TRADE AND OTHER PAYABLES (CONT'D.)

Movement of provisions for liabilities during the year is as follows:

Group	Short-term accumulating compensated absences RM'000	Assessment fees RM'000	Total RM'000
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**
At 31 December 2013			
At 1 January 2013	13,644	7,944	21,588
Additional provision during the year	2,723	1,738	4,461
Writeback of provision	(42)	-	(42)
Utilised during the year	-	(3,269)	(3,269)
At 31 December 2013	16,325	6,413	22,738

Company	Short-term accumulating compensated absences RM'000
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**
At 31 December 2013	
At 1 January 2013	3,742
Provision during the year	839
Utilised during the year	-
At 31 December 2013	4,581

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

34. 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 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 (2013: 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 is 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 as disclosed in Note 40.

Also included in sundry payables are 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 subsequently settled on 13 January 2015.

34. TRADE AND OTHER PAYABLES (CONT'D.)

(d) Deferred income

Deferred income is analysed as follows:

	Group	
	2014 RM'000	2013 RM'000
Analysed as:		
Current	**73,113**	80,130
Non-current:		
Later than 1 year but not later than 2 years	**5,035**	2,361
Later than 2 years but not later than 5 years	**13,533**	7,083
Later than 5 years	**45,775**	37,634
	64,343	47,078
	137,456	127,208

Deferred income is in respect of customer loyalty programme on airline incentives and deferred lease rental from commercial activities. Included in the deferred income is advertising contribution invoices of LGM amounting EUR 2,195,000 (equivalent to RM9,328,000).

(e) Other payables

Non-current other payable amounting to RM98,300,000 is in respect of liabilities for the development and construction of the infrastructure in integrated complex where settlement is scheduled on the fifth year from the date of completion. The amount is unsecured and attract interest of 5% per annum.

(f) Accrual

Included in accrual is RM338,079,000 amount accrued in relation to klia2 construction cost.

NOTES TO THE FINANCIAL STATEMENTS
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34. TRADE AND OTHER PAYABLES (CONT'D.)

(g) Concession liabilities

Concession liabilities are in respect of the followings:

(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.

Concession liabilities are analysed as follows:

	Group			
	Lease rental payable to GoM		Airport Facility Arrangements ("AFA")	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Analysed as:				
Current	-	-	26,944	25,505
Non-current:				
Later than 1 year but not later than 2 years	2,468	2,361	28,464	26,944
Later than 2 years but not later than 5 years	8,100	7,748	77,017	90,300
Later than 5 years	61,549	64,370	298,597	313,778
Total minimum lease payment	72,117	74,479	404,078	431,022
	72,117	74,479	431,022	456,527

	Group	
	2014 RM'000	2013 RM'000
Current	26,944	25,505
Non-current	476,195	505,501
Total concession liabilities	503,139	531,006

The AFA obligation is arrived at after discounting the future estimated finance charge of RM220,409,000 (2013: RM244,882,000).

Other information on financial risks of other payables are disclosed in Note 41.

34. 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	
	2014 RM'000	**2013 RM'000**
Analysed as:		
Current	**386,784**	-
Non-current:		
Later than 1 year but not later than 2 years	**350,980**	-
Later than 2 years but not later than 5 years	**920,840**	-
Later than 5 years	**2,126,030**	-
	3,397,850	-
	3,784,634	-

35. 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 one to three months notice for the termination of those agreements.

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35. LEASE ARRANGEMENTS (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	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Future minimum rental payments:				
Not later than 1 year	**44,193**	34,870	**8,550**	29,901
Later than 1 year and not later than 5 years	**127,093**	116,783	**16,878**	108,517
Later than 5 years	**67,773**	83,889	**-**	83,889
	239,059	235,542	**25,428**	222,307

36. COMMITMENTS

	Due year 2015 RM'000	**Due year 2016 to 2019 RM'000**	**Due year 2020 to 2066 RM'000**	**Total RM'000**
31 December 2014				
Group				
(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**

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36. COMMITMENTS (CONT'D.)

	Due year 2014 RM'000	Due year 2015 to 2018 RM'000	Due year 2019 to 2066 RM'000	Total RM'000
31 December 2013				
Group				
(i) Approved and contracted for:				
Lease rental payable to GoM other than within the operating agreements [(a)]	-	-	66,063	66,063
Capital expenditure	448,955	149,998	-	598,953
	448,955	149,998	66,063	665,016
(ii) Approved but not contracted for:				
Capital expenditure	679,238	-	-	679,238
(iii) Other Investments				
Investment in ISG [(b)]	36,080	75,317	-	111,397
Investment in ISG acquisition of additional 40% stake [(b)]	978,670	-	-	978,670
Investment in MFMA [(c)]	13,650	-	-	13,650
	1,028,400	75,317	-	1,103,717
	2,156,593	225,315	66,063	2,447,971

	Due year 2015 RM'000	Due year 2016 to 2019 RM'000	Due year 2020 to 2066 RM'000	Total RM'000
31 December 2014				
Company				
(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**

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36. COMMITMENTS (CONT'D.)

	Due year 2014 RM'000	Due year 2015 to 2018 RM'000	Due year 2019 to 2066 RM'000	Total RM'000
31 December 2013				
Company				
(i) Approved and contracted for:				
Capital expenditure	448,955	149,998	-	598,953
(ii) Approved but not contracted for:				
Capital expenditure	313,064	-	-	313,064
(iii) Other Investments				
Investment in ISG (b)	36,080	75,317	-	111,397
Investment in ISG acquisition of additional 40% stake (b)	978,670	-	-	978,670
	1,014,750	75,317	-	1,090,067
	1,776,769	225,315	-	2,002,084

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Analysed as:				
Not later than 1 year	**523,825**	2,156,593	**144,054**	1,776,769
Later than 1 year and not later than 5 years	**179,603**	225,315	**-**	225,315
Later than 5 years	**66,063**	66,063	**-**	-
	769,491	2,447,971	**144,054**	2,002,084

(a) Lease payable to the Federal Lands Commissioner under the Lease Agreement not within the Operating Agreements.

36. COMMITMENTS (CONT'D.)

(b) Prior to the refinancing of ISG as stated in Note 32(c), 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 RM133,870,000 (2013: RM111,390,000). 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 2014, 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 RM210,000,000) 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 RM147,000,000) and USD 18,000,000 (equivalent to RM63,000,000), 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 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 RM145,427,800) out of total loan facility of USD 60,000,000 (equivalent to RM210,000,000). The commitments by MAHB is in respect of the Facility B which amounted to USD 13,080,000 (equivalent to RM45,734,000).

NOTES TO THE FINANCIAL STATEMENTS

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37. FINANCIAL GUARANTEES AND CONTINGENCIES

(a) Financial guarantees

(i) As at 31 December 2014, the financial liabilities of ISG and LGM were consolidated in the Group's statement of financial position.

As at 31 December 2014, six letters of guarantee amounting to EUR 97,556,000 (equivalent to RM414,613,000), representing 6% of total amount payable were provided by ISG to the Administration for the right to operate the ISGIA as set out in the Concession Agreement.

(ii) On 11 September 2013, a wholly owned subsidiary of the Group, MACS has provided a Corporate Guarantee to the Government of the State of Qatar to guarantee the performance of obligations and liabilities of MACS ME under Contract for Facility Management Services for Airport Operational Facilities and Ancillary Buildings.

The Company has assessed the financial guarantee contracts and concluded that the guarantees are more likely not to be called upon by the banks and accordingly not recognised as financial liability as at 31 December 2014.

(b) Contingent liability

ISG is involved in, and may from time to time be involved in a number of legal proceedings. There are 253 employee lawsuits filed against ISG either directly or indirectly via sub-contractors. The total amount of claims against the Group is EUR 1,154,000 (equivalent to RM4,905,000). The Group recognised a provision for these claims at 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.

38. 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	
	2014 RM'000	2013 RM'000
Related Party Balances:		
Amounts owing by associated companies	515	5,280
Amounts owing to jointly controlled entities	6,530	13,818
Amount owing to other related party	500	1,816
Related Party Transactions:		
Revenue:		
Associates:		
Rental		
- KL Aviation Fuelling System Sdn. Bhd.	5,954	5,868
Management fee		
- ISG *	-	2,262
- LGM *	-	1,941
Jointly Controlled Entities:		
Management fee		
- LGM *	6,394	-
Lease rental		
- Segi Astana Sdn. Bhd.	1,273	1,273
- Airport Cooling Energy Supply Sdn. Bhd.	888	874
Concession Fee		
- MFMA Development Sdn. Bhd.	639	-
Interest on outstanding payment		
- ISG *	533	-
- MFMA Development Sdn. Bhd.	618	-

NOTES TO THE FINANCIAL STATEMENTS
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38. RELATED PARTY DISCLOSURES (CONT'D.)

	Group	
	2014 **RM'000**	**2013** **RM'000**
Related Party Transactions (cont'd.):		
Expenses:		
Jointly Controlled Entities:		
Airport Cooling Energy Supply Sdn. Bhd.		
- Utilities	**21,417**	-
- Less: Rebate	**(5,786)**	-
- Interest on concession payable	**14,241**	-
Segi Astana Sdn. Bhd.		
- Rental of shops and warehouse	**1,725**	-
- Water and electricity	**204**	-
- Car park	**51**	-
Other Transactions:		
Subsidiaries:		
Utilities charges		
- Malaysia Airports (Sepang) Sdn. Bhd.	**1,313**	1,205
Landscape services		
- MAB Agriculture-Horticulture Sdn. Bhd.	**379**	348
Training and consultancy services		
- Malaysia Airports Consultancy Services Sdn. Bhd.	**38**	55
Catering services		
- Malaysia Airports (Niaga) Sdn. Bhd.	**624**	615
Event Management		
- K.L Airport Hotel Sdn. Bhd.	**1,918**	593
Repair and maintenance of building		
- Urusan Teknologi Wawasan Sdn. Bhd.	**1,549**	734
Jointly Controlled Entities:		
Airport Cooling Energy Supply Sdn. Bhd.		
- Construction cost	**21,395**	58,837
- Payment on concession payable	**7,133**	-

38. RELATED PARTY DISCLOSURES (CONT'D.)

	Group 2014 RM'000	Group 2013 RM'000
Related Party Transactions (cont'd.):		
Other Transactions (cont'd.):		
Other related party		
Construction cost		
- UEMC-Bina Puri J.V	**20,599**	268,399

* 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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Short-term employee benefits	**14,296**	13,580	**11,535**	10,626
Post-employment benefit:				
Defined contribution plans	**2,301**	2,153	**1,865**	1,697
	16,597	15,733	**13,400**	12,323

Remuneration of directors is as disclosed in Note 8.

39. SIGNIFICANT EVENTS

(a) klia2 was completed and commenced its operations on 2 May 2014.

(b) The Group acquired the remaining 80% stake in each ISG and LGM from GMR and Limak on 30 April 2014 and 31 December 2014 respectively. Effective 31 December 2014, ISG and LGM became wholly owned subsidiaries of the Group.

(c) On 31 December 2014, the Company obtained a bridging loan facility denominated in EUR to temporarily finance the acquisition of ISG and LGM. The loan was drawdown on 2 January 2015 and will be settled upon the completion of Rights Issue.

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40. SUBSEQUENT EVENTS

(i) On 2 January 2015, the Group settled the purchase price of RM1,182,856,000 of ISG and LGM to Limak.

(ii) On 21 January 2015, the Subordinated Loan of the Group has been paid to cover principal of EUR 80,000,000 (equivalent to RM334,400,000) plus interest of EUR 7,030,000 (equivalent to RM29,385,000).

(iii) On 23 January 2015, the Company further increased its paid-up share capital to RM1,376,541,339 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 reinvestment) 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.

(iv) On 27 January 2015, MAHB announced the number of Rights Issues 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 and the issue price of the Rights Shares has been fixed at RM4.78 per Rights Share, representing a discount of approximately 28.8% to the theoretical ex-rights price of MAHB shares of RM6.71. Based on the issue price, the Rights Issue is expected to raise gross proceeds of approximately RM1,316,000,000.

(v) On 30 January 2015, the Term Loan of the Group has been repaid to cover principal of EUR 6,071,429 (equivalent to RM24,954,000) plus interest of EUR 28,698 (equivalent to RM118,000).

(vi) On 26 February 2015, MAHB issued the Abridged Prospectus on the offering of the Rights Issue.

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 Chief Financial Officer and Head of Treasury. 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 Group and the Company do not apply hedge accounting.

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.

41. FINANCIAL INSTRUMENTS (CONT'D.)

(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:

	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 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

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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 2013							
Group							
Fixed rate term loan	32	4.43	200,000	-	500,000	3,100,000	3,800,000
Floating rate							
Cash and cash equivalents	26	3.11	243,099	-	-	-	243,099
Company							
Fixed rate term loan	32	4.43	200,000	-	500,000	3,100,000	3,800,000
Floating rate							
Cash and cash equivalents	26	3.07	83,842	-	-	-	83,842

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 20 days (2013: 38 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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41. 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 and Hong Kong 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:

	Net Financial (Liabilities)/Assets Held in Non-Functional Currencies							
Functional Currency of Group Companies	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	Total RM'000
Group								
At 31 December 2014								
Ringgit Malaysia	**(2,536)**	**(183)**	**4,336**	**(665)**	**(2,048)**	**53**	**(137)**	**(1,180)**
At 31 December 2013								
Ringgit Malaysia	(1,283)	(73)	5,089	(406)	-	-	(128)	3,199
Company								
At 31 December 2014								
Ringgit Malaysia	**(459)**	**6,010**	**14,148**	**280**	**-**	**-**	**(137)**	**19,842**
At 31 December 2013								
Ringgit Malaysia	(1,109)	(73)	3,147	274	-	-	(128)	2,111

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, CHF, RMB and HKD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Group 2014 RM'000 Profit net of tax	Company 2014 RM'000 Profit net of tax
USD/RM	- strengthened 5%	127	23
	- weakened 5%	(127)	(23)
GBP/RM	- strengthened 5%	9	(301)
	- weakened 5%	(9)	301
EUR/RM	- strengthened 5%	(217)	(707)
	- weakened 5%	217	707
SGD/RM	- strengthened 5%	33	(14)
	- weakened 5%	(33)	14
CHF/RM	- strengthened 5%	102	-
	- weakened 5%	(102)	-
RMB/RM	- strengthened 5%	(3)	-
	- weakened 5%	3	-
HKD/RM	- strengthened 5%	7	7
	- weakened 5%	(7)	(7)

(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. This includes the Proposed Rights Issue in addressing the net current liabilities position of the Group as at 31 December 2014 as disclosed in Note 2.1.

At the reporting date, the entire trade and other payables will mature on demand or within a year.

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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 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**
31 December 2013				
Financial liabilities:				
Trade and other payables	811,660	197,520	-	1,009,180
Loans and borrowings	360,600	1,257,449	3,462,699	5,080,748
Total undiscounted financial liabilities	1,172,260	1,454,969	3,462,699	6,089,928
Company				
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**
31 December 2013				
Financial liabilities:				
Trade and other payables	396,289	98,300	-	494,589
Loans and borrowings	360,600	1,257,449	3,462,699	5,080,748
Total undiscounted financial liabilities	756,889	1,355,749	3,462,699	5,575,337

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 64% (2013: 55%) of the Group's trade receivables were due from four (2013: 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.

NOTES TO THE FINANCIAL STATEMENTS

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41. FINANCIAL INSTRUMENTS (CONT'D.)

(e) Credit risk (cont'd.)

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.

(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	34

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

42. CAPITAL MANAGEMENT (CONT'D.)

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 2014 and 31 December 2013.

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.

		Group	
	Note	2014 RM'000	2013 RM'000
Loans and borrowings	32	**6,325,019**	3,800,000
Financial guarantee and contingent liabilities	37	**-**	107,790
Other financial liability	31	**201,950**	189,256
Aggregate indebtedness		**6,526,969**	4,097,046
Equity attributable to the owners of the parent		**7,422,120**	4,678,303
Total equity		**7,422,120**	4,678,303
Gearing ratio		**88%**	88%

43. 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
31 December 2014

43. 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.

As ISG and LGM became wholly owned subsidiaries as at 31 December 2014, the revenue component and results of ISG and LGM were not included in the current year business segment.

(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 New Doha 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.

NOTES TO THE FINANCIAL STATEMENTS

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43. 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												
	Malaysia Operations						Overseas Operations						
	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 RM'000	Project and repair maintenance RM'000	Others RM'000	Airport services RM'000	Project and repair maintenance RM'000	Consolidation adjustment RM'000	Notes	Total RM'000	Discontinued operation RM'000	Total operation RM'000
31 December 2014													
Revenue													
External sales													
Airport operations:													
Aeronautical	-	1,341,075	-	-	-	-	-	-	-		1,341,075	-	1,341,075
Non-aeronautical:													
Retail	614,688	-	-	-	-	-	-	-	-		614,688	-	614,688
Others	1,185	552,812	-	-	-	-	-	-	-		553,997	-	553,997
Construction	-	662,405	-	-	-	-	-	-	-		662,405	-	662,405
Non-airport operations	-	-	31,304	74,136	19,078	4,260	-	42,778	-		171,556	-	171,556
Inter-segment sales	911	222,694	4,249	2,148	48,308	-	-	-	(278,310)	A	-	-	-
Inter-segment dividends	-	-	-	-	-	66,583	-	-	(66,583)	A	-	-	-
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	-	28,525
Segment results	(33,396)	773,798	6,246	9,385	14,838	212,603	-	13,122	(209,766)	B	786,830	(26)	786,804
Depreciation and amortisation	(8,806)	(359,701)	(4,084)	(18,713)	(211)	(13,771)	-	(113)	-		(405,399)	-	(405,399)
Finance costs	(109)	(152,769)	(26)	(24)	(59)	(122,934)	-	-	124,584		(151,337)	-	(151,337)
Impairment of Investments	-	-	-	-	-	(24,011)	-	-	-		(24,011)	-	(24,011)
Gain arising from re-measurement of fair value of investment	-	-	-	-	-	-	-	-	502,510		502,510	-	502,510
Gain on bargain purchase	-	-	-	-	-	-	-	-	379,106		379,106	-	379,106
Impairment of goodwill	-	-	-	-	-	-	-	-	(229,429)		(229,429)	-	(229,429)
Share of results of associates	-	113	-	-	-	-	-	-	-		113	-	113
Share of results of jointly controlled entities	-	-	-	-	-	(52,736)	-	-	-		(52,736)	-	(52,736)
(Loss)/profit before tax	(42,311)	289,966	2,136	(9,352)	14,568	(849)	-	13,009	567,005		834,172	(26)	834,146
Income tax expense	11,083	(78,071)	(626)	4,145	(3,464)	34,379	-	(1,171)	(52,206)	C	(85,931)	(31)	(85,962)
(Loss)/profit for the year	(31,228)	211,895	1,510	(5,207)	11,104	33,530	-	11,838	514,799		748,241	(57)	748,184

43. 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												
	Malaysia Operations						Overseas Operations						
	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 RM'000	Project and repair maintenance RM'000	Others RM'000	Airport services RM'000	Project and repair maintenance RM'000	Consolidation adjustment RM'000	Notes	Total RM'000	Discontinued operation RM'000	Total operation RM'000
31 December 2014 (cont'd.)													
Assets													
Segment assets	233,997	11,537,014	77,486	160,064	113,317	12,251,434	1,927,791	40,494	(13,483,057)	D	12,858,540	104	12,858,644
Additions to non-current assets	39,819	138,292	5,962	10,650	747	739,618	4,876,968	2,133	3,755,857	E	9,570,046	-	9,570,046
Investment in associates	-	39,034	-	-	-	-	-	-	-		39,034	-	39,034
Investment in jointly controlled entities	-	-	-	-	-	62,415	-	-	-		62,415	-	62,415
Total assets	273,816	11,714,340	83,448	170,714	114,064	13,053,467	6,804,759	42,627	(9,727,200)		22,530,035	104	22,530,139
Liabilities													
Segment liabilities representing total liabilities	196,413	7,843,789	15,618	86,775	31,254	8,223,007	7,667,063	25,939	(8,981,900)	F	15,107,958	26	15,107,984

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31 December 2014

43. 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												
	Malaysia Operations						Overseas Operations						
	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 RM'000	Project and repair maintenance RM'000	Others RM'000	Airport services RM'000	Project and repair maintenance RM'000	Consolidation adjustment RM'000	Notes	Total RM'000	Discontinued operation RM'000	Total operation RM'000
31 December 2013													
Revenue													
External sales													
Airport operations:													
Aeronautical	-	1,211,040	-	-	-	-	-	-	-		1,211,040	-	1,211,040
Non-aeronautical:													
Retail	609,960	-	-	-	-	-	-	-	-		609,960	-	609,960
Others	1,354	502,752	-	-	-	-	-	-	-		504,106	-	504,106
Construction	-	1,635,864	-	-	-	-	-	-	-		1,635,864	-	1,635,864
Non-airport operations	-	-	30,924	66,198	30,016	-	-	10,651	-		137,789	-	137,789
Inter-segment sales	2,041	163,597	3,154	1,358	31,118	-	-	-	(201,268)	A	-	-	-
Inter-segment dividends	-	-	-	-	-	116,720	-	-	(116,720)	A	-	-	-
Total revenue	613,355	3,513,253	34,078	67,556	61,134	116,720	-	10,651	(317,988)		4,098,759	-	4,098,759
Results													
Construction Profit	-	71,981	-	-	-	-	-	-	-		71,981	-	71,981
Segment results	44,537	804,622	2,626	6,775	4,614	103,237	-	5,054	(143,921)	B	827,544	(140)	827,404
Depreciation and amortisation	(6,585)	(229,955)	(3,599)	(20,713)	(149)	(16,705)	-	(156)	-		(277,862)	-	(277,862)
Finance costs	-	(28,349)	(1)	-	-	(25)	-	-	-		(28,375)	-	(28,375)
Impairment of Investment of associate company	-	-	-	-	-	(3,743)	-	-	-		(3,743)	-	(3,743)
Share of results of associates	-	4,130	-	-	-	(43,515)	-	-	-		(39,385)	-	(39,385)
Share of results of jointly controlled entities	-	-	-	-	-	3,008	-	-	-		3,008	-	3,008
Profit/(loss) before tax	37,952	622,429	(974)	(13,938)	4,465	42,257	-	4,898	(143,921)		553,168	(140)	553,028
Income tax expense	(9,504)	(149,860)	(1,300)	(1,793)	1,136	(13,921)	-	(239)	-	C	(175,481)	-	(175,481)
Profit/(loss) for the year	28,448	472,569	(2,274)	(15,731)	5,601	28,336	-	4,659	(143,921)		377,687	(140)	377,547

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

43. 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												
	Malaysia Operations						Overseas Operations						
	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 RM'000	Project and repair maintenance RM'000	Others RM'000	Airport services RM'000	Project and repair maintenance RM'000	Consolidation adjustment RM'000	Notes	Total RM'000	Discontinued operation RM'000	Total operation RM'000
31 December 2013 (cont'd.)													
Assets													
Segment assets	252,293	5,499,778	89,013	115,631	92,337	6,607,753	-	14,003	(4,551,668)	D	8,119,140	104	8,119,244
Additions to non-current assets	8,991	568,156	5,681	46,358	593	1,749,529	-	-	-	E	2,379,308	-	2,379,308
Investment in associates	-	23,321	-	-	-	1,458	-	-	-		24,779	-	24,779
Total assets	261,284	6,091,255	94,694	161,989	92,930	8,358,740	-	14,003	(4,551,668)		10,523,227	104	10,523,331
Liabilities													
Segment liabilities representing total liabilities	152,981	2,339,008	23,986	76,200	32,990	5,655,804	-	(8,947)	(2,427,101)	F	5,844,921	43	5,844,964

NOTES TO THE FINANCIAL STATEMENTS
31 December 2014

43. 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:

	2014 RM'000	2013 RM'000
Investment in subsidiaries	**(1,886,883)**	(1,883,880)
Inter-segment assets	**(11,596,174)**	(2,667,788)
	(13,483,057)	(4,551,668)

(E) Additions to non-current assets consist of:

	2014 RM'000	2013 RM'000
Property, plant and equipment	**75,968**	77,628
Plantation development expenditure	**5,960**	5,231
Intangible assets	**855,293**	2,296,449
Acquisition of subsidiaries	**8,632,825**	-
	9,570,046	2,379,308

(F) The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statements of financial position:

	2014 RM'000	2013 RM'000
Provision for additional investment relating to an associate	**-**	(99,220)
Inter-segment liabilities	**8,981,900**	2,526,321
	8,981,900	2,427,101

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

44. 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 2014 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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total retained earnings of the Company and its subsidiaries				
- Realised	**4,236,363**	3,691,829	**80,396**	32,776
- Unrealised	**232,036**	73,595	**11,959**	51,848
	4,468,399	3,765,424	**92,355**	84,624
Total share of retained earnings/ (accumulated losses) from associated companies:				
- Realised	**72,283**	(270,991)	**-**	-
- Unrealised	**(3,000)**	73,376	**-**	-
	69,283	(197,615)	**-**	-
Total share of (accumulated losses)/retained earnings from jointly controlled entities:				
- Realised	**(336,605)**	2,803	**-**	-
- Unrealised	**73,143**	631	**-**	-
	(263,462)	3,434	**-**	-
Less: Consolidation adjustments	**(1,597,453)**	(1,533,812)	**-**	-
Total retained earnings as per financial statements	**2,676,767**	2,037,431	**92,355**	84,624

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.

MALAYSIA AIRPORTS TRAFFIC 2014

PASSENGER MOVEMENTS		2014	2013	% + / -
Terminal passengers	[international]	39,780,623	37,894,553	5.0%
Terminal passengers	[domestic]	42,981,566	41,131,669	4.5%
Transit passengers		585,814	560,862	4.4%
Total passenger movements		**83,348,003**	**79,587,084**	**4.7%**

AIRCRAFT MOVEMENTS		2014	2013	% + / -
Commercial aircraft	[international]	287,893	271,851	5.9%
Commercial aircraft	[domestic]	503,669	466,005	8.1%
Total commercial aircraft		**791,562**	**737,856**	**7.3%**
All other aircraft		137,171	147,021	-6.7%
Total aircraft movements		**928,733**	**884,877**	**5.0%**

CARGO MOVEMENTS [kg]		2014	2013	% + / -
Cargo movements	[international]	804,733,788	728,444,147	10.5%
Cargo movements	[domestic]	177,747,158	165,340,274	7.5%
Transit cargo		24,981,943	43,546,243	-42.6%
Total cargo movements		**1,007,462,889**	**937,330,664**	**7.5%**

MAIL MOVEMENTS [kg]		2014	2013	% + / -
Mail movements	[international]	32,116,806	31,148,270	3.1%
Mail movements	[domestic]	9,192,037	8,637,835	6.4%
Transit mail		54,028	27,911	93.6%
Total mail movements		**41,362,871**	**39,814,016**	**3.9%**

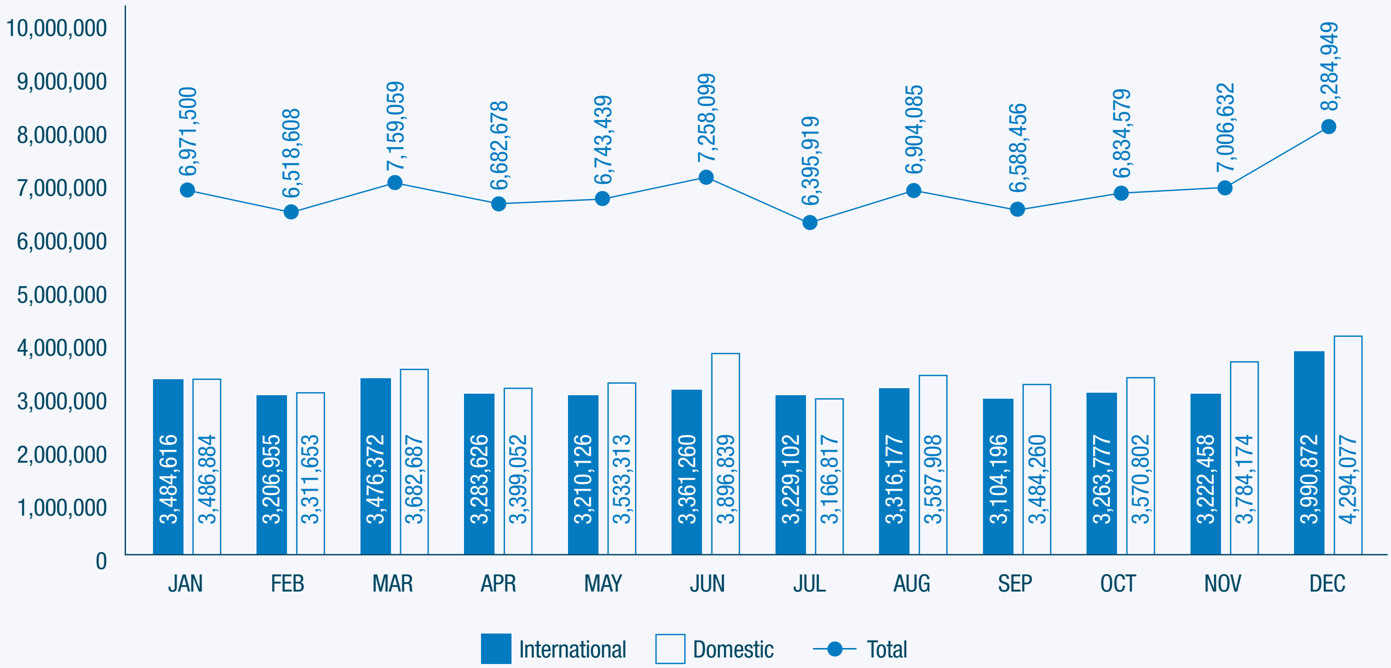
PASSENGER MOVEMENTS 2014

AIRPORTS	DOMESTIC Arrival	DOMESTIC Departure	DOMESTIC Total	INTERNATIONAL Arrival	INTERNATIONAL Departure	INTERNATIONAL Total	TOTAL 2014*	TOTAL 2013*	TOTAL % + / -	TRANSIT Domestic	TRANSIT Int'l	TRANSIT Total
KLIA	7,108,702	7,025,455	14,134,157	17,171,924	17,265,753	34,437,677	48,930,409	47,498,157	3.0%	0	358,575	358,575
Penang	1,720,395	1,744,704	3,465,099	1,287,435	1,283,792	2,571,227	6,041,583	5,487,751	10.1%	5,257	0	5,257
Kota Kinabalu	2,572,692	2,581,700	5,154,392	810,907	820,658	1,631,565	6,792,968	6,935,797	-2.1%	4,107	2,904	7,011
Kuching	2,253,723	2,247,190	4,500,913	160,094	169,771	329,865	4,852,822	4,871,036	-0.4%	17,971	4,073	22,044
Langkawi	1,019,460	1,030,333	2,049,793	84,389	87,815	172,204	2,221,997	1,946,440	14.2%	0	0	0
Kota Bharu	884,050	898,805	1,782,855	7,934	10,047	17,981	1,800,836	1,585,238	13.6%	0	0	0
Ipoh	8,307	8,372	16,679	40,823	41,266	82,089	98,768	74,320	32.9%	0	0	0
Kuala Terengganu	410,292	416,090	826,382	7,585	8,684	16,269	842,651	699,310	20.5%	0	0	0
Alor Setar	327,121	330,358	657,479	1,393	1,392	2,785	660,264	535,073	23.4%	0	0	0
Melaka	2,907	3,146	6,053	4,194	3,931	8,125	14,178	21,637	-34.5%	0	0	0
Subang	1,201,900	1,197,237	2,399,137	183,677	179,585	363,262	2,762,556	1,859,020	48.6%	118	39	157
Kuantan	137,176	135,015	272,191	20,969	20,970	41,939	314,130	317,440	-1.0%	0	0	0
Tioman	4,429	4,621	9,050	72	95	167	9,217	56,054	-83.6%	0	0	0
Pangkor	104	101	205	0	0	0	205	5,791	-96.5%	0	0	0
Redang	4,118	4,131	8,249	1,381	1,457	2,838	11,087	35,982	-69.2%	0	0	0
Labuan	359,499	355,222	714,721	152	179	331	789,494	738,769	6.9%	74,440	2	74,442
Lahad Datu	80,011	81,219	161,230	0	0	0	161,230	145,930	10.5%	0	0	0
Sandakan	436,570	440,529	877,099	178	198	376	900,016	911,855	-1.3%	22,541	0	22,541
Tawau	595,998	598,992	1,194,990	10,845	12,476	23,321	1,218,616	1,202,344	1.4%	305	0	305
Bintulu	396,648	398,470	795,118	0	0	0	832,440	779,774	6.8%	37,322	0	37,322
Miri	1,131,995	1,145,775	2,277,770	38,255	39,046	77,301	2,363,080	2,223,172	6.3%	8,009	0	8,009
Sibu	703,940	707,599	1,411,539	0	0	0	1,440,935	1,383,887	4.1%	29,396	0	29,396
Mulu	25,269	25,605	50,874	819	482	1,301	60,761	49,432	22.9%	5,265	3,321	8,586
Limbang	31,478	32,392	63,870	0	0	0	63,870	61,074	4.6%	0	0	0
STOL Sabah	1,807	1,778	3,585	0	0	0	4,590	5,174	-11.3%	1,005	0	1,005
STOL Sarawak	71,648	76,488	148,136	0	0	0	159,300	156,627	1.7%	11,164	0	11,164
Peninsula Malaysia	12,828,961	12,798,368	25,627,329	18,811,776	18,904,787	37,716,563	63,707,881	60,122,213	6.0%	5,375	358,614	363,989
Sabah	4,046,577	4,059,440	8,106,017	822,082	833,511	1,655,593	9,866,914	9,939,869	-0.7%	102,398	2,906	105,304
Sarawak	4,614,701	4,633,519	9,248,220	199,168	209,299	408,467	9,773,208	9,525,002	2.6%	109,127	7,394	116,521
Total 2014	**21,490,239**	**21,491,327**	**42,981,566**	**19,833,026**	**19,947,597**	**39,780,623**	**83,348,003**	**79,587,084**	**4.7%**	**216,900**	**368,914**	**585,814**
Total 2013	20,563,465	20,568,204	41,131,669	18,850,648	19,043,905	37,894,553	79,587,084			198,807	362,055	560,862
% change	4.5%	4.5%	4.5%	5.2%	4.7%	5.0%	4.7%			9.1%	1.9%	4.4%

*Note : * Including transit passengers*

PASSENGER MOVEMENTS 2014

PASSENGER MOVEMENTS AT MAHB AIRPORTS 2014

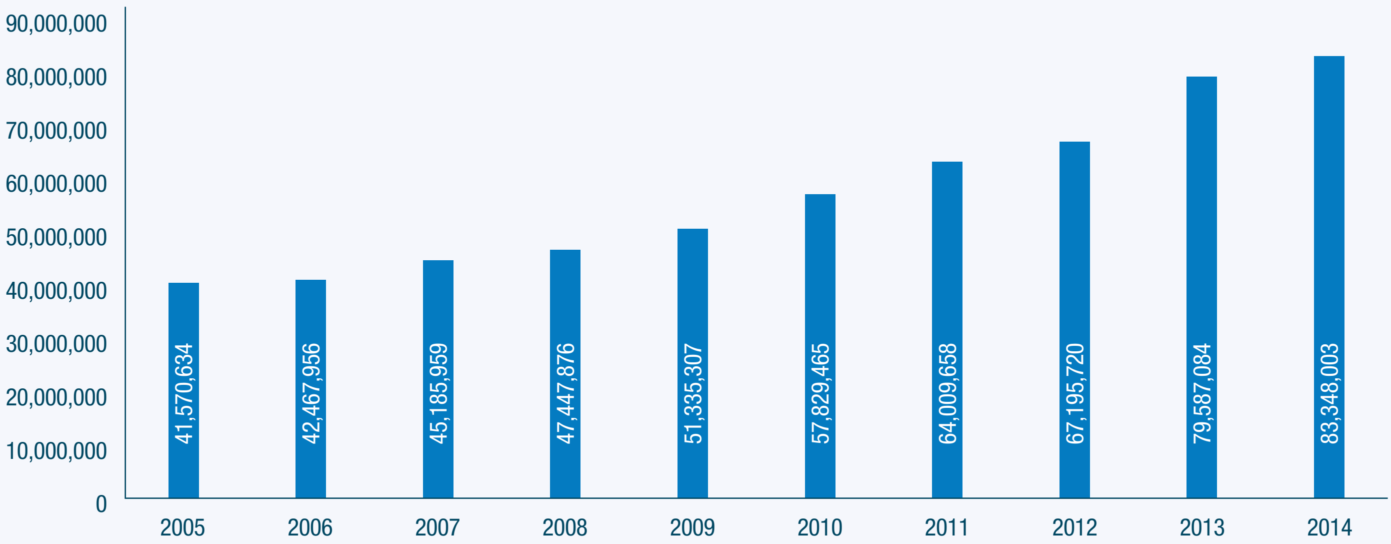


PASSENGER MOVEMENTS (2005 - 2014)

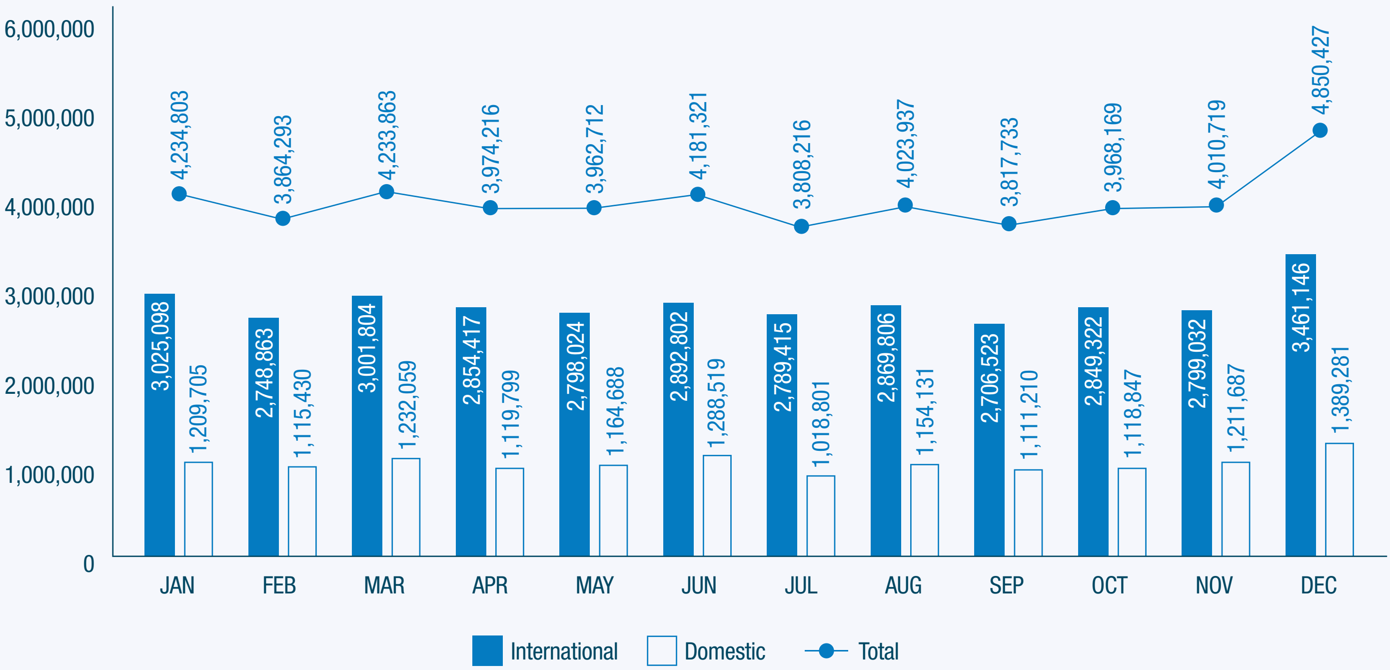
AIRPORTS	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	% + / -
KLIA	23,213,926	24,129,748	26,453,379	27,529,355	29,682,093	34,087,636	37,704,510	39,887,866	47,498,157	48,930,409	3.0%
Penang	2,834,545	3,103,772	3,173,117	3,405,762	3,325,423	4,166,969	4,600,274	4,767,815	5,487,751	6,041,583	10.1%
Kota Kinabalu	3,975,136	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	-2.1%
Kuching	3,354,973	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	-0.4%
Langkawi	830,334	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	14.2%
Kota Bharu	635,397	678,306	759,316	836,060	1,003,162	1,047,755	1,132,345	1,259,205	1,585,238	1,800,836	13.6%
Ipoh	74,451	64,711	814	5,376	21,937	48,508	71,169	73,354	74,320	98,768	32.9%
Kuala Terengganu	419,475	398,252	430,800	487,495	523,619	520,611	502,966	550,831	699,310	842,651	20.5%
Alor Setar	323,669	292,549	291,006	307,564	421,314	400,997	407,717	433,644	535,073	660,264	23.4%
Melaka	27,683	18,509	27,209	23,751	18,576	21,687	21,322	34,355	21,637	14,178	-34.5%
Subang	83,602	83,502	95,583	307,747	819,840	1,118,309	1,320,227	1,442,514	1,859,020	2,762,556	48.6%
Kuantan	298,184	273,005	262,486	259,529	226,912	220,878	248,846	280,074	317,440	314,130	-1.0%
Tioman	54,054	57,559	46,260	48,767	49,057	54,056	62,010	60,141	56,054	9,217	-83.6%
Pangkor	11,193	9,866	8,906	8,132	7,617	2,588	547	4,068	5,791	205	-96.5%
Redang	30,650	28,928	33,738	34,957	28,246	48,610	46,159	35,960	35,982	11,087	-69.2%
Labuan	642,582	575,684	535,294	550,859	476,876	505,903	567,928	617,130	738,769	789,494	6.9%
Lahad Datu	116,973	108,697	77,024	99,983	98,558	113,442	131,054	142,733	145,930	161,230	10.5%
Sandakan	621,513	633,194	626,192	618,927	672,469	741,674	788,515	834,626	911,855	900,016	-1.3%
Tawau	680,901	660,331	736,646	768,967	866,601	897,848	922,452	982,153	1,202,344	1,218,616	1.4%
Bintulu	487,077	449,673	381,158	417,918	487,060	557,459	590,253	661,553	779,774	832,440	6.8%
Miri	1,594,855	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	6.3%
Sibu	920,930	898,923	809,955	831,772	939,732	1,009,002	1,133,093	1,204,267	1,383,887	1,440,935	4.1%
Mulu	52,914	48,825	37,463	43,652	49,255	66,575	67,041	49,670	49,432	60,761	22.9%
Limbang	105,652	89,814	50,107	49,181	45,512	50,044	56,211	57,852	61,074	63,870	4.6%
STOL Sabah	6,009	5,933	1,942	3,741	0	793	5,046	5,970	5,174	4,590	-11.3%
STOL Sarawak	173,956	153,199	134,079	145,807	148,674	170,506	173,289	162,760	156,627	159,300	1.7%
Peninsula Malaysia	28,837,163	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	6.0%
Sabah	6,043,114	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	-0.7%
Sarawak	6,690,357	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	2.6%
Grand Total	**41,570,634**	**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**	**4.7%**
% change	5.4%	2.2%	6.4%	5.0%	8.2%	12.7%	10.7%	5.0%	18.4%	4.7%	

PASSENGER MOVEMENTS (2005 - 2014)

PASSENGER MOVEMENTS AT MAHB AIRPORTS (2005 - 2014)



PASSENGER MOVEMENTS AT KL INTERNATIONAL AIRPORT 2014



INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2014

	Arrival		Departure		Total		
	2014	2013	2014	2013	2014	2013	% + / -
SOUTH EAST ASIA							
Balikpapan	23,434	21,706	21,673	20,889	45,107	42,595	5.9%
Banda Acheh	48,415	36,205	49,289	36,604	97,704	72,809	34.2%
Bandar Seri Begawan	177,409	180,402	176,184	177,717	353,593	358,119	-1.3%
Bandung	171,783	176,128	168,970	184,489	340,753	360,617	-5.5%
Bangkok	453,274	513,126	415,937	517,545	869,211	1,030,671	-15.7%
Cebu	12,660	7,437	13,236	7,473	25,896	14,910	73.7%
Chiang Mai	90,656	80,584	94,075	82,736	184,731	163,320	13.1%
Clark Field	4,134	39,978	5,178	38,194	9,312	78,172	-88.1%
Da Nang	8,053	13,481	8,070	13,558	16,123	27,039	-40.4%
Denpasar Bali	569,347	481,363	559,026	477,594	1,128,373	958,957	17.7%
Don Mueang	484,594	480,100	507,889	495,796	992,483	975,896	1.7%
Hanoi	162,408	165,705	172,027	176,087	334,435	341,792	-2.2%
Hatyai	49,239	50,766	50,365	51,327	99,604	102,093	-2.4%
Ho Chi Minh City	453,170	444,055	451,485	435,339	904,655	879,394	2.9%
Jakarta Halim Perdana Kusuma	0	87	0	158	0	245	-100.0%
Jakarta	1,021,776	999,459	1,045,118	1,029,660	2,066,894	2,029,119	1.9%
Kalibo	20,094	0	20,039	0	40,133	0	-
Koh Samui	35,578	36,462	34,784	35,401	70,362	71,863	-2.1%
Krabi	128,335	99,481	124,970	96,516	253,305	195,997	29.2%
Kuala Namu	347,828	156,427	361,238	160,758	709,066	317,185	123.5%
Lombok	61,831	38,312	66,778	44,613	128,609	82,925	55.1%
Manila	352,983	305,324	344,545	293,320	697,528	598,644	16.5%
Medan	0	171,495	0	188,209	0	359,704	-100.0%
Naypyidaw	210	0	205	0	415	0	-
Padang	95,683	87,260	96,965	87,449	192,648	174,709	10.3%
Palembang	48,397	46,423	46,186	48,168	94,583	94,591	-0.01%
Pekan Baru	65,035	58,909	63,373	59,423	128,408	118,332	8.5%
Phnom Penh	166,846	153,531	171,804	163,207	338,650	316,738	6.9%
Phuket	349,465	365,444	346,490	366,046	695,955	731,490	-4.9%
Semarang	29,953	28,238	34,349	30,927	64,302	59,165	8.7%
Siem Reap	89,433	79,950	90,345	79,516	179,778	159,466	12.7%
Singapore	1,709,814	1,740,576	1,669,937	1,697,205	3,379,751	3,437,781	-1.7%
Solo City	19,370	20,359	20,994	22,094	40,364	42,453	-4.9%
Surabaya	264,543	296,192	282,474	324,551	547,017	620,743	-11.9%
Surat Thani	20,796	19,690	20,287	19,986	41,083	39,676	3.5%
Ujung Pandang	27,828	40,486	30,183	44,200	58,011	84,686	-31.5%
Vientiane	24,615	26,531	24,441	25,884	49,056	52,415	-6.4%
Yangon	181,621	159,592	174,737	155,935	356,358	315,527	12.9%
Yogyakarta	85,695	82,091	97,731	96,549	183,426	178,640	2.7%
Total	**7,856,305**	**7,703,355**	**7,861,377**	**7,785,123**	**15,717,682**	**15,488,478**	**1.5%**

INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2014

	Arrival		Departure		Total		
	2014	2013	2014	2013	2014	2013	% + / -
NORTH EAST ASIA							
Asahikawa	274	0	836	0	1,110	0	-
Beijing	206,619	270,592	208,616	274,407	415,235	544,999	-23.8%
Busan	59,300	27,683	63,819	28,996	123,119	56,679	117.2%
Chengdu	103,547	90,545	105,904	93,192	209,451	183,737	14.0%
Chongqing	5,660	0	5,593	0	11,253	0	-
Dalian	5,061	3,905	4,553	3,196	9,614	7,101	35.4%
Fuzhou	16,962	16,517	16,567	15,735	33,529	32,252	4.0%
Guangzhou	321,843	343,913	322,825	349,288	644,668	693,201	-7.0%
Guilin	27,270	28,950	27,294	29,014	54,564	57,964	-5.9%
Haikou	0	779	0	910	0	1,689	-100.0%
Hakodate	833	0	545	0	1,378	0	-
Hangzhou	92,999	86,761	94,061	89,305	187,060	176,066	6.2%
Harbin	680	722	677	728	1,357	1,450	-6.4%
Hong Kong	710,491	734,635	714,457	780,630	1,424,948	1,515,265	-6.0%
Kunming	58,743	52,731	62,286	54,664	121,029	107,395	12.7%
Macau	115,227	141,266	119,014	147,270	234,241	288,536	-18.8%
Nagoya	40,477	0	43,619	0	84,096	0	-
Nanning	45,433	22,926	46,750	23,077	92,183	46,003	100.4%
Osaka	175,835	142,757	183,365	151,770	359,200	294,527	22.0%
Pyongyang	366	480	366	506	732	986	-25.8%
Sapporo Chitose	837	1,916	559	1,919	1,396	3,835	-63.6%
Seoul	321,539	285,433	325,847	296,337	647,386	581,770	11.3%
Shanghai Pu Dong	275,564	309,253	281,024	304,056	556,588	613,309	-9.2%
Shenzhen	100,476	101,572	98,860	102,209	199,336	203,781	-2.18%
Taipei	450,131	419,960	448,154	417,930	898,285	837,890	7.2%
Tianjin	2,867	1,204	2,607	1,171	5,474	2,375	130.5%
Tokyo Haneda	119,400	117,363	111,744	112,594	231,144	229,957	0.5%
Tokyo Narita	186,326	185,399	188,558	190,521	374,884	375,920	-0.3%
Wuhan	5,630	1,662	5,560	1,743	11,190	3,405	228.6%
Xi An Xianyang	29,779	0	31,862	0	61,641	0	-
Xiamen	50,852	47,507	50,570	48,682	101,422	96,189	5.4%
Zhengzhou	729	1,418	838	12,051	1,567	13,469	-88.4%
Total	**3,531,750**	**3,437,849**	**3,567,330**	**3,531,901**	**7,099,080**	**6,969,750**	**1.9%**

INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2014

	Arrival		Departure		Total		
	2014	2013	2014	2013	2014	2013	% + / -
SOUTHWEST PACIFIC							
Adelaide	118,725	86,525	131,416	93,093	250,141	179,618	39.3%
Auckland	86,969	78,593	90,666	83,528	177,635	162,121	9.6%
Brisbane	75,572	73,489	77,795	76,656	153,367	150,145	2.1%
Christmas Island	233	516	70	783	303	1,299	-76.7%
Darwin	14,545	3,320	14,848	1,629	29,393	4,949	493.9%
Gold Coast	105,210	84,046	108,471	85,034	213,681	169,080	26.4%
Melbourne	450,490	393,125	466,325	400,381	916,815	793,506	15.5%
Perth	268,513	239,694	285,792	258,969	554,305	498,663	11.2%
Sydney	399,638	322,282	416,922	339,562	816,560	661,844	23.4%
Total	**1,519,895**	**1,281,590**	**1,592,305**	**1,339,635**	**3,112,200**	**2,621,225**	**18.7%**
SOUTH ASIA							
Ahmedabad	1,419	0	1,391	0	2,810	0	-
Bangalore	97,631	91,712	101,728	97,066	199,359	188,778	5.6%
Chennai	223,389	255,768	209,239	236,509	432,628	492,277	-12.1%
Chittagong	7,136	0	6,153	0	13,289	0	-
Colombo	211,560	191,386	225,589	185,662	437,149	377,048	15.9%
Delhi	185,967	138,028	181,404	132,694	367,371	270,722	35.7%
Dhaka	388,490	320,483	350,446	263,945	738,936	584,428	26.4%
Hambantota	0	0	2	0	2	0	-
Hyderabad	49,752	43,222	50,272	44,092	100,024	87,314	14.6%
Islamabad	0	0	0	558	0	558	-
Karachi	16,154	10,608	9,118	9,688	25,272	20,296	24.5%
Kathmandu	280,468	170,425	235,641	154,568	516,109	324,993	58.8%
Kochi	127,135	68,471	128,458	67,592	255,593	136,063	87.8%
Kolkata	49,330	35,711	52,202	40,269	101,532	75,980	33.6%
Lahore	11,955	9,838	18,453	9,271	30,408	19,109	59.1%
Male	44,522	48,907	46,988	50,321	91,510	99,228	-7.8%
Mumbai	146,663	121,642	144,718	118,065	291,381	239,707	21.6%
Peshawar	9,983	8,479	10,196	9,916	20,179	18,395	9.7%
Thiruchilapally	194,458	104,911	198,932	114,802	393,390	219,713	79.0%
Total	**2,046,012**	**1,619,591**	**1,970,930**	**1,535,018**	**4,016,942**	**3,154,609**	**27.3%**
CENTRAL ASIA							
Almaty	18,419	20,566	18,597	19,781	37,016	40,347	-8.3%
Tashkent	15,510	17,308	16,496	17,692	32,006	35,000	-8.6%
Total	**33,929**	**37,874**	**35,093**	**37,473**	**69,022**	**75,347**	**-8.4%**

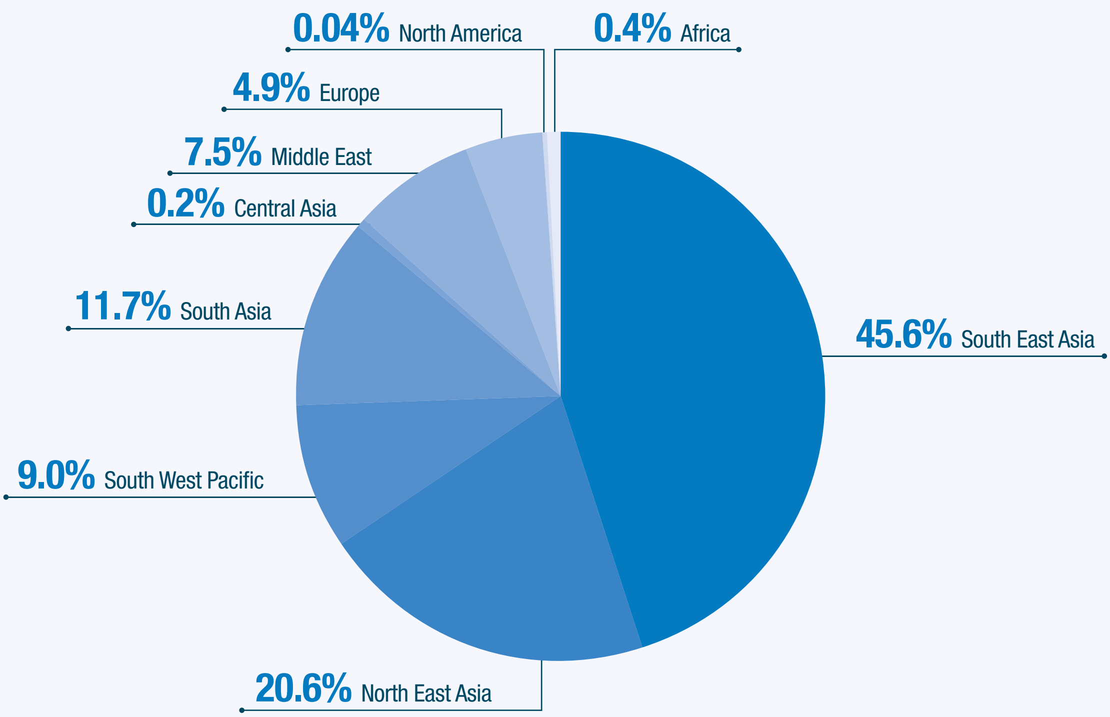
INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2014

	Arrival		Departure		Total		
	2014	2013	2014	2013	2014	2013	% + / -
MIDDLE EAST							
Abu Dhabi	159,260	145,143	160,920	152,696	320,180	297,839	7.5%
Amman	18,619	18,911	22,018	19,697	40,637	38,608	5.3%
Baghdad	9,927	5,682	9,858	4,477	19,785	10,159	94.8%
Doha	224,736	204,337	213,045	190,955	437,781	395,292	10.7%
Dubai Al-Maktoum	12,239	0	14,443	0	26,682	0	-
Dubai	390,952	382,798	400,292	389,162	791,244	771,960	2.5%
Jeddah	265,016	223,290	255,104	219,001	520,120	442,291	17.6%
Kuwait	8,456	8,768	11,255	11,053	19,711	19,821	-0.6%
Madinah	11,877	23,330	58,433	65,886	70,310	89,216	-21.2%
Muscat	57,954	63,667	53,167	57,695	111,121	121,362	-8.4%
Riyadh	53,844	56,351	31,607	27,189	85,451	83,540	2.3%
Riyan Mukalla	234	0	0	0	234	0	-
Sanaa	7,789	7,303	8,693	8,819	16,482	16,122	2.2%
Tehran Imam Khomeini	60,034	74,770	63,775	73,146	123,809	147,916	-16.3%
Total	**1,280,937**	**1,214,350**	**1,302,610**	**1,219,776**	**2,583,547**	**2,434,126**	**6.1%**
EUROPE							
Amsterdam	176,325	192,961	182,677	203,463	359,002	396,424	-9.4%
Frankfurt	87,130	71,170	90,146	76,628	177,276	147,798	19.9%
Istanbul	109,597	72,480	115,078	67,642	224,675	140,122	60.3%
Kiev Borispol	71	0	130	0	201	0	-
London Heathrow	280,486	304,653	293,149	315,196	573,635	619,849	-7.5%
Paris	179,365	173,439	182,662	171,471	362,027	344,910	5.0%
Total	**832,974**	**814,703**	**863,842**	**834,400**	**1,696,816**	**1,649,103**	**2.9%**
NORTH AMERICA							
Los Angeles	6,267	23,100	7,348	23,055	13,615	46,155	-70.5%
Total	**6,267**	**23,100**	**7,348**	**23,055**	**13,615**	**46,155**	**-70.5%**
AFRICA							
Addis Ababa	16,330	13,140	17,264	14,597	33,594	27,737	21.1%
Cairo	18,805	37,186	20,304	39,905	39,109	77,091	-49.3%
Mauritius	28,720	32,305	27,347	29,430	56,067	61,735	-9.2%
Tunis	0	0	3	0	3	0	-
Total	**63,855**	**82,631**	**64,918**	**83,932**	**128,773**	**166,563**	**-22.7%**
Grand Total	**17,171,924**	**16,215,043**	**17,265,753**	**16,390,313**	**34,437,677**	**32,605,356**	**5.6%**

INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2014

KL INTERNATIONAL AIRPORT PASSENGER MOVEMENTS BY SECTORS 2014

Total International Movements : 34,437,677



INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2014

AIRLINES WITH MORE THAN 1% INTERNATIONAL MARKET SHARE AT KLIA

AIRLINES	PASSENGER MOVEMENTS	MARKET SHARE
Malaysia Airlines	10,593,148	30.4%
AirAsia	8,173,728	23.5%
AirAsia X	4,232,182	12.2%
Indonesia AirAsia	1,524,487	4.4%
Emirates	878,956	2.5%
Malindo Air	698,521	2.0%
Cathay Pacific Airways	657,248	1.9%
Qatar Airways	518,174	1.5%
Jetstar Asia	488,364	1.4%
Silk Air	425,780	1.2%

10 HIGHEST GROWTH INTERNATIONAL PERFORMANCE AT KLIA

AIRLINES	PASSENGER MOVEMENTS	% Y-O-Y
Malindo Air	698,521	854.6%
Thai Lion Air	13,001	288.3%
Zest Air	177,274	205.4%
Turkish Airlines	153,149	152.6%
Shanghai Airlines	10,842	125.1%
Iraqi Airways	19,785	94.8%
Air France	82,368	85.4%
Regent Airways	45,347	67.0%
Biman Bangladesh	203,353	40.8%
AirAsia X	4,232,182	38.7%

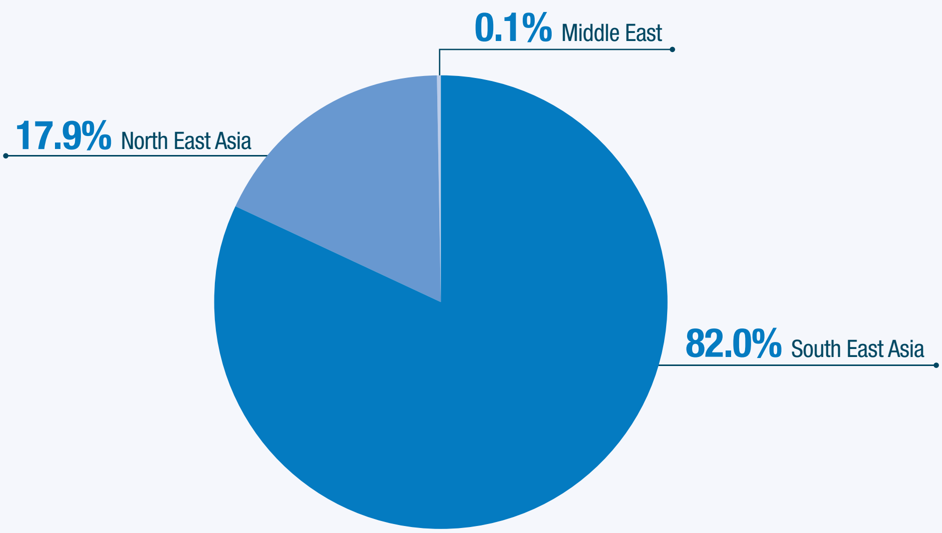
DOMESTIC TRAFFIC AT KLIA

AIRLINES	PASSENGER MOVEMENTS	% Y-O-Y
Malaysia Airlines	5,670,344	-2.3%
AirAsia	7,821,343	-3.7%
Malindo Air	641,633	5.5%

INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT OTHER INTERNATIONAL AIRPORTS 2014

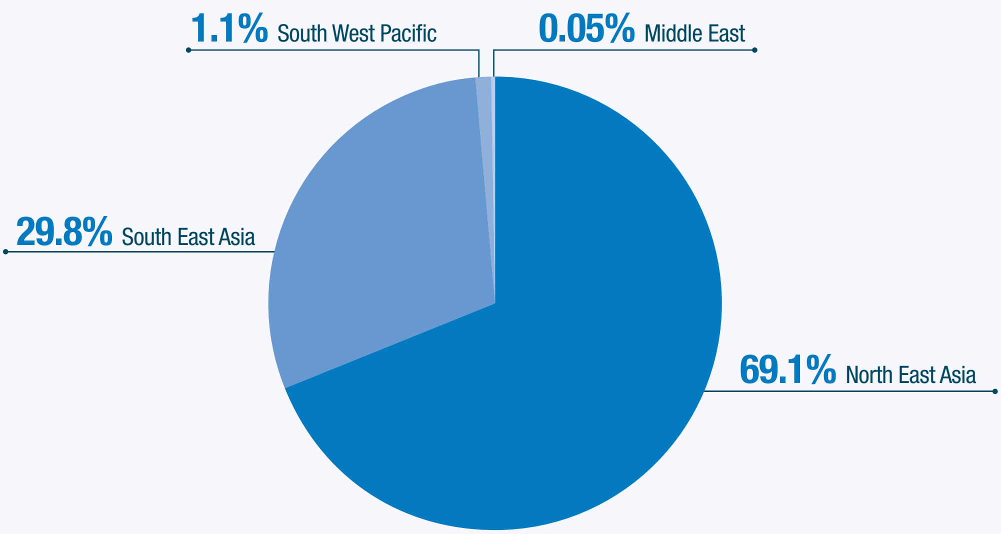
PENANG INTERNATIONAL AIRPORT PASSENGER MOVEMENTS BY SECTORS 2014

International Movements: 2,571,227



KOTA KINABALU INTERNATIONAL AIRPORT PASSENGER MOVEMENTS BY SECTORS 2014

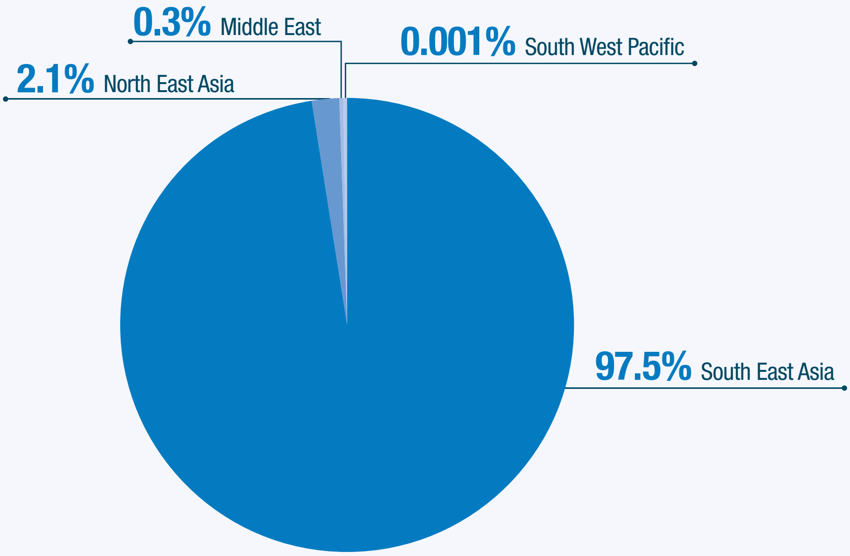
International Movements: 1,634,469



INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT OTHER INTERNATIONAL AIRPORTS 2014

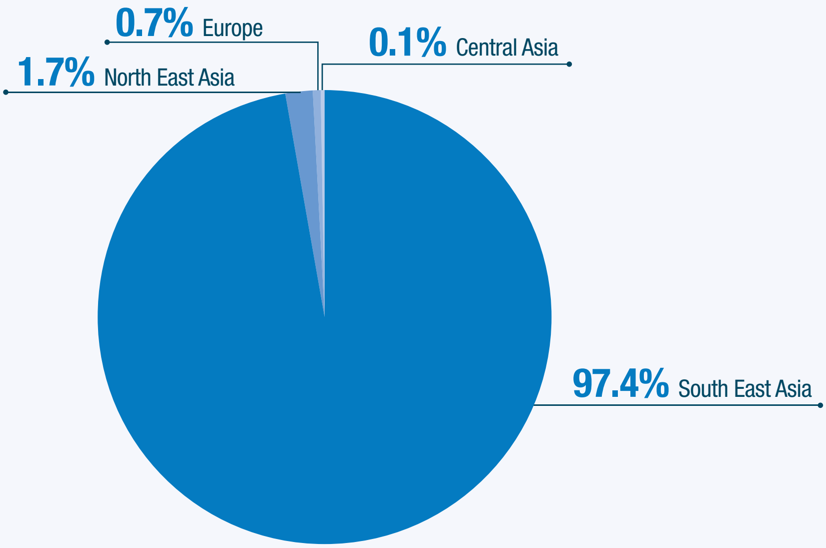
KUCHING INTERNATIONAL AIRPORT PASSENGER MOVEMENTS BY SECTORS 2014

International Movements: 333,938



LANGKAWI INTERNATIONAL AIRPORT PASSENGER MOVEMENTS BY SECTORS 2014

International Movements: 172,204

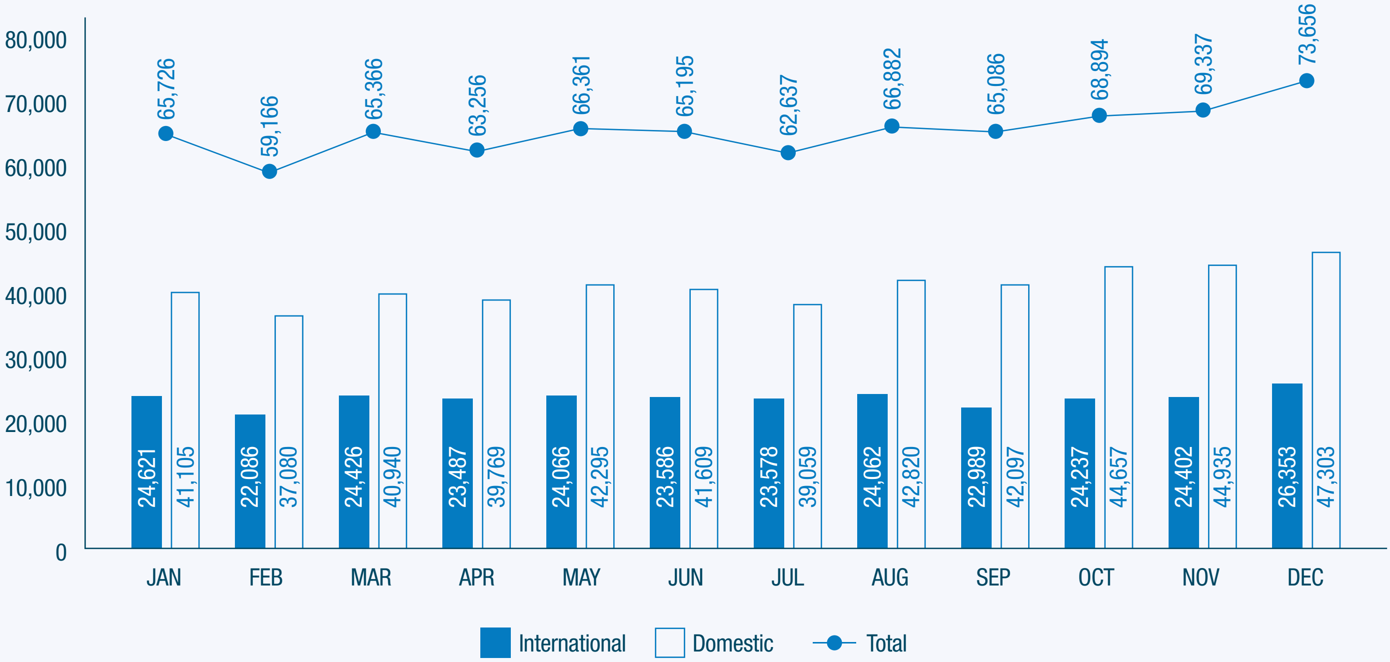


COMMERCIAL AIRCRAFT MOVEMENTS 2014

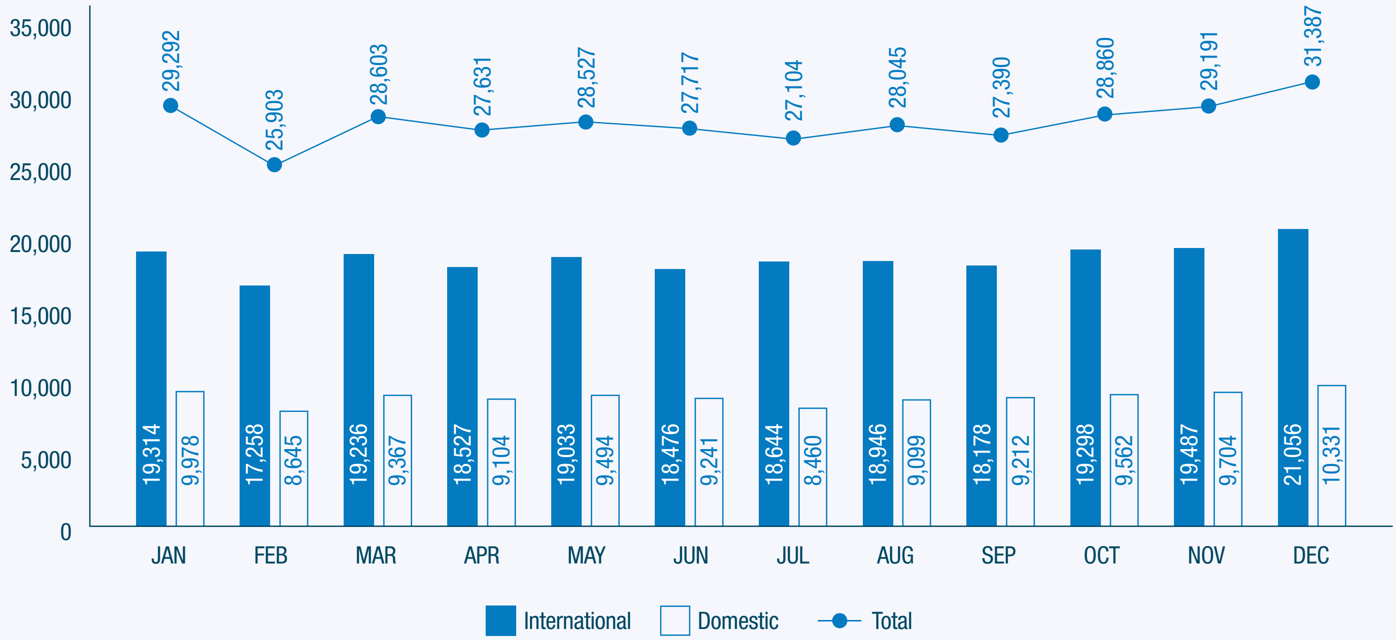
AIRPORTS	DOMESTIC			INTERNATIONAL			TOTAL		
	Scheduled	Non-scheduled	Total	Scheduled	Non-scheduled	Total	2014	2013	% + / -
KLIA	110,890	1,307	112,197	225,778	1,675	227,453	339,650	325,537	4.3%
Penang	38,127	0	38,127	25,269	0	25,269	63,396	56,760	11.7%
Kota Kinabalu	50,589	3,829	54,418	14,358	0	14,358	68,776	67,601	1.7%
Kuching	41,579	4,547	46,126	4,394	397	4,791	50,917	53,095	-4.1%
Langkawi	20,094	0	20,094	1,628	0	1,628	21,722	17,675	22.9%
Kota Bharu	21,542	3,272	24,814	214	0	214	25,028	20,527	21.9%
Ipoh	429	5	434	1,526	0	1,526	1,960	1,464	33.9%
Kuala Terengganu	9,445	0	9,445	214	0	214	9,659	7,365	31.1%
Alor Setar	8,401	0	8,401	0	20	20	8,421	5,795	45.3%
Melaka	140	0	140	180	0	180	320	580	-44.8%
Subang	48,104	0	48,104	8,525	0	8,525	56,629	41,707	35.8%
Kuantan	2,792	0	2,792	780	0	780	3,572	3,289	8.6%
Tioman	266	0	266	6	0	6	272	1,538	-82.3%
Pangkor	8	0	8	0	0	0	8	258	-96.9%
Redang	280	0	280	150	0	150	430	955	-55.0%
Labuan	11,483	3,608	15,091	395	47	442	15,533	15,072	3.1%
Lahad Datu	3,624	65	3,689	0	0	0	3,689	3,321	11.1%
Sandakan	10,714	988	11,702	1	12	13	11,715	11,536	1.6%
Tawau	11,589	548	12,137	681	14	695	12,832	11,784	8.9%
Bintulu	11,118	1,106	12,224	0	22	22	12,246	12,428	-1.5%
Miri	33,869	11,345	45,214	1,290	0	1,290	46,504	44,875	3.6%
Sibu	17,877	0	17,877	0	1	1	17,878	17,196	4.0%
Mulu	2,385	0	2,385	316	0	316	2,701	2,306	17.1%
Limbang	2,154	0	2,154	0	0	0	2,154	2,075	3.8%
STOL Sabah	226	0	226	0	0	0	226	231	-2.2%
STOL Sarawak	15,324	0	15,324	0	0	0	15,324	12,886	18.9%
Peninsula Malaysia	260,518	4,584	265,102	264,270	1,695	265,965	531,067	483,450	9.8%
Sabah	88,225	9,038	97,263	15,435	73	15,508	112,771	109,545	2.9%
Sarawak	124,306	16,998	141,304	6,000	420	6,420	147,724	144,861	2.0%
Total 2014	**473,049**	**30,620**	**503,669**	**285,705**	**2,188**	**287,893**	**791,562**	**737,856**	**7.3%**
Total 2013	434,741	31,264	466,005	269,062	2,789	271,851	737,856		
% change	8.8%	-2.1%	8.1%	6.2%	-21.5%	5.9%	7.3%		

COMMERCIAL AIRCRAFT MOVEMENTS 2014

COMMERCIAL AIRCRAFT MOVEMENTS AT MAHB AIRPORTS 2014



COMMERCIAL AIRCRAFT MOVEMENTS AT KL INTERNATIONAL AIRPORT 2014

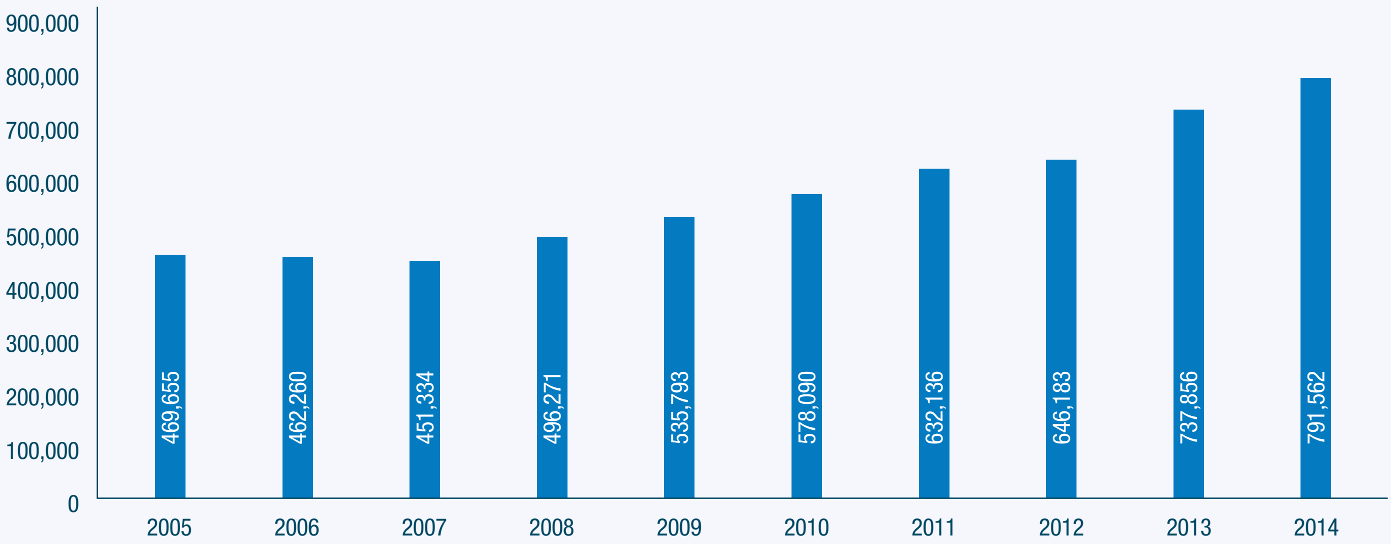


COMMERCIAL AIRCRAFT MOVEMENTS (2005 - 2014)

AIRPORTS	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	% + / -
KLIA	181,341	182,548	192,304	209,681	225,251	244,179	268,265	282,290	325,537	339,650	4.3%
Penang	31,173	31,448	34,508	38,335	38,343	44,753	50,610	49,966	56,760	63,396	11.7%
Kota Kinabalu	49,680	50,594	49,881	52,463	52,677	55,089	59,638	58,366	67,601	68,776	1.7%
Kuching	39,430	37,167	34,192	36,087	41,437	42,940	49,613	43,981	53,095	50,917	-4.1%
Pulau Langkawi	8,021	8,287	10,828	12,242	12,638	13,274	14,510	15,162	17,675	21,722	22.9%
Kota Bharu	8,765	10,368	13,074	14,083	13,709	13,180	15,304	17,112	20,527	25,028	21.9%
Ipoh	1,145	954	12	183	384	844	1,536	1,515	1,464	1,960	33.9%
Kuala Terengganu	4,623	3,792	4,533	6,038	6,006	5,959	6,006	6,506	7,365	9,659	31.1%
Alor Setar	3,267	2,820	2,668	2,934	4,578	4,513	4,841	5,274	5,795	8,421	45.3%
Melaka	1,328	596	714	700	616	584	466	1,053	580	320	-44.8%
Subang	8,988	9,158	7,234	11,448	19,897	24,509	30,779	33,224	41,707	56,629	35.8%
Kuantan	3,500	2,748	3,253	3,334	2,947	2,628	3,178	3,395	3,289	3,572	8.6%
Tioman	1,668	1,836	1,597	1,603	1,591	1,662	1,766	1,682	1,538	272	-82.3%
Pangkor	530	514	517	503	502	174	32	324	258	8	-96.9%
Redang	1,110	934	1,053	1,083	862	1,356	1,319	877	955	430	-55.0%
Labuan	9,292	9,332	10,127	11,212	10,868	11,988	12,645	13,448	15,072	15,533	3.1%
Lahad Datu	3,010	3,203	2,195	2,922	2,922	2,860	2,941	3,058	3,321	3,689	11.1%
Sandakan	10,876	10,034	7,719	8,991	10,214	12,095	10,757	12,177	11,536	11,715	1.6%
Tawau	8,531	8,005	6,863	7,334	8,885	9,723	9,328	9,689	11,784	12,832	8.9%
Bintulu	13,146	11,388	6,542	8,933	10,948	10,994	11,270	11,444	12,428	12,246	-1.5%
Miri	40,302	39,462	33,022	35,178	38,836	39,509	40,931	42,351	44,875	46,504	3.6%
Sibu	16,683	15,092	11,765	14,307	16,275	17,899	18,211	15,923	17,196	17,878	4.0%
Mulu	2,620	2,220	1,638	1,642	1,570	1,726	1,912	1,760	2,306	2,701	17.1%
Limbang	5,490	4,242	2,300	1,860	1,697	1,947	1,896	1,880	2,075	2,154	3.8%
STOL Sabah	814	800	338	459	0	167	264	192	231	226	-2.2%
STOL Sarawak	14,322	14,718	12,457	12,716	12,140	13,538	14,118	13,534	12,886	15,324	18.9%
Peninsula Malaysia	255,459	256,003	272,295	302,167	327,324	357,615	398,612	418,380	483,450	531,067	9.8%
Sabah	82,203	81,968	77,123	83,381	85,566	91,922	95,573	96,930	109,545	112,771	2.9%
Sarawak	131,993	124,289	101,916	110,723	122,903	128,553	137,951	130,873	144,861	147,724	2.0%
Total	**469,655**	**462,260**	**451,334**	**496,271**	**535,793**	**578,090**	**632,136**	**646,183**	**737,856**	**791,562**	**7.3%**
% change	3.2%	-1.6%	-2.4%	10.0%	8.0%	7.9%	9.3%	2.2%	14.2%	7.3%	

COMMERCIAL AIRCRAFT MOVEMENTS (2005 - 2014)

COMMERCIAL AIRCRAFT MOVEMENTS AT MAHB AIRPORTS (2005 - 2014)



ALL AIRCRAFT MOVEMENTS (2005 - 2014)

AIRPORTS	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	% + / -
KLIA	182,537	183,869	193,710	211,228	226,751	245,650	269,509	283,352	326,678	340,821	4.3%
Penang	34,616	36,259	39,265	43,796	43,621	50,205	54,713	53,766	60,020	65,734	9.5%
Kota Kinabalu	51,824	52,055	52,047	54,317	53,554	55,241	59,638	58,366	67,601	73,074	8.1%
Kuching	43,253	40,292	37,348	39,188	44,761	46,382	53,154	46,727	56,085	53,490	-4.6%
Pulau Langkawi	8,964	27,622	43,234	41,837	39,815	33,064	31,482	33,056	29,309	28,694	-2.1%
Kota Bharu	11,194	38,352	58,996	57,102	74,863	75,906	64,114	50,991	50,406	44,628	-11.5%
Ipoh	26,657	30,626	32,462	2,183	40,883	41,069	29,074	23,999	1,464	17,682	1107.8%
Kuala Terengganu	5,622	3,792	8,781	10,045	9,875	10,959	14,296	12,809	11,402	14,057	23.3%
Alor Setar	17,632	18,495	20,277	17,705	24,031	22,187	19,621	18,006	15,752	17,365	10.2%
Melaka	77,504	74,888	64,936	60,512	54,160	60,811	53,702	48,881	36,978	23,747	-35.8%
Subang	29,668	36,626	44,302	46,989	55,148	63,616	68,135	74,008	80,047	91,529	14.3%
Kuantan	3,757	2,973	3,487	3,551	3,110	2,802	3,452	3,613	3,663	3,911	6.8%
Tioman	2,146	2,256	1,989	2,141	2,180	2,167	2,222	2,205	2,089	1,019	-51.2%
Pangkor	752	541	589	545	502	174	32	324	258	8	-96.9%
Redang	1,121	934	1,053	1,083	862	1,356	1,319	877	955	430	-55.0%
Labuan	9,510	9,554	10,349	11,328	11,045	12,093	12,762	13,589	15,139	15,596	3.0%
Lahad Datu	3,160	3,376	2,336	3,012	3,077	2,960	3,024	3,147	4,215	4,055	-3.8%
Sandakan	11,662	10,776	8,410	9,622	12,915	13,517	11,715	13,153	12,856	12,696	-1.2%
Tawau	9,814	9,215	7,992	8,546	9,876	10,845	10,186	10,983	13,896	14,396	3.6%
Bintulu	13,619	11,804	7,093	16,787	51,009	24,246	17,122	12,294	13,661	12,968	-5.1%
Miri	42,865	42,680	35,502	38,172	41,996	41,682	43,707	45,127	47,585	49,204	3.4%
Sibu	17,330	15,638	12,536	14,672	17,449	18,985	19,169	15,923	17,196	22,508	30.9%
Mulu	2,642	2,220	1,660	1,664	1,592	1,444	1,920	1,780	2,306	2,739	18.8%
Limbang	5,568	4,366	2,552	2,112	1,949	2,171	1,968	1,880	2,075	2,660	28.2%
STOL Sabah	814	800	338	459	0	559	278	212	305	298	-2.3%
STOL Sarawak	14,394	14,854	12,719	12,978	12,140	13,538	14,262	14,027	12,936	15,424	19.2%
Peninsula Malaysia	402,170	457,233	513,081	498,717	575,801	609,966	611,671	605,887	619,021	649,625	4.9%
Sabah	86,784	85,776	81,472	87,284	90,467	95,215	97,603	99,450	114,012	120,115	5.4%
Sarawak	139,671	131,854	109,410	125,573	170,896	148,448	151,302	137,758	151,844	158,993	4.7%
Total	**628,625**	**674,863**	**703,963**	**711,574**	**837,164**	**853,629**	**860,576**	**843,095**	**884,877**	**928,733**	**5.0%**
% change	8.6%	7.4%	4.3%	1.1%	17.6%	2.0%	0.8%	-2.0%	5.0%	5.0%	

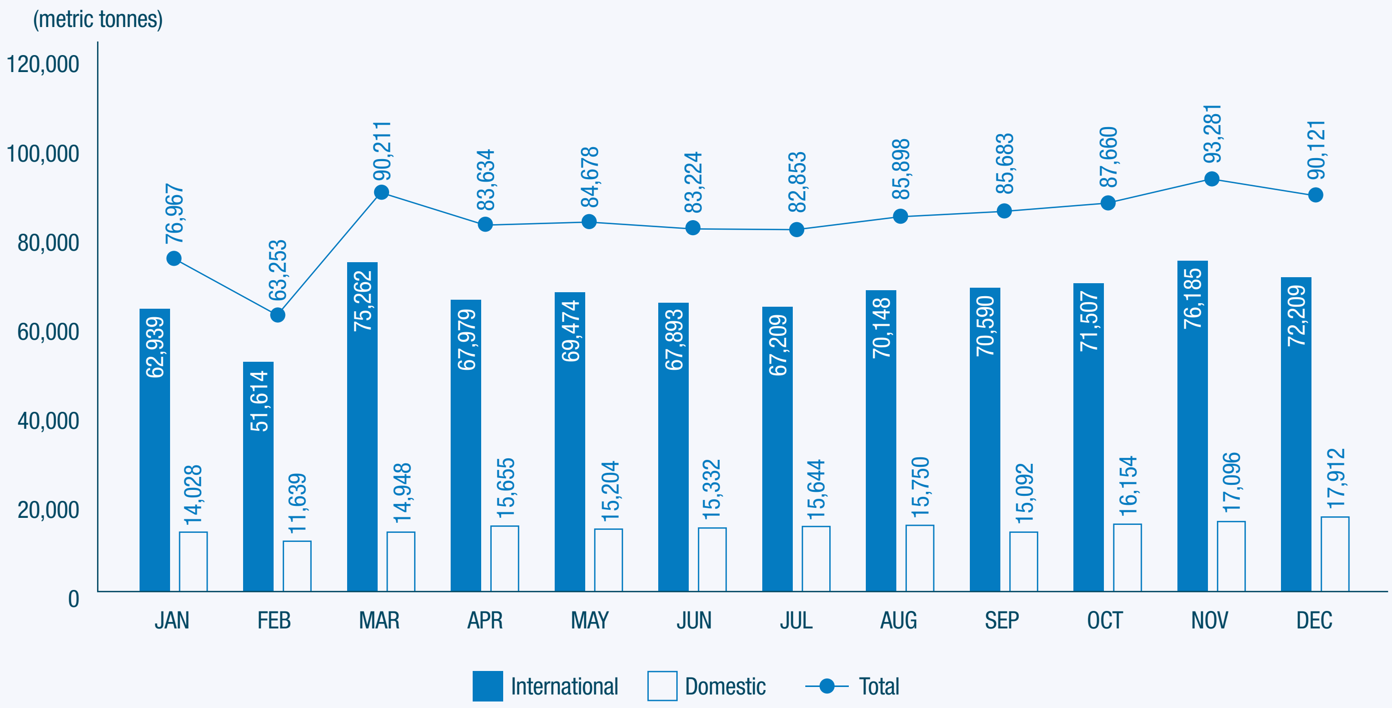
CARGO MOVEMENTS 2014

AIRPORTS (kg)	DOMESTIC Arrival	DOMESTIC Departure	DOMESTIC Total	INTERNATIONAL Arrival	INTERNATIONAL Departure	INTERNATIONAL Total	TOTAL 2014*	TOTAL 2013*	TOTAL % + / -	TRANSIT Domestic	TRANSIT Int'l	TRANSIT Total
KLIA	25,750,473	55,853,501	81,603,974	342,561,337	329,733,743	672,295,080	753,899,054	680,982,948	10.7%	0	0	0
Penang	4,747,339	7,526,761	12,274,100	57,546,460	48,991,581	106,538,041	141,213,494	153,703,274	-8.1%	5,543,460	16,857,893	22,401,353
Kota Kinabalu	12,735,716	9,054,764	21,790,480	551,637	1,190,819	1,742,456	23,768,530	21,922,412	8.4%	75,645	159,949	235,594
Kuching	18,082,791	8,471,264	26,554,055	423,452	961,610	1,385,062	28,040,378	21,993,026	27.5%	94,868	6,393	101,261
Langkawi	488,054	45,790	533,844	32,758	0	32,758	566,602	629,954	-10.1%	0	0	0
Kota Bharu	278,471	118,750	397,221	0	0	0	397,221	179,240	121.6%	0	0	0
Kuala Terengganu	95,050	53,044	148,094	0	0	0	148,094	102,957	43.8%	0	0	0
Alor Setar	89,170	140,999	230,169	0	0	0	230,169	126,178	82.4%	0	0	0
Melaka	0	0	0	0	0	0	0	0	-	0	0	0
Subang	4,712,839	6,364,228	11,077,067	8,441,781	8,608,762	17,050,543	28,127,610	26,443,258	6.4%	0	0	0
Kuantan	36,391	2,593	38,984	4,611	2,770	7,381	46,365	85,626	-45.9%	0	0	0
Ipoh	2,377	3,090	5,467	132,237	158,455	290,692	296,159	403,296	-26.6%	0	0	0
Tioman	13,617	893	14,510	0	0	0	14,510	29,754	-51.2%	0	0	0
Pangkor	286	0	286	0	0	0	286	20,617	-98.6%	0	0	0
Redang	16,477	830	17,307	0	110	110	17,417	26,572	-34.5%	0	0	0
Labuan	2,458,260	1,785,129	4,243,389	3,605,662	1,694,158	5,299,820	11,590,854	9,328,999	24.2%	794,820	1,252,825	2,047,645
Lahad Datu	145,902	33,030	178,932	0	0	0	178,932	200,328	-10.7%	0	0	0
Sandakan	579,217	1,915,739	2,494,956	0	0	0	2,497,161	2,894,179	-13.7%	2,205	0	2,205
Tawau	1,061,415	2,202,977	3,264,392	55	80	135	3,264,527	2,844,145	14.8%	0	0	0
Bintulu	1,415,526	890,734	2,306,260	0	0	0	2,317,558	2,552,604	-9.2%	11,298	0	11,298
Miri	5,680,124	2,257,395	7,937,519	85,306	6,404	91,710	8,029,229	9,800,087	-18.1%	0	0	0
Sibu	1,071,031	361,691	1,432,722	0	0	0	1,460,001	1,413,141	3.3%	27,279	0	27,279
Mulu	315,589	2,967	318,556	0	0	0	318,556	354,476	-10.1%	0	0	0
Limbang	259,915	335,916	595,831	0	0	0	595,831	741,602	-19.7%	0	0	0
STOL Sabah	0	0	0	0	0	0	0	0	-	0	0	0
STOL Sarawak	142,945	146,098	289,043	0	0	0	444,351	551,990	-19.5%	155,308	0	155,308
Peninsula Malaysia	36,230,544	70,110,479	106,341,023	408,719,184	387,495,421	796,214,605	924,956,981	862,733,674	7.2%	5,543,460	16,857,893	22,401,353
Sabah	16,980,510	14,991,639	31,972,149	4,157,354	2,885,057	7,042,411	41,300,004	37,190,063	11.1%	872,670	1,412,774	2,285,444
Sarawak	26,967,921	12,466,065	39,433,986	508,758	968,014	1,476,772	41,205,904	37,406,926	10.2%	288,753	6,393	295,146
Total 2014	**80,178,975**	**97,568,183**	**177,747,158**	**413,385,296**	**391,348,492**	**804,733,788**	**1,007,462,889**	**937,330,664**	**7.5%**	**6,704,883**	**18,277,060**	**24,981,943**
Total 2013	77,152,490	88,187,784	165,340,274	373,194,545	355,249,602	728,444,147	937,330,664			9,565,755	33,980,488	43,546,243
% change	3.9%	10.6%	7.5%	10.8%	10.2%	10.5%	7.5%			-29.9%	-46.2%	-42.6%

* *Including transit cargo*

CARGO MOVEMENTS 2014

CARGO MOVEMENTS AT MAHB AIRPORTS 2014

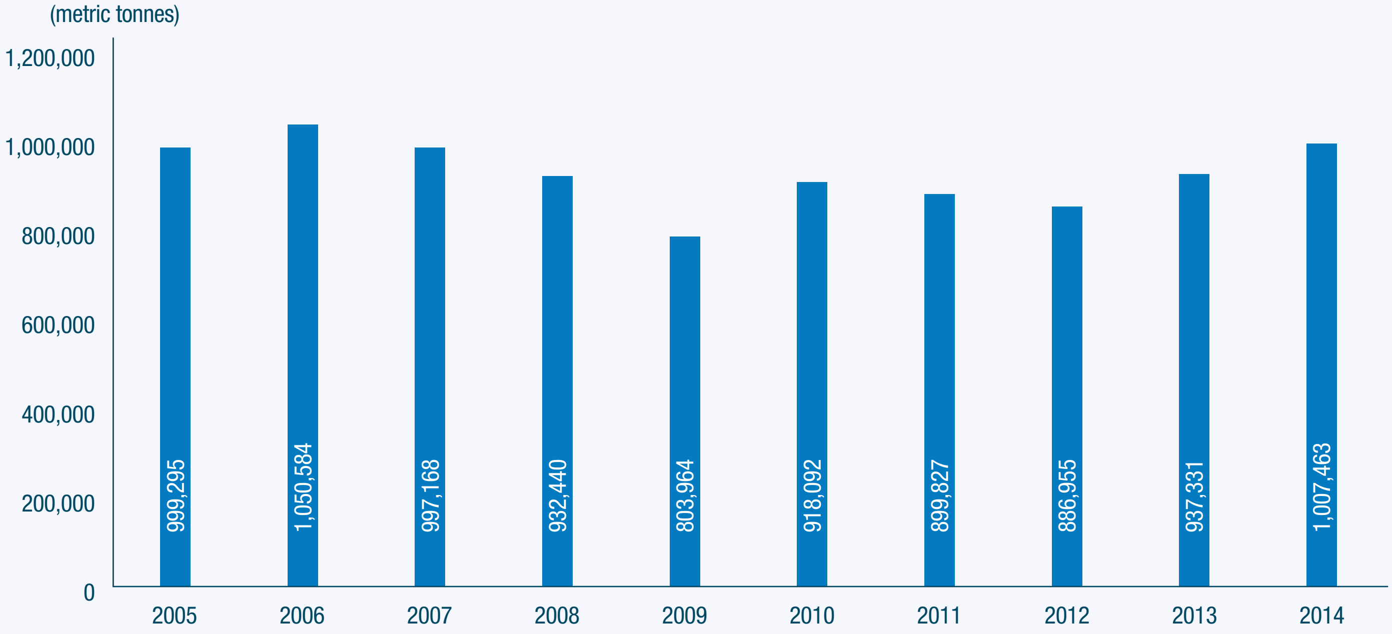


CARGO MOVEMENTS (2005 - 2014)

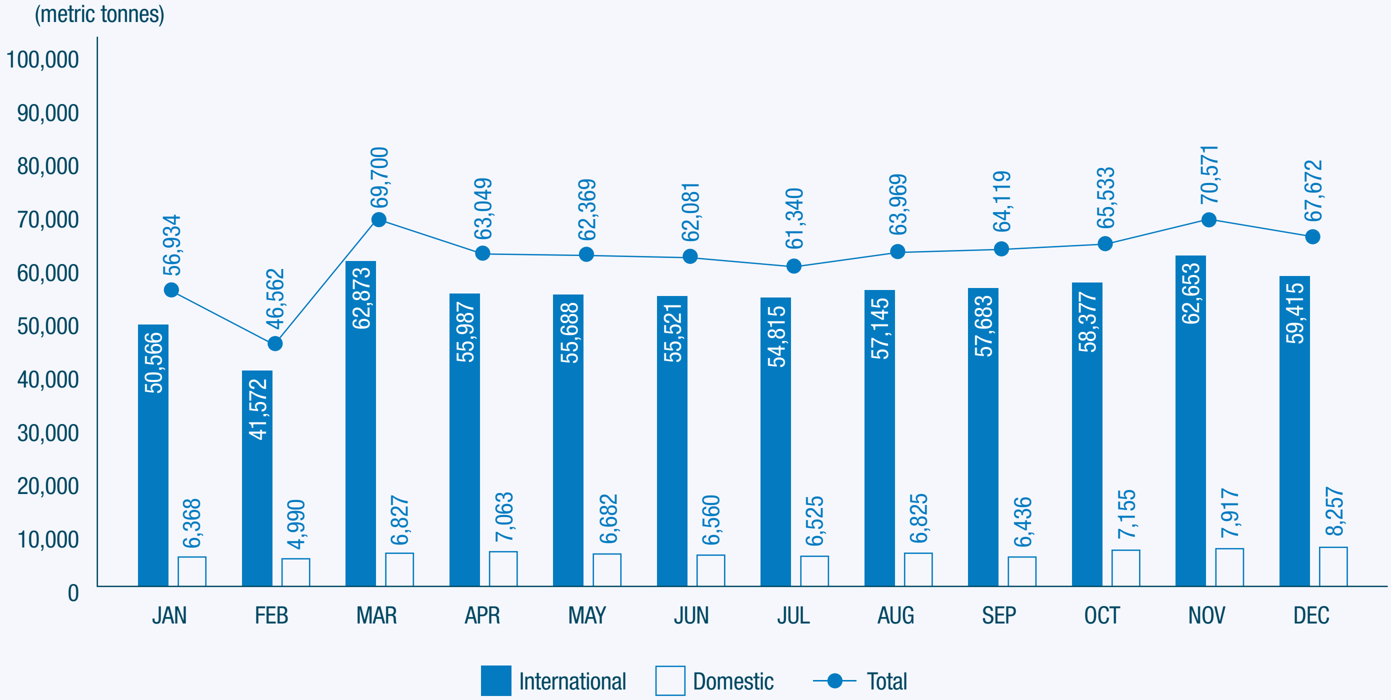
AIRPORTS (Metric tonnes)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	% + / -
KLIA	653,654	672,888	644,100	649,077	584,559	674,902	669,849	673,107	680,983	753,899	10.7%
Penang	221,971	225,952	208,582	192,936	137,775	147,057	131,846	123,246	153,703	141,213	-8.1%
Kota Kinabalu	25,473	28,356	35,638	34,532	25,079	26,733	28,534	23,563	21,922	23,769	8.4%
Kuching	28,407	29,716	23,818	19,166	20,830	26,977	24,787	15,811	21,993	28,040	27.5%
Langkawi	449	487	524	589	572	434	646	754	630	567	-10.1%
Kota Bharu	168	210	163	181	185	177	164	147	179	397	121.6%
Kuala Terengganu	94	70	47	24	24	50	103	147	103	148	43.8%
Alor Setar	118	111	55	41	34	34	46	123	126	230	82.4%
Melaka	370	146	219	179	127	144	139	195	0	0	-
Subang	46,082	71,953	63,382	18,473	18,536	19,988	19,928	22,680	26,443	28,128	6.4%
Kuantan	75	109	103	70	70	49	38	57	86	46	-45.9%
Ipoh	437	357	10	0	0	0	0	34	403	296	-26.6%
Tioman	0	0	0	0	0	0	0	73	30	15	-51.2%
Pangkor	0	0	0	0	0	0	0	5	21	0.3	-98.6%
Redang	0	0	0	0	0	0	0	27	27	17	-34.5%
Labuan	3,077	3,207	3,985	4,566	4,165	4,592	5,294	6,072	9,329	11,591	24.2%
Lahad Datu	334	170	0	0	0	0	42	185	200	179	-10.7%
Sandakan	4,531	5,475	6,224	3,055	2,099	2,806	2,300	2,479	2,894	2,497	-13.7%
Tawau	3,885	3,030	2,134	1,262	1,951	3,045	3,198	2,489	2,844	3,265	14.8%
Bintulu	2,110	2,205	2,252	1,978	1,903	1,703	2,071	2,574	2,553	2,318	-9.2%
Miri	5,392	4,080	3,564	4,146	3,921	6,770	8,198	9,879	9,800	8,029	-18.1%
Sibu	1,377	1,040	892	735	856	1,133	1,153	1,612	1,413	1,460	3.3%
Mulu	459	240	191	262	346	396	370	322	354	319	-10.1%
Limbang	289	379	440	475	530	560	498	744	742	596	-19.7%
STOL Sabah	1	1	0	0	0	0	0	0	0	0	-
STOL Sarawak	540	403	845	692	402	543	622	630	552	444	-19.5%
Peninsula Malaysia	923,419	972,283	917,186	861,570	741,881	842,836	822,759	820,596	862,734	924,957	7.2%
Sabah	37,301	40,238	47,982	43,415	33,294	37,175	39,369	34,787	37,190	41,300	11.1%
Sarawak	38,575	38,062	32,001	27,454	28,789	38,081	37,699	31,572	37,407	41,206	10.2%
Grand Total	**999,295**	**1,050,584**	**997,168**	**932,440**	**803,964**	**918,092**	**899,827**	**886,955**	**937,331**	**1,007,463**	**7.5%**
% change	4.4%	5.1%	-5.1%	-6.5%	-13.8%	14.2%	-2.0%	-1.4%	5.7%	7.5%	

CARGO MOVEMENTS (2005 - 2014)

CARGO MOVEMENTS AT MAHB AIRPORTS (2005 - 2014)



CARGO MOVEMENTS AT KL INTERNATIONAL AIRPORT 2014



INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2014

(kg)	Arrival 2014	Arrival 2013	Departure 2014	Departure 2013	Total 2014	Total 2013	% + / -
SOUTH EAST ASIA							
Balikpapan	354,651	237,715	14,849	16,211	369,500	253,926	45.5%
Banda Acheh	0	0	320	1,007	320	1,007	-68.2%
Bandar Seri Begawan	82,061	152,157	1,416,553	1,390,819	1,498,614	1,542,976	-2.9%
Bandung	110,427	109,119	22,455	101,898	132,882	211,017	-37.0%
Bangkok	10,269,584	11,065,083	11,367,495	11,693,937	21,637,079	22,759,020	-4.9%
Batam	0	0	9,846	0	9,846	0	-
Cebu	0	7,502	0	68,190	0	75,692	-
Chiang Mai	0	0	59,447	79,116	59,447	79,116	-24.9%
Clark Field	0	27,084	11,004	61,084	11,004	88,168	-87.5%
Da Nang	900	18,522	0	957	900	19,479	-95.4%
Denpasar Bali	1,470,831	1,308,111	575,256	734,929	2,046,087	2,043,040	0.1%
Don Mueang	1,172,124	756,582	173,032	146,332	1,345,156	902,914	49.0%
Hanoi	5,167,849	1,338,856	2,339,632	2,188,594	7,507,481	3,527,450	112.8%
Ho Chi Minh City	4,898,958	3,753,752	4,538,505	3,913,411	9,437,463	7,667,163	23.1%
Jakarta	15,883,090	15,373,989	7,393,266	11,161,099	23,276,356	26,535,088	-12.3%
Krabi	0	0	1,174	54	1,174	54	2074.1%
Kuala Namu	1,099,685	0	751,667	0	1,851,352	0	-
Lombok	11,848	7,137	2,195	0	14,043	7,137	96.8%
Manila	1,581,043	1,430,455	3,804,820	2,845,691	5,385,863	4,276,146	26.0%
Medan	0	1,056,284	0	1,036,077	0	2,092,361	-
Padang	279,479	244,809	85	1,502	279,564	246,311	13.5%
Palembang	19,348	13,518	171,666	316,516	191,014	330,034	-42.1%
Pekan Baru	1,338	2,500	1,749	2,042	3,087	4,542	-32.0%
Phnom Penh	2,017,636	2,207,287	1,722,102	2,258,103	3,739,738	4,465,390	-16.3%
Phuket	17,627	8,331	307,135	350,758	324,762	359,089	-9.6%
Semarang	340,564	243,041	137,972	93,899	478,536	336,940	42.0%
Siem Reap	15,299	47,825	14,070	49,821	29,369	97,646	-69.9%
Singapore	11,153,084	10,689,007	12,235,294	10,570,000	23,388,378	21,259,007	10.0%
Solo City	99,800	49,006	5,205	6,075	105,005	55,081	90.6%
Surabaya	887,496	997,751	266,927	342,439	1,154,423	1,340,190	-13.9%
Ujung Pandang	664,976	629,697	5,712	6,661	670,688	636,358	5.4%
Vientiane	7,719	0	124,117	193,585	131,836	193,585	-31.9%
Yangon	446,326	750,167	1,158,462	1,049,275	1,604,788	1,799,442	-10.8%
Yogyakarta	911,014	322,597	16,575	40,567	927,589	363,164	155.4%
Total	**58,964,757**	**52,847,884**	**48,648,587**	**50,720,649**	**107,613,344**	**103,568,533**	**3.9%**

INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2014

(kg)	Arrival 2014	Arrival 2013	Departure 2014	Departure 2013	Total 2014	Total 2013	% + / -
NORTH EAST ASIA							
Beijing	8,452,546	10,437,418	4,462,805	4,405,110	12,915,351	14,842,528	-13.0%
Busan	194,179	71,815	45,550	8,645	239,729	80,460	197.9%
Chengdu	666,889	652,335	589,748	556,082	1,256,637	1,208,417	4.0%
Dalian	1,587	1,063	14	800	1,601	1,863	-14.1%
Fuzhou	62,892	56,497	5,028	1,554	67,920	58,051	17.0%
Guangzhou	18,715,570	16,183,361	4,561,262	5,471,667	23,276,832	21,655,028	7.5%
Guilin	3,930	17,743	20	1,691	3,950	19,434	-79.7%
Haikou	0	248	0	24	0	272	-
Hangzhou	2,497,091	2,845,117	21,539	24,424	2,518,630	2,869,541	-12.2%
Hong Kong	41,287,454	35,464,067	28,371,301	21,930,259	69,658,755	57,394,326	21.4%
Kunming	554,386	521,068	91,424	56,340	645,810	577,408	11.8%
Macau	957,003	1,130,437	74,253	114,084	1,031,256	1,244,521	-17.1%
Nagoya	196,921	0	751,722	0	948,643	0	-
Nanning	0	4,008	1,172	2,357	1,172	6,365	-81.6%
Osaka	4,417,274	3,887,081	6,442,601	5,722,133	10,859,875	9,609,214	13.0%
Pyong Yang	0	0	0	3,958	0	3,958	-
Seoul	18,712,325	20,092,032	13,043,760	13,416,554	31,756,085	33,508,586	-5.2%
Shanghai Pu Dong	20,410,369	21,120,417	16,046,975	12,092,038	36,457,344	33,212,455	9.8%
Shenzhen	7,065,130	4,973,984	1,626,530	1,547,409	8,691,660	6,521,393	33.3%
Taipei	13,694,433	12,848,255	11,167,627	10,716,843	24,862,060	23,565,098	5.5%
Tianjin	21,104	26,761	1,488	1,532	22,592	28,293	-20.1%
Tokyo Haneda	1,899,420	2,110,998	1,040,695	1,202,016	2,940,115	3,313,014	-11.3%
Tokyo Narita	7,160,998	7,118,022	10,707,410	7,573,424	17,868,408	14,691,446	21.6%
Xi An Xianyang	64,960	0	109	0	65,069	0	-
Xiamen	934,768	794,085	300,767	276,225	1,235,535	1,070,310	15.4%
Zhengzhou	647,414	0	95,771	219	743,185	219	339253.9%
Total	**148,618,642**	**140,356,812**	**99,449,571**	**85,125,388**	**248,068,213**	**225,482,200**	**10.0%**

INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2014

(kg)	Arrival 2014	Arrival 2013	Departure 2014	Departure 2013	Total 2014	Total 2013	% + / -
SOUTHWEST PACIFIC							
Adelaide	3,259,959	1,553,103	2,097,905	2,646,509	5,357,864	4,199,612	27.6%
Auckland	2,870,130	2,550,634	3,024,324	2,697,753	5,894,454	5,248,387	12.3%
Avalon	304,915	102,000	35,042	179,694	339,957	281,694	20.7%
Brisbane	3,217,170	2,165,347	3,399,259	3,095,337	6,616,429	5,260,684	25.8%
Christmas Island	0	0	6,044	0	6,044	0	-
Darwin	474	56	28,075	2,999	28,549	3,055	834.5%
Gold Coast	22,369	56,991	505,713	923,724	528,082	980,715	-46.2%
Melbourne	10,993,660	7,726,224	12,647,623	12,687,148	23,641,283	20,413,372	15.8%
Perth	2,798,686	2,765,267	5,945,666	8,474,362	8,744,352	11,239,629	-22.2%
Sydney	7,274,764	6,560,316	21,198,619	18,508,797	28,473,383	25,069,113	13.6%
Total	**30,742,127**	**23,479,938**	**48,888,270**	**49,216,323**	**79,630,397**	**72,696,261**	**9.5%**
SOUTH ASIA							
Bangalore	1,412,758	1,114,897	1,282,884	914,924	2,695,642	2,029,821	32.8%
Chennai	5,550,632	3,850,954	3,810,123	3,290,605	9,360,755	7,141,559	31.1%
Chittagong	7,082	0	72,467	0	79,549	0	-
Colombo	2,747,124	3,725,130	2,439,512	1,980,698	5,186,636	5,705,828	-9.1%
Delhi	5,849,610	4,095,432	5,430,483	4,342,360	11,280,093	8,437,792	33.7%
Dhaka	7,707,556	11,472,417	8,549,794	6,662,821	16,257,350	18,135,238	-10.4%
Hambantota	0	0	5,554	0	5,554	0	-
Hyderabad	710,092	744,826	658,454	285,451	1,368,546	1,030,277	32.8%
Islamabad	0	0	0	5,318	0	5,318	-
Karachi	343,884	165,989	149,032	159,822	492,916	325,811	51.3%
Kathmandu	1,119,041	701,276	1,218,173	352,052	2,337,214	1,053,328	121.9%
Kochi	694,480	379,710	612,871	96,202	1,307,351	475,912	174.7%
Kolkata	696,415	472,159	277,835	298,227	974,250	770,386	26.5%
Lahore	292,667	188,793	128,498	41,183	421,165	229,976	83.1%
Male	65,325	151,986	587,411	570,525	652,736	722,511	-9.7%
Mumbai	5,105,024	5,006,074	4,509,620	3,253,039	9,614,644	8,259,113	16.4%
Peshawar	99,977	75,687	26,057	15,721	126,034	91,408	37.9%
Tiruchirapally	1,916,626	1,220,269	12,594	4,459	1,929,220	1,224,728	57.5%
Total	**34,318,293**	**33,365,599**	**29,771,362**	**22,273,407**	**64,089,655**	**55,639,006**	**15.2%**
CENTRAL ASIA							
Almaty	20,691	5,373	182,662	386,838	203,353	392,211	-48.2%
Baku Heydar Alive	208,411	8,924	210,341	197,212	418,752	206,136	103.1%
Tashkent	102,784	23,620	412,934	430,596	515,718	454,216	13.5%
Total	**331,886**	**37,917**	**805,937**	**1,014,646**	**1,137,823**	**1,052,563**	**8.1%**

INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2014

	Arrival		Departure		Total		
(kg)	2014	2013	2014	2013	2014	2013	% + / -
MIDDLE EAST							
Abu Dhabi	5,323,449	4,765,680	6,798,268	5,368,209	12,121,717	10,133,889	19.6%
Amman	82,516	108,903	187,238	410,890	269,754	519,793	-48.1%
Baghdad	1,140	2,244	32,559	7,427	33,699	9,671	248.5%
Bahrain	0	0	407,139	0	407,139	0	-
Doha	4,121,092	3,325,293	12,178,056	9,039,909	16,299,148	12,365,202	31.8%
Dubai	7,832,229	5,674,898	14,066,027	9,876,567	21,898,256	15,551,465	40.8%
Dubai Al-Maktoum	290,242	0	1,228,432	0	1,518,674	0	-
Jeddah	950,780	1,674,367	4,582,516	3,222,035	5,533,296	4,896,402	13.0%
Kuwait	51,447	51,799	636,846	668,108	688,293	719,907	-4.4%
Madinah	261	661	673	7,556	934	8,217	-88.6%
Muscat	2,638,234	2,425,965	1,904,827	2,086,408	4,543,061	4,512,373	0.7%
Riyadh	296,321	275,101	1,462,227	847,465	1,758,548	1,122,566	56.7%
Riyan Mukalla	780	0	0	0	780	0	-
Sanaa	104,908	119,151	69,207	106,624	174,115	225,775	-22.9%
Sharjah	96,783	0	54,458	14,025	151,241	14,025	978.4%
Shiraz	0	138	0	0	0	138	-
Tehran Imam Khomeini	171,545	281,867	1,072,734	853,163	1,244,279	1,135,030	9.6%
Total	**21,961,727**	**18,706,067**	**44,681,207**	**32,508,386**	**66,642,934**	**51,214,453**	**30.1%**
EUROPE							
Amsterdam	16,630,935	14,668,306	16,088,047	16,428,590	32,718,982	31,096,896	5.2%
Frankfurt	12,531,070	11,357,559	15,390,208	12,931,855	27,921,278	24,289,414	15.0%
Istanbul	3,602,442	2,267,904	3,389,482	2,532,496	6,991,924	4,800,400	45.7%
Kiev Borispol	0	0	5,030	0	5,030	0	-
London Heathrow	5,418,135	4,589,694	8,017,321	8,414,216	13,435,456	13,003,910	3.3%
Luxembourg	2,575,303	2,854,012	6,295,223	7,499,702	8,870,526	10,353,714	-14.3%
Maastricht/Aachen De Apt	0	17,335	0	11,269	0	28,604	-
Paris	6,156,618	4,612,964	5,906,886	4,798,235	12,063,504	9,411,199	28.2%
Valencia	0	0	107,498	0	107,498	0	-
Total	**46,914,503**	**40,367,774**	**55,199,695**	**52,616,363**	**102,114,198**	**92,984,137**	**9.8%**
NORTH AMERICA							
Los Angeles	198,507	1,351,840	559,750	1,564,108	758,257	2,915,948	-74.0%
Total	**198,507**	**1,351,840**	**559,750**	**1,564,108**	**758,257**	**2,915,948**	**-74.0%**

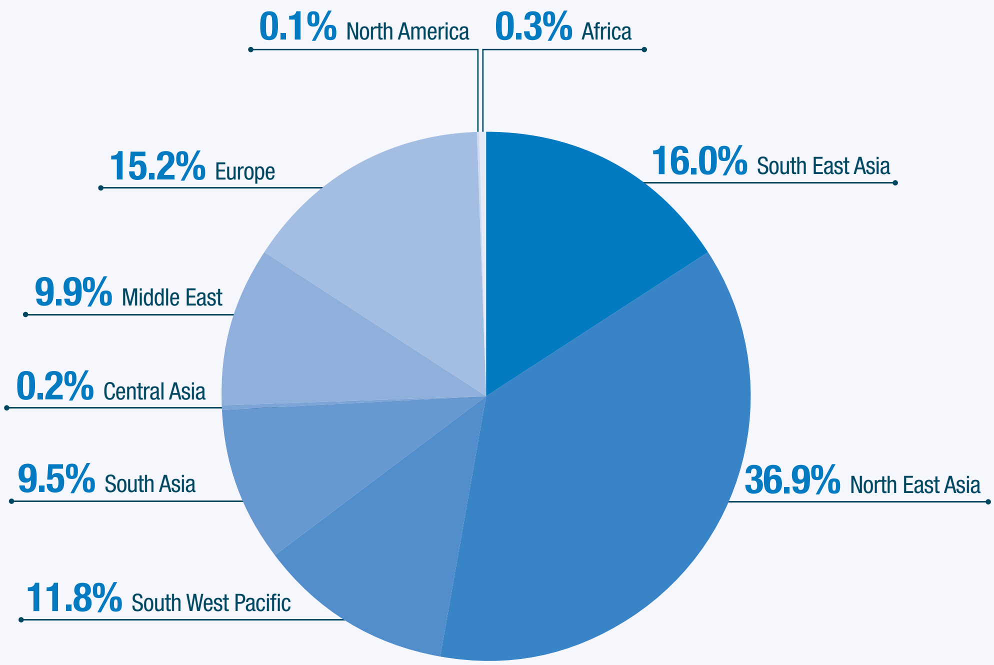
INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2014

(kg)	Arrival 2014	Arrival 2013	Departure 2014	Departure 2013	Total 2014	Total 2013	% + / -
AFRICA							
Addis Ababa	8,234	11,022	138,681	70,394	146,915	81,416	80.4%
Cairo	434,609	793,363	231,868	342,565	666,477	1,135,928	-41.3%
Entebbe/Kampala	0	0	82,278	87,454	82,278	87,454	-5.9%
Johannesburg	0	24,888	0	0	0	24,888	-
Lilongwe	0	0	64,924	0	64,924	0	-
Mauritius	68,053	88,843	1,211,613	1,159,576	1,279,666	1,248,419	2.5%
Total	**510,896**	**918,116**	**1,729,364**	**1,659,989**	**2,240,260**	**2,578,105**	**-13.1%**
Grand Total	**342,561,337**	**311,431,947**	**329,733,743**	**296,699,259**	**672,295,080**	**608,131,206**	**10.6%**

INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2014

KL INTERNATIONAL AIRPORT CARGO MOVEMENTS BY SECTORS 2014

International Movements: 672,295 metric tonnes



INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2014

AIRLINES WITH MORE THAN 1% INTERNATIONAL MARKET SHARE AT KLIA

AIRLINES	CARGO MOVEMENTS 2014 (kg)	MARKET SHARE %
Malaysia Airlines	359,803,633	53.5%
AirAsia X	42,006,108	6.2%
Cathay Pacific Airways	34,210,110	5.1%
AirAsia	30,542,340	4.5%
Korean Air	20,726,248	3.1%
Emirates	16,732,344	2.5%
Qatar Airways	16,410,831	2.4%
Singapore Airlines	15,790,238	2.3%
Thai Airways International	14,594,962	2.2%
China Airlines	12,518,386	1.9%

10 HIGHEST GROWTH INTERNATIONAL PERFORMANCE* AT KLIA

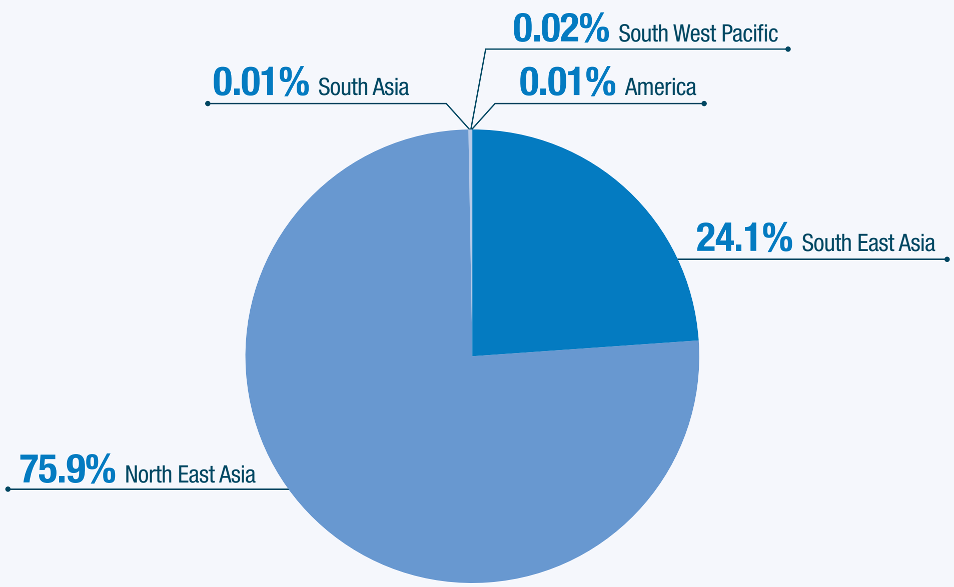
AIRLINES	CARGO MOVEMENTS 2014 (kg)	% Y-O-Y
Hong Kong Airlines	6,019,015	642.3%
Turkish Airlines	3,701,611	163.3%
Cathay Pacific Airways	34,210,110	70.3%
Air France	3,126,179	66.6%
Saudi Arabian Airlines	4,881,087	63.0%
Pakistan Int. Airlines	1,040,115	59.4%
Japan Airlines International	4,616,892	49.3%
United Parcel Services	6,801,809	45.5%
Vietnam Airlines	2,138,498	43.8%
Lufthansa German Airlines	4,780,101	39.5%

*Note: * 1,000,000 kg and above*

INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT OTHER INTERNATIONAL AIRPORTS 2014

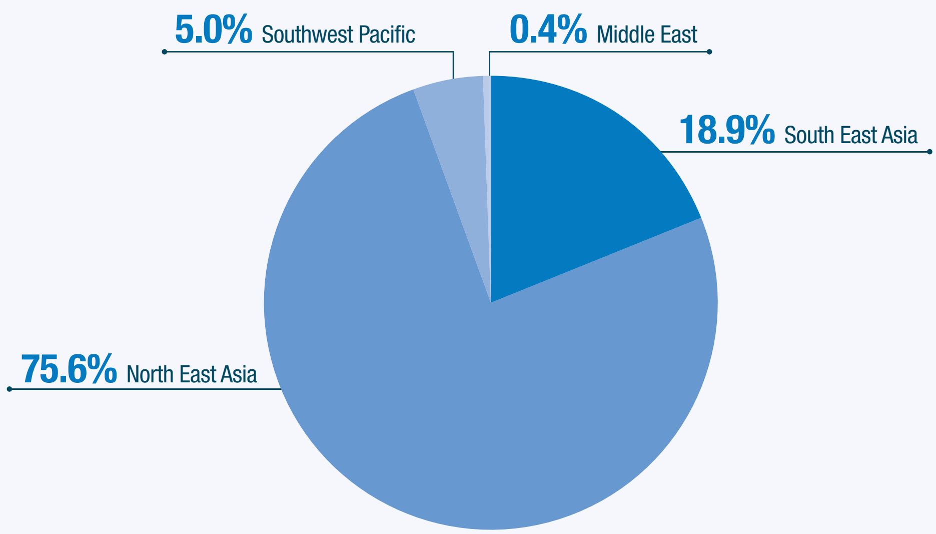
PENANG INTERNATIONAL AIRPORT CARGO MOVEMENTS BY SECTORS 2014

International Movements: 123,396 metric tonnes



KOTA KINABALU INTERNATIONAL AIRPORT CARGO MOVEMENTS BY SECTORS 2014

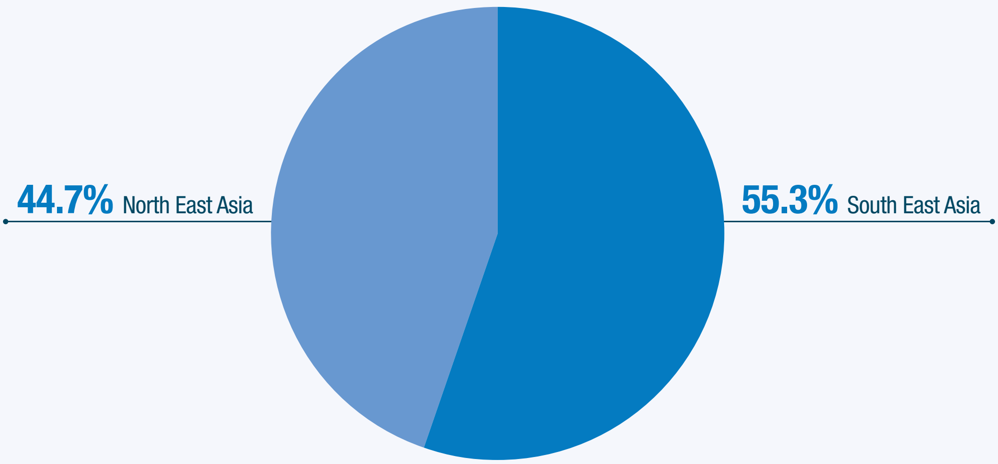
International Movements: 1,902 metric tonnes



INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT OTHER INTERNATIONAL AIRPORTS 2014

KUCHING INTERNATIONAL AIRPORT CARGO MOVEMENTS BY SECTORS 2014

International Movements: 1,391 metric tonnes

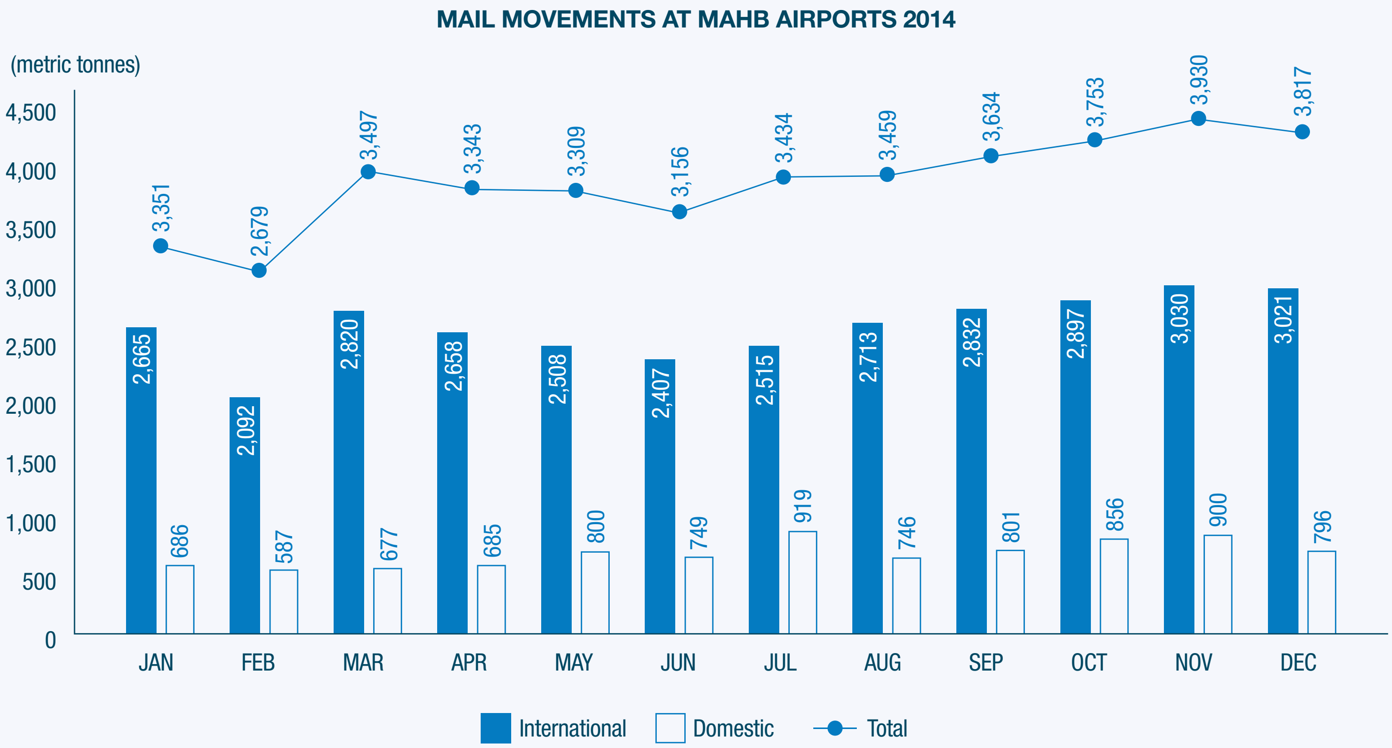


MAIL MOVEMENTS 2014

AIRPORTS	DOMESTIC			INTERNATIONAL			TOTAL			TRANSIT		
	Arrival	Departure	Total	Arrival	Departure	Total	2014*	2013*	% + / -	Domestic	Int'l	Total
KLIA	784,510	1,520,085	2,304,595	15,841,283	15,796,616	31,637,899	33,942,494	32,271,396	5.2%	0	0	0
Penang	130	3,552	3,682	3,685	80	3,765	52,551	3,344	1471.5%	3,516	41,588	45,104
Kota Kinabalu	530,787	411,121	941,908	363,966	79,970	443,936	1,389,206	1,750,925	-20.7%	1,544	1,818	3,362
Kuching	91,939	591,384	683,323	0	31,206	31,206	714,529	727,149	-1.7%	0	0	0
Langkawi	198,008	81,329	279,337	0	0	0	279,337	262,786	6.3%	0	0	0
Kota Bharu	182,700	97,856	280,556	0	0	0	280,556	243,537	15.2%	0	0	0
Ipoh	0	0	0	0	0	0	0	0	-	0	0	0
Kuala Terengganu	36,312	90	36,402	0	0	0	36,402	37,768	-3.6%	0	0	0
Alor Setar	223	343,668	343,891	0	0	0	343,891	223,931	53.6%	0	0	0
Melaka	0	0	0	0	0	0	0	0	-	0	0	0
Subang	1	43	44	0	0	0	44	6,502	-99.3%	0	0	0
Kuantan	407	0	407	0	0	0	407	0	-	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	444,199	74,927	519,126	0	0	0	522,929	511,272	2.3%	3,803	0	3,803
Lahad Datu	3,078	22	3,100	0	0	0	3,100	165,143	-98.1%	0	0	0
Sandakan	31,398	4,552	35,950	0	0	0	35,950	301,257	-88.1%	0	0	0
Tawau	187,780	9,204	196,984	0	0	0	196,984	470,839	-58.2%	0	0	0
Bintulu	55,808	726	56,534	0	0	0	56,917	52,669	8.1%	383	0	383
Miri	1,994,897	829,084	2,823,981	0	0	0	2,823,981	2,124,267	32.9%	0	0	0
Sibu	581,001	22,689	603,690	0	0	0	604,111	611,486	-1.2%	421	0	421
Mulu	0	0	0	0	0	0	0	0	-	0	0	0
Limbang	3,404	38,918	42,322	0	0	0	42,322	36,521	15.9%	0	0	0
STOL Sabah	0	0	0	0	0	0	0	0	-	0	0	0
STOL Sarawak	14,778	21,427	36,205	0	0	0	37,160	13,224	181.0%	955	0	955
Peninsula Malaysia	1,202,291	2,046,623	3,248,914	15,844,968	15,796,696	31,641,664	34,935,682	33,049,264	5.7%	3,516	41,588	45,104
Sabah	1,197,242	499,826	1,697,068	363,966	79,970	443,936	2,148,169	3,199,436	-32.9%	5,347	1,818	7,165
Sarawak	2,741,827	1,504,228	4,246,055	0	31,206	31,206	4,279,020	3,565,316	20.0%	1,759	0	1,759
Total 2014	**5,141,360**	**4,050,677**	**9,192,037**	**16,208,934**	**15,907,872**	**32,116,806**	**41,362,871**	**39,814,016**	**3.9%**	**10,622**	**43,406**	**54,028**
Total 2013	4,868,971	3,768,864	8,637,835	15,225,769	15,922,501	31,148,270	39,814,016			27,911	-	27,911
% change	5.6%	7.5%	6.4%	6.5%	-0.1%	3.1%	3.9%			-61.9%	-	93.6%

*Note : * Including transit mail*

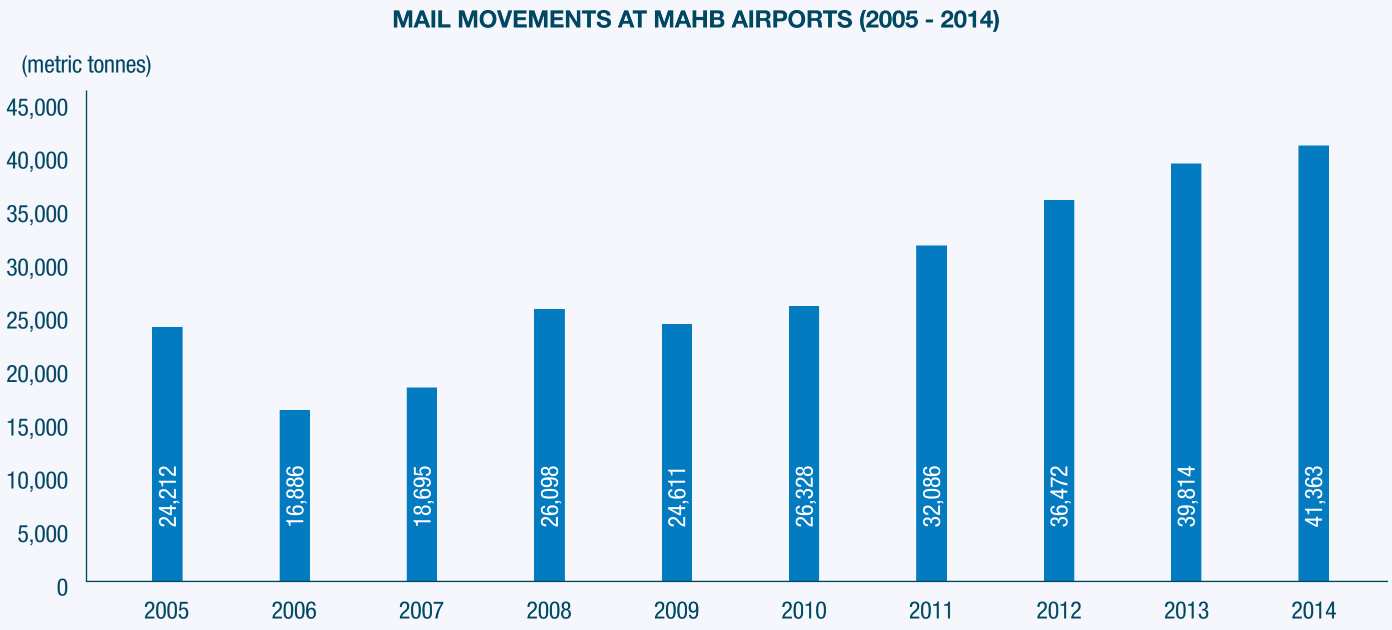
MAIL MOVEMENTS 2014



MAIL MOVEMENTS (2005 - 2014)

AIRPORTS (Metric tonnes)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	% + / -
KLIA	2,999	4,558	8,794	18,418	17,061	19,394	25,463	29,119	32,271	33,942	5.2%
Penang	9	2	1	0.4	7	4	12	2	3	53	1471.5%
Kota Kinabalu	5,032	3,787	4,044	3,149	1,744	2,158	1,810	2,246	1,751	1,389	-20.7%
Kuching	5,086	3,467	3,137	999	821	642	479	497	727	715	-1.7%
Langkawi	46	58	58	83	73	90	131	227	263	279	6.3%
Kota Bharu	226	171	175	236	322	322	330	214	244	281	15.2%
Ipoh	0	0	0	0	0	0	0	0	0	0	-
Kuala Terengganu	132	10	4	8	5	12	16	48	38	36	-3.6%
Alor Setar	0	0	0	2	55	47	58	185	224	344	53.6%
Melaka	0	0	0	0	0	0	0	0	0	0	-
Subang	7,006	1,656	0	0	0	0	0	0	7	0.04	-99.3%
Kuantan	2	0	0.03	0.001	0	2	0.001	0	0	0.41	-
Tioman	0	0	0	0	0	0	0	1	0	0	-
Pangkor	0	0	0	0	0	0	0	0	0	0	-
Labuan	257	291	334	399	360	378	414	496	511	523	2.3%
Lahad Datu	154	212	157	193	212	207	213	275	165	3	-98.1%
Sandakan	52	90	9	233	254	476	465	440	301	36	-88.1%
Tawau	264	102	27	281	242	439	457	497	471	197	-58.2%
Bintulu	134	240	83	339	382	264	218	41	53	57	8.1%
Miri	1,633	1,439	1,806	1,665	2,171	1,564	1,608	1,903	2,124	2,824	32.9%
Sibu	1,089	698	59	0	849	287	371	237	611	604	-1.2%
Mulu	0	0	0	0	0	0	0	0	0	0	-
Limbang	0.05	0.06	0	0	0	28	25	38	37	42	15.9%
STOL Sabah	0	0	0	0	0	0	0	0	0	0	-
STOL Sarawak	90	106	6	94	53	13	15	7	13	37	181.0%
Peninsula Malaysia	10,421	6,455	9,033	18,747	17,523	19,870	26,010	29,795	33,049	34,936	5.7%
Sabah	5,759	4,481	4,572	4,254	2,812	3,659	3,360	3,954	3,199	2,148	-32.9%
Sarawak	8,032	5,950	5,090	3,097	4,276	2,798	2,716	2,722	3,565	4,279	20.0%
Grand Total	**24,212**	**16,886**	**18,695**	**26,098**	**24,611**	**26,328**	**32,086**	**36,472**	**39,814**	**41,363**	**3.9%**
% change	-15.1%	-30.3%	10.7%	39.6%	-5.7%	7.0%	21.9%	13.7%	9.2%	3.9%	

MAIL MOVEMENTS (2005 - 2014)



MAIL MOVEMENTS AT KL INTERNATIONAL AIRPORT 2014

INTERNATIONAL MAIL MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2014

	Arrival		Departure		Total		
(kg)	2014	2013	2014	2013	2014	2013	% + / -
SOUTH EAST ASIA							
Bandar Seri Begawan	5,852	5,929	264,810	156,341	270,662	162,270	66.8%
Bangkok	327,000	400,986	261,470	223,706	588,470	624,692	-5.8%
Cebu	0	7	0	0	0	7	-
Denpasar Bali	25,981	27	4,656	328,127	30,637	328,154	-90.7%
Don Mueang	4,044	0	0	0	4,044	0	-
Hanoi	100,494	51,783	27,033	49,161	127,527	100,944	26.3%
Ho Chi Minh City	3,326	3,765	128,690	40,080	132,016	43,845	201.1%
Jakarta	302,690	295,952	405,404	477,670	708,094	773,622	-8.5%
Krabi	214	0	0	0	214	0	-
Kuala Namu	470	0	28,482	0	28,952	0	-
Manila	49,838	52,596	239,064	192,890	288,902	245,486	17.7%
Medan	0	61	0	37,378	0	37,439	-
Phnom Penh	23,618	31,430	256,502	234,875	280,120	266,305	5.2%
Phuket	495	400	594	33	1,089	433	151.5%
Siem Reap	660	0	0	0	660	0	-
Singapore	998,813	804,125	195,609	233,029	1,194,422	1,037,154	15.2%
Yangon	0	0	111,460	74,534	111,460	74,534	49.5%
Total	**1,843,495**	**1,647,061**	**1,923,774**	**2,047,824**	**3,767,269**	**3,694,885**	**2.0%**
NORTH EAST ASIA							
Beijing	223,284	963,498	777,990	465,127	1,001,274	1,428,625	-29.9%
Fuzhou	1,823	1,063	0	0	1,823	1,063	71.5%
Guangzhou	873,933	702,544	381,578	106,255	1,255,511	808,799	55.2%
Hong Kong	944,080	715,489	533,624	320,284	1,477,704	1,035,773	42.7%
Osaka	157,493	128,466	7,924	20,127	165,417	148,593	11.3%
Seoul	1,019,418	1,032,692	372,254	341,753	1,391,672	1,374,445	1.3%
Shanghai Pu Dong	336,739	207,296	797,950	933,905	1,134,689	1,141,201	-0.6%
Shenzhen	2,929,726	2,754,400	1,348,853	2,021,882	4,278,579	4,776,282	-10.4%
Taipei	315,895	208,158	558,105	461,673	874,000	669,831	30.5%
Tokyo	328,465	9,713	275,387	309,752	603,852	319,465	89.0%
Xiamen	85,691	32,454	0	0	85,691	32,454	164.0%
Total	**7,216,547**	**6,755,773**	**5,053,665**	**4,980,758**	**12,270,212**	**11,736,531**	**4.5%**

INTERNATIONAL MAIL MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2014

	Arrival		Departure		Total		
(kg)	2014	2013	2014	2013	2014	2013	% + / -
SOUTHWEST PACIFIC							
Adelaide	265	0	23,135	46,886	23,400	46,886	-50.1%
Auckland	2,756	3,263	684,019	889,318	686,775	892,581	-23.1%
Brisbane	805	15	293,244	243,023	294,049	243,038	21.0%
Melbourne	876	2,428	1,068,537	1,515,955	1,069,413	1,518,383	-29.6%
Perth	80	44	407,452	567,127	407,532	567,171	-28.1%
Sydney	46,732	33,810	2,066,418	2,172,670	2,113,150	2,206,480	-4.2%
Total	**51,514**	**39,560**	**4,542,805**	**5,434,979**	**4,594,319**	**5,474,539**	**-16.1%**
SOUTH ASIA							
Chennai	2,396	365	54,186	39,665	56,582	40,030	41.3%
Colombo	13,827	32,981	109,390	103,303	123,217	136,284	-9.6%
Delhi	0	41	47,956	35,727	47,956	35,768	34.1%
Dhaka	46,685	44,984	107,181	92,667	153,866	137,651	11.8%
Karachi	1,940	1,089	166	0	2,106	1,089	93.4%
Kathmandu	16	6	54,139	12,890	54,155	12,896	319.9%
Kochi	2	1	9	0	11	1	1000.0%
Lahore	186	256	0	10	186	266	-30.1%
Male	488	633	36,384	23,510	36,872	24,143	52.7%
Mumbai	7,199	4,081	62,522	29,174	69,721	33,255	109.7%
Total	**72,739**	**84,437**	**471,933**	**336,946**	**544,672**	**421,383**	**29.3%**
MIDDLE EAST							
Abu Dhabi	10,224	12,583	290,734	1,329	300,958	13,912	2063.3%
Amman	35,803	35,305	179	138	35,982	35,443	1.5%
Doha	24,921	106,687	79,506	21,075	104,427	127,762	-18.3%
Dubai	7,157	1,197	32,867	1,913	40,024	3,110	1186.9%
Jeddah	7,998	11,295	18,212	23,999	26,210	35,294	-25.7%
Kuwait	19,480	2,472	361	139	19,841	2,611	659.9%
Medinah	0	891	0	0	0	891	-
Muscat	575	6,202	19	10	594	6,212	-90.4%
Riyadh	10,612	7,545	561	385	11,173	7,930	40.9%
Sanaa	1,578	2,541	6	10	1,584	2,551	-37.9%
Tehran	91,217	50,669	222	382	91,439	51,051	79.1%
Total	**209,565**	**237,387**	**422,667**	**49,380**	**632,232**	**286,767**	**120.5%**

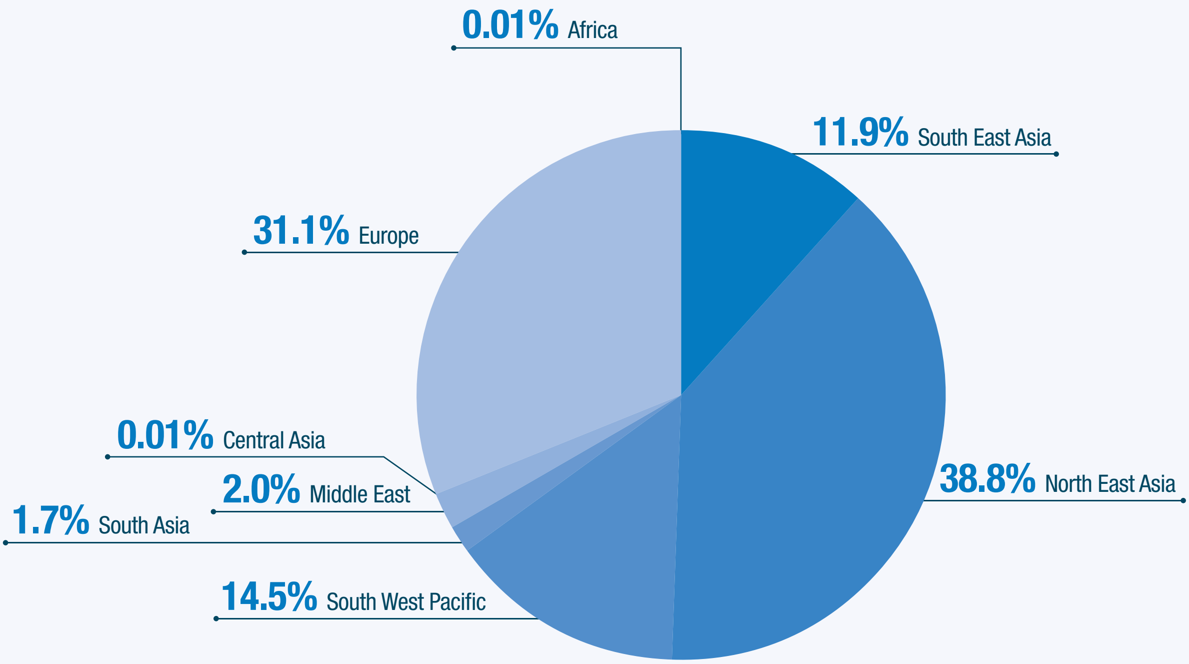
INTERNATIONAL MAIL MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2014

	Arrival		Departure		Total		
(kg)	2014	2013	2014	2013	2014	2013	% + / -
CENTRAL ASIA							
Almaty	74	154	0	0	74	154	-51.9%
Tashkent	2,251	19	499	0	2,750	19	14373.7%
Total	**2,325**	**173**	**499**	**0**	**2,824**	**173**	**1532.4%**
EUROPE							
Amsterdam	483,375	841,193	232,279	159,858	715,654	1,001,051	-28.5%
Frankfurt	339,570	62,698	191,514	55,254	531,084	117,952	350.3%
Istanbul	2,900	521	12,767	31,237	15,667	31,758	-50.7%
London	5,494,581	4,941,947	1,913,304	2,239,552	7,407,885	7,181,499	3.2%
Paris	130,700	340,783	1,031,139	469,223	1,161,839	810,006	43.4%
Total	**6,451,126**	**6,187,142**	**3,381,003**	**2,955,124**	**9,832,129**	**9,142,266**	**7.5%**
AFRICA							
Addis Ababa	724	105	119	101	843	206	309.2%
Cairo	1,651	1,282	49	42	1,700	1,324	28.4%
Mauritius	411	1,212	102	2,377	513	3,589	-85.7%
Total	**2,786**	**2,599**	**270**	**2,520**	**3,056**	**5,119**	**-40.3%**
Grand Total	**15,850,097**	**14,954,132**	**15,796,616**	**15,807,531**	**31,646,713**	**30,761,663**	**2.9%**

INTERNATIONAL MAIL MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2014

KL INTERNATIONAL AIRPORT MAIL MOVEMENTS BY SECTORS 2014

Total International Movements: 31,647 metric tonnes



MOVEMENTS AT MAHB STOLPORTS IN SABAH & SARAWAK 2014/2013

STOLports	Aircraft Movements	% Chg	Passengers	% Chg	Cargo & Mail (kg)	% Chg
Sarawak Region						
Bakalalan	324	1.3%	3,237	-0.4%	0	-
Bario	1,762	22.2%	18,455	11.9%	102,864	-50.8%
Lawas	4,060	15.3%	50,624	2.4%	54,662	84.9%
Long Akah	322	-11.5%	1,524	-15.3%	0	-
Long Banga	218	0.9%	2,445	-6.0%	0	-
Long Lellang	272	-1.4%	2,365	-4.9%	0	-
Long Seridan	212	1.9%	1,629	-8.9%	3,527	-36.2%
Marudi	4,784	35.1%	41,053	-7.8%	320,458	-0.2%
Mukah	3,370	12.5%	37,968	10.9%	0	-
Belaga	-	-	-	-	-	-
Long Semado	-	-	-	-	-	-
Kapit	-	-	-	-	-	-
Total	**15,324**	**18.9%**	**159,300**	**1.7%**	**481,511**	**-14.8%**
Sabah Region						
Kudat	226	-2.2%	4,590	-11.3%	0	-
Long Pasia	-	-	-	-	-	-
Semporna	-	-	-	-	-	-
Total	**226**	**-2.2%**	**4,590**	**-11.3%**	**0**	**-**
Grand Total	**15,550**	**18.5%**	**163,890**	**1.3%**	**481,511**	**-14.8%**

AIRLINES OPERATING AT KL INTERNATIONAL AIRPORT 2014

	WEEKLY FLIGHT FREQUENCY
1. Air Astana	3
2. Air France	4
3. Air India Express	5
4. Air Koryo	1
5. Air Mauritius	4
6. AirAsia	644 inter/548 dom
7. AirAsia X	156
8. AirAsia Zest	14
9. Bangkok Airways	7
10. Biman Bangladesh Airlines	7
11. Cargolux Airlines International (Cargo)	3
12. Cathay Pacific Airways	28
13. Cebu Pacific Air	14
14. China Airlines	7 (3C)
15. China Eastern Airlines	1
16. China Southern Airlines	14
17. Egyptair	3
18. Emirates	28
19. Ethiopian Airlines	4
20. Etihad Airways	14
21. Eva Airways	7
22. Federal Express Corp.(Cargo)	6
23. Flynas/Nas Air	2
24. Gading Sari (Cargo) - domestic	10
25. Garuda Indonesia	21
26. Hong Kong Airlines (Cargo)	1
27. Indonesia AirAsia	110
28. Iran Air	2
29. Iran Aseman Airlines	2
30. Iraqi Airways	1
31. Japan Airlines International	7
32. Jetstar Asia	30
33. KLM-Royal Dutch Airlines	14
34. Korean Air	7 (3C)
35. Kuwait Airways	6
36. Lion Air	21
37. Lufthansa German Airlines	9
38. Mahan Air	4
39. Malaysia Airlines	708+ 26 (C) inter/ 500 dom
40. Malindo Air	85 inter/53 dom
41. Mandala Airlines	7
42. Mega Maldives Air	1
43. Myanmar Airways International	5
44. Nepal Airlines	7
45. Oman Air	7
46. Pakistan International Airlines	4
47. PALexpress	1
48. Philippine Airlines	6
49. Qatar Airways	21
50. Regent Airways	4
51. Royal Brunei Airlines	14
52. Royal Jordanian	3
53. Saudi Arabian Airlines	9
54. Shanghai Airlines	7
55. SilkAir	48
56. Singapore Airlines	17
57. SriLankan Airlines	14
58. Thai AirAsia	35
59. Thai Airways International	18
60. Thai Lion Air	3
61. Tiger Airways	28
62. Transmile (Cargo)-domestic	1
63. Turkish Airlines	8
64. United Airways Bangladesh	2
65. United Parcel Services (Cargo)	9
66. Uzbekistan Airways	3
67. Vietnam Airlines	21
68. Xiamen Airlines	14
69. Yemenia Yemen Airways	3
Total number of airlines	**69**

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 recognizably 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.

STATISTICS OF SHAREHOLDINGS

STATEMENT OF SHAREHOLDINGS AS AT 27 MARCH 2015

SHARE CAPITAL

Authorised Share Capital	: RM2,000,000,001/-
Issued and Fully Paid-Up Capital	: RM1,651,849,607/-
Class of Equity Securities	: 1,651,849,606 Ordinary Shares of RM1/- each and 1 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 27 MARCH 2015

A. DISTRIBUTION OF SHAREHOLDINGS (MALAYSIAN & FOREIGN)

	No. of Holders		No. of Holdings		Percentage	
Size of Holding	**Malaysian**	**Foreign**	**Malaysian**	**Foreign**	**Malaysian**	**Foreign**
1 - 99	243	6	3,294	212	0.00	0.00
100 - 1,000	4,282	33	2,997,202	17,035	0.18	0.00
1,001 – 10,000	5,296	79	14,263,008	332,385	0.86	0.02
10,001 – 100,000	506	163	13,754,723	7,193,296	0.83	0.44
100,001 – 68,827,065 (*)	150	223	313,473,193	314,256,499	18.98	19.02
68,827,066 and above (**)	3	0	985,558,759	0	59.66	0.00
Total	**10,480**	**504**	**1,330,050,179**	**321,799,427**	**80.52**	**19.48**
Grand Total	**10,984**		**1,651,849,606**		**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.

STATISTICS OF SHAREHOLDINGS

B. LIST OF TOP 30 SECURITIES ACCOUNT HOLDERS AS AT 27 MARCH 2015

(without aggregating securities from different securities accounts belonging to the same person)

	Name of Shareholders	No. of Holdings	Percentage
1.	KHAZANAH NASIONAL BERHAD	605,472,308	36.65
2.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD*	195,559,326	11.84
3.	AMANAHRAYA TRUSTEES BERHAD *SKIM AMANAH SAHAM BUMIPUTERA*	184,527,125	11.17
4.	PERMODALAN NASIONAL BERHAD	44,026,910	2.67
5.	HSBC NOMINEES (ASING) SDN BHD *EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (BERMUDA)*	31,303,896	1.90
6.	AMANAHRAYA TRUSTEES BERHAD *AMANAH SAHAM WAWASAN 2020*	31,270,518	1.89
7.	AMANAHRAYA TRUSTEES BERHAD *AS 1MALAYSIA*	30,600,000	1.85
8.	AMANAHRAYA TRUSTEES BERHAD *AMANAH SAHAM MALAYSIA*	23,147,037	1.40
9.	LEMBAGA TABUNG ANGKATAN TENTERA	18,793,480	1.14
10.	CARTABAN NOMINEES (ASING) SDN BHD *GIC PRIVATE LIMITED FOR GOVERNMENT OF SINGAPORE (C)*	18,775,048	1.14
11.	CARTABAN NOMINEES (ASING) SDN BHD *EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)*	15,993,000	0.97
12.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD *EXEMPT AN FOR DEUTSCHE BANK AG LONDON (PRIME BROKERAGE)*	14,095,180	0.85
13.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N14011940100)*	13,850,172	0.84
14.	HSBC NOMINEES (ASING) SDN BHD *BBH AND CO BOSTON FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND*	13,066,200	0.79
15.	CARTABAN NOMINEES (ASING) SDN BHD *EXEMPT AN FOR RBC INVESTOR SERVICES TRUST (CLIENTS ACCOUNT)*	10,408,199	0.63
16.	CITIGROUP NOMINEES (ASING) SDN BHD *CBHK FOR HOSTPLUS POOLED SUPERANNUATION TRUST (NORTHCAPE CAP)*	9,816,186	0.59
17.	HSBC NOMINEES (ASING) SDN BHD *EXEMPT AN FOR THE BANK OF NEW YORK MELLON (MELLON ACCT)*	7,671,721	0.46
18.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD (AFFIN-HWG)*	6,861,240	0.42

STATISTICS OF SHAREHOLDINGS

	Name of Shareholders	No. of Holdings	Percentage
19.	HSBC NOMINEES (ASING) SDN BHD *EXEMPT AN FOR BNP PARIBAS SECURITIES SERVICES (CLIENT ASSETS)*	6,629,004	0.40
20.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD *STATE STREET AUSTRALIA FUND REMI FOR RETAIL EMPLOYEES SUPERANNUATION TRUST*	6,443,128	0.39
21.	HSBC NOMINEES (ASING) SDN BHD *EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (BVI)*	6,356,100	0.38
22.	HSBC NOMINEES (ASING) SDN BHD *CS (LUX) S.A. FOR PARTNERS GROUP LISTED INVESTMENTS SICAV – LISTED INFRASTRUCT*	6,211,500	0.38
23.	HSBC NOMINEES (ASING) SDN BHD *TNTC FOR NEW ZEALAND SUPERANNUATION FUND*	6,163,483	0.37
24.	HSBC NOMINEES (ASING) SDN BHD *EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.S.A.)*	6,073,434	0.37
25.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *SETIAUSAHA KERAJAAN PULAU PINANG*	5,940,000	0.36
26.	HSBC NOMINEES (ASING) SDN BHD *BNY LUX FOR INVESCO FUNDS*	5,683,680	0.34
27.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD (AMUNDI)*	5,351,827	0.32
28.	CARTABAN NOMINEES (ASING) SDN BHD *GIC PRIVATE LIMITED FOR MONETARY AUTHORITY OF SINGAPORE (H)*	5,066,496	0.31
29.	HSBC NOMINEES (TEMPATAN) SDN BHD *HSBC (M) TRUSTEE BHD FOR RHB-OSK KIDSAVE TRUST (3621)*	4,985,397	0.30
30.	KERAJAAN NEGERI PAHANG	4,920,000	0.30

C. LIST OF SECURITIES ACCOUNT HOLDERS OF SPECIAL RIGHTS REDEEMABLE PREFERENCE SHARE AS AT 27 MARCH 2015

1. The Minister of Finance (Incorporated)

STATISTICS OF SHAREHOLDINGS

D. SUBSTANTIAL SHAREHOLDERS AS AT 27 MARCH 2015

(as shown in the register of substantial shareholders)

Name of Substantial Shareholders	No. of Shares held		Percentage
	Direct	Indirect	
Khazanah Nasional Berhad	605,472,308	-	36.65
Employees Provident Fund Board	217,797,569	-	13.19
AmanahRaya Trustees Berhad – Skim Amanah Saham Bumiputera	184,527,125	-	11.17

E. DIRECTORS' SHAREHOLDINGS AS AT 27 MARCH 2015

(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.	Jeremy bin Nasrulhaq	-	-	-
4.	Mohd Izani bin Ghani	-	-	-
5.	Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin	-	-	-
6.	Datuk Seri Yam Kong Choy	-	-	-
7.	Datuk Zalekha binti Hassan	-	-	-
8.	Rosli bin Abdullah	-	-	-
9.	Dato' Siti Zauyah bin Md Desa	-	-	-
10.	Datuk Dr. Ismail bin Hj. Bakar	-	-	-
11.	Norazura binti Tadzim (Alternate Director to Dato' Siti Zauyah binti Md Desa)	-	-	-
12.	Datuk Ruhaizah binti Mohamed Rashid (Alternate Director to Datuk Dr. Ismail bin Hj. Bakar)	-	-	-

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.

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. Under this system, tax on dividends is imposed at the companies' and shareholders' level. However, tax imposed at the shareholders' level will take into account tax imputed at the companies' level through tax credits.

In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders and such dividends will be exempted from tax in the hands of the shareholders ("single-tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Malaysian companies also have an irrecoverable option to disregard the Section 108 balance of Malaysian Income Tax Act, 1967 and opt to pay dividends under the single-tier system. The change in the tax legislation also provides for the Section 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

MAHB did not elect for the irrecoverable option to disregard the Section 108 balance. Accordingly, during the transitional period, MAHB may utilise the credit in Section 108 balances as at 31 December 2013 and 2012 to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act 2007. As at 31 December 2014, the Company has fully utilised the credit in the Section 108 balance and can distribute its entire retained earnings under the single-tier system without any restrictions.

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 2014 (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	2,196
MALAYSIA AIRPORTS (PROPERTIES) SDN. BHD. Location: Genting Permai Park & Resort District of Bentong, Pahang Malaysia	4 units of apartments	Freehold	-	342	718
MALAYSIA AIRPORTS (PROPERTIES) SDN. BHD. Location: Teluk Dalam, Pulau Pangkor District of Manjung, Perak Malaysia	10 units of apartments	Freehold	-	744	836

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 2014 (RM'000)
LANDED PROPERTIES OWNED BY THE GROUP (CONT'D.)					
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	-	259
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	-	213

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.

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)
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

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

ISTANBUL SABIHA GOKCEN INTERNATIONAL AIRPORT INVESTMENT DEVELOPMENT AND OPERATION INC. (656447)
Business Address:
Istanbul Sabiha Gökçen Uluslararası
Havalimanı, Terminal Binası Yönetim Katı,
Pendik 34912 Istanbul
Tel : +90 216 588 80 00
Fax : +90 216 588 80 10

LGM AIRPORT OPERATIONS TRADE AND TOURISM INC. (689548)
Business Address:
Istanbul Sabiha Gökçen Uluslararası
Havalimanı, Terminal Binası Yönetim Katı,
Pendik 34912 Istanbul
Tel : +90 216 588 80 00
Fax : +90 216 588 80 10

AIRPORT DIRECTORY

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

KUCHING INTERNATIONAL AIRPORT
Peti Surat 1070
93722 Kuching, Sarawak, Malaysia
T : 6082-454 242
F : 6082-458 587

SULTAN ABDUL AZIZ SHAH AIRPORT
Skypark Terminal
47200 Subang
Selangor Darul Ehsan, Malaysia
T : 603-7845 3245
F : 603-7846 3679

SULTAN AZLAN SHAH AIRPORT
31350 Ipoh
Perak Darul Ridzuan, Malaysia
T : 605-318 8202
F : 605-312 2295

SULTAN ABDUL HALIM AIRPORT
06200 Alor Setar
Kedah Darul Aman, Malaysia
T : 604-714 6876
F : 604-714 5345

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

SULTAN AHMAD SHAH AIRPORT
26070 Kuantan
Pahang Darul Makmur, Malaysia
T : 609-531 2123/2100
F : 609-538 4017

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

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

LABUAN AIRPORT
Jalan Tun Mustafa
Peti Surat 80569
87015 W.P. Labuan
Sabah, Malaysia
T : 6087-416 007/415 015
F : 6087-410 129

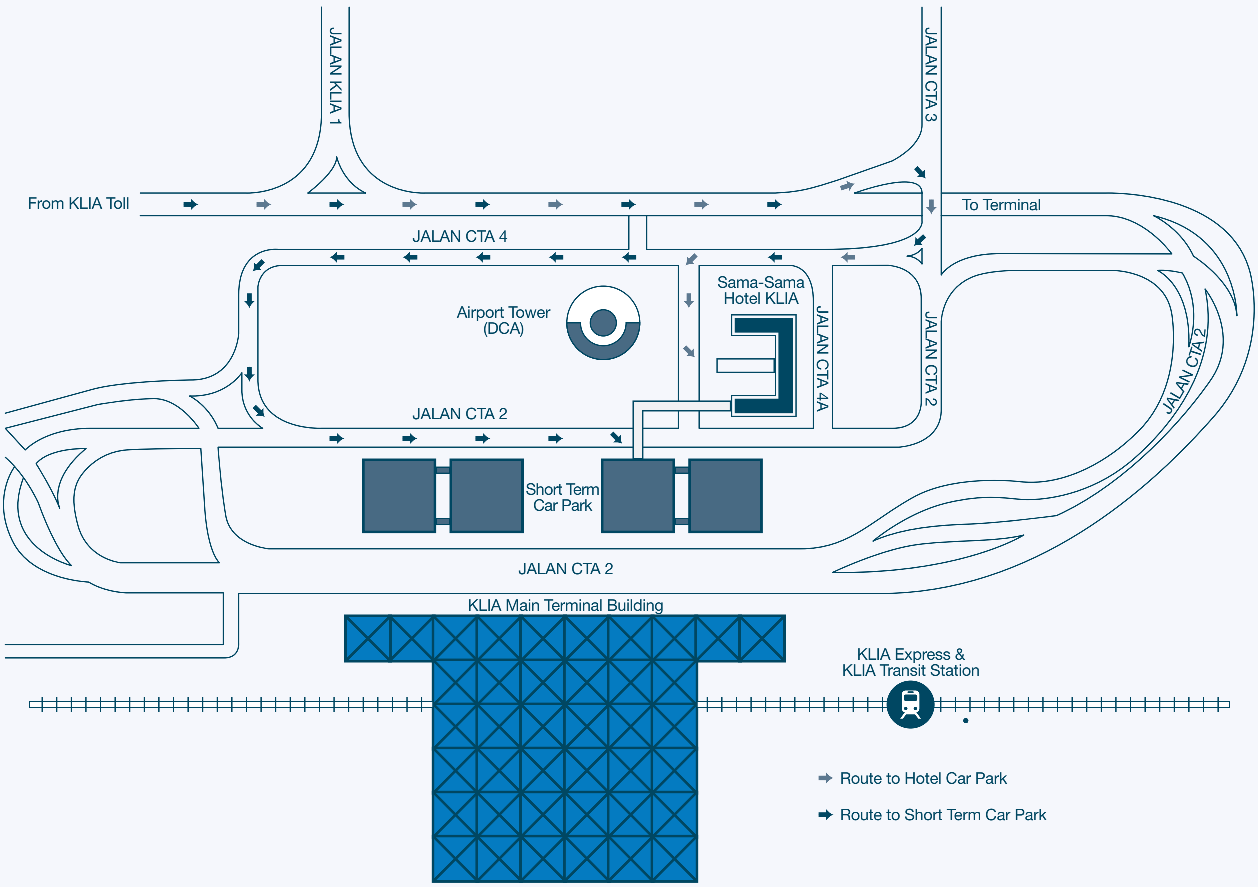
SIBU AIRPORT
Peti Surat 645
96000 Sibu
Sarawak, Malaysia
T : 6084-307 770
F : 6084-307 709

BINTULU AIRPORT
97000 Bintulu
Sarawak, Malaysia
T : 6086-339 163
F : 6086-337 011

MIRI AIRPORT
Peti Surat 851
98008 Miri
Sarawak, Malaysia
T : 6085-615 204/205
F : 6085-614 537

LIMBANG AIRPORT
98700 Limbang
Sarawak, Malaysia
T : 6085-212 090
F : 6085-214 979

MAP TO THE AGM VENUE



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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 16th 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 Tuesday, 5 May 2015 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 in respect of the financial year ended 31 December 2014.		
2.	**ORDINARY RESOLUTION 2**	To approve the payment of Directors' fees for the financial year ended 31 December 2014.		
3.	**ORDINARY RESOLUTION 3**	To re-elect Datuk Mohd Badlisham bin Ghazali 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 Dato' Siti Zauyah binti Md Desa who shall retire in accordance with Article 129 of the Company's Articles of Association and being eligible, offers herself for re-election.		
5.	**ORDINARY RESOLUTION 5**	To re-elect Datuk Dr. Ismail bin Hj Bakar who shall retire in accordance with Article 129 of the Company's Articles of Association and being eligible, offers himself for re-election.		
6.	**ORDINARY RESOLUTION 6**	To re-elect Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan 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-elect Jeremy bin Nasrulhaq who shall retire in accordance with Article 131 of the Company's Articles of Association and being eligible, offers himself for re-election.		
8.	**ORDINARY RESOLUTION 8**	To re-elect Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin who shall retire in accordance with Article 131 of the Company's Articles of Association and being eligible, offers himself for re-election.		
9.	**ORDINARY RESOLUTION 9**	To re-appoint Messrs. Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
10.	**ORDINARY RESOLUTION 10**	To approve the proposed renewal of the authority to allot and issue new ordinary shares of RM1.00 each in MAHB for the purpose of the Company's Dividend Reinvestment Plan.		

As witness my/our hands this ____________ day of ____________, 2015.

____
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

MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)
Malaysia Airports Corporate Office, Persiaran Korporat KLIA,
64000 KLIA, Sepang, Selangor Darul Ehsan, Malaysia.
Tel: +603-8777 7000 Fax: +603-8777 7778
www.malaysiaairports.com.my