Next Generation Hub

More passengers are moving through our airports than ever before. In line with the Next Generation Hub concept, the design of our airports will allow for greater connectivity and operational efficiency to facilitate the connection between full service and low cost carriers.

Malaysia Airports have been continuously seeking for value creation activities either through business operations or through corporate responsibility exercise. Our commitment to create sustainable world-class aviation gateways is an endearing effort. We consistently look for innovative and eco-friendly ways to manage the impact of our business to our surrounding stakeholders and environment.

These are achieved not only through objective-oriented and specific corporate responsibility activities but also through our day-to-day operations. Malaysia Airports diligently observed the four pillars of corporate responsibility throughout our operations, not only in airports we manages nationwide but also throughout all business activities by our subsidiaries. The four pillars of corporate responsibility practised by Malaysia Airports are Marketplace Development, Workplace Development, Environmental Sustainability and Community Development.

MARKETPLACE DEVELOPMENT

Our business operations identifies with a wide-ranging stakeholders in the marketplace. As an airport operator, our marketplace engagement includes members of the airport community, customers, government agencies, suppliers, business partners, media and many other relevant groups of the public. Our reputation is not determined only through the successes and awards we received but also derived from how our stakeholders perceive our organisation, how we communicate and how we conduct ourselves within the marketplace. Thus, it is imperative that we invest substantial effort and time to nurture a dynamic relationship with our stakeholders.

The annual iStyle Fashion KLIA event, organised by Malaysia Airports with the objective of promoting our flagship gateway as a lifestyle destination, is one of our ongoing efforts in enhancing stakeholder engagement in our marketplace. The event provides a platform for budding stylists and fashion designers to showcase their talent and creativity, and is open to all aspiring and student designers aged between 18 and 25 years old. Running in its third year, a total of 39 teams have signed up for the competition but only six teams were shortlisted to compete at iStyle Fashion KLIA 2011.

Parallel to Malaysia Airports' solid commitment to sustainability and environment responsibility, the event carried the theme 'Runway Green', where it revolved around the principles of sustainable and ethical fashion, underscoring the overall goal of extending the green initiatives beyond airports infrastructure and buildings to include a broader cross-section of our practices and services. The theme was selected with the core objective towards encouraging commercial retailers and young designers to consider sustainable and ethical approaches in eco-retailing and eco-fashion, as well as sales initiatives.

ENGAGEMENT INITIATIVES

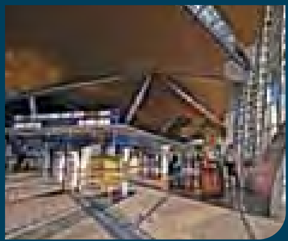
As the main airport operator in the country, Malaysia Airports engage with numerous suppliers and vendors on a daily basis. Our priority in this matter is to ensure strategic partnerships with either budding entrepreneurs or established businesses are continuously maintained. Procurement Vendor Day is one of the events under Vendor Development Programme where the company shares a common platform with our vendors for the sole purpose of mutual understanding, communication and strengthening of relationships. The event was conducted with the objectives to act as a communication platform with the strategic vendors, to establish and allow vendor networking, and to set focus on Procurement Policies, Procedures and Guidelines (3Ps).

Another initiative introduced by Malaysia Airports in order to improve the workplace development of the Company is the Supplier Relationship Management programme (SRM). The goal of SRM process is to increase internal operational efficiencies and also to build stronger relationships with suppliers through well-defined and communicated expectations. Through SRM, we aim to achieve efficient procurement cycle time and increase cost effectiveness and to establish long term business relationship with vendors, as well as to form strategic contractual relationship so that all the equipment and facilities that are supported by these vendors will be able to operate efficiently.

At Malaysia Airports, our industry relations are strengthened through various participation and organising trade events. One of the activities includes conducting a conference that benefits both the Company and our commercial business partners. In 2011, MAHB Concessionaires Conference carried the theme

'In-Sync: Discovering a New Axis for Growth', which focuses on the close relationship between Malaysia Airports and our concessionaires, and how each party can play a role in driving profitability, bringing value and sustaining growth for mutual benefit. During the conference, participants had the opportunity to learn from experts from various industries on the latest trends in branding, retail marketing and technology.

For the very first time too, Malaysia Airports accorded special awards to our concessionaires as part of our recognition programme. The awards given to the deserving concessionaires include Customer Service Excellence Award (The Moment of Truth Award), Best Concept Award (Out Of the Box Award), Best Overall Award for KLIA (Top in Class Award), and Most Supportive Award (Best Supporting Partner Award).



WORKPLACE DEVELOPMENT

At Malaysia Airports, we believe in a philosophy where the essence of a sustainable company is not about how much revenue were collected but that the essence lies in our people. In exercising our Corporate Responsibility, addressing Workplace Development issues is not merely complying with Malaysia's Employment Act and statutory requirements. It is not limited to only providing healthy, safe and secure working environment to our people, but to nurture a working culture filled with efficiency, respect, teamwork and effective communication within the organisation as well.

Various initiatives were implemented in 2011 to nurture these cultures. One of it was a series of Awareness Mock-Up workshops that were conducted at some of our airports in order to ensure seamless continuity of Value Management (VM) approach at all levels. The Awareness Mock-Up workshops were conducted particularly to instil VM culture of saving, which ultimately could enable staffs to develop initiatives of any scale with cost saving opportunities and hence benefitting the company as a whole. Malaysia Airports' Value Management Manual outlines VM methodology, which will be the benchmark for our application in procurement, system and procedures for internal business processes that accord to our policies. The benefits from this new concept have been enormous savings in projects cost.

OUR TALENTED ASSETS

The success of any of business endeavours is highly dependent on the skills and talent of our people. Therefore, Human Capital Development is one of the company's priority as it continues to be given substantive attention. Malaysia Airports' staff had benefited from our human capital development with opportunities to attend workshops, conferences, and educational programmes such as Career Development and Corporate Diploma with UiTM's Malaysian Institute of Transportation (MITRANS) and the global Airport Management Professional Accreditation Programme (AMPAP). The Human Resource Services Division (HR) has actively developed and equipped our trainers with professional certification that allows them to be qualified trainers.

Besides internal growth, Malaysia Airports continue investing in the human capital development through Education Sponsorship Programme that was held since 2010. It is an initiative that aims to provide sponsorship for individuals with potential and excellent education backgrounds to continue their studies at selected colleges and universities. This is another platform for Malaysia Airports to ensure our business continuity for the future growth and expansion are well planned. The main objective of the human capital development programmes is to develop new talent, enhance leadership skills and readiness of workforce to meet the global challenge in managing airports.

Other significant programme in Malaysia Airports' human capital development effort is the Cross Fertilisation and Cross Assignment programme with Government-Linked Companies (GLCs). The Government has provided an exposure, new knowledge and experience to the staff to further understand other organisations' working culture.

Malaysia Airports also embarked on initiatives with international programmes with International Civil Aviation Organisation (ICAO) and Airport Council International Global Training Hub (ACI GTH) that provides accreditation syllabus, which attracts participants from local and international organisations. Besides training our own workforce, Malaysia Airports is also committed to train the personnel of our joint venture partners in managing the overseas airports to ensure the workforce is equipped with the required skills. One related programme is the Management Development Programme for International Assignee, which is a special programme designed for potential candidates to be positioned at overseas airports.

CORPORATE RESPONSIBILITIES

Talent development is vital for Malaysia Airports business to move beyond the boundaries of airport business and Malaysia Airports develop our leaders through 'Mentor for Business Leaders Programme', which has foster the coaching and mentoring culture in the workplace. Another new programme that has been developed is the collaboration between Malaysia Airports and the Malaysian Government in 'Skim Latihan 1 Malaysia' (SL1M) to increase the marketability and employability of the participants of this programme.

This programme was adopted by Malaysia Airports in our effort to support Government initiatives to decrease unemployment rate among graduates. All these programmes have raised the competency levels, knowledge and skills of Malaysia Airports' workforce to manage world class airports. Through this programme, eligible applicants will undergo a seven-month training programme with comprehensive classroom training and on-the-job training in various airport business functions. This is another testament to our commitment towards the Government's Transformation Programme. Through SL1M-MAHB graduates will have the opportunity to improve their soft-skills through on-the-job training while building their experience and confidence to enter the job market.

Malaysia Airports' HR is in the process of sustaining the current talent to become well-optimised to attract and retain top talent as part of the recruitment programmes. In line with that, the succession plan has been outlined to ensure the continuity of future top talent for airport management and its business. Hence, HR has actively participated in the Career Fair of BN Youth, Belia 1Malaysia, GLC Open Day and also overseas career events with the aim to attract talented graduates with higher achievement in academic as well as to gauge the employer branding at both local and international levels. From feedback received by HR, the number of applications has increased every year. This is a sign of Malaysia Airports' branding as the Employer of Choice. HR is also looking forward to the Employee Branding that portrays the professional etiquette and integrity through the performance and achievement of employees.

Malaysia Airports is highly committed in practising business culture that focuses on leadership development, motivation, retention and performance of key talents. The success of human capital management is dependent upon effective internal communication and understanding the needs of workforce. The recent successful negotiation between Management and the workforce was the signing of Collective Agreement 6 (CA6), which had benefited 6,772 staff effective 1 January 2011. The conclusion of CA6 is testimony of the Company's compliance towards the Malaysian Employment Act and statutory requirements.

ENVIRONMENTAL SUSTAINABILITY

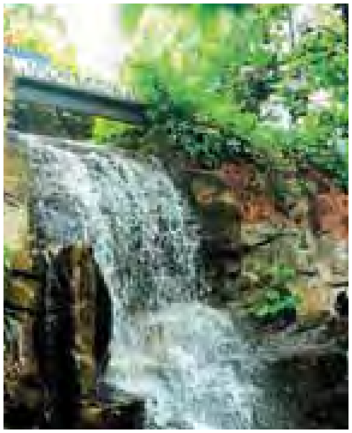
ENVIRONMENTAL COMPLIANCE

Our dedication to run a sustainable business operation are closely guided by various laws and policy imposed by the Government. Malaysia Airports always aim to attain full compliance of the laws relevant to its operations. Thus far we are in compliance with environmental statutory law under Environmental Quality Act 1974 (Act 127), Regulations, Rules and Orders and relevant Standards published by Department of Environment.

Based on internal environmental aspect-impact assessment and study on legal compliance issues, there are several legality issues identified for Malaysia Airports that are closely tied with the risk of pollution. Under the act, these identified issues relevant to our airport operations are excessive noise level generated by aircraft, probable discharge of sub-standard effluent from oxidation pond or sewage treatment plant, probable discharge of sub-standard runoff water to sea or river, improper disposal of hazardous waste by various parties in airport, potential emission of dark smoke from power generator set and vehicle, and usage of prohibited refrigerant in building or vehicle air condition system. Separately, legal compliance issues also relates to fulfilling Department of Environment (DOE) administrative requirements, for instance registration of certain facilities and submission of document or record to DOE office.

Managing Our Environment

Efficient energy management and energy efficiency practice are part of Malaysia Airports' commitment to sustainability and environmental responsibility. To demonstrate this commitment, Malaysia Airports had put together Energy Management Unit that is solely dedicated to enforce the policy to control and manage energy effectively, reduce consumption to the lowest practicable level and maintain the standards without neglecting the safety of the airport operation.



This is strongly supported with our recent contribution in the commitment towards the growth of renewable energy in Malaysia. Through a consortium, Malaysia Airports had participated in the Malaysia Feed-in-Tariff Programme. The programme is established under the system of Advances Renewable Tariffs and renewable energy targets differentiated by technology, where we will build, own and operate Photovoltaic (PV) solar power plant facilities in all our international airports by stages as our pledge to adopt the Advances Renewable Tariffs and renewable energy targets system.

The Company has always recognised the holistic importance of managing water as a resource. After many years of vigilantly monitoring the quality of portable, recycled and reused water in its totality, Malaysia Airports took the innovative step to ensure a continuous effort to manage an eco-friendly world class airport. This year Malaysia Airports embarked on an environmental partnering to manage KLIA's water management system. Our water management is closely related to three aspects, specifically the consumption of fresh water, storm water quality and quality of waste water discharges from sewage treatment plant. Annually we target to reduce the amount of fresh water we use at our airports by monitoring the water supply bill and complementing this target by curbing water wastage through the implementation of awareness programmes at all airports. Whereas, the waste water from sewage treatment plant is managed in compliance with EQ (Sewage) Regulation 2005.

Another aspect at the top of our environmental management priorities is reducing carbon emission at the airports we operate and manage, where the greatest contributor to emissions is our energy consumption. We embarked on various initiatives in managing our energy and emissions level efficiently. These proactive steps include conducting Carbon Footprint Study, ‘Low-cost’ Energy Saving Initiatives, Application of Sensors and Natural Lighting at airports and Energy Saving Device. Moreover, as a commitment to work towards carbon neutral growth and carbon-free future for the aviation industry, Malaysia Airports is one of the signatory of the Aviation Industry Commitment to Action on Climate Change where we pledges five of our airports under the article.

Meanwhile, in terms of waste management, KLIA lead the way with the placement of segregation bins throughout the terminal. Malaysia Airports has also worked closely with food & beverage outlets in ensuring segregation of waste at our commercial outlets. Likewise, we also ensure that all our activities meet and support the Environmental Impact Assessment (EIA) of KLIA in managing the airport’s noise level. Malaysia Airports gazetted 10 kilometres by 10 kilometres ‘No Residential Build Zone’, which has been implemented around the airport, while the creation of an acoustic barrier with a green belt of palm plantation and forests surrounding the airport helps monitor noise levels in noise sensitive areas.

EarthCheck Benchmarking

Parallel to all the efforts mentioned above, we underscored our commitment on the sustainability of environment and ensuring our operations to meet the level of environmental legal compliance for power generator and comply with the Environment Quality Act. Apart from that, Malaysia Airports participated in EarthCheck Programme initiatives (formally known as Green Globe), a global benchmarking and certification programme for sustainable travel and tourism. KLIA was the first airport to receive the Green Globe certification since 2004.

The EarthCheck annual assessment was undertaken against EarthCheck benchmarking indicators and checklist where it was carefully selected to track performance in key areas of environmental and social performance impact. Our improvements in all the EarthCheck indicators will not only help the environment, but will also help us reduce our operational costs. Based on KLIA’s achievement, the EarthCheck Programme has been planned to be implemented at Kuching International Airport in 2012 and to be followed by other airports.

COMMUNITY DEVELOPMENT

BEYOND BORDERS

Malaysia Airports' flagship community programme, Beyond Borders was launched in 2007. This nationwide school adoption programme is one of a kind as it aims to elevate healthy, competitive and creative academic standards, raising awareness on the importance of education, and to help enhance self-esteem among the underprivileged children. With the tagline 'Give Them Wings, Let Them Fly', Beyond Borders continues to contribute into the nation building agenda for the fifth year in 2011 since its inception.

In 2011, Beyond Borders focuses on academic enhancement and improvement through engagement and support programme, also to increase self-direction and personal efficiency by conducting project management workshops for the teachers, interschool competitions as well as motivational talk. This unique programme enters its second year of the second phase with 12 adopted schools scattered throughout the region. Based on a three-year school adoption programme started in 2010, Malaysia Airports is currently conducting the Beyond Borders programme at these schools up till their graduation year in 2012.

The schools involved are grouped into three regions, i.e. Central, Northern and Eastern Region. For Central Region, schools involved are – SK Olak Lempit, Banting, Selangor; SK Seri Cheras, Wilayah Persekutuan Kuala Lumpur; SK Labu Ulu Batu 8, Labu, Negeri Sembilan; and SK Semabok, Melaka. For Northern Region, schools involved are – SK Sungai Raya, Kinta, Perak; SK Sungai Batu, Teluk Kumbar, Pulau Pinang; SK Titi Gajah, Alor Setar, Kedah; SK Temenggong Datuk Muip, Miri, Sarawak. For Eastern Region, schools involved are – SK Batu Tiga, Kuantan, Pahang; SK Mengabang Telipot, Kuala Terengganu, Terengganu; SK Parang Puting, Pengkalan Chepa, Kelantan; and SK Wakuba, Tawau, Sabah.

Beyond Borders is a partnership between selected schools and its overall school community. With the goal to improve the academic standards especially in English, Mathematics and Science subject of the students in our adopted schools, we have worked closely with the teachers to produce a comprehensive programme. To start the 2011 programme, kick-off meetings were conducted at each adopted schools with the presence of Malaysia Airports Corporate Communication officials, representatives from the State Education Department (JPN) and District Education Department (PPD), and appointed Beyond Borders teachers which were handpicked by their respective head of school. Structured framework which consists of creative writing workshops, tuition drills, UPSR clinics, interschool competitions, motivational talks and trainings to targeted students and teachers were carried out at these adopted schools this year.


MALAYSIA
AIRPORTS

As a finale of Beyond Borders 2011 programme, the annual Beyond Borders Regional Awards ceremony was held in November dedicated to appreciate and recognise the teachers and students. The event was held at three different venues according to the regions. SK Labu Ulu Batu 8, Labu, Negeri Sembilan played host to Central Region, SK Sungai Batu, Teluk Kumbar, Pulau Pinang hosted the Northern Region followed by SK Mengabang Telipot, Kuala Terengganu, Terengganu for Eastern Region.

During the award ceremony, four categories were presented. These categories are 'Beyond Borders Interschool Project Competition', 'Beyond Borders Planet Green Interschool Competition', 'Golden Pen Award: Essay Writing Competition', and 'Act It Up' Interschool Drama Competition'. Winners from each region received lucrative cash prizes totalling up to RM16,000.00, trophies and certificates.

The Company has also introduced a special award in conjunction with the company's goal to increase total number of volunteers among employees in the Beyond Borders programme, which is Best Airport Representative. This award is presented to the airport staff who had contributed outstandingly in terms of time and effort, in carrying out frequent visits and updates on school progress, communicating with the teachers and served as a trainer and motivational speaker in the programme. The Beyond Borders programme had left a significant impact to the staff of Malaysia Airports in terms of volunteerism. There was a tremendous increase in the number of volunteers compared to last year. Employees were given exposure to share and deliver their knowledge by becoming trainers, facilitators and motivators assisting the students from the participating schools. Malaysia Airports hopes to continue this noble act in reaching out to these underprivileged children.

Additionally, this year Malaysia Airports provided monetary contribution to the nine schools that participated in our first phase Beyond Borders by paying zakat money to these schools. The zakat money was given to deserving students in the hope to ease their school expenses burden. The zakat money was distributed with the cooperation of Lembaga Zakat Selangor, as part of Malaysia Airports duty as a business organisation to the community in need.

Our community contribution goes beyond Malaysian borders. We also extended our hand to fellow airport operator that was badly affected by Japan earthquake in early 2011. Malaysia Airports through Airport Council International (ACI), played a part in contributing a donation to the relief effort for Sendai Airport in Japan that was badly affected by the earthquake and tsunami attack. The donation was from the money collected through Tabung KLIA.

Our drive and commitment to contribute to the community is shared throughout the Group of companies, where Pan Pacific Kuala Lumpur International Airport Hotel (PPKLIA) among others, also actively exercised corporate responsibility at their level.

Last year, among the community engagement activities conducted by PPKLIA included jointly organising a blood donation campaign with the National Blood Bank, participating in Earth Hour one-hour lights off activity in support of the climate change initiative, as well as organising a community care committee with the Learning and Development (Education) team where three special children homes participated in an event in conjunction with Christmas celebration. The participating homes were Persatuan Kanak-Kanak Istimewa Kajang, Pusat Kebajikan Kanak-Kanak Cacat Taman Megah and Anbe Sivem Home with a total of 70 children and their guardians from these homes were involved in this exciting event. Among the activities conducted were scrumptious Christmas lunch, a musical performance by the Hotel's live band, a karaoke session with the children, entertainment by 'Peanut' the clown and it was ended ceremoniously with Christmas gifts distribution to each children.

This spirit of caring and sharing that cascades down throughout the Group, portrays our serious commitment towards the well-being and development of our surrounding community.

A Shopping Indulgence

Quality, service, choice and value for money continue to be the driving forces behind our retail and F&B operations. We are customer-driven, and to ensure that we keep up with the changing needs of our passengers, we are constantly looking into every detail of our commercial operations in order to enrich customer experience.


LANCOME

BOARD OF DIRECTORS

from left to right :

Tan Sri Datuk Dr. Aris Bin Othman
(Chairman)
(Non-Independent Non-Executive)

Tan Sri Bashir Ahmad Bin Abdul Majid
(Managing Director)
(Non-Independent Executive)

Hajah Jamilah Binti Dato' Hj Hashim
(Non-Independent Non-Executive)

Jeremy Bin Nasrulhaq
(Independent Non-Executive)

Mohd Izani Bin Ghani
(Non-Independent Non-Executive)

Eshah Binti Meor Suleiman
(Non-Independent Non-Executive)

Datuk Siti Maslamah Binti Osman
(Independent Non-Executive)

Datuk Alias Bin Haji Ahmad
(Independent Non-Executive)

Dato' Long See Wool
(Non-Independent Non-Executive)

Norazura Binti Tadzim
(Alternate Director to Eshah Binti Meor Suleiman)
(Non-Independent Non-Executive)

Sabarina Laila Binti Dato' Mohd Hashim
(Company Secretary)

BOARD OF DIRECTORS

from left to right :

TAN SRI DATUK DR. ARIS BIN OTHMAN
(Chairman) (Non-Independent, Non-Executive)

TAN SRI BASHIR AHMAD BIN ABDUL MAJID
(Managing Director) (Non-Independent, Executive)

Tan Sri Datuk Dr. Aris bin Othman, Malaysian, aged 67, was appointed to the Board of MAHB as a Non-Independent Non-Executive Director and Chairman of MAHB on 7 June 2003. He chairs the Board Procurement Committee, Board Finance & Investment Committee and Board Risk Management Committee of MAHB. He is also the Chairman of Malaysia Airports Consultancy Services Sdn. Bhd., K.L. Airport Hotel Sdn. Bhd. and MAB Agriculture-Horticulture Sdn. Bhd., wholly-owned subsidiaries of MAHB.

Prior to joining the Company, he has held several senior positions at the Prime Minister's Department and the Ministry of Finance ("MOF"), amongst others, as Assistant Secretary (Macro-Economics) EPU, Principal Assistant Director (Racial Balance, National Development Planning Committee Secretariat and Administration) EPU, Director (Distribution and Macro-Economics) EPU, Senior Director (Macro-Economics) EPU, Deputy Director-General (Macro) EPU, Deputy Secretary General II, MOF, Deputy Secretary General (Policy) MOF and thereafter was elevated to the position of Secretary General of MOF. His varied career also includes having served as the Chief General Manager (Corporate Planning, Financial Subsidiaries, Treasury, Human Resource) Bank Bumiputra Malaysia Berhad (now known as "CIMB Bank Berhad"), Executive Director (South-East Asia Group), The World Bank, Washington DC, and was formerly the Executive Chairman and Managing Director/Chief Executive Officer of Bank Pembangunan dan Infrastruktur Malaysia Berhad and the Chairman of Malaysia Design and Innovation Centre, Cyberjaya.

He attained a Bachelor (Hons) in Analytical Economics from University of Malaya, Master in Development Economics from Williams College, Williamstown, Massachusetts and Master in Political Economy from Boston University, Boston. He also holds a PhD. in Development Economics from Boston University, Boston, USA.

He currently holds directorship positions at AMMB Holdings Berhad, AmInvestment Bank Berhad and YTL Power International Berhad.

He has attended 12 out of 12 Board Meetings held during the financial year.

Tan Sri Bashir Ahmad bin Abdul Majid, Malaysian, aged 62, was appointed as Managing Director of MAHB on 7 June 2003. He chairs the Board of Malaysia Airports (Niaga) Sdn. Bhd., Malaysia Airports Capital Berhad and Malaysia Airports Capital (Labuan) Limited, as well as is a member on the Board of K.L. Airport Hotel Sdn. Bhd. and MAHB (Mauritius) Private Limited, all are wholly-owned subsidiaries of MAHB.

Prior to his present employment, he has held various senior positions in Malaysian Airline System Berhad throughout a period of 29 years, which include Director of Corporate Planning, Commercial Director, Senior Vice-President Commercial and Executive Vice-President Airline. He was subsequently appointed as the Aviation Advisor to the Ministry of Transport.

He graduated with a Bachelor of Arts Degree (Hons) majoring in International Relations from University of Malaya.

Tan Sri Bashir currently sits on the Board of GMR Hyderabad International Airport Limited, Delhi International Airport Private Limited, Istanbul Sabiha Gokcen International Airport Group and GMR Malè International Airport Limited. Tan Sri Bashir was appointed as the President of Airports Council International Asia Pacific Region on 12 May 2010.

He has attended 12 out of 12 Board Meetings held during the financial year.

BOARD OF DIRECTORS

from left to right :

DATO' LONG SEE WOOL
(Non-Independent, Non-Executive)

MOHD IZANI BIN GHANI
(Non-Independent, Non-Executive)

ESHAH BINTI MEOR SULEIMAN
(Non-Independent, Non-Executive)

Dato' Long See Wool, Malaysian, aged 57, was appointed to the Board of MAHB on 9 September 2008. He also sits on the Board Procurement Committee and Board Risk Management Committee of MAHB. He is a member on the Board of Malaysia Airports (Sepang) Sdn. Bhd. and Malaysia Airports Sdn. Bhd., both wholly-owned subsidiaries of MAHB, since December 2002.

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 16 May 2002 to 1 November 2006 and then appointed as the Deputy Secretary-General (Planning), MOT. He is currently the Secretary-General of Ministry of Transport.

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 attended 11 out of 12 Board Meetings held during the financial year.

Mohd Izani bin Ghani, aged 44, was appointed to the Board of MAHB as a Non-Independent Non-Executive Director on 21 March 2011. He is a member of Board Audit Committee and Board Finance & Investment Committee of MAHB.

Mohd Izani graduated from the London School of Economics and Political Science (LSE), United Kingdom 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 admitted to fellowship in 1998. He is also a member of Malaysian Institute of Accountants. He is currently the Director and Chief Financial Officer of Khazanah Nasional Berhad. On cross border financing transactions, he was instrumental in the issuance of the world's first exchangeable sukuk for USD750 million in 2006, followed by other landmark exchangeable sukuk in 2007 and 2008. In relation to domestic ringgit funding, he was deeply involved in the setting up of various sukuk programmes. Currently, Mohd Izani is a Director of Bank Muamalat Malaysia Berhad and is also a Director in several special purpose companies, which are wholly-owned by Khazanah Nasional Berhad, i.e. Rantau Abang Capital Berhad, Feringghi Capital Ltd, Klebang Capital Ltd, Lido Capital Ltd and Cenang Capital Ltd.

Since his appointment, he has attended 9 Board Meetings held during the financial year.

Eshah binti Meor Suleiman, aged 57, was appointed to the Board of MAHB as a Non-Independent Non-Executive Director on 4 July 2011. She is a member of Board Procurement Committee and Board Nomination & Remuneration Committee of MAHB.

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 and Principal Deputy Assistant Secretary, Finance Division, MOF, and Deputy Under Secretary, Investment, MOF (Inc.) and Privatisation Division [formerly known as MOF (Inc.) Companies, Privatisation and Public Enterprise Division] in August 2003.

She is currently the Under Secretary Investment, MOF (Inc.) and Privatisation Division. She obtained a Bachelor of Economics (Hons) Degree from University of Malaya in 1980, a Diploma in Public Administration from National Institute of Public Administration (INTAN) in 1981 and a Master in Business Administration (Finance) from Oklahoma City University, USA in 1994.

She currently holds directorship positions at Pos Malaysia Berhad, Global Maritime Ventures Berhad, a subsidiary of Bank Pembangunan Malaysia Berhad and as alternate director in Telekom Malaysia Berhad and Malaysian Airline System Berhad.

Since her appointment, she has attended 5 Board Meetings held during the financial year.

BOARD OF DIRECTORS

from left to right :

- **DATUK ALIAS BIN HAJI AHMAD**
(Independent, Non-Executive)
- **DATUK SITI MASLAMAH BINTI OSMAN**
(Independent, Non-Executive)
- **HAJAH JAMILAH BINTI DATO' HJ HASHIM**
(Non-Independent, Non-Executive)

Datuk Alias bin Haji Ahmad, Malaysian, aged 64, was appointed to the Board of MAHB as an Independent Non-Executive Director on 1 December 2003. He chairs the Board Nomination & Remuneration Committee and is a member of Board Procurement Committee, Board Audit Committee and Board Risk Management Committee of MAHB.

Prior to this, he had a long and distinguished career with the Government which began soon after his graduation from the University of Malaya in 1972 with an Honours Degree in Arts and Economics. He held various senior positions in several Ministries and Department starting at the Ministry of Finance in 1972, Special Officer to the Minister of Finance and then Minister of Trade and Industry. He also held various senior positions in the Ministry of Defence before moving on as Federal Secretary for Sabah. He was the Deputy Secretary General of the Ministry of Health, a post he held until his retirement in July 2003.

He has attended 12 out of 12 Board Meetings held during the financial year.

Datuk Siti Maslamah binti Osman, Malaysian, aged 64, was appointed as an Independent Non-Executive Director of MAHB on 1 December 2003. She chairs the Board Audit Committee and sits on the Board Nomination & Remuneration Committee and Board Finance & Investment Committee of MAHB.

She was formerly the Accountant General of Malaysia, a position she held from October 2000 until her retirement in 2003. She had served the Government for 31 years and held various positions in various government agencies before her retirement.

She is a Fellow Member of The Chartered Institute of Management Accountants (United Kingdom) and a member of the Malaysian Institute of Accountants. She is also a director of MAIS Zakat Selangor Sdn. Bhd. and a trustee of Lembaga Zakat Selangor (MAIS).

She has attended 12 out of 12 Board Meetings held during the financial year.

Hajah Jamilah binti Dato' Hj Hashim, Malaysian, aged 53, was appointed to the Board of MAHB as a Non-Independent Non-Executive Director on 1 March 2007. She is also a member of the Board Nomination & Remuneration Committee and Board Risk Management Committee of MAHB.

She had served as a Director in Boustead Heavy Industries Corporation, heading the Strategic Management and Transformation Division since 2009 to 2011. She is currently a Director in Khazanah Nasional Berhad ("Khazanah") heading the Support Operations and co-heading the Corporate Development Unit.

She was a member of the Board of Pantai Morib Ventures Sdn. Bhd., from 2007 to 2009, a subsidiary of Khazanah.

She had held ten (10) key positions in the operational and regional level in Goodyear, throughout a period of 21 years. Before her last role as Director of Business Process Improvement in Goodyear Asia Pacific Region, she had served as the Manufacturing Director and a Board member of Goodyear Malaysia Berhad. She had also served in several key turnaround roles in Goodyear, along with playing an active role as the President of Goodyear Asia Pacific Region Women-in-Leadership movement. She also held management position in the Malaysian Palm Oil Council as well as research position in the Solar Energy Research Institute, USA.

Besides her executive education in the IMD, University of Michigan, University of Virginia, and University of Pennsylvania, she holds a Master of Science in Physical Chemistry from University of Denver and Bachelor's Degree in Chemistry from California State University.

She has attended 12 out of 12 Board Meetings held during the financial year.

BOARD OF DIRECTORS

from left to right :

- **JEREMY BIN NASRULHAQ**
(Independent, Non-Executive)
- **NORAZURA BINTI TADZIM**
(Alternate Director to Eshah Binti Meor Suleiman)
(Non-Independent, Non-Executive)
- **SABARINA LAILA BINTI DATO' MOHD HASHIM**
(Company Secretary)

Jeremy bin Nasrulhaq, Malaysian, aged 59, was appointed to the Board of MAHB as an Independent Non-Executive Director on 15 August 2007. He is also a member of the Board Audit Committee, Board Nomination & Remuneration Committee and Board Finance & Investment Committee of MAHB.

He had held several key financial and supply chain positions in Unilever, throughout a period of 29 years, which include having served as the Regional Finance Officer for Unilever Asia Foods, Supply Chain Director for Unilever Malaysia, Commercial Director-cum-National Finance Director for Unilever Malaysia and Supply Chain Director for Unilever Malaysia and Singapore, a post he held until April 2007. He also served on several regional and global functional teams during his period in Unilever. 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.

He is a Fellow Member of the Chartered Institute of Management Accountants, U.K. (CIMA) and currently serves as Deputy President on the Malaysian CIMA Council. He is a registered chartered accountant of the Malaysian Institute of Accountants (MIA). He also holds a Bachelor of Science Degree (Distinction) in Agribusiness Science from Universiti Putra Malaysia.

He has attended 12 out of 12 Board Meetings held during the financial year.

Norazura binti Tadzim, aged 33, was appointed to the Board of MAHB on 30 November 2011 as an Alternate Director to Eshah binti Meor Suleiman. She has served as Assistant Secretary in various departments under the Ministry of Finance including Investment, MKD and Privatisation Division, namely Infrastructure – Land Transport, Infrastructure – Port/Maritime and MKD Companies – Technology & Industry.

She is currently the Principal Assistant Secretary, Investment, MKD and Privatisation Division (Infrastructure – Air Transport).

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

Sabarina Laila binti Dato' Mohd Hashim, Malaysian, aged 44, is currently the Company Secretary for MAHB and its Group of Companies. She was appointed as Company Secretary on 20 September 2004 and holds the position of the General Manager, Secretarial & Legal Services, MAHB. 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.

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

She joined Malaysia Airports in 1995 as a Legal Advisor in charge of the Group's legal matters. Prior to joining Malaysia Airports, 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 (5) Board Committees of MAHB.

GROUP **SENIOR MANAGEMENT**

from left to right:

TAN SRI BASHIR AHMAD ABDUL MAJID, FAIZAL MANSOR, DATO' ABDUL HAMID MOHD ALI

DATO' AZMI MURAD, KHAIR MIRZA, FAIZAH KHAIRUDIN

MOHD AMINUDDIN YAAKUB, MOHD NASIR ISMAIL, IR. SURADINI ABDUL GHANI, SABARINA LAILA DATO' MOHD HASHIM

MUHD NAJIB MOHD RAWI, ROKMAH ABDULLAH, IR. KHAIRIAH SALLEH, NASREIN FAZAL SULTAN

GROUP **SENIOR MANAGEMENT**

from left to right:

MUSTAFA KAMAL HJ. ALANG OTHMAN, DATO' IR. ABDUL NASIR ABDUL RAZAK, KAMARUDIN MAHMOOD

MOHAMED SALLAUDDIN MOHAMED SHAH @ MAT SAH, BRIAN ISKANDAR ZULKARIM, NIK ANIS NIK ZAKARIA, MOHD SUHAIMI ABD MUBIN

NOR AZLINA MOHD ISA, NORNAJIHAH ISMAIL, VEELAYUDAN KRISHNAN NAIR

ZAINOL MOHD ISA, AHMAD TARMIZI MOHD HASHIM, MUHAMMAD FAWZY AHMAD

GROUP **SENIOR MANAGEMENT**

TAN SRI BASHIR AHMAD ABDUL MAJID

Managing Director, MAHB

Tan Sri Bashir Ahmad, 62, was appointed as Managing Director of MAHB on 7 June 2003. He chairs the Board of Malaysia Airports (Niaga) Sdn. Bhd., Malaysia Airports Capital Berhad and Malaysia Airports Capital (Labuan) Limited, as well as is a member on the Board of K.L. Airport Hotel Sdn. Bhd. and MAHB (Mauritius) Private Limited, all are wholly-owned subsidiaries of MAHB. Prior to his present employment, he has held various senior positions in Malaysian Airline System Berhad throughout a period of 29 years, which include Director of Corporate Planning, Commercial Director, Senior Vice-President Commercial and Executive Vice-President Airline. He was subsequently appointed as the Aviation Advisor to the Ministry of Transport.He graduated with a Bachelor of Arts Degree (Hons) majoring in International Relations from University of Malaya. Tan Sri Bashir currently sits on the Board of GMR Hyderabad International Airport Limited, Delhi International Airport Private Limited, Istanbul Sabiha Gokcen International Airport Group and GMR Malé International Airport Limited. Tan Sri Bashir was appointed as the President of Airports Council International Asia Pacific Region on 12 May 2010.

DATO' ABDUL HAMID MOHD ALI

Chief Operating Officer, MAHB

Dato' Abdul Hamid Mohd Ali, 56, holds a Bachelor Degree in Civil Engineering from University of Glasgow and Master of Science Degree in Airport Planning and Management from Loughborough University of Technology, United Kingdom. He has extensive experience in airport planning, development, operations and maintenance throughout his 30 years of service in aviation, including setting up many MAHB joint ventures both local and abroad. He was also involved in the consultancy and management services of other airports in the Middle East and Central Asia. He was formerly the Chairman of Operations and Development Committee for Sabiha Gokcen Airport, Turkey when the airport was constructed in 2009. As civil engineer, he has acquired extensive experience in fast track projects, with the latest being the construction of Klia2. He has held several senior positions at DCA and KLIAB. In MAHB, he has held the position of Senior Manager of Technical Services, Senior General Manager, MA Sepang and Senior General Manager of Technical Services prior to assuming his current position.

FAIZAL MANSOR

Chief Financial Officer, MAHB

Faizal Mansor joined MAHB in 2006. He is a member of the Institute of Chartered Accountants in Australia. He has a BSc. in Accounting from Rutgers University and an MBA from Ohio University, USA. He has had extensive experience in treasury, corporate 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 is primarily responsible for the financial restructuring of MAHB which was successfully completed in 2009. Under his leadership, MAHB had won the Best Practice Award for Management Accounting (NAfMA) in the same year. He is also responsible for all investor relations initiatives helping to raise MAHB's profile in the local and international investment community. He now sits on the board of Sabiha Gokcen International Airport in Istanbul where he was involved in the acquisition and subsequently the funding for the airport's expansion.

DATO' AZMI MURAD

Senior General Manager, Operations Services, MAHB

Dato' Azmi Murad, 60, started his aviation career in 1970 with the Department of Civil Aviation as an Air Traffic Controller. From 1984 until April 1998, he had served as Airport Manager for several domestic and international airports in Malaysia and later at KL International Airport (KLIA) when it opened in 1998 as Head of Operations, Malaysia Airports (Sepang) Sdn. Bhd. His 14 years' experience as Airport Manager at various airports has since 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 an 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 sat on the Airport Council International (ACI) World Facilitation and Services Standing Committee as the Chairman (until November 2011). He is a permanent member of *Jawatankuasa Pusat Sasaran Penting* (JPSP) and *Jawatankuasa Pasukan Penyelaras Aktiviti Menentang Penyeludupan* (JPPAMP) under Ministry of Home Affairs. He is also the Chairman of MAHB Whistleblowing Independent Committee.

FAIZAH KHAIRUDIN
Senior General Manager, Commercial Services, MAHB

Faizah Khairuddin, graduated from Universite De Picardie, France and started her career as a Process Engineer in Thomson Electronic Parts Malaysia. She spent 8 years in the manufacturing industry, rising to the position of General Manager at a local manufacturing company. She moved to banking during the Asian crisis in 1998. During her ten years in banking, largely with multinational banks such as Standard Chartered and HSBC, her passion and ultimate focus had been in Retail Banking. Her last position in the financial industry had been in Bank Islam as General Manager, Consumer Banking, prior to joining Malaysia Airports in October 2008. Since assuming the position as Senior General Manager, Commercial Services, she has spearheaded and successfully launched the newly completed Satellite Retail Optimisation Project with the objective of enhancing commercial revenue as well as the retail experience. Under her leadership, Commercial Services has re-strategise commercial development at airports with the introduction of the Airport Commercial Models where airports are developed according to lifestyle, leisure, community or corporate responsibility models, which would ultimately elevate commercial value. Kuching International Airport and Miri Airport were the first airports to celebrate the launching of a brand new shopping experience. Recognised for unmatched initiatives to drive commercial business sustainability and build business relationships, Faizah Khairuddin was named The Moodie Report Personality of the Month for November 2010.

Holding steadfast to the principle that "the journey begins and ends with the customers in mind", she is committed to delivering end-to-end customer experiences while building capabilities and revenue.

KHAIR MIRZA
Senior General Manager, Planning, MAHB

Khair Mirza joined MAHB on 14 November 2011. His current portfolios include Corporate Planning, Airline Marketing, Overseas Ventures, Transformation Management Office, Risk Management, IT Development, Research & Planning and Corporate Quality Management. He holds a Bachelor of Science in Economics & International Studies from University of Warwick, United Kingdom. He has served companies based in both Singapore (2000–2005) and Malaysia (2005-to-date). 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.

IR. SURADINI ABDUL GHANI
General Manager, Human Resource, MAHB

Ir. Suradini Abdul Ghani, 52, holds 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. Started her career in the Public Works Department in 1983, she joined the Engineering Division of the DCA and later MAHB in 1992. She has held various positions in the Engineering Division of the Group including the Senior Manager of Engineering at KLIA for five years and General Manager of Malaysia Airports Consultancy Services Sdn. Bhd. Her experience covers Engineering Design and Supervision, Operation & Maintenance of Airport Facilities, Airport Planning, Design & Development, Contract Management and Project Management. She is an Electrical Engineer by profession. She is a Member of the Institute of Engineers Malaysia and is a registered Professional Engineer with the Board of Engineers Malaysia. She was assumed the appointment of General Manager of Human Resource on 1st November, 2011.

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, United Kingdom. Prior to joining the Group in 1998, he has held several positions at Sime Darby Plantations including a senior post with PT-Sime Indo Agro, based in Indonesia. He brings to the Group 29 years of plantation and agriculture experience.

GROUP SENIOR MANAGEMENT

SABARINA LAILA DATO' MOHD HASHIM

General Manager, Secretarial and Legal Services Division,
MAHB, cum Company Secretary

Sabarina Laila Dato' Mohd Hashim, 44, was appointed as Company Secretary on 20 September 2004 and holds the position of the General Manager, Secretarial & Legal Services Division, MAHB. 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. She is licensed by the Companies Commission of Malaysia and is an Affiliate of The Malaysian Institute of Chartered Secretaries and Administrators. She joined Malaysia Airports in 1995 as a Legal Advisor in charge of the Group's legal matters. Prior to joining Malaysia Airports, she was a practicing lawyer specialising in corporate and commercial law and was also a company secretary to several private limited companies.

MOHD. AMINUDDIN YAAKUB

General Manager, IT Development, MAHB

Mohd. Aminuddin Yaakub, 58, is the General Manager of IT Development overseeing the direction, planning and management of the IT for the group. He has been with MAHB since 2005, bringing years of experience in the Information Technology field. He was the CEO of BIT prior to joining MAHB, overseeing strategic direction and management of the company. Prior to that, he was with Malaysia Airlines where he served in several positions in the IT department. He holds a Bachelor of Science (Hons) from Universiti Sains Malaysia. Currently, he also sits on the World Airport Council International IT Standing Committee, which formulates the standards for the airports system and addressing needs of the industry from the IT perspectives.

NASREIN FAZAL SULTAN

General Manager, Internal Audit Division,
MAHB

Nasrein Fazal Sultan, 47, 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). She was appointed to her current position in July 2005. Before joining MAHB in 1998, she was the Finance Manager of a subsidiary of the Sime Darby Group and prior to that she had held several senior positions in Finance Division at SIRIM. She also oversees the secretariat of the MAHB Whistleblowing Independent Committee.

ROKMAH ABDULLAH

General Manager, Procurement & Contract,
MAHB

Rokmah Abdullah has held her current position since February 2006. Rokmah graduated with a Bachelor of Accounting (Hons) from Universiti Kebangsaan Malaysia and is a qualified 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 & Contract Unit in 1998. Rokmah also served as Finance & Administration Manager and Company Secretary at Karyaneka Sdn. Bhd. prior to joining MAHB.

MUHD. NAJIB MOHD. RAWI

General Manager, Malaysia International Aerospace Centre Sdn Bhd

Muhd Najib Mohd. Rawi is the General Manager of Malaysia International Aerospace Centre Sdn. Bhd. and he currently also oversees Land Development Division of MAHB. He holds a Bachelor of Science in Civil Engineering from University of Strathclyde, Glasgow, Scotland and an MBA from Ohio University, USA. He joined MAHB as General Manager, Land Development in August 2006 and assumes his current position since August 2011. He started his career with Syarikat Pembinaan Setia in 1985, serving both in its construction and property development subsidiaries. In 1991 he joined the property division of UMW Toyota Motor for the nationwide development of its "3S Facilities" (Sales, Service & Spare Parts Centre). He moved on to Land & General Bhd in 1993 where he was involved in the development of several township developments, including the 1200 acres award winning Bandar Sri Damansara township. He was the Chief Operating Officer of Land & General Bhd's property development subsidiaries prior to joining MAHB.

IR. KHAIRIAH SALLEH

General Manager, Engineering, MAHB

Ir. Khairiah Salleh, 47, is a Professional Engineer with the Board of Engineers Malaysia and a Member of the Institute of Engineers Malaysia. She holds a Bachelor of Science Degree in Civil Engineering from Old Dominion University, Virginia USA. She leads the operation and maintenance of airport systems and facilities under the Group in delivering the airport service excellence. The energy efficiency and asset management is her latest added expertise. Her diversified experiences range from engineering design and planning, construction and project management, contract management and facility maintenance management. She is actively involved as the industry representative for the Engineering Accreditation Council, Board of Engineers Malaysia.

DATO' IR. HJ. ABDUL NASIR ABDUL RAZAK

General Manager, Operational Readiness & Transfer, klia2, MAHB

Dato' Ir. Hj. Abdul Nasir, 54, holds a Bachelor of Science Degree in Civil Engineering from the University Of Hartford, Connecticut, USA and a Masters of Science Degree in Integrated Construction and Project Management from Universiti Teknologi Mara (UiTM). He is also a Professional Engineer, Certified Value Manager with more than 30 years of experience in infrastructure planning and development, both in the Government and private sector. He started his career in the Public Works Development (JKR) in 1982, in the oil and gas sector. He then worked for several years in Singapore, in the high-rise building construction before joining MAHB in 1993. He has since held several senior positions in engineering field before assuming his current position. He is currently the General Manager Operation Readiness and Airport Transfer (ORAT) klia2 and also the Employer Representative (ER) for klia2. He is also the Deputy President and a Fellow at the Institute of Value Management Malaysia (IVMM), and Senior Fellow of Global Innovative Knowledge Network (GIKEN). He actively participates as speaker at several international conferences such as Value Management Symposium, Knowledge Management Asia, Future Airport Forum Leader, Global Airport Planning and Development, and Emerging Airports.

MOHAMED SALLAUDDIN MOHAMED SHAH @ MAT SAH

General Manager, Marketing, MAHB

Mohamed Sallauddin, 48, graduated with BSc. Degree in Accountancy and Computer Science from Northern Illnois University, USA in 1985. He also holds an MBA (Strategic Management) Degree from the International Business School, Universiti Teknologi Malaysia. He has served in the aviation industry during his entire professional life by starting his career with Malaysia Airlines (MAS) as a Management Trainee in 1986 and proceeded to diversify his aviation knowledge by taking up a role in 1997 in Malaysia's first aircraft manufacturing company Composite Technology Research Malaysia (CTRM) Sdn. Bhd., presenting him the opportunity to serve in the general aviation sectors in the USA and Australia. He joined MAHB in 2001 to be amongst 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 the commercial airlines and travelers.

MUSTAFA KAMAL HJ. ALANG OTHMAN

General Manager, Aviation Security, MAHB

Mustafa Kamal, 55, holds a Bachelor of Communication (Hons) from Universiti Putra Malaysia. He started his career in 1980 and had held Chief of Security position at all international airports including KLIA. He has extensive experience in airport operations ranging from Aviation Security, Terminal Operations, Airport Operations Centre and Airport Fire & Rescue Service (AFRS) including as a member of the Shadow Management Group (SMG) for KLIA Project. He is a Subject-Matter Expert in Aviation Security and frequently invited as Speakers as various Security Seminars/ Conferences overseas. He was trained with the Royal Malaysia Police Inspectors (1980), attended the Jungle Warfare Familiarisation Training at the Police Field Force Training Centre (1980), CID School, PULAPOL Kuala Lumpur (1981), Senior Crisis Management Course, USA, Anti-Terrorism Planning (ATP), USA, International Disaster Management Course, UK and Gold Commanders Crisis Management Course jointly organised by Cranfield University, UK/National Security Council (NSC), Malaysia.

KAMARUDIN MAHMOOD

General Manager, Malaysia Airports Technologies Sdn Bhd

Kamarudin Mahmood, 49, graduated from Universiti Sains Malaysia with Bachelor in Computer Science (Hons) and started his career as a System Analyst within government sector in 1988. He spent five years with Immigration Department of Malaysia before he moved to the private sector as a System Engineer. He has gain vast experience in IT Application Development and has lead a team in development of FA18 Computer Based Training (CBT) at Philadelphia, USA. Prior to joining Malaysia Airports Technologies, he was attached with Sapura-Tomen-Harris (STH) as a Senior System Engineer for KLIA development project in 1998. He joined Malaysia Airports Technologies Sdn. Bhd. in 2000 as a Senior Manager, Specialist and seconded to Delhi International Airport Pt. Ltd. (DIAL) in 2007 until March 2009 as an IT Consultant before attaining his current post.

GROUP **SENIOR MANAGEMENT**

NIK ANIS NIK ZAKARIA
General Manager, Corporate Communications, MAHB

Nik Anis, 48, holds a BSc. in Economics from Northern Illinois University, USA. She has a total of 20 years of working experience in various capacities including managing sales and marketing, customer service and operations, and corporate communication in a public listed IT company prior to joining MAHB in 2009. Her corporate communication portfolio includes Marketing and Brand Communication, Employee Communication, Customer Satisfaction Management, Corporate Responsibility Programs, Public Relations and Media Relations. She is currently the president of International Association of Business Communicators (IABC) Malaysia Chapter, a global association that promotes communication excellence within the industry.

BRIAN ISKANDAR ZULKARIM
General Manger,
Urusan Teknologi Wawasan Sdn Bhd

Brian Iskandar Zulkarim, graduated with a Degree in Mechanical Engineering from the University of Rhode Island and started his career as a Maintenance and Consultant Engineer in the USA. 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 has held the post of Regional Director (Asia) for an international company specialising in Chemical, Biological, Radioactive and Nuclear (CBRN) and Explosives & Narcotics detection and identification systems. During this time, Brian became a certified professional Radiation Protection Officer (RPO). Brian had also served as the CEO of a multimodal international logistics company prior to joining MAHB in 2009. He held the post of General Manager (Overseas Ventures) for MAHB for 2 years and during his tenure, Malè International Airport (Maldives) was successfully added into MAHB's international investment portfolio. In September 2011, Brian was appointed to lead Urusan Teknologi Wawasan Sdn. Bhd. (UTW).

MOHD. SUHAIMI ABD. MUBIN, *IAP*
General Manager,
Malaysia Airports (Sepang) Sdn Bhd

Mohd. Suhaimi Abd. Mubin - IAP , 45, graduated with a Bachelor Degree in Economics from University Malaya in 1989 and Graduate Diploma in Aviation and Airport Management from the National University of Singapore. He was accredited by ACI-ICAO Airport Management Professional Accreditation Program as International Airport Professional (IAP) in 2011. He started his career with DCA at Subang International Airport as Duty Manager/Security Officer in 1990 and continued to bring his expertise and experience to MAHB after its separation from DCA in 1991. Suhaimi has 20 years of experience and has held several managerial positions at domestic and international airports such as Langkawi, Kuching, Kota Kinabalu, KLIA and Sabiha Gokcen International Airport in Turkey.

NORNAJIHAH ISMAIL
General Manager, Finance, MAHB

Nornajihah Ismail joined MAHB in June 2006 as Senior Manager, Finance. Prior to that, she was the Head of Group Accounts for Padiberas Nasional Berhad, and also had some external audit background prior to joining the Padiberas Group in November 1998. She is a Chartered Accountant, a Fellow of the Association of Chartered Certified Accountants and Malaysian Institute of Accountants. She possesses a BA (Hons) in Accounting and Finance from South Bank University, London and also holds a Diploma in Accountancy from ITM, Shah Alam.

VEELAYUDAN KRISHNAN NAIR
General Manager, Special Projects, MAHB

Veelayudan, 54, 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), Prime Minister's Department in 1983. He later joined the Department of Civil Aviation in 1986 and continued to serve MAHB upon corporatisation in 1992. Over the 24 years in the aviation, he has held positions 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 the Division since then. Veela carries out economic, statistical and strategic analysis for the company and provides business intelligence and inputs 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. that operates KL International Airport.

ZAINOL MOHD. ISA, *IAP*
General Manager,
Malaysia Airports Sdn. Bhd.

Zainol Mohd. Isa – IAP, 52, graduated with an Electrical Engineering (Power) degree from Universiti Teknologi Malaysia and is one the few certified International Airport Professional (IAP) in the Company. He is responsible for the operation and management of the other four international airports (excluding KLIA), 16 domestic airports and 19 short take-off and landing (STOL) ports. He began his career with Public Works Department (JKR), then seconded to the Department of Civil Aviation in 1981 and joined the company since its privatisation in 1992. He has more than 30 years experience in airport operations and maintenance, planning and development, project management and event operation management for MotoGP and Formula1. He was instrumental in Airport Certification Program leading to Aerodrome Certification, Safety Management System and ISO certifications. He is a Member of Institute of Value Management Malaysia and was involved in the institutionalisation of Value Management practice in the company. He is a recognised subject matter expert (SME) in ICAO Standards and Recommended Practices (SARPs), Safety Management System (SMS) & Visual Aids–Aeronautical Ground Light (AGL).

MUHAMMAD FAWZY AHMAD
General Manager,
Malaysia Airports (Niaga) Sdn Bhd

Muhammad Fawzy, 43, is a business graduate from Temple University Philadelphia, USA. He brings to the Group over 20 years of experiences in retail management and brand development from both the local and international markets. He was also instrumental in the development of the first airport wide shopping campaign for KLIA during his stint as the Retail Brand Director for an International Brand Agency. Prior to joining MAHB in May 2011, he was the Director of Bank Negara's Museum and Art Gallery.

NOR AZLINA MOHD ISA, *IAP*
General Manager, Planning & Development, MAHB

Nor Azlina graduated from University of Malaya in 1999 with an Honours Degree in Civil Engineering and obtained a Postgraduate Diploma in Business Administration specialising in Airport Engineering Management from National University of Singapore in 2007, through Malaysia Airports Specialist Development Program. She has led the 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 year 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 Masters degree in Business Administration from Universiti Utara Malaysia.

AHMAD TARMIZI MOHD HASHIM
General Manager, Malaysia Airports Consultancy Sdn Bhd

Ahmad Tarmizi Mohd Hashim holds an MBA from Keele University, UK and a post-graduate 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 DCA Malaysia as a fully rated Air Traffic Controller. When the KLIA project was announced, Tarmizi was selected to be a project manager in the KLIA Shadow Management Group (SMG Team), and deeply involved in the project, starting from the initial feasibility study, site selection, trial operations, up to its inauguration in 1998. Prior joining MAHB, Tarmizi was in Montreal, Canada, heading IATA's 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 many more. Throughout his career, Tarmizi has been engaged in more than 30 airport projects and some of the notable projects are KLIA (Malaysia), Incheon (Korea), Ataturk Istanbul (Turkey), Harare (Zimbabwe), Wilmington (USA), and Sheremetyevo Moscow (Russia).

Your Gateway To The World

As one of the top airports in the world, today KLIA serves 58 airlines with more than 120 international and domestic destinations. The expansive network of routes and connectivity will reinforce our position as the airport of choice.

CORPORATE **PROFILE**

Malaysia Airports Holdings Berhad was incorporated as a public listed company in the Main Board of Bursa Malaysia Securities Berhad since 1999. Upon incorporation, Malaysia Airports became the first airport operator in Asia and the sixth worldwide to be listed in a stock exchange.

Malaysia Airports currently operates and manages 39 airports in Malaysia that include 5 international airports, 16 domestic airports and 18 short take-off and landing (STOL) ports.

Expanding our expertise internationally, Malaysia Airports now operates and manages four overseas airports. These airports are Indira Gandhi International Airport, New Delhi, and Rajiv Gandhi International Airport, Hyderabad, in India, Sabiha Gokcen International Airport in Turkey and Malé International Airport in Maldives.

Malaysia Airports is inspired to be a world-class airport business with a mission to provide world-class aviation gateways, to manage cost-effective airport network and services, and to exceed the expectations of customers, shareholders and other stakeholders.

As the main operator of airports in Malaysia, Malaysia Airports' core activities include the management, operation, maintenance and development of airports, both in aeronautical and in non-aeronautical component. Aeronautically, Malaysia Airports' revenue base comes from the landing fees, aerobridge charges, check-in counter charges, parking fees and passenger service charges. Non-aeronautical revenue base is from commercial activities, which includes duty free and other retail operations, hotel operations, free commercial zone operations, commercial space leases and management of parking facilities in our airports nationwide.

Awards and accolades received by Malaysia Airports is testament to our success and achievements as the main airport operator and manager in Malaysia. Among the most prestigious awards received was the IATA's Eagle Awards for Best Airport in 2009, in recognition of our outstanding performance in customer satisfaction, cost-efficiency and continuous improvements. In 2010, Malaysia Airports expertise and management success received the recognition from Frost & Sullivan as the Airport Investment Company of the Year in the Asia Pacific Aerospace & Defence Awards.

The Company was awarded an A+ Distinction Award in Malaysian Corporate Governance Index Awards in 2011 by the Minority Shareholder Watchdog Group's (MSWG). This awards is in recognition of our continous effort to be diligent, in ensuring top quality of disclosures, ongoing financial sustainability and corporate responsibility efforts.

Malaysia Airports will continue to set benchmarks and reach milestones in our endearing efforts to be the gateway of a World-Class Airport Business.

KLIA NEXT GEN HUB
THE NEW WAY TO THE WORLD

KLIA

KL International Airport (KLIA), Malaysia Airports' flagship airport, is one of South-East Asia's premier aviation hubs. Opened in June 1998, to date, KLIA has the capacity to receive up to 35 million passengers and 1.2 million tonnes of cargo annually. This international airport comprises of two buildings, the Main Terminal Building (MTB) and the Satellite Building.

KLIA was built with the environment in mind, in lieu with Malaysia Airports' corporate commitment for environmental sustainability where it was designed with the concept of 'Airport in the forest, forest in the airport'. The concept is featured at the Satellite Building through the creation of the Jungle Boardwalk amidst the forest reserve that was transplanted in the terminal upon its construction. Passengers are offered a refreshing experience of walking through a natural forest reserve either for recreational walk or to access the retail outlets within the Satellite Building.

The airport is located in Sepang district in Selangor, at the top of the southern corridor of Peninsular Malaysia. It is situated at the border of Selangor and Negeri Sembilan, approximately 50 km from the capital city, Kuala Lumpur.

KLIA is accessible via a network of highways and expressways that links the airport to the rest of Peninsular Malaysia. Public transportation to the airport is also easily available. These include taxis, limousines and express buses. KLIA Ekspres provides direct travel options for passengers from the city centre at the KL City Air Terminal (CAT) located in KL Sentral to KLIA via the KLIA Express Rail Link (ERL) and the KLIA Transit. At KL CAT, departing passengers have the option to check-in their luggage, receive their boarding passes and proceed to board the train for KLIA while immigration clearance will be completed at the airport. Travel time from KL Sentral to KLIA is 28 minutes on the KLIA Ekspres ERL and 37 minutes on the KLIA Transit.

As the flagship airport and the biggest international airport managed by Malaysia Airports KLIA is a standing proof of Malaysia Airports excellence management effort as the airport operator through the various awards and accolades it has received. Among the highest forms of recognition KLIA received was Best Airport (15–25 million passengers per annum) in the 2005 AETRA awards, 2006 ACI–ASQ awards and 2007 ACI–ASQ awards. KLIA was also ranked 4th in the category of airports with 25–40 million passengers in 2011's ASQ Survey in service excellence.

KLIA service excellence was acknowledged by the Skytrax World Airport Awards in 2010 when it won two awards in South East Asia category, which are the Best Airport Immigration Service and Staff Service Excellence awards.Consecutively, in 2011 KLIA won the Best Airport Immigration Service award again. To date, the World Airport Awards is the most prestigious and coveted awards that recognise product and service quality across the world's airport industry.

LCCT – KLIA AND klia2

March 2011 marks the 5th year of LCCT-KLIA as the nation's low cost carrier terminal since its opening in March 2006. Opened with an initial capacity of 10 million passengers annually, this terminal has been expanded to a 64,607 square metre terminal within a single floor operation area and can accommodate up to 15 million passengers annually. LCCT-KLIA is located in Sepang, Selangor, about 11 km from the KLIA and is accessible through the same networks of highways and expressways going to KLIA.

In November 2006, LCCT-KLIA was voted CAPA Low Cost Airport of the Year in the CAPA Aviation Awards for Excellence. This recognition motivates the company to continue with providing excellent airport services in the nation's only low cost terminal in the future.

Setting the benchmark in the aviation industry, Malaysia Airports is ready to redefine the travel experience for passengers in the region with its Next Generation Hub concept. Work is in progress for the world's first mega terminal dedicated for low cost carriers, klia2, and it is slated for completion in the first quarter of 2013.

Passenger will be able to enjoy a hassle-free travelling experience through the proximity and ease of connectivity via a Skybridge that will link the main terminal building and the satellite building in klia2, making it the first airport with Skybridge in Asia. This highly touted feature that this new airport offers will create a seamless connectivity between full service and low cost airlines.

klia2 is designed to allow expansion for future growth trends and operational models of airlines. The airport is designed to accommodate up to 45 million passengers annually with robustness that will no doubt be able to accommodate the ever-evolving and dynamic global aviation industry. State-of-the-art and modern infrastructure and excellence airport services offered by klia2 will ensure passengers' travelling needs are met. Comfortable atmosphere and easy travelling processes welcomes the passengers and visitors of klia2.

With the awareness in environmental sustainability and upholding this responsibility embedded deep in the company's practice, klia2 will be built to meet the Green Building Index and to be eco-friendly. The architectures took the cue from nature – with rainforest as the theme for both interior and exterior design – where green pockets are infused in its finishing, colour and texture.

More than 55,000 square metre of the terminal from the gross floor area of 257,000 square metres is dedicated to commercial enterprises with multitude offerings for the benefit of both passengers and visitors. In line with our new commercial strategies as stated in Malaysia Airports' 5-Years Business Plan titled the Runway to Success, klia2 will revolutionise the retail experience with 'Airport in the mall, mall in the airport' concept that will offer travellers and visitors alike a diverse range of shopping and dining experiences.

Another feature that will complement this purpose-built terminal is the integrated transportation hub, offering the passengers a seamless travelling experience. The transportation hub will provide multi-modal transportation facilities such as ERL, busses and taxis, extending the convenience to the passengers as well as the surrounding community. Ultimately, klia2 will raise the bar in terms of the low cost carrier travel experience in the region.

Be it for business or pleasure, this terminal is built to meet or even exceed expectations, revolutionising the low cost travel experience for years to come.


MALAYSIA
AIRPORTS

BOARD OF DIRECTORS

Tan Sri Datuk Dr. Aris bin Othman
(*Chairman*)
(Non-Independent Non-Executive)

Tan Sri Bashir Ahmad bin Abdul Majid
(*Managing Director*)
(Non-Independent Executive)

Dato' Long See Wool
(Non-Independent Non-Executive)

Eshah binti Meor Suleiman
(Non-Independent Non-Executive)

Datuk Alias bin Haji Ahmad
(Independent Non-Executive)

Datuk Siti Maslamah binti Osman
(Independent Non-Executive)

Jeremy bin Nasrulhaq
(Independent Non-Executive)

Hajah Jamilah binti Dato' Hj Hashim
(Non-Independent Non-Executive)

Mohd Izani bin Ghani
(Non-Independent Non-Executive)

Norazura binti Tadzim
(Alternate Director to Eshah binti Meor Suleiman)
(Non-Independent Non-Executive)

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
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F • 603-8777 7512
E-mail: sabarina@malaysiaairports.com.my

WEBSITE

www.malaysiaairports.com.my

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Securities Services (Holdings) Sdn Bhd
Level 7, Menara Millenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
T • 603-2084 9000
F • 603-2094 9940/2095 0292

AUDITORS

Messrs. Ernst & Young
Level 23A, Menara Millenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
T • 603-7495 8000
F • 603-2095 5332

PRINCIPAL BANKERS

Malayan Banking Berhad
CIMB Bank Berhad
Citibank Berhad

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad

GROUP CORPORATE STRUCTURE

MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)
Investment holding.

100% MAHB
Malaysia Airports Sdn Bhd (230646-U)
Management, operations and maintanence of designated airports and provision of airport related services in Malaysia other than KL International Airport ("KLIA"), Sepang. The designated airports comprise:-

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

100% MAHB
Malaysia Airports (Sepang) Sdn Bhd (320480-D)
Management, operations, maintenance and future development of KLIA and Low Cost Carrier Terminal ("LCCT") in Sepang and provision of airport related services.

100% MAHB
Malaysia Airports Consultancy Services Sdn Bhd (375245-X)
Provision of maintenance and technical services in connection with the airport industry.

100% MACS
Urusan Teknologi Wawasan Sdn Bhd (459878-D)
Provision of mechanical, electrical and civil engineering services at KLIA, Sepang.

51% UTW
Airport Automotive Workshop Sdn Bhd (808167-P)
Operation of automotive vehicle workshop.

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 asset requirements.

100% MA (Properties)
K.L. Airport Hotel Sdn Bhd (330863-D)
Owner of the hotel known as Pan Pacific Kuala Lumpur International Airport Hotel.

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.

20% MA (Properties)
Kuala Lumpur Aviation Fuelling System Sdn Bhd (395396-X)
Development, management and operations of aviation fuelling system at KLIA, Sepang.

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

100% AV
Malaysia Airports Technologies Sdn Bhd (512262-H)
Operations and maintenance services and undertaking Information and Communication Technology business ventures.

100% MA (Tech)
Malaysia Airports MSC Sdn Bhd (516854-V)
Dormant, intended principal activities are to provide internet services, development and incubation of electronic commerce, and to acquire, manage, lease, establish, equip, maintain and operate radio wireless, close circuit television and television telecast.

100% MAHB
MAHB (Mauritius) Private Limited (64825 C1/GBL)
Investment holding management.

100% MAHB
Malaysia Airports Capital Berhad (906593-U)
Investment holding management.

100% MAHB
Malaysia Airports Capital (Labuan) Limited (LL07679)
Investment holding management.

100% MAHB
Malaysia Airports (Labuan) Private Limited (LL05298)
Investment holding management.

23% MA (Labuan)
GMR Malè International Airport Private Limited (C0490/2010)
Operation, maintenance, expansion, rehabilitation and modernisation of the Malè International Airport.

100% MAHB
MA Construction (Labuan) Private Limited (LL08348)
Investment holding management.

20% MAHB
Istanbul Sabiha Gokcen International Airport Investment Development and Operation Inc. (656447)
Operation, management and development and provision of airport related services.

30% MAHB
Segi Astana Sdn Bhd (916663-H)
Development, management and operations of property.

23% MAHB
Airport Cooling Energy Supply Sdn Bhd (923025-D)
Development, management and operations of chilled water plant.

20% MAHB
LGM Airport Operations Trade and Tourism Inc. (689548)
Provision of management services in respect of transportation, parking, food and beverages, cleaning at the airport and construction of hotel and car park within the airport.

100% MAHB
Asia Pacific Auction Centre Sdn Bhd (In Liquidation) (488190-H)
Operations and management of an auction centre.
The Company has ceased its operation on 31 December 2008.

100% APAC
Asia Pacific Auction Sales Sdn Bhd (In Liquidation) (523300-X)
Involved in the auction of general machineries. The Company has ceased operations since 2001.

100% APAC
Asia Pacific Machinery Auctions Sdn Bhd (In Liquidation) (503068-D)
Involved in the auction of light and heavy machineries.
The Company has ceased operations since 2001.

100% APAC
Malaysia Motor Auctions Sdn Bhd (In Liquidation) (500189-H)
Involved in the auction of general motor vehicles. The Company has ceased operations since 2001.

100% APAC
Beans Around the World Coffee Shop Sdn Bhd (In Liquidation) (528250-P)
Provide services in respect of sale of beverages. The Company has ceased operations since 2001.

100% APAC
Cargo One Restaurant & Lounge Sdn Bhd (In Liquidation) (528261-V)
Involved in the business of restaurant operations.
The Company has ceased operations since 2001.

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30% MAHB

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

CALENDAR OF EVENTS 2011


15 JANUARY 2011
Kuala Lumpur–Jakarta Passenger Movements Set to Increase with Garuda Indonesia's Introduction of Larger Aircraft.


8 FEBRUARY 2011
10 Couples Won Romantic Interlude from Malaysia Airports.

22 MARCH 2011
The ERAMAN-KLIA Ekspres Joint Promotion.


22 FEBRUARY 2011
Malaysia Airports Sealed Cooperation with NEL to Provide Consultancy Service in China.


29 MARCH 2011
Malaysia Airports Provided Training for Basic Airport Rescue & Fire Fighting to Malè International Airport.


31 MARCH 2011
Malaysia Airports Partnered Coway in Clean Air Zone Campaign.

1. **15 JANUARY 2011**
   Kuala Lumpur–Jakarta Passenger Movements Set to Increase with Garuda Indonesia's Introduction of Larger Aircrafts.
   The passenger movements between Malaysia and Indonesia is set to increase as Garuda Indonesia, the Republic of Indonesia's flagship carrier, introduced a bigger and more sophisticated aircraft for its operations into KLIA. Garuda Indonesia utilises the new Boeing 737-800 Next Generation (738NG) aircraft on the Kuala Lumpur-Jakarta route, offering 162 seats in a two-class configuration.

2. **8 FEBRUARY 2011**
   10 Couples Won Romantic Interlude from Malaysia Airports.
   Valentine's Day and Chap Goh Mei arrived early for 10 couples when they won luxurious getaways comprising first-class return air tickets and holiday packages worth more than RM80,000 per couple at the recently-concluded "Indulge & Win Contest", which was part of the Indulge Till You Fly Campaign" organised by Malaysia Airports.

3. **22 FEBRUARY 2011**
   Malaysia Airports Sealed Cooperation with NEL to Provide Consultancy Service in China.
   Malaysia Airports Consultancy Services Sdn Bhd (MACS) signed a Joint Cooperation Agreement (JCA) with Nagamas Enterprise (HK) Limited (NEL) for the joint provision of airport operation, management and technical consultancy services for the Yongzhou Lingling Airport in China.

4. **22 MARCH 2011**
   The ERAMAN-KLIA Ekspres Joint Promotion.
   KLIA Ekspres ticketholders were rewarded with special discounts at ERAMAN Malaysia, a wholly owned subsidiary of Malaysia Airports Holdings Berhad, the country's largest duty free retail outlet, at KLIA. The privileges apply to merchandise such as fragrances, cosmetics, chocolates, liquor, fashion apparels and accessories. All participating ERAMAN outlets are located at Satellite Building, Contact Pier as well as Main Terminal Building of KLIA.

5. **23 MARCH 2011**
   Aerotrain at KLIA Resumed Full Operation for Passengers.
   The Aerotrains connecting the Main Terminal Building and Satellite Building at KLIA started its operations after the construction of the new spurline connecting the Operation, Maintenance and Storage Facility (OMSF), the crossover switch between the existing tracks and the delivery of the new 3-car Aerotrain was completed as scheduled on 15 March.

6. **25 MARCH 2011**
   Malaysia Airports Supported Earth Hour.
   Malaysia Airports joined other organisations all around the world in supporting Earth Hour by powering off 30% of the terminal ceiling lights at the KLIA's Main Terminal Building, Contact Pier, Satellite Building and LCCT-KLIA from 8.30pm to 9.30pm.

7. **29 MARCH 2011**
   Malaysia Airports Provided Training for Basic Airport Rescue & Fire Fighting to Malè International Airport.
   A total of 20 personnel of GMR Malè International Airport Pvt. Ltd. (GMIAL) completed their three and a-half months training in Basic Airport Rescue & Fire Fighting (ARFF) course, conducted by Malaysia Airports. This was part of Malaysia Airports' commitment in managing the Malè International Airport in Maldives.

8. **31 MARCH 2011**
   Malaysia Airports Partnered Coway in Clean Air Zone Campaign.
   Malaysia Airports signed a sponsorship agreement with Coway in conjunction with Coway Clean Air Zone Campaign. The signing ceremony was a launching point for Coway's Clean Air Zone Campaign, with the aim to support government's effort in promoting healthier living and KLIA was selected as the first partner under this campaign and received 30 units of sponsored air purifiers.

9. **29 APRIL 2011**
   Malaysia Airports Presented RM51,000 Tithe for Students of SK Pengkalan Chepa.
   Malaysia Airports handed over tithe or 'zakat' amounting RM200 each to 255 students of Sekolah Kebangsaan Pengkalan Chepa, Kota Bharu, Kelantan, comprising deserving students from Standard One to Standard Six. This was one of Malaysia Airports' efforts to ease the burden of the students while also performing its 'zakat' responsibility.

10. **23 MAY 2011**
    Kal Star Aviation Connected Kuching and Jakarta with Daily Flight.
    Kuching International Airport (KIA) started offering connections to Jakarta through Kal Star Aviation, which made their maiden flight to KIA today. Kal Star commenced scheduled daily flight for the Jakarta – Pontianak – Kuching vice versa route, utilising their newly furnished Boeing 737-300 with the capacity to carry 148 passengers.

CALENDAR OF EVENTS 2011

11. **20 JUNE 2011**
Vietnam Airlines Launched Non-Stop Daily Flights to Hanoi.
Passengers from KLIA can now enjoy more direct access to Hanoi as Vietnam Airlines introduced a new daily non-stop service for the Hanoi-Kuala Lumpur vice versa route, utilising A321 aircraft with a two-class configuration. Approximately 150 passengers from Hanoi arrived at KLIA for the first new service.

12. **28 JUNE 2011**
Malaysia Airports Share Aerospace Vision.
Malaysia International Aerospace Centre Sdn Bhd (MIACSB), a subsidiary of Malaysia Airports, received Dato' Sri Mustapa Mohamed, Minister of International Trade and Industry at Sultan Abdul Aziz Shah Airport for an official visit and briefing of MIAC. MIAC plays a key role in spearheading the development and execution of the Government's National Aerospace Blueprint that was launched in 1997.

13. **30 JUNE 2011**
KLIA Celebrated 13th Anniversary.
KLIA celebrated its 13th birthday and Malaysia Airports foresee that the flagship airport will continue to reap more successes in the future. Since its opening 13 years ago, KLIA has enjoyed many accomplishments both in the domestic and international front, cementing its position as one of the well-known airports around the globe.

14. **2 JULY 2011**
Aviation Industry High Achievers Awarded at KLIA Awards 2010.
17 awards were lined up for all airlines and service providers operating at KLIA, honouring partners with exceptional performance for the year 2010. The sixth edition of KLIA Awards was special, as it coincided with the nation's centennial celebration of aviation.

15. **15 JULY 2011**
Malaysia Airports Strengthened Security with 454 New Recruits.
Malaysia Airports were confident that the additional 454 new aviation security recruits will further strengthen the security levels at all airports, in line with the current requirement. These new recruits officially graduated from their Basic Auxiliary Police Training at the Passing Out Parade for Aviation Security Personnel held at Bunga Raya Complex KLIA.

16. **23 JULY 2011**
Malaysia Airports' Media Explore Hunt Paid Tribute to Media members.
The ninth edition of Malaysia Airports' Media Explore Hunt paid tribute to members of the media for their role that they played in the development of aviation industry throughout the past century that has helped the aviation industry to grow by leaps and bounds. 50 teams challenged each other in 2011's edition, which took the teams in a hunt journey from Sepang to Melaka.

17. **1 AUGUST 2011**
Malaysia Airports Introduced More Competitive Parking Rate At KLIA & LCCT-KLIA.
Passengers using the parking facility at LCCT-KLIA can now enjoy a more competitive parking rate as Malaysia Airports introduced a new tariff for the LCCT-KLIA effective 1 August. The revision of the parking rates was in tandem with the enhancement of the services and parking facilities that Malaysia Airports has undertaken to provide more convenience to the public.

18. **3 AUGUST 2011**
KLIA Roped In Another Middle Eastern Airline.
Egypt Air, the national carrier of Egypt commenced its operations to Kuala Lumpur after a six months absence. Egypt Air started offering daily service flying on the Cairo – Bangkok – Kuala Lumpur route.

19. **19 AUGUST 2011**
Berbuka Puasa With Putrajaya Media Bureaus.
About 30 media representatives from Putrajaya bureaus attended the 'Majlis Berbuka Puasa Malaysia Airports bersama Media Putrajaya'. This annual event fostered a better relationship and networking between Malaysia Airports and the media representatives in Putrajaya.

20. **23 AUGUST 2011**
Malaysia Airports Shared the Spirit of Ramadhan with Passengers.
Malaysia Airports celebrated the holy month of Ramadhan by distributing approximately 2,000 packets of 'kurma' or dates and 1,160 bottles of mineral water to passengers at KLIA and LCCT-KLIA. The distribution was also Malaysia Airports' effort to enhance its customer relationship management.

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Malaysia Airports Shared the Spirit of Ramadhan with Passengers.

11 SEPTEMBER 2011
Malaysia Airports Enhanced Staff Relations via Ceria Aidilfitri.

21 OCTOBER 2011
Malaysia Airports Commenced Airport Consultancy Services In China.

21. 11 SEPTEMBER 2011
Malaysia Airports Enhanced Staff Relations via Ceria Aidilfitri.
Malaysia Airports continued to enhance its staff relations through Ceria Aidilfitri, which presented the platform for all the staff to congregate and mingle under one roof. This event was also part of Malaysia Airports' effort to exercise its employee engagement activities.

22. 29 SEPTEMBER 2011
Malaysia Airports Reinforced Commercial Transformation With Continuance of Travellers Campaign.
Malaysia Airports commercial transformation journey is accelerating with the continuance of its travellers campaign known as Indulge Till You Fly (ITUF). The ITUF campaign underscores Malaysia Airports overall strategy to create an attractive and appealing lifestyle environment for travellers at different airports under its Airports Commercial Model (ACM) development plan.

23. 29 SEPTEMBER 2011
Malaysia Airports Hits The Screen with the First-Ever Television Commercial.
In a move to bring the message of airports as lifestyle destinations to a wider segment of Malaysians, Malaysia Airports has hit the screen with its first-ever television commercial. The 30-second television commercial titled *There's Always More* captures the wide array of variety and choices of offerings that travellers can indulge in at various airports around the country.

24. 29 SEPTEMBER 2011
Malaysia Airports Launched The First iButterfly Asia iPhone Application in Malaysia.
Malaysia Airports became the first company in Malaysia to launch the iButterfly Asia iPhone/iPad2 application, turning all its five international airports into virtual butterfly gardens. This was the first time that iButterfly Asia 'flutters' into Malaysia. The iButterfly Asia iPhone/iPad2 application were used by Malaysia Airports for its Indulge Till You Fly Campaign held from September 2011 to January 2012.

25. 19 OCTOBER 2011
Eraman Launched 'Time For Celebrations'.
Eraman launched 'Time for Celebrations' in conjunction with the launch of its Shop and Dine catalogue, aptly titled 'Celebrations'. The event also marked the commencement of Eraman's joint promotion with CIMB's PWP or 'Pay with Points' and the exclusive early launch of the new Gucci Guilty Intense fragrance with Procter & Gamble.

26. 21 OCTOBER 2011
Malaysia Airports Commenced Airport Consultancy Services in China.
Malaysia Airports officially commenced its operations in China after its subsidiary, Malaysia Airports Consultancy Services Sdn. Bhd. (MACS) signed the Letter of Award for the provision of airport consultancy services for Lingling Airport in the Hunan Province in China. The Letter of Award enabled Malaysia Airports to start its provision of consultancy services which include airport project development plan study, airport planning, operation, management, development, business development and investment for Lingling Airport.

27. 21 OCTOBER 2011
Long Serving Staff Honoured with Loyal Service Award.
The contributions of 286 Malaysia Airports staff, that have served the Company for 25 years were recognised with the Loyal Service Award. The recipients comprised 102 staff from Peninsular Malaysia, 86 from Sabah and 98 from Sarawak.

28. 27 OCTOBER 2011
Malaysia Airports Signed Concession Agreement with TNB to Build Plant for klia2.
Malaysia Airports signed a concession agreement with Tenaga Nasional Berhad to build the klia2 substation and a district cooling plant which will supply chilled water and electricity, and associated works at klia2.

CALENDAR OF **EVENTS 2011**

29. **10 NOVEMBER 2011**
Malaysia Airports Unveiled klia2 Retail Proposition.
Malaysia Airports unveiled its highly-anticipated retail proposition for its Next Generation Hub, klia2, urging retailers to work together with it to shape new trends in travel retail shopping. Malaysia Airports' objective was to leverage on the popularity of low-cost travel and transform klia2 into a destination that provides opportunities for leisure, shopping, tourism, business and employment.

30. **13–23 NOVEMBER 2011**
12 Malaysia Airports Adopted Schools Competed in Beyond Borders Awards 2011.
12 Malaysia Airports' adopted schools competed in the Beyond Borders Awards 2011, showcasing their talents and skills in English language through acting and writing. Four different schools took part at three different regions – Northern, Eastern and Central. Under the Beyond Borders Awards banner, Malaysia Airports organised the Beyond Borders Interschool Competition, Beyond Borders Planet Green Competition, Golden Pen Awards:Essay Writing Competition and "Act it Up" Interschool Drama Competition.

31. **9 NOVEMBER 2011**
Malaysia Airports Geared Up for Commercial Growth.
Malaysia Airports geared itself for a new axis of growth and announced at its annual Concessionaires Conference a new partnership model, aimed at taking Malaysia Airports' existing commercial partnerships to a new dimension of growth as it prepares for new and expanded commercial opportunities at klia2.

32. **18 NOVEMBER 2011**
All Went Orange at Appreciation Night.
Approximately 1,500 staff from Kuala Lumpur and Selangor attended the Company's Appreciation Night, themed "One Thousand and One Orange" at Shah Alam Convention Centre. This was part of the Company's staff engagement activities, in celebrating their hard work and dedication throughout the year.

33. **29 NOVEMBER 2011**
Media Given Preview of klia2.
Members of the media were briefed and shown a preview on klia2, the world's largest purpose-built terminal for low cost carriers with the capacity to serve up to 45 million passengers annually, ready to cater for the explosive growth in low cost travel. klia2 is one of the largest privately funded projects and will spur the local economic growth and employment opportunities.

34. **30 NOVEMBER 2011**
Malaysia Airports Launched Safety Campaign to Inculcate and Promote Safety Culture.
Malaysia Airports launched the Airside Safety Campaign, a joint safety campaign with the objective to inculcate safety culture, in addition to promote awareness of safe working area and further stimulate safety-conscious to all airside workers.

35. **2 DECEMBER 2011**
Malaysia Airports Enhanced Benefits for Staff through 6^{th} Collective Agreement.
Malaysia Airports' staff will enjoy better benefits after the Company signed the 6th Collective Agreement with the unions. The main objective of the agreement was to enhance the harmonious relations between the Company and the staff through a clear guidelines and understanding on the terms and regulations of all staff represented by the unions.

36. **19 DECEMBER 2011**
Ground Breaking of New Terminal at INIA: A New Milestone for Malaysia Airports.
A new milestone was reached for Malaysia Airports, with the ground breaking for the new terminal at Ibrahim Nasir International Airport of the Republic of Maldives (INIA), which is scheduled to open in 2014. This ground breaking ceremony was a further reflection of Malaysia Airports' involvement in the management and development of airports not only in Malaysia but also overseas.

36. **19 DECEMBER 2011**
Team Xylem Wins iStyle Fashion KL International Airport 2011.
After an intense two weeks of heats, Team Xylem from SML Fashion Academy was announced the winner of iStyle Fashion KLIA 2011 at the Grand Finale. iStyle Fashion KL International Airport was organised by Malaysia Airports with the objective of promoting its flagship gateway as a lifestyle destination and as a medium to exercise its corporate responsibility, by providing a platform for budding stylists and fashion designers to showcase their talent and creativity.

37. **31 DECEMBER 2011**
Transaero Landed at Klia.
Transaero Airlines, Russia's second largest airline made its maiden landing at KLIA. Transaero operates one flight weekly, which flies every Saturday from Moscow and Kuala Lumpur vice versa using Boeing 763 aircraft with 255 seats configuration.

21 OCTOBER 2011
Long Serving Staff Honoured with Loyal Service Award.

27 OCTOBER 2011
Malaysia Airports Signed Concession Agreement with TNB to Build Plant for klia2.

10 NOVEMBER 2011
Malaysia Airports Unveiled klia2 Retail Proposition.

29 NOVEMBER 2011
Media Given Preview of klia2.

30 NOVEMBER 2011
Malaysia Airports Launched Safety Campaign to Inculcate And Promote Safety Culture.

2 DECEMBER 2011
Malaysia Airports Enhanced Benefits for Staff through 6th Collective Agreement.

AWARDS & ACCOLADES 2011

- The immigration service in KLIA was acknowledge as the World's Best Airport Immigration Service by Skytrax 2011 World Airport Awards. KLIA also maintained its place in the worlds' top airports at 9th place.
- Malaysia Airports received Green Leadership Award of the Asia Responsible Entrepreneurship Awards 2011 South East Asia.
- Malaysia Airports received the Malaysian Corporate Governance Index A+ Distinction award from the Minority Shareholder Watchdog Group (MSWG).
- KLIA received 4th place in SmartTravelAsia.com 2011 Best in Travel Poll of the Top 10 Airports worldwide.
- Pan Pacific Kuala Lumpur International Airport won the 2011 Asia's Leading Airport Hotel in the World Travel Awards.
- Pan Pacific Kuala Lumpur International Airport received the 2011 Global Luxury Airport Hotel in the World Luxury Hotel Awards.
- Pan Pacific Kuala Lumpur International Airport 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 RM1billion 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, for strategic market development that has contributed to building global respect for Malaysian quality, recognising the company's pioneering endeavours has enhanced Malaysia's branding in the global marketplace.
- Malaysia Airports received The Hall of Fame Awards under the Special Organisation Achievement category, in the Malaysia Achievement Awards. The award recognises the Company as an organisation that has demonstrated outstanding achievements, with impeccable vision and a passion for excellence.

AIRPORTS **OPERATED BY THE GROUP**

INTERNATIONAL

Peninsular Malaysia
- Kuala Lumpur, Langkawi, Penang

Sabah
- Kota Kinabalu

Sarawak
- Kuching

AIRPORTS OVERSEAS

- Indira Gandhi International Airport, New Delhi, India
- Rajiv Gandhi International Airport, Hyderabad, India
- Sabiha Gokcen International Airport, Istanbul, Turkey
- Ibrahim Nasir International Airport, Malè, Maldives

DOMESTIC

Peninsular Malaysia
- Alor Setar
- Kota Bharu
- Kuala Terengganu
- Ipoh
- Kuantan
- Subang
- Melaka

Sabah
- Sandakan
- Labuan
- Tawau
- Lahad Datu

Sarawak
- Miri
- Bintulu
- Sibu
- Limbang
- Mulu

SHORT TAKE-OFF AND LANDING PORTS (STOLports)

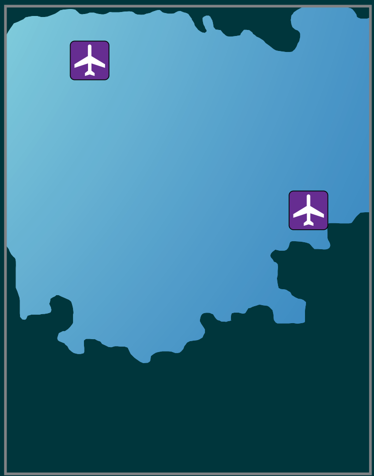
Peninsular Malaysia
- Pulau Redang
- Pulau Pangkor
- Pulau Tioman

Sabah
- Kudat
- Long Pasia
- Semporna

Sarawak
- Lawas
- Marudi
- Long Semado
- Long Seridan
- Long Lellang
- Long Banga
- Bario
- Kapit
- Mukah
- Bakelalan
- Long Akah
- Belaga

MALAYSIAN AIRPORTS LOCATION & OVERSEAS AIRPORTS MANAGED BY MAHB

CAMBODIA



TURKEY

INDIA

KAZAKHSTAN

MALDIVES

AIRPORTS OVERSEAS ↗

CAMBODIA

Siem Reap International Airport
Managed and operated airport from 1995–2005.

Phnom Penh International Airport
Managed and operated airport from 1995–2005.

TURKEY

Sabiha Gokcen International Airport
20% equity; Management and Operations. Inaugurated on 31 October 2009.

KAZAKHSTAN

Astana International Airport
Managed and operated airport from 2007–2009.

INDIA

Indira Gandhi International Airport, New Delhi
10% equity; Management and Operations. Modernisation of International Terminal 1 & 2. Construction of new Terminal 3 inaugurated on 3 July 2010.

Rajiv Gandhi International Airport, Hyderabad
11% equity; Management and Operations. Construction of new international airport. Airport commenced commercial operations on 23 March 2008.

MALDIVES

Ibrahim Nasir International Airport
23% equity; Management and Operations. Ground breaking ceremony of new terminal on 19 December 2011.

Taking Flight

Moving forward, all signs are pointing towards continued growth. Malaysia Airports remains committed towards providing the highest standard of services and facilities to customers and stakeholders alike. We strive to excel into the future with unbridled enthusiasm.

INTRODUCTION

In our quest to achieve our vision, "World-Class Airport Business", MAHB puts people first (our customers, our staff and our shareholders) and performance now, and focuses all our resources to succeed in executing all our operations and business initiatives. The Board of Directors strongly believes that good corporate governance is vital in delivering the long-term sustainable business growth and creating economic value for shareholders as well as other stakeholders. The adoption of sound corporate governance standards and practices ensures that MAHB Group is managed appropriately and operated successfully in the current and future needs of global business environment.

The Board is fully committed towards achieving full compliance with the principles and best practices of the Malaysian Code on Corporate Governance (revised 2007) ("Code"), Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Bursa Malaysia Listing Requirements") and the adoption of recommendations on corporate governance in the "Green Book Enhancing Board Effectiveness" initiated by the Putrajaya Committee on GLC High Performance as part of the GLC Transformation Programme ("Green Book") as well as the Corporate Governance Guide ("CG Guide") issued by Bursa Malaysia. The Board constantly strives its efforts in enhancing and raising a high standard of corporate governance throughout MAHB Group, which are 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 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 (PLCs) in Malaysia. The MCG Index rates and ranks PLCs 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.

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

MAHB had been ranked second (2nd) position in Score A category under MCG Index 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 (NUBS) CG survey conducted in 2008.

Business Direction

The Board continues to maintain high ethical values to support a culture of integrity, fairness, trust and high performance among management and staff of the Group, aiming to achieve the Company's 5-year business direction "Malaysia Airports Runway to Success: Building A World-Class Airport Business 2010 – 2014".

THE BOARD OF DIRECTORS OF MALAYSIA AIRPORTS HOLDINGS BERHAD

The Board

The Board is responsible for the overall governance of the Group by ensuring the strategic guidance and succession plan of the Group, the effective monitoring of management goals, and accountability to the Group and 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 at least once in every two (2) years.

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

Malaysia Airports' 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 Malaysia Airports 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 Malaysia Airports.

The Board currently comprises five (5) Non-Independent Non-Executive Directors, three (3) 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' biographies are enclosed from pages 120 to 129 of this Annual Report.

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

Name	Designation	Remark
Dyg Sadiah binti Abg Bohan	Non-Independent Non-Executive	Resigned with effect from 1 May 2011
Nik Roslini binti Raja Ismail (Alternate Director to Dyg Sadiah binti Abg Bohan)	Non-Independent Non-Executive	Cessation with effect from 1 May 2011
Eshah binti Meor Suleiman	Non-Independent Non-Executive	Appointed with effect from 4 July 2011
Ahmad Jauhari bin Yahya	Non-Independent Non-Executive	Resigned with effect from 26 September 2011
Norazura binti Tadzim (Alternate Director to Eshah binti Meor Suleiman)	Non-Independent Non-Executive	Appointed with effect from 30 November 2011

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.

The Board encourages female candidates to take up board positions. Currently, the Board fulfils the requirement of 30% female board representation on the Board.

Senior Independent Non-Executive Director

Given the composition of the Board, in particular the strong and independent presence of the members and the Board as a whole, and the separation of the roles of the Chairman and the Managing Director, the Board does not consider it necessary to nominate a recognised Senior Independent Non-Executive Director, at this juncture.

All Independent Directors of the Company are always willing and able to be within reach of the shareholders and thus, the Board does not consider it necessary to appoint a Senior Independent Non-Executive Director to serve as a point of contact for shareholders and other stakeholders to voice their concerns.

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 Code and CG Guide, 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 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 a restriction policy on external appointments.

Independence of Non-Executive Directors

The Board considers all the three (3) Independent Non-Executive Directors, namely Datuk Alias bin Haji Ahmad, Datuk Siti Maslamah binti Osman and Jeremy bin Nasrulhaq to be independent based on the definition as set out under the Bursa Malaysia Listing Requirements. The Board is satisfied that the three (3) Independent Non-Executive Directors represent the interest of the minority shareholders by virtue of their roles and responsibilities.

The Board considers the issue of directors' independence on an annual basis and has concluded that each of them continues to demonstrate the above behaviours which are in accordance with the definition under the listing requirements therein.

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 accountability 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 Strategy;
(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 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 including to ensure that the governance standards are continuously upheld. The Chairman will always ensure that the Board's decisions are based on consensus, and any concerns expressed by any director, will accordingly be recorded in the minutes of meetings by the Company Secretary.

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

Tan Sri Datuk Dr. Aris bin Othman is the Chairman of the Company. Prior to his appointment as the Chairman, Tan Sri Datuk Dr. Aris has never assumed an executive position in the Board or acted as the Managing Director of the Company. 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 are encouraged to reflect any level of scepticism and independence;
(b) Ensure that every Board Resolution is put to a vote to ensure that the decision is made collectively and reflects the will of the majority;

(c) Ensure that the Board agrees on the strategy formulated by the Company and checks on 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 and ensure effective time management to allow the Board to have a rich and deep discussion.

Managing Director

Tan Sri Bashir Ahmad bin Abdul Majid is the Managing Director of the Company. Tan Sri Bashir's in-depth knowledge in the aviation and airport operations industry and the overall Group's businesses and affairs, has significantly contributed towards manoeuvring the direction of the Group to achieve the desired goals and objectives. The Managing Director's roles and responsibilities are as follows:-

(a) Implementing the policies and decisions of the Board, overseeing the operation, 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 business 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 represent the Company with major customers and industry organisations together with the involvement of the Chairman.

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

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 months period following the Director's appointment.

All the directors have attended and successfully completed the Mandatory Accreditation Programme as required by the Bursa Malaysia Listing Requirements. In this context, the 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, and to keep abreast with new developments within the business environment.

Members of the Board of Directors of MAHB had attended various training programmes during the financial year 2011. The training programmes attended by the Directors in 2011, are as follows:

(a) 13th Malaysia Strategic Outlook Conference 2011 by Malaysian Directors Academy ("MINDA");
(b) Implementing and Continually Improving IT Governance by Mr. Nickson Choo, Director of Crowe Horwath Governance Sdn Bhd;
(c) Breakfast Talk with Mr. Stuart L. Dean, President GE ASEAN on "Innovative or Stagnate – How Innovations Ensure Businesses Keep Thriving" by MINDA;
(d) National Key Result Area (NKRA) on Fighting Corruption: Corporate Integrity organised by Performance Management and Delivery Unit (PEMANDU) and Bursa Malaysia;
(e) Risk Management Conference 2011: Managing Risks Towards Runway to Success;
(f) 2011 International Conference on Internal Auditing organised by Institute of Internal Auditors (IIA);
(g) Sime Darby Lecture Series by MINDA;
(h) ICAA MICPA Forum: Improving Corporate Governance in Malaysia Capital Markets – The Role of the Audit Committee;
(i) Khazanah Megatrend Forums 2011: Uncertainty as Normality – Navigating Through Complex Interconnection organised by Khazanah Nasional Berhad;
(j) The Securities Commission's Corporate Governance Blueprint 2011 by Mr. Raymond Corray, MIRA/ Columbus Circle Group; and
(k) MINDA Luncheon Talk: Board Composition and Diversity – Strategies, Lessons and Looking Forward by MINDA.

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 Code.

The 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 Board, conduct of Board/Board Committees meetings, decision-making and 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 & Remuneration Committee Meeting, subsequently for onward submission to the Board of Directors' Meeting for deliberation thereof, whereby the Board had evaluated their performance and formulate a "going forward position", to enhance the effectiveness of the Board.

The Board is passionate about conducting such performance evaluation, as this enables the Board performance to be properly gauged. At this juncture, the recommendation to conduct a one-on-one session between the Directors and the Chairman (as practised by the UK Public Listed Companies) would be considered at an appropriate time, at a later stage to come.

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 internal communication channel, where the staff 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) Breach of Code of Ethics.

All concerns should be addressed to the Whistleblowing Independent Committee ("WIC") which is comprised of respectable individuals from various levels of staff chaired by Y. Bhg. Dato' Che Azmi bin Murad, Senior General Manager, Operations, MAHB whereby the Committee would assess all concerns reported and act accordingly in accordance to its terms of reference. Subsequently, the WIC will submit a report to the Board Risk Management Committee on a quarterly basis. All details pertaining to the name and position of the whistleblower will be kept strictly confidential at all times.

During the year, a total of seven (7) 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 Malaysia Airports, and to use their best endeavours to attend meetings.

The Board 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 board 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 year 2011, eleven (11) Board meetings and one (1) Special Board meeting were held. All the directors had proportionately attended more than 50% of the Board meetings held for the full financial year of 2011, in compliance with the Bursa Malaysia Listing Requirements.

The following table sets out the number of meetings of the Board during the financial year 2011 and individual attendance by the Directors at the meetings.

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:-

Directors	Number of Board Meetings attended/held (during the Directors' tenure)	Percentage
Non-Independent Non-Executive		
Tan Sri Datuk Dr. Aris bin Othman	12 out of 12	100%
Dato' Long See Wool	11 out of 12	92%
Hajah Jamilah binti Dato' Hj Hashim	12 out of 12	100%
Mohd Izani bin Ghani [1]	9 out of 9	100%
Eshah binti Meor Suleiman [2]	5 out of 5	100%
Ahmad Jauhari bin Yahya [3]	7 out of 7	100%
Dyg Sadiah binti Abg Bohan [4]	2 out of 5	40%
Izlan bin Izhab [5]	5 out of 5	100%
Mohd Nadziruddin bin Mohd Basri [6]	1 out of 2	50%
Norazura binti Tadzim [7] *(Alternate Director to Eshah binti Meor Suleiman)*	–	–
Nik Roslini binti Raja Ismail [8] *(Alternate Director to Dyg Sadiah binti Abg Bohan)*	3 out of 5	60%
Independent Non-Executive		
Datuk Siti Maslamah binti Osman	12 out of 12	100%
Datuk Alias bin Haji Ahmad	12 out of 12	100%
Jeremy bin Nasrulhaq	12 out of 12	100%
Non-Independent Executive		
Tan Sri Bashir Ahmad bin Abdul Majid	12 out of 12	100%

Notes:-

1 *Appointed as a member of the Board with effect from 21 March 2011*
2 *Appointed as a member of the Board with effect from 4 July 2011*
3 *Resigned as a member of the Board with effect from 26 September 2011*
4 *Resigned as a member of the Board with effect from 1 May 2011*
5 *Retired as a member of the Board with effect from 28 April 2011*
6 *Resigned as a member of the Board with effect from 17 March 2011*
7 *Appointed as an Alternate Director to Eshah binti Meor Suleiman with effect from 30 November 2011*
8 *Ceased as an Alternate Director to Dyg Sadiah binti Abg Bohan with effect from 1 May 2011*

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.

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/non-tangible assets, and capital expenditure over a specified amount;
(e) Approval of the Company's long term financial plan and the annual capital expenditure programme;
(f) Approval of any significant change in the accounting policies and practices;
(g) Approval of all circulars, resolutions and corresponding documentation sent to the stakeholders;
(h) Approval of changes in the capital structure of the Company with regard to issuance or allotment of shares or other securities, or its status as a public listed company;
(i) Appointment, re-appointment or removal of the Directors and the recommendation for their election or re-election for the consideration of the shareholders, pursuant to the Company's Articles of Association;
(j) Appointment or removal of the 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 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 meeting, at least 7 days before each meeting. The agenda and the board papers are circulated within 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 accordingly structure and prioritise the respective matters 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 such that they contain the right amount of details and are clear and concise, to enable the directors to comprehend on the subject matters within the first five minutes of reading. The minutes of each Board meeting are circulated together with the Board papers to all Directors for their perusal before confirmation of the minutes.

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

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 best practices of 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 re-appointments of directors are in accordance with the relevant legislations, handling company share transactions, such as issuance of new shares, arranging for payment of dividends and liaising with external auditors, lawyers, tax advisors, bankers and shareholders.

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, would 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 Board Nomination & Remuneration Committee ("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 leading the selection, deliberation and proposal of suitable candidates for appointment as directors to the Board based on merit 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 BNRC is also responsible for evaluating the findings of the Board Performance Evaluation for the Board and the relevant Board Committees. The BNRC, upon analysing the result 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 present the shareholders with the opportunity to gauge the performance of the directors.

The retiring directors who are seeking re-election would be subjected to performance assessment carried out by the BNRC, which would then submit its recommendations to the Board for deliberation and approval. The Board would endorse a director for re-election if his or her performance is considered as satisfactory and meet the expected roles and responsibilities.

At the Thirteenth Annual General Meeting, Eshah binti Meor Suleiman who was appointed as director on 4 July 2011, will stand for re-election in accordance with Article 129, whilst Tan Sri Bashir Ahmad bin Abdul Majid, Dato' Long See Wool and Datuk Siti Maslamah binti Osman 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, have continued to exemplify and demonstrate the highest commitment towards strengthening the effectiveness of the governance framework. Hence, the Board unanimously recommend that the shareholders vote in favour of the re-election of the above directors at the Company's Thirteenth Annual General Meeting.

Directors over the age of seventy 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.

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 fees and allowances, 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, in order to align the remuneration to at least around the 50th percentile of the appropriate peer group. 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.

The Chairman and Non-Executive Directors received the following fees in respect of the financial year 2011:-

	Fee	Chairman	Non-Executive Director
1.	**Directors' Fee**	RM10,000/month	RM3,000/month
2.	**Meeting Allowance**		
2.1	– *Board Meeting*	RM2,000/meeting	RM1,500/meeting
2.2	– *Board Committee Meeting*	RM1,000/meeting	RM500/meeting
2.3	– *Subsidiary Meeting*	RM1,500/meeting	RM1,000/meeting

The details of the total remuneration of directors for the financial year 2011 are summarised as follows:-

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 Datuk Dr. Aris bin Othman	–	120,000	62,000	16,000	198,000
Dato' Long See Wool	–	36,000	21,000	–	57,000
Hajah Jamilah binti Dato' Hj Hashim	– –	27,000 **9,000	18,500 **5,000	– –	45,500 **14,000
Mohd Izani bin Ghani	–	**30,000	**17,000	–	**47,000
Eshah binti Meor Suleiman	–	18,000	11,500	–	29,500
Norazura binti Tadzim *(Alternate Director to Eshah binti Meor Suleiman)*	–	–	–	–	–
Dyg Sadiah binti Abg Bohan	–	12,000	5,000	–	17,000
Izlan bin Izhab	–	12,000	9,500	–	21,500
Mohd Nadziruddin bin Mohd Basri	–	**6,000	**1,500	–	**7,500
Ahmad Jauhari bin Yahya	–	21,000	11,000	–	32,000
Datuk Siti Maslamah binti Osman	–	36,000	29,000	–	65,000
Datuk Alias bin Haji Ahmad	–	36,000	36,500	–	72,500
Jeremy bin Nasrulhaq	–	36,000	25,000	–	61,000
Nik Roslini binti Raja Ismail *(Alternate Director to Dyg Sadiah binti Abg Bohan)*	–	–	6,000	–	6,000
Total	–	399,000	258,500	16,000	673,500
Executive Director*					
Tan Sri Bashir Ahmad bin Abdul Majid	1,278,676	–	–	17,195	1,295,871
Total	1,278,676	–	–	17,195	1,295,871
Grand Total	**1,278,676**	**399,000**	**258,500**	**33,195**	**1,969,371**

* *Being the Managing Director*

** *The amount paid to Khazanah Nasional Berhad in respect of Directors' Fees and other Emoluments provided for Mohd Nadziruddin bin Mohd Basri, Hajah Jamilah binti Dato' Hj Hashim and Mohd Izani bin Ghani.*

The number of directors of the Company whose total remuneration falls within the specified bands during the financial year 2011 is tabulated, as follows:-

	Number of Directors	
	2011	2010
Executive Director:		
RM1,000,001 – RM1,050,000	–	–
RM1,050,001 – RM1,100,000	–	1
RM1,100,001 – RM1,150,000	–	–
RM1,150,001 – RM1,200,000	–	–
RM1,200,001 – RM1,250,000	–	–
RM1,250,001 – RM1,300,000	1	–
Non-Executive Director:		
Less than RM50,000	7	1
RM50,001 – RM100,000	5	8
RM100,001 – RM150,000	–	–
RM150,001 – RM200,000	1	1

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, to assist the Board in discharging its responsibilities:

Board Committee	Key Functions
Board Audit Committee ("BAC")	Review and evaluate performance of External Auditors and Internal Audit Division in ensuring efficiency and effectiveness of the Company's operations, adequacy of internal control system, compliance to established policies and procedures, transparency in decision-making process and accountability of financial and management information.
Board Nomination & Remuneration Committee ("BNRC")	Review, assess and recommend to the Board of Directors, remuneration packages of the Executive Director and senior management as well as to 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 senior management.
Board Finance & 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.
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.
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, ensuring efficiency and effectiveness of procurement process, and support of national development objectives.

The Chairman and members of each Board Committee shall be appointed by the Board. As a matter of good practice, the Chairmen 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 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. The minutes of SBPC meetings would also be noted in the minutes of the Board meetings.

The composition of the Board Committees and the attendance of Members at Board Committee meetings during the financial year 2011 are reflected as follows:

Composition of the Board Committees

Director	BAC	BNRC	BF&IC	BRMC	BPC
Non-Independent Non-Executive					
Tan Sri Datuk Dr. Aris bin Othman			C	C	C
Dato' Long See Wool				M	M
Hajah Jamilah binti Dato' Hj Hashim [1]		M		M	
Mohd Izani bin Ghani [2]	M		M		
Eshah binti Meor Suleiman [3]		M			M
Izlan bin Izhab [4]	M				
Dyg Sadiah binti Abg Bohan [5]		M	M		M
Ahmad Jauhari bin Yahya [6]			M		
Mohd Nadziruddin bin Mohd Basri [7]			M	M	
Independent Non-Executive					
Datuk Siti Maslamah binti Osman	C	M	M		
Datuk Alias bin Haji Ahmad	M	C		M	M
Jeremy bin Nasrulhaq	M	M			
Non-Independent Executive					
Tan Sri Bashir Ahmad bin Abdul Majid [8]			M		

Notes:-
C: Chairman, M: Member

Attendance at the Board Committee Meetings

Director	BAC	BNRC	BF&IC	BRMC	BPC
Non-Independent Non-Executive					
Tan Sri Datuk Dr. Aris bin Othman			4/4	4/4	11/11
Dato' Long See Wool				0/4	8/11
Hajah Jamilah binti Dato' Hj Hashim [1]		8/8		3/4	
Mohd Izani bin Ghani [2]	4/4		3/3		
Eshah binti Meor Suleiman [3]		3/4			4/6
Izlan bin Izhab [4]	2/2				
Dyg Sadiah binti Abg Bohan [5]		2/3	1/1		1/4
Ahmad Jauhari bin Yahya [6]			1/1		
Mohd Nadziruddin bin Mohd Basri [7]			0/1		
Independent Non-Executive					
Datuk Siti Maslamah binti Osman	6/6	6/8	4/4		
Datuk Alias bin Haji Ahmad	5/6	8/8		4/4	11/11
Jeremy bin Nasrulhaq	6/6	8/8			
Non-Independent Executive					
Tan Sri Bashir Ahmad bin Abdul Majid [8]			1/2		

Notes:-

1 *Appointed as a member of the Board Risk Management Committee with effect from 28 March 2011*

2 *Appointed as a member of the Board Finance & Investment Committee and Board Audit Committee with effect from 21 March 2011 and 28 April 2011, respectively*

3 *Appointed as a member of the Board Nomination & Remuneration Committee and Board Procurement Committee with effect from 4 July 2011*

4 *Ceased as a member of the Board Audit Committee with effect from 28 April 2011*

5 *Ceased as a member of the Board Nomination & Remuneration Committee, Board Finance & Investment Committee and Board Procurement Committee with effect from 1 May 2011*

6 *Appointed and ceased as a member of the Board Finance & Investment Committee with effect from 27 July 2011 and 26 September 2011, respectively*

7 *Ceased as a member of the Board Finance & Investment Committee and Board Risk Management Committee with effect from 17 March 2011*

8 *Resigned as a member of the Board Finance & Investment Committee with effect from 27 July 2011*

Terms of Reference

The salient terms of reference of the Board Committees are as follows:

Board Audit Committee ("Audit Committee")

The Audit Committee 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.

The terms of reference and summary of activities carried out by the Audit Committee are set out under the Audit Committee Report from pages 194 to 195 of this Annual Report.

The Audit Committee meets at least six (6) times during the financial year to carry out its functions. The Audit Committee is also responsible for recommending the person(s) to be nominated to act as the external auditor and the remuneration and terms of engagement of the external auditor.

The Audit Committee will also review its Terms of Reference at least once in every two (2) years to assess its relevancy and clarity.

Board Nomination & Remuneration Committee ("BNRC")

The BNRC consists of at least three (3) members, all of whom shall be non-executive directors. The Chairman and members of the BNRC shall be appointed by the Board. The Committee's main responsibilities and such other responsibilities as may be determined by the Board include, amongst others, the following:

Nomination

(a) To determine the criteria for Board membership, including qualities, experience, skills, education and other factors that will best qualify a nominee to serve on the Board;

(b) To review annually and recommend to the Board with regard to the structure, size, tenure, directorships, balance and composition of the Board and Committees, including the required mix of skills and experience, core competencies which the non-executive directors should bring to the Board and other qualities in order to function effectively and efficiently;

(c) To consider, evaluate and propose to the Board any new Board appointment, whether of executive or non-executive position. The BNRC shall recommend to the Board with regard to the candidate for directorship, based on amongst others, the size, composition, mix of skills, experience, competencies and other qualities of the existing Board, level of commitment, resources and time that the recommended candidate can contribute to the existing Board and Group; and gender diversity in the Board;

(d) To propose to the Board the responsibilities of non-executive directors, including membership and chairmanship of the Board Committees;

(e) To evaluate and recommend the appointment, promotion, transfer and dismissal of the Managing Director or Chief Executive Officer or the executive directors as well as non-executive directors and their duties;

(f) To establish and implement processes for assessing the effectiveness of the Board as a whole and the Committees of the Board;

(g) To evaluate on an annual basis, the effectiveness of the Committees of the Board, the effectiveness of the Board as a whole, and the independence of the Independent Directors, particularly when new interests or relationships surface;

(h) To recommend to the Board whether directors who are retiring by rotation should be put forward for re-election and termination of membership of individual directors in accordance with policies for cause or other appropriate reasons;

(i) To establish appropriate framework and plans for succession at Board level;

(j) To provide adequate training and orientation of new directors with respect to the business, structure and management of the Group, as well as the expectations of the Board with regard to their contribution to the Board and Group;

(k) To review and set policies and procedures on human resources and employee matters pertaining to Senior Management;
(l) To review and determine the level and make-up of Senior Management;
(m) To develop policies and recommend appropriate proposals to facilitate the recruitment and retention of Senior Management, as well as a programme for Senior Management development;
(n) To recommend to the Board to review and approve the appointment and promotion of Senior Management as well as extension of service/contract and renewal of contract of Senior Management; and
(o) To review and consider the directorships of Senior Management on the Board of subsidiaries of MAHB.

Remuneration

(a) To recommend to the Board the fringe benefits to be accorded to the directors, if any;
(b) To establish and recommend to the Board the remuneration structure and policy for Managing Director and Senior Management including the terms of employment or contract of employment/service, benefits, pension or incentive scheme entitlement, bonuses, fees and expenses and any compensation payable on the termination of the service contract by the Company and/or Group and to review any changes to the policy, as necessary;
(c) To review the Managing Director and Senior Management's goals and objectives and to assess their performance against these objectives as well as contribution to the corporate strategy;
(d) To ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, with the performance-related elements of remuneration setting forming a significant proportion of the total remuneration package of the Managing Director;
(e) To establish and review the scheme of service for Senior Management;
(f) To review and recommend the general remuneration policies and practices for Senior Management; and
(g) To recommend to the Board suitable short and long-term policies of having performance-related incentive schemes for Senior Management.

The BNRC will also review its Terms of Reference at least once in every two (2) years to assess its relevancy and clarity.

Board Finance & Investment Committee ("Finance & Investment Committee")

The Finance & Investment Committee 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 Terms of Reference.

The Chairman of the Company shall be the Chairman of the Finance & Investment Committee. The Finance & Investment Committee will conduct its meeting at least once every quarter or four (4) meetings per annum, and to convene additional meetings as and when necessary.

The functions and duties of the Finance & Investment Committee are to:

(a) Review the annual business plans and budgets and any supplementary budgets and recommend them to the Board for approval;
(b) Review and monitor the financial position and performance of the MAHB Group on a quarterly basis;
(c) Review and monitor the financial investment policy and financial investment portfolios of the MAHB Group;
(d) Review, evaluate and assess prospective investments/divestments, new businesses, projects and overseas ventures, taking into account factors such as strategic rationale, return on investment and resource requirements of those prospects, and make appropriate recommendations to the Board;
(e) Review and monitor the progress of all capital projects against the approved project schedule and budget the source to ensure completeness of all project deliverables within schedule and budget. Capital projects include construction of new airports, land development projects and any other expansion projects for domestic and foreign airports;
(f) Review and monitor the performance of overseas ventures;

(g) Review group Financial Limit of Authority (FLOA) and recommend it to the Board for their approval;
(h) Consider other duties as directed by the Board; and
(i) Oversee current and future capital and financial resource requirements.

The Finance & Investment Committee will also review its Terms of Reference at least once every two (2) years to assess its relevancy and clarity.

Board Risk Management Committee ("Risk Management Committee")

The Risk Management Committee comprises at least four (4) members, made up of independent non-executive directors and non-independent non-executive directors. The members of the Risk Management Committee are appointed by the Board.

The responsibilities of the Risk Management Committee are to, inter alia:

(a) Approve the overall Risk Management, Occupational Safety and Health (OSH), ICAO Safety Management System (SMS) and Information Security policies and strategies;
(b) Oversee senior management's responsibilities in managing risks including information security risks and safety to ensure that the risk management process is in place and functioning;
(c) Review major risk and safety strategies, policies and risk tolerance standards proposed or to be proposed to the Board and to opine or make recommendations to the Board;
(d) Review risk management, OSH, Safety and Information Security activities to ensure that all risks are taken into account in business plans and strategies;
(e) Review the Corporate Risk Profile and understand the significant risks that affect the achievement of company's objectives and ensure the implementation of appropriate systems to manage these risks;
(f) Oversee the adequacy of resources for implementation of risk management and safety strategies, activities and initiatives; and
(g) Ensure a risk management statement is included in the annual report confirming that risks are being identified, evaluated/assessed and that appropriate Management Action Plans are in place to manage and mitigate those risks effectively.

The Risk Management Committee will also review its Terms of Reference at least once every two (2) years to assess its relevancy and clarity.

Board Procurement Committee ("Procurement Committee")

The Procurement Committee comprises at least three (3) members, made up of both independent non-executive directors and non-independent non-executive directors. The members of the Procurement Committee are appointed by the Board.

The general functions of the Procurement Committee are to:

(a) Ensure that the project and tender documents comply with prescribed procurement policies and procedures;
(b) Determine the tender evaluation criteria;
(c) Approve the selective tendering method and the list of selected tenderers for procurement values above RM10 million;
d) Recommend to the Board on award of tender above RM200 million;
(e) Approve procurement exercises for value of RM5 million to RM200 million;
(f) Approve the proposed earnings from rental space, commercial activities for value of RM5 million to RM50 million per contract and its related issues such as reduction and discounts of rental rates arising out of business transactions of MAHB Group and its subsidiary companies. For value above RM50 million, to recommend to the Board;
(g) Approve variation orders (VO) more than 10% of the contract sum of above RM10 million to RM150 million and up to 10% of the contract sum of above RM150 million;
(h) Approve extension of time (EOT) for projects approved by Procurement Committee;
(i) Approve procurement for wholly owned and majority owned subsidiary companies for a value more than RM5 million and up to RM50 million. Above RM50 million, Procurement Committee to recommend to the Board for approval;

(j) Approve appointment of consultants/specialists for the amount of Professional Fees of value more than RM1 million and up to RM10 million. For Professional Fees of value more than RM10 million, Procurement Committee to recommend to the Board for approval;
(k) Appoint sub-committees for technical and commercial evaluations when necessary;
(l) Review and approve procurement policies and procedures, including the anti-corruption policy and codes of conduct; and
(m) Oversee and monitor the overall implementation of the Red Book objectives, ensuring efficiency and effectiveness of procurement process, and support of national development objectives.

The Procurement Committee will also review its Terms of Reference at least once every two (2) years to assess its relevancy and clarity.

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.

Relations with Institutional Shareholders

The investor relations team is responsible for managing the day-to-day communications with institutional shareholders through briefings to fund managers, institutional investors and investment analysts, normally held after the release of the Group's quarterly results to Bursa Malaysia. Press conferences are also held to brief the members of the media, and to highlight any significant events undertaken by the Group. All non-executive directors have always been invited to the briefings, should they wish to.

Relations with Private Shareholders

Each year, shareholders will receive the annual report of the Company. The shareholders can also access up-to-date information on the Group's latest activities such as financial performance, group background and 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 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.

Investor Relations

MAHB recognises the value of transparent, consistent and coherent communications with investment community consistent with commercial confidentiality and regulatory considerations. Our Investor Relations Policy aims to build long-term relationships with our shareholders and potential investors through appropriate channels for the management and disclosure of information. We provide these investors with sufficient business, operations and financial information on the Group enabling them to make informed investment decisions.

MAHB holds analyst presentations in each quarter in 2011 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 2012.

MAHB has revamped its Investor Relations web portal in 2012, in line with our commitment towards corporate governance and best practice 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.

Dividend Policy

The Company's dividend policy entails the payment of dividend at a payout ratio of at least 50% of the consolidated annual net profit after taxation and minority interest commencing from the financial year 2007. Nevertheless, the actual amount and timing of the dividend payments would depend on the Company's cash flow position, results of operations, business prospects, current and expected obligations, and such other matters as the Board of Directors may deem relevant.

Annual General Meeting

The Annual General Meeting ("AGM") will normally take place at Pan Pacific Kuala Lumpur International Airport, Kuala Lumpur International Airport, Jalan CTA 4B, 64000 KLIA, Sepang, Selangor Darul Ehsan, and formal notification is sent to the shareholders at least 21 days in advance.

The Board believes that the AGM is an important forum to engage with shareholders, which allows the shareholders to gain direct access to the Board as well as the Company's External Auditors, to channel their queries, grievances or even opinion on how to further enhance the Company's performance.

The Board will regularly maintain a good dialogue with shareholders by proactively organising meetings, presentations and events, 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:-

Faizal Sham bin Abu Mansor
Chief Financial Officer

The biography of Faizal Sham bin Abu Mansor is enclosed on page 134 of this Annual Report.

Contact Details

Tel: 603-8777 7004
Fax: 603-8777 7776
E-mail: *faizalmansor@malaysiaairports.com.my*

A. ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual audited financial statements and quarterly financial results announcement to the shareholders, the Directors aim to present a balanced and understandable assessment of the Group's position and prospects. 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 Financial Reporting Standards ("FRS") approved by the Malaysian Accounting Standards Board, and has adopted the relevant FRSs applicable for the Group's financial year 2011.

The adoption of the FRSs 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 232 to 264 of this Annual Report.

Internal Control

The Statement of Internal Control set out from pages 199 to 207 of this Annual Report provides an overview of the state of internal controls within the Group.

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, Ernst & Young, in providing the relevant reports to shareholders. In order to ensure full disclosure of matters, Ernst & Young are regularly invited to attend the Committee's meetings as well as the Annual General Meeting. 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 tax services, 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 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 216 of this Annual Report.

B. ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in compliance with paragraph 9.25 of the Bursa Malaysia Listing Requirements.

1. Option, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the financial year 2011.

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 2011.

3. Status of Utilisation of Proceeds raised from Corporate Proposal

The status of utilisation of proceeds raised from the Islamic Commercial Papers and Islamic Medium Term Notes pursuant to an Islamic Commercial Paper Programme ("ICP Programme") and an Islamic Medium Term Notes Programme, respectively with a combined aggregate nominal value of up to RM3.1 billion (with a sub-limit of RM1.0 billion in nominal value for the ICP Programme) as at 20 February 2012 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	2,500,000	2,422,686	By 2012	–	–

4. Material Contracts

Save as disclosed below, neither the Company nor its subsidiaries had entered into any material contracts, which involved the Directors and/or major shareholders' interests during the financial year 2011:-

(i) A Concession Agreement dated 27 October 2011 was entered with Airport Cooling Energy Supply Sdn Bhd ("the Concessionaire"), a wholly-owned subsidiary of TNB Engineering Corporation Sdn Bhd ("TNEC"), which is a wholly-owned subsidiary of Tenaga Nasional Berhad ("TNB") for the privatisation of the development of a 132kV sub-station and a district cooling plant for the supply of chilled water and electricity and associated works at the new low cost carrier terminal at Kuala Lumpur International Airport ("KLIA"), Sepang, Selangor ("klia2") ("the klia2 Generation Plant") on a build-operate-transfer model for a concession period of up to 20 years ("the klia2 Generation Plant Project"). The total project cost for the klia2 Generation Plant Project is approximately RM388 million.

On the same date, a Shareholders Agreement was entered between MAHB and TNEC in relation to MAHB and TNEC's participation in the equity of the Concessionaire whereby MAHB holds 23% equity shareholding consisting of 4,380,000 ordinary shares of RM1.00 each and 175,200 redeemable preference shares at par value of RM1.00 each with a premium of RM99.00 each. The said agreement also governs MAHB's and TNEC's relationship as shareholders of the Concessionaire.

Khazanah Nasional Berhad ("KNB") is the major shareholder of both TNB and MAHB, which is deemed interested in the klia2 Generation Plant Project. Puan Hajah Jamilah binti Dato' Hj Hashim and Encik Mohd Izani bin Ghani are nominees of KNB on the Board of Directors of MAHB and are deemed interested in the klia2 Generation Plant Project.

The interested directors have abstained and will continue to abstain from all deliberation and voting at Board meetings of MAHB in respect of the Concession Agreement and the klia2 Generation Plant Project.

Save as disclosed above, none of the Directors and/or major shareholders of MAHB or persons connected with the directors and/or major shareholders of MAHB have any interest, either direct or indirect, in the above concession.

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 2011, is a follows:-

External Auditors	Report	Total Paid (RM)
Ernst & Young	Professional services and advisory work for Project	415,383.00
Total		415,383.00

6. Profit Guarantee

There was no profit guarantee given by the Company during the financial year 2011.

7. Share Buy-Back

There was no share buy-back exercised by the Company during the financial year 2011.

8. American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme

The Company did not sponsor any ADR or GDR programme during the financial year 2011.

This Statement on Corporate Governance was duly reviewed and approved by the Board of Directors of MAHB on 30 January 2012.

On behalf of the Board

Tan Sri Datuk Dr. Aris bin Othman
Chairman

Our Enterprise Risk Management initiatives which began its journey from 2006 and further enhanced with our Business Continuity Management provide an end to end process in effectively managing our risks exposures

Malaysia Airports ("MAHB") is facing an ever increasing risk landscape with the construction of klia2 on a fast-track basis and the subsequent expansion of capacity to unprecedented levels which have not been seen in the region, and indeed the world. The risks we will face, and consequently the stakes have never been higher.

Fortunately, we are confident that we will be able to meet the challenges ahead with the vision of our Board and the emphasis on strong risk management practices in the conduct of our activities and the management culture adopted across the Group.

Our unrelenting focus on the enterprise-wide risk management framework which emphasises effective risk management at the corporate level and throughout all departments and airports has contributed to our ability to achieve sustainable profits, strong asset quality and optimising shareholders' value under the challenging business conditions and market uncertainties.

We continue to strengthen our risk management infrastructure and refine the processes to proactively manage key areas of risk in line with changes in market and global economic conditions and with the ultimate goal to ensure the resilience of Malaysia Airports.

Our Enterprise Risk Management initiatives which began its journey from 2006 and further enhanced with our Business Continuity Management provide an end to end process in effectively managing our risks exposures and in recovering our business in the event of any unforeseeable incidents. This end to end process is clearly depicted beside:-

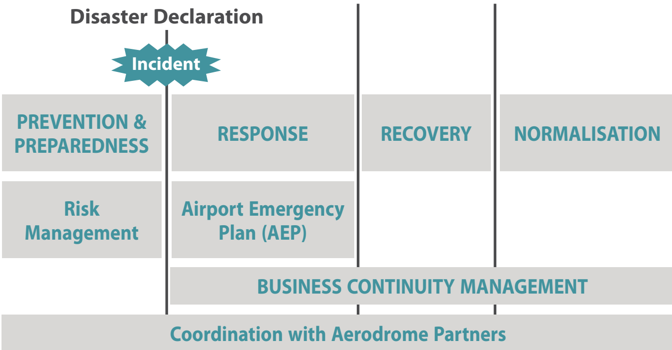
Enterprise Risk Management Framework

The Board of Directors ("Board") is ultimately responsible for the management of risks. The Board, through the Risk Management Committee ("BRMC"), maintains overall responsibility for risk oversight and has established a policy governing our approach to risk management. Our risk management infrastructure provides clear accountability, ownership and responsibility for managing risks with an established risk management process which sets out the principal risk management and control responsibilities. Our Enterprise Risk Management ("ERM") framework addresses a wide range of risk management activities, covering risk measurement, assessment, management, treatment, monitoring and reporting.

The Board requires management to design and implement the risk management and internal control systems, including undertaking an enterprise-wide risk assessment, and managing and mitigating those identified significant risks, in order to ensure reasonable assurance to the Board Risk Management Committee (BRMC) that all risks are explicitly identified, assessed and managed effectively, and risk mitigation plans are being executed and implemented. In this respect, the Risk Management Division ("RMD") assists the BRMC in monitoring risks while conducting our activities.

RMD provides crucial support to the BRMC and the management team. It is responsible for ensuring the relevant policies and procedures are implemented and duly complied. The business units, being the first line of defence against risks, are responsible for identifying, mitigating

ENTERPRISE RISK MANAGEMENT TIMELINE



and managing risks within their lines of business. These units are to ensure that their day-to-day business activities are carried out within the established policies, procedures and limits. The Audit Committee, supported by the Internal Audit Division, provides an independent assessment of the adequacy and reliability of the risk management processes and system of internal controls, and compliance with policies, procedures and regulatory requirements.

Since 2009 we have adopted the ISO 31000 Risk Management Framework.

This framework assists in ensuring that risk management is effectively embedded into our business processes with clear ownership and accountability for risks. The risk management framework and system is dedicated with the aim of establishing effective assessment and treatment of risks through continuous monitoring and reporting of any changes in our risk profiles in order to strengthen the key foundation of managing risks within a robust risk management framework.

MAHB Risk Scorecard (MArs) System

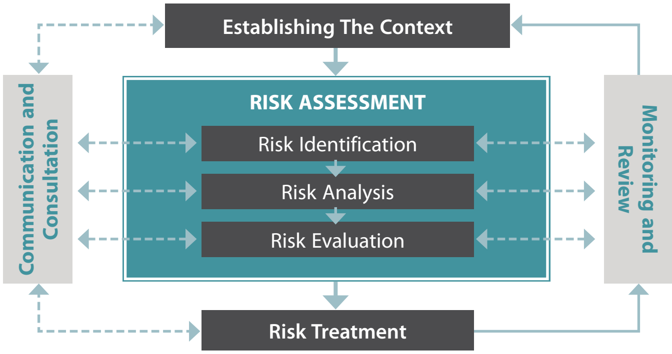
As part of our initiatives, we have been utilising an integrated web-based risk management information system to ensure effective and practical risk management monitoring and reporting. This solution, known as Malaysia Airports risk scorecard ("MArs"), is used to facilitate risk management process throughout the Company.

The key objective of MArs is to capture all risk information on risks, their causes and consequences, the current controls in place and its effectiveness. It also captures the action plans with their timeframe in mitigating the risks to an acceptable level.

With MArs, our risk management infrastructure provides clear accountability, ownership and responsibility for managing risks with an established risk management process which sets out the principal risk management and control responsibilities. We will continue to strengthen this risk management infrastructure and refine the processes to proactively manage key areas of risk in line with the changes in market conditions.

We have further enhanced the capability of MArs during 2011 as well as simplified further the system so that it is more user-friendly and focused on effective management and monitoring of risks whilst complying to regulatory needs and requirements.

FRAMEWORK: ISO 31000



Overview of the ISO 31000: 2009 Risk Management Process

ERM INITIATIVES

To manage and control risk, we continue to embed good practices and integrate risk management into our business processes, and to strengthen our risk culture via various ERM initiatives, education and communication. The Board's unwavering belief is that risk management must be a culture embedded into the daily activities of the company. Therefore to cultivate this culture, awards for Risk Manager of the Year and Airport of the Year have been established since 2008 and 2009, respectively.

The Risk Manager of the Year is selected through stringent evaluation of criteria set and is based on overall performance throughout the year. Airport of the Year award was introduced to recognise the efforts and commitment of airports' management and staff towards good risk management practices. We believe the Awards will be a catalyst for effective ERM implementation and strengthen the risk culture of Malaysia Airports.

We are dedicated and committed towards continuous efforts to enhance and strengthen the risk management culture in Malaysia Airports and to ensure that risks are regularly reviewed.

Concerted efforts are taken in ensuring high levels of risk awareness are maintained throughout the organisation and that everyone has a clear and in-depth understanding in managing risk whilst promoting the tagline "Managing Risks is everyone's responsibility".

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:

Datuk Siti Maslamah binti Osman
(*Chairman*)
Independent Non-Executive Director

Datuk Alias bin Haji Ahmad
Independent Non-Executive Director

Izlan bin Izhab (Retired w.e.f 28 April 2011)
Non-Independent Non-Executive Director

Jeremy bin Nasrulhaq
Independent Non-Executive Director

Mohd Izani bin Ghani (Appointed w.e.f 21 March 2011)
Non-Independent Non-Executive Director

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

MEETINGS

During the financial year ended 31 December 2011, the BAC met six (6) times, with the following record of attendance:

Name of Director	Attendance
Datuk Siti Maslamah binti Osman	6/6
Datuk Alias bin Haji Ahmad	6/6
Jeremy bin Nasrulhaq	6/6
Mohd Izani bin Ghani	4/4*
Izlan bin Izhab	2/2*

** Reflects the number of meetings attended during the time the Director held office*

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 of at least four (4) Non-Executive Directors from among the MAHB Board of Directors, with 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 15.10 of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

Authority: As empowered by the Board of Directors, the BAC shall have 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 and Internal Auditors and able to meet with Management to ensure that there are specific and effective avenues for whistle blowing.

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 auditing's 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.

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 2011.

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.

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 fifty five (55) reports. The areas of coverage include operations, procurement, property plant and equipment, engineering, company vehicles, account payable, account receivables, overseas ventures, commercial, corporate planning, execution of board minutes, car park management, performance review, projects (including klia2), information systems, investigations and special reviews on specific areas as requested by the Board, Board Committees, Management or arising from the Whistle Blowing 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 has been carried out, along with a follow-up in January 2010. 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 2011 is RM1.25 million.

TERMS OF REFERENCE MAHB BOARD AUDIT COMMITTEE ("BAC")

1. CONSTITUTION

1.1 The authority and function of the Board Audit Committee extends to MAHB and all its subsidiaries, joint ventures and associates within the Group.

2. ESTABLISHMENT OF OBJECTIVES

2.1 Assist the Board of Directors;

i) in fulfilling its fiduciary responsibilities relating to the company's accounting policies, financial reporting practices and business ethics policies.

ii) assessing the Group's processes relating to internal controls, risk management and governance.

2.2 Ensure transparency, integrity and accountability in the Group's activities to safeguard the rights and interest of the Shareholders.

2.3 Maintain, through regularly scheduled meetings, a direct line of communication between the Board and the External and Internal Auditors.

2.4 Enhance the independence of the External and Internal Audit functions.

3. MEMBERSHIP

3.1 The Board Audit Committee shall be appointed by the Board of Directors of MAHB from among its members and:

i) all members shall be Non-Executive Directors and comprise of at least four (4) members.

ii) a majority of the members must be Independent Directors.

iii) 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 15.10 of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

3.2 If for any reason the membership falls below four members, the Board of Directors shall within one month of the event, appoint such number of new members as may be required to fulfil the minimum requirement.

3.3 No alternate Director is to be appointed as a member of Board Audit Committee.

3.4 The Chairman of the Board Audit Committee shall be an independent Non-Executive Director appointed by the Board of Directors.

4. AUTHORITY

4.1 The Board Audit Committee shall have the following authority as empowered by the Board of Directors:

i) Have authority to investigate any matter within its terms of reference.

ii) Have the resources required to perform its duties.

iii) Have full and unrestricted access to any information, records, properties and personnel within the Group.

iv) Have direct communication channels with the External Auditors and Internal Auditors.

v) Be able to obtain independent professional advisers or other advisers and to engage outsiders with relevant experience and expertise if necessary.

vi) Be able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other directors and employees of the company whenever deemed necessary.

vii) Be able to meet with Management to ensure that there are specific and effective avenues for whistle blowing.

5. FUNCTION AND DUTIES

The functions and duties of the Board Audit Committee shall be to:

5.1 Consider the appointment of the External Auditors, the audit fee and any questions of resignation or dismissal.

5.2 Discuss with the External Auditors before the audit commences the nature and scope of the audit, the annual audit plan and ensure co-ordination where more than one firm is involved.

5.3 Review the quarterly and year-end financial statements of the Group prior to submission to the Board, focusing particularly on:

- any changes in accounting policies and practices
- significant adjustments arising from the audit
- extraordinary events
- the going concern assumption
- compliance with accounting standards, the Listing Requirements of BMSB and other legal requirements

5.4 Review the efficiency of the Group's operations particularly those relating to areas of significant risks.

5.5 Assess the internal process for determining and managing key risks.

5.6 Discuss problems and reservations arising from the interim and final audits, and any other matter the auditor may wish to discuss in the absence of management where necessary.

5.7 Review the External Auditor's Management Letter and management's response.

5.8 Oversee the Internal Audit functions by:

- reviewing the adequacy of the plan, scope, functions, competency and resources and that it has the necessary authority to carry out its work and have appropriate standing in the Group.
- reviewing the internal audit programme and results of the internal audit process and where necessary ensure that appropriate action is taken on its recommendations.
- reviewing the appraisal or assessment of the performance of its members.
- approving the appointments of senior staff members.
- being informed of resignations of staff members and provide them the opportunity to submit reasons for resigning.

5.9 Review any related party transactions that may arise within the Group.

5.10 Consider the major findings of internal investigations and management's response.

5.11 Carry out other duties as directed by the Board.

5.12 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.

TERMS OF REFERENCE MAHB
BOARD AUDIT COMMITTEE ("BAC")

5.13 Direct any special investigations to be carried out by the Internal Audit.

5.14 Review and reassess, with the assistance of management and the External Auditors, the adequacy of the Terms of Reference of the Board Audit Committee.

5.15 Annual evaluation of the external auditor's performance to ensure continued independence, objectivity and quality of audits.

6. MEETINGS

6.1 The Board Audit Committee Meetings shall be held at least six times during the financial year. Notice of meetings shall be circulated to the members one week in advance. The agenda for each meeting shall be circulated at least three full working days before each meeting to the Committee members.

6.2 Upon the request of any member of Board Audit Committee, the Head of Internal Audit or the External Auditor, the Chairman of Board Audit Committee shall convene a special meeting to consider any matters.

6.3 A quorum of three members, of which two are independent, is the minimum required to be present at any Board Audit Committee Meetings. At any meetings, there must be a majority of independent members.

6.4 The Company Secretary shall be the Secretary of the Board Audit Committee.

6.5 The meetings of the Board Audit Committee shall be attended by the Head of Internal Audit. The Management of MAHB shall be represented by the Managing Director or his authorised representatives, at the invitation of the Board Audit Committee and shall excuse themselves when so directed by the Board Audit Committee.

6.6 The Committee may request other members of management, Internal Auditors and External Auditors to participate in the Board Audit Committee meetings, as and when necessary.

6.7 The minutes of the meetings shall be tabled at the MAHB Board of Directors meetings.

INTRODUCTION

The Malaysian Code of Corporate Governance (the Code) requires the Board of Directors (Board) to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. Pursuant to Para 15.26(b) of Bursa Malaysia Securities Berhad (BMSB) Main Market Listing Requirements and Statement on Internal Control: Guidance for Directors of Public Listed Companies, the Board is pleased to present the Statement on Internal Control (the Statement) which outlines the nature and scope of internal control of the Group during the financial year under review.

RESPONSIBILITY AND ACCOUNTABILITY

The Board is ultimately responsible for the Group's system of 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. The Board and Management are responsible and accountable for maintaining a sound system of internal control encompassing governance, risk management, financial, organisational, operational and compliance controls. The Board is committed to safeguard shareholders' investment, Group's assets and other stakeholders' interests.

PURPOSE OF INTERNAL CONTROL FRAMEWORK

In accordance with the Statement on Internal Control: Guidance for Directors of Public Listed Companies, the Board confirms that there is an ongoing process for identifying, evaluating and managing risks faced by the Group. This process has been in place for the year under review and up to the date of issuance of the annual report and financial statements. However, in view of the limitations in any system of internal control, the Board acknowledges that this system is designed to manage rather than eliminate the risks completely. As such, internal controls can only provide reasonable and not absolute assurance against the occurrence of any material misstatement, loss or fraud.

The system of 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. This process is regularly reviewed by the Board, taking into account changes in the regulatory and business environment to ensure the adequacy and integrity of the system of internal controls.

STATEMENT ON INTERNAL CONTROL

RISK AND CONTROL FRAMEWORK

MAHB Group has in place an Enterprise Risk Management Strategy which explains its approach to identify, evaluate, monitor and manage significant risks that could impede the achievement of the Group's objectives. It also identifies the main reporting procedures and promotes good risk management practices within the Group. MAHB Group is committed to implementing Enterprise Risk Management (ERM) as a key strategic tool to proactively identify and manage risks throughout the Group.

In MAHB, risks are identified and evaluated in the following ways:

- Clearly documented financial management procedures and guidelines;
- Continuous documentation of Standard Operating Procedures (SOP) for all business units;
- Periodic reviews by the risk owners to assess the probability, severity and relevance of risks, as well as current strategies applied and the strength of these strategies;
- An Internal Audit function which provides an assessment of the current state of internal controls across MAHB Group's key operations; and
- Sources such as project risk assessments, workshops and referrals from various steering committees.

REVIEW OF INTERNAL CONTROL EFFECTIVENESS

The Board's evaluation of the effectiveness of internal controls in the Group is based on criteria developed under the COSO (Committee of the Sponsoring Organisations of the Treadway Commission) Internal Control - Integrated Framework; a generally accepted framework for internal control widely recognised as the standard against which the Group measures the effectiveness of its system of internal control. The internal control system is intertwined with the Group's operating activities and exists for fundamental business reasons.

The Board's review of internal control effectiveness is based on information from:

- Key management within the organisation with the responsibility for the development and maintenance of the internal control framework;
- The work of the Internal Auditors, who submit regular reports to the Board Audit Committee (BAC) which include the irindependent and objective opinion on the adequacy and effectiveness of the organisation's systems of 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 inter related components as follows:

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. Management's commitment to establishing and maintaining effective internal control is cascaded down and permeates the Group control environment, aiding in the successful implementation of internal controls. Key activities include:

i. Board and Audit Committee

- The various Board Committees, namely the Audit Committee, the Nomination and Remuneration Committee, Procurement Committee, Finance and Investment Committee, Risk Management Committee, are all governed by clearly defined terms of references.
- The Audit Committee, comprising only Non-Executive Directors and a majority of independent Directors, has wide ranging in-depth experience, knowledge and expertise.

Its members continue to meet and have full and unimpeded access to both the Internal and External Auditors during the financial year.

- Special Board Procurement Committee, the extension of the Board Procurement Committee, is established for the approval and oversight of klia2 project.

ii. Strategic Theme and Objectives

- To chart the Group's business direction, MAHB has produced "Malaysia Airports Runway to Success (2010–2014)" where three strategic thrusts to support the achievement of the Group's key business strategic objectives were identified. They are:

  – Traffic Growth. Our objective is to increase passenger numbers to over 60 million per year, with a focus on strengthening KLIA as the Next Generation Hub.
  – Service Excellence. The objective is to maintain top quality service levels, benchmarked against the best airports worldwide.
  – Commercial Development. Will be the main driver to achieve Group EBITDA and ROE in excess of RM1 billion and 10% respectively by 2014.

- The Executive Committee (EXCO) provides clear direction and guidance for the implementation of the key business strategies and assisted by the Corporate Planning Office in monitoring the overall delivery of the initiatives towards meeting the business strategies.

iii. Organisation Structure

- The current organisational structure for the Group incorporates the company's new vision, 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 organisation structure was also benchmarked against other international airport operators so that the company would remain competitive.
- The Business Process Improvement where roles of Finance & Procurement as well as Human Resources shared services have been strengthened to allow standardised adoption of best practices to support the rapid growth and expansion of MAHB.

iv. Shared Values

- Internalisation of MAHB Group's Shared Values of 'Market Driven', 'Customer Focused', 'Strive For Excellence', 'Teamwork' and 'Loyalty' serves as a foundation of the Group's culture.

v. Code of Ethics

- The Group Code of Ethics is in place, applicable to all employees and 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 and all representatives adhere to one standard Code.
- 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.

vi. **Procurement Code of Ethics**

- It outlines the principles and specific requirements related to the procurement process. It supports the Procurement Red Book and complements the MAHB Code of Ethics, which provides guidelines on dealing with employees, customers, business partners, competitors and other parties.

vii. **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.

B. RISK ASSESSMENT

Risk assessment is the identification and analysis of risks which may impede the achievement of the Group's objectives, forming a basis for determining how risk is managed in terms of probability and severity. Key activities involved within this area are:

i. **Enterprise Risk Management (ERM)**

- The Risk Management Division is responsible for the overall coordination of the Enterprise Risk Management (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 covering strategic, operational and financial risks. The company has a structured Business Continuity Management framework 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

- Financial Limits of Authority ("FLOA") approved by the Board are applicable to the whole Group, covering areas of finance/accounts and selected corporate matters. Revisions and additions are made to the FLOA when deemed necessary. This authority facilitates quality and timely decision-making.
- Clear accountability and responsibility for key business processes have been established through related SOP.

ii. Policy and Procedures

- Accounting Policies approved by the Board are adopted by the whole Group, covering accounting policies related to the Group. Revisions and additions are made when necessary, taking into consideration the Financial Reporting Standards (FRSs).
- Procurement Limits of Authority, also known as the 3Ps (Procurement Policy, Procedures and Guidelines) was established and regularly reviewed to safeguard the procurement processes of the Group.
- Value Management (VM) Manual launched on 15 December 2010, prepared for the purpose of clarifying MAHB policies on value management and outlines the VM Methodology framework.
- Continuous documentation and review of SOP was undertaken for all business units. All five international airports, fifteen domestic airports and key functions at subsidiary levels have been certified to MS ISO 9001:2008 Quality Management System. Moving towards a culture of total quality management system for the Group, related functions at Head Office, all airports and key functions at subsidiary levels have been certified to MS ISO 9001:2008 Quality Management System. With the inclusion of MS ISO 14001 Environmental Management System (EMS) and OHSAS 18001 Occupational, Health and Safety Management System (OHSAS), all five international airports, one domestic airport (Miri) and our IT-arm, MA Technologies have been fully certified under the Integrated Management System. MA Technologies is also certified under ISO/IEC 27001:2005 (Information Security Management System).
- All five international airports and nine domestic airports have been awarded the Aerodrome Certification by the Department of Civil Aviation, 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. Continuous Improvement Initiatives

- The continuous Improvement Initiatives are on-going exercise 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, realigning towards MAHB's strategic plans while integrating and synergising people, processes, systems and structure in the company. It also focuses on delivering shareholders' financial expectations. Among the initiatives are:

  – Business Process Improvement (i.e to enhance the group internal control, amongst others, are the introduction of Budget Check mechanism in the Procurement system and also centralised online invoice management)
  – Cross-Functional Transformation (i.e. Human Resources, Operations and IT)
  – Lean Management
  – World-Class Maintenance (Engineering and Airport Fire & Rescue Services (AFRS))

iv. Whistleblowing Programme

- The company has a Whistleblowing programme with the objective of providing 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.

v. Safety Management System

- MAHB has adopted the Safety Management System (SMS) as a systematic and comprehensive approach to reduce threats to aviation safety and prevent similar incidents from occurring in other airports within the Group. All five international airports and five domestic airports are SMS certified, making them the first in Asia to adopt the SMS. The SMS certification is a testimony to our commitment to ensure the highest level of safety across our system of airports in full compliance with the ICAO requirements. Besides the SMS and Aerodrome certification programmes, MAHB carries out all safety drills and simulation exercises 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 tabletop exercises bi-annually. MAHB has conducted KLIA Joint Apron Safety Campaign 2011/2012 on 30 November 2011 to create awareness within KLIA community on the danger of Foreign Object Damage (FOD) with the theme "FOD! We See, We Pick, We Safe".

vi. MAHB Information Security Policy

- MA Technologies was the first MS ISO/IEC 27001 Information Security Management System (ISMS) Certified in Airport Business worldwide (since 2005) and was awarded Best ISMS in year 2010 from Cyber Security Malaysia.
- A review has been conducted in 2010 to enhance the MAHB Information Security Policy (established since 2005). The manual provides MAHB employees with a consistent set of security rules required to protect the company's information, information assets and intellectual property towards minimising security risk and ensure all security related incidents are effectively managed.
- In 2011 Procurement and Contract Division has been selected to undergo the pilot programme for MAHB ISMS certification. The internal ISMS audit was done in May 2011 followed by Stage 1 audit conducted by SIRIM in December 2011.

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 any mishap that could result in material loss.

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. Among the communication tools established are MAHB portal and K-Office (employees), Websites and Annual Reports (stakeholders, shareholders and general public).
- Its purpose is to ensure that communication across the Group is well coordinated, effectively managed and meets the diverse needs of the organisation.
- Crisis Communication is specifically detailed down as part of Airport Emergency Plan requirement. The Plan has been audited by external party to ensure that it meets the regulatory requirement and DCA.

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 have been 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.
- The EXCO comprising of the Managing Director, Chief Operating Officer, Chief Financial Officer, Senior General Manager Commercial, Senior General Manager Planning, Senior General Manager Operations and General Manager Human Resource shall deliberate and decide on all matters pertaining to the running and the managing of the company and its group of companies, including but not limited to policy, strategy and operational issues.

STATEMENT ON INTERNAL CONTROL

- The MC, comprising of the Managing Director, Chief Operating Officer, Chief Financial Officer, Senior General Managers and General Managers, is the forum for discussing/ deliberating/coordinating the operational issues affecting the company.
- At Group level, the Internal Audit Management Committee (IAMC) is established to review all audit findings before being tabled at the Board Audit Committee. The IAMC is chaired by the Managing Director or his designated representative and it is also attended by the heads of the respective audit areas. The current status of the audit findings and any new decisions are agreed at this meeting.
- Other steering committees responsible to ensure effective supervision over related key operational areas are:

  – Information Security Management System (ISMS) Steering Committee
  – IT Steering Committee
  – Management Procurement Committee
  – Quality Council
  – Transformation Council
  – Value Management related Committees (Approval, Procurement Activities and System & Procedure)
  – SMS-Safety Action Group Committee
  – ASQ Working Group Committee

ii. Periodic Self-Assessments

- Annual disclosures are made by the Senior Management on the overall effectiveness, reliability and adequacy of their respective companies'/divisions' systems of internal and financial controls.

iii. Group Internal Audit

- The Internal Audit Division carried out ongoing reviews of the internal control system of the Group. It also assists to promote effective risk management at the lines of business. The audits conducted were 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 undertook special reviews as requested by the Board, Board Committees, Management or arising from the Whistleblowing Programme. Periodic follow-up reviews are conducted to monitor the status of internal control issues raised. The Internal Audit Division continued review of Self Audits i.e. Internal Control Questionnaire (ICQ) at airports and Control-Self Assesment (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 Report produced by the Institute of Internal Auditors Malaysia, the Internal Audit Division achieved overall Conformance to the International Standards for the Professional Practice of Internal Auditing. A follow up was conducted in January 2010 whereby it was certified that the Internal Audit Division had undertaken further improvements as highlighted in the previous report.
- 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.

- Due to the magnitude of the klia2 construction, BAC had tasked the Internal Audit Division to carry out ongoing reviews of the internal control system involved. Subsequently, a dedicated internal audit post was created (within the klia2 project team) that functionally reports to the Internal Audit Division and administratively to the General Manager of klia2 project. A quarterly report is tabled to the Board Audit Committee on the status review of klia2 project.

iv. Other Internal Assurance Providers (IAP)

- Besides the Internal Audit Division, there are ten (10) other IAP functions established under various divisions such as Airport Fire & Rescue Services (AFRS), Airport Service Quality (ASQ), Airport Standard, Aviation Security (AVSEC), Corporate Quality Management (CQM), Engineering, MA Technologies Quality Assurance, Risk Management, Safety, Health & Environment (SHE) and Aerodrome Safety Management System (ASMS). They are aimed to improve the Group's services standards, quality and meet regulatory requirements.

CONCLUSION BY THE BOARD OF DIRECTORS

The Board considers the system of internal controls described in this statement to be satisfactory and the risks to be at an acceptable level within the context of the Group's business environment. The Board and Management will continue to take measures to strengthen the control environment and monitor the health of the internal controls framework. For the financial year under review, the Board is satisfied that the system of internal controls is satisfactory and has not resulted in any material loss, contingency or uncertainty. MAHB's internal control system does not apply to its associate companies, which fall within the control of their majority shareholders. Nonetheless, 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.

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 2011. 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.

STATEMENT OF **DIRECTORS' RESPONSIBILITY**

In respect of the preparation of the Financial Statements for the financial year ended 31 December 2011.

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 2011 set out from pages 212 to 346, 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 30 January 2012.

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 2011.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are described in Note 17 to the financial statements.

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

Information in respect of the Group's operating agreements with the Government of Malaysia ("GoM"), including both the Group's obligations and operations are disclosed in Note 1.2 to the financial statements.

Results	**Group RM'000**	**Company RM'000**
Profit net of tax	401,163	148,190
Profit attributable to:		
Owners of the parent	401,115	148,190
Minority interests	48	–
	401,163	148,190

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 effects arising from the changes in accounting policies due to the adoption of IC Interpretation 12: Service Concession Arrangements which have resulted in increase in the Group's and Company's profit net of tax by RM29,798,000 and RM23,041,000 respectively as disclosed in Note 2.2(ii) to the financial statements.

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2010 were as follows:

	RM'000
In respect of the financial year ended 31 December 2010 as reported in the directors' report of that year:	
Final dividend of 11.75% less 25% taxation, on 1,100,000,000 ordinary shares, declared on 5 April 2011 and paid on 31 May 2011	96,938
In respect of the financial year ended 31 December 2011:	
Interim dividend of 8.0% less 25% taxation, on 1,100,000,000 ordinary shares, declared on 2 December 2011 and paid on 29 December 2011	66,000
	162,938

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2011, of up to RM120,270,000 on 1,100,000,000 ordinary shares will be proposed for shareholders' approval comprising up to 14.14% less 25% taxation (10.60 sen net per share) amounting to RM116,640,000 and up to 0.33% amounting to RM3,630,000 on single tier basis (0.33 sen net per share). The financial statements for the current financial year do not reflect this proposed dividend. 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 2012.

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 Datuk Dr. Aris bin Othman
Tan Sri Bashir Ahmad bin Abdul Majid
Datuk Siti Maslamah binti Osman
Datuk Alias bin Hj Ahmad
Hajah Jamilah binti Dato' Hj Hashim
Jeremy bin Nasrulhaq
Dato' Long See Wool
Izlan bin Izhab (retired on 28 April 2011)
Mohd Izani bin Ghani (appointed on 21 March 2011)
Dyg Sadiah binti Abg Bohan (resigned on 1 May 2011)
Eshah binti Meor Suleiman (appointed on 4 July 2011)
Norazura binti Tadzim [alternate director to Eshah binti Meor Suleiman] (appointed on 30 November 2011)
Nik Roslini binti Raja Ismail [alternate director to Dyg Sadiah binti Abg Bohan] (ceased as alternate director on 1 May 2011)
Ahmad Jauhari bin Yahya (resigned on 26 September 2011)

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 there were no known bad debts 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) it necessary to write off any 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.

OTHER STATUTORY INFORMATION (CONT'D.)

(e) As 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 EVENT

Subsequent event is disclosed in Note 40 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 21 February 2012.

Tan Sri Datuk Dr. Aris bin Othman

Tan Sri Bashir Ahmad bin Abdul Majid

STATEMENT BY **DIRECTORS**

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Tan Sri Datuk Dr. Aris bin Othman and Tan Sri Bashir Ahmad bin Abdul Majid, 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 220 to 345 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 2011 and 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 346 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 21 February 2012.

Tan Sri Datuk Dr. Aris bin Othman

Tan Sri Bashir Ahmad bin Abdul Majid

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 220 to 346 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Faizal Sham bin Abu Mansor at Kuala Lumpur in the Federal Territory on 21 February 2012.

Faizal Sham bin Abu Mansor

Before me,

PESURUHJAYA SUMPAH
No. W 480
R. VASUGI AMMAL, PJK
MALAYSIA

No: 72, Tkt. 3,
Jalan Mega Mendung
Bandar Kompleks,
59200 Kuala Lumpur

INDEPENDENT AUDITORS' **REPORT**

to the members of Malaysia Airports Holdings Berhad

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 2011, and the income statements, 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 220 to 345.

Directors' Responsibility For The Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are 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 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 have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 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 2011 and of their financial performance and cash flows for the year then ended.

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 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 statement 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 MATTERS

The supplementary information set out in Note 44 on page 346 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. 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.

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

George Koshy
No. 1846/07/13(J)
Chartered Accountant

Kuala Lumpur, Malaysia
21 February 2012

INCOME STATEMENTS
for the financial year ended 31 December 2011

		Group		Company	
	Note	2011 RM'000	Restated 2010 RM'000	2011 RM'000	Restated 2010 RM'000
Continuing operations					
Revenue	3	2,754,829	2,468,004	905,643	784,671
Cost of inventories sold		(243,171)	(216,257)	–	–
Other income	4	131,559	105,671	80,072	76,976
Employee benefits expense	5	(443,748)	(382,411)	(61,859)	(59,607)
Construction costs	7	(782,259)	(626,721)	(680,909)	(619,189)
Depreciation and amortisation		(174,445)	(172,480)	(7,163)	(5,174)
Other expenses		(590,731)	(581,666)	(42,441)	(50,938)
Finance costs	6	(18,809)	(39,753)	–	(37)
Share of results of associates	18	(59,764)	(79,423)	–	–
Share of results of jointly controlled entities	19	677	–	–	–
Profit before tax and zakat from continuing operations	7	574,138	474,964	193,343	126,702
Taxation and zakat	9	(172,975)	(157,494)	(45,153)	(34,609)
Profit from continuing operations, net of tax		401,163	317,470	148,190	92,093
Profit attributable to:					
Owners of the parent		401,115	316,784	148,190	92,093
Minority interests		48	686	–	–
		401,163	317,470	148,190	92,093
Earnings per share attributable to owners of the parent (sen per share)					
– basic, for profit from continuing operations	11	36.47	28.80		

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 2011

	Note	Group		Company	
		2011 RM'000	Restated 2010 RM'000	2011 RM'000	2010 RM'000
Profit net of tax		401,163	317,470	148,190	92,093
Other comprehensive income:					
Available-for-sale financial assets					
– Gain/(loss) on fair value changes		740	(23)	–	–
– Transfer to profit or loss upon disposal		–	(304)	–	–
Foreign currency translation		995	(3,385)	–	–
Other comprehensive income for the year, net of tax		1,735	(3,712)	–	–
Total comprehensive income for the year		402,898	313,758	148,190	92,093
Total comprehensive income attributable to:					
Owners of the parent		402,850	313,072	148,190	92,093
Minority interests		48	686	–	–
		402,898	313,758	148,190	92,093

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF **FINANCIAL POSITION**
as at 31 December 2011

		Group		
	Note	2011 RM'000	Restated 2010 RM'000	As at 1.1.2010 RM'000
Assets				
Non-current assets				
Property, plant and equipment	13	266,200	237,846	248,001
Plantation development expenditure	14	46,196	47,237	46,834
Land use rights	15	7,760	7,910	8,031
Intangible assets	16	4,727,230	3,812,531	3,118,155
Investments in associates	18	61,615	73,636	161,231
Investment in jointly controlled entities	19	22,577	100	100
Available-for-sale investments	20	249,679	242,114	302,041
Trade and other receivables	21	348,054	344,495	358,152
Staff loans	22	34,528	32,076	32,536
Deferred tax assets	23	21,071	16,845	3,635
		5,784,910	4,814,790	4,278,716
Current assets				
Inventories	24	78,523	60,947	60,440
Trade and other receivables	21	785,018	695,006	639,115
Cash and cash equivalents	25	778,343	1,539,770	268,286
		1,641,884	2,295,723	967,841
Assets of disposal group classified as held for disposal	10	446	496	496
		1,642,330	2,296,219	968,337
Total assets		7,427,240	7,111,009	5,247,053

	Note	2011 RM'000	Group Restated 2010 RM'000	As at 1.1.2010 RM'000
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital	26	1,100,000	1,100,000	1,100,000
Share premium		822,744	822,744	822,744
Retained earnings	27	1,625,168	1,386,991	1,419,076
Fair value adjustment reserve	28	812	72	–
Other reserve	29	2,546	–	–
Foreign exchange reserve	29	(4,401)	(5,396)	(2,011)
		3,546,869	3,304,411	3,339,809
Minority interests		–	5,498	4,714
Total equity		3,546,869	3,309,909	3,344,523
Non-current liabilities				
Retirement benefits	30	5,537	51,029	51,580
Other financial liability	31	183,486	177,716	199,625
Loans and borrowings	32	2,500,000	2,500,000	507,890
Trade and other payables	33	234,421	289,833	270,581
Deferred tax liabilities	23	78,094	55,003	47,725
		3,001,538	3,073,581	1,077,401
Current liabilities				
Loans and borrowings	32	–	–	250
Trade and other payables	33	841,394	676,774	773,553
Income tax payable		37,261	50,516	51,097
		878,655	727,290	824,900
Liabilities of disposal group classified as held for disposal	10	178	229	229
		878,833	727,519	825,129
Total liabilities		3,880,371	3,801,100	1,902,530
Total equity and liabilities		7,427,240	7,111,009	5,247,053

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF **FINANCIAL POSITION**
as at 31 December 2011

		Company		
	Note	**2011 RM'000**	**Restated 2010 RM'000**	**As at 1.1.2010 RM'000**
Assets				
Non-current assets				
Property, plant and equipment	13	92,964	77,344	73,942
Intangible assets	16	1,542,458	735,266	33,525
Investments in subsidiaries	17	1 ,777,266	1,777,263	1,777,260
Investments in associates	18	133,658	135,554	114,040
Investment in a jointly controlled entities	19	21,900	–	–
Available-for-sale investments	20	2,000	2,005	34,925
Trade and other receivables	21	49,204	49,119	49,119
Deferred tax assets	23	–	–	1,120
		3,619,450	2,776,551	2,083,931
Current assets				
Inventories	24	40	156	339
Trade and other receivables	21	930,157	1,082,696	1,212,576
Cash and cash equivalents	25	500,553	1,319,467	28,291
		1,430,750	2,402,319	1,241,206
Total assets		5,050,200	5,178,870	3,325,137

		Company		
	Note	2011 RM'000	Restated 2010 RM'000	As at 1.1.2010 RM'000
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital	26	1,100,000	1,100,000	1,100,000
Share premium		822,744	822,744	822,744
Retained earnings	27	268,749	283,497	380,329
Total equity		2,191,493	2,206,241	2,303,073
Non-current liabilities				
Retirement benefits	30	1,051	2,446	2,457
Loans and borrowings	32	2,500,000	2,500,000	507,890
Deferred tax liabilities	23	24,319	8,058	–
		2,525,370	2,510,504	510,347
Current liabilities				
Loans and borrowings	32	–	–	250
Trade and other payables	33	333,337	462,125	511,467
		333,337	462,125	511,717
Total liabilities		2,858,707	2,972,629	1,022,064
Total equity and liabilities		5,050,200	5,178,870	3,325,137

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF **CHANGES IN EQUITY**
for the financial year ended 31 December 2011

Group	Note	Share capital RM'000 (Note 26)	Share premium RM'000	Fair value adjustment reserve RM'000	Foreign exchange reserve RM'000	Other reserve RM'000	Distributable retained earnings RM'000 (Note 27)	Total RM'000	Minority interests RM'000	Total equity RM'000
		Attributable to owners of the parent								
			Non-distributable							
At 1 January 2010		1,100,000	822,744	–	(2,011)	–	1,421,407	3,342,140	4,714	3,346,854
Effects of adoption of new accounting policies	2.2	–	–	–	–	–	(2,331)	(2,331)	–	(2,331)
At 1 January 2010, as restated		1,100,000	822,744	–	(2,011)	–	1,419,076	3,339,809	4,714	3,344,523
*Effects of adoption of FRS 139 previously reported		–	–	399	–	–	(159,944)	(159,545)	–	(159,545)
Total comprehensive income, as previously reported		–	–	(327)	(3,385)	–	293,911	290,199	686	290,885
Effects of adoption of new accounting policies	2.2	–	–	–	–	–	22,873	22,873	–	22,873
Total comprehensive income, restated		–	–	(327)	(3,385)	–	316,784	313,072	686	313,758
Transactions with owners										
Dividends	12	–	–	–	–	–	(188,925)	(188,925)	–	(188,925)
Minority interest share of capital		–	–	–	–	–	–	–	98	98
Total transactions with owners		–	–	–	–	–	(188,925)	(188,925)	98	(188,827)
At 31 December 2010		1,100,000	822,744	72	(5,396)	–	1,386,991	3,304,411	5,498	3,309,909
At 1 January 2011, as restated		1,100,000	822,744	72	(5,396)	–	1,386,991	3,304,411	5,498	3,309,909
Total comprehensive income		–	–	740	995	–	401,115	402,850	48	402,898
Transactions with owners										
Dividends	12	–	–	–	–	–	(162,938)	(162,938)	–	(162,938)
Additional acquisition of equity interest from non-controlling interest	29	–	–	–	–	2,546	–	2,546	(5,546)	(3,000)
Total transactions with owners		–	–	–	–	2,546	(162,938)	(160,392)	(5,546)	(165,938)
At 31 December 2011		1,100,000	822,744	812	(4,401)	2,546	1,625,168	3,546,869	–	3,546,869

** Effects of adoption of FRS 139 in prior year was accounted for by adjusting the opening balance of retained earnings of 1 January 2010 and comparatives were not restated.*

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Company	Note	Share capital RM'000 (Note 26)	Non-distributable Share premium RM'000	Distributable retained earnings RM'000 (Note 27)	Total equity RM'000
At 1 January 2010		1,100,000	822,744	379,777	2,302,521
Effects of adoption of new accounting policies	2.2	–	–	552	552
At 1 January 2010, as restated		1,100,000	822,744	380,329	2,303,073
Total comprehensive income		–	–	71,229	71,229
Effects of adoption of new accounting policies	2.2	–	–	20,864	20,864
Total comprehensive income, restated		–	–	92,093	92,093
Transactions with owners					
Dividends	12	–	–	(188,925)	(188,925)
At 31 December 2010		1,100,000	822,744	283,497	2,206,241
At 1 January 2011, as restated		1,100,000	822,744	283,497	2,206,241
Total comprehensive income		–	–	148,190	148,190
Transactions with owners					
Dividends	12	–	–	(162,938)	(162,938)
At 31 December 2011		1,100,000	822,744	268,749	2,191,493

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 2011

	Group		Company	
	2011 RM'000	**Restated 2010 RM'000**	**2011 RM'000**	**Restated 2010 RM'000**
Cash flows from operating activities				
Profit before tax and zakat from continuing operations	574,138	474,964	193,343	126,702
Adjustments for:				
Interest income	(20,767)	(18,595)	(348)	(3,623)
Dividend income	–	–	(194,093)	(137,618)
Interest from late payments	(4,591)	(4,050)	–	–
Interest expense	18,809	39,753	–	37
Provision for liabilities (Note 33)	8,942	9,218	152	604
Writeback of provision for liabilities	(511)	(707)	–	–
Amortisation of:				
– intangible assets	149,632	143,123	–	–
– plantation development expenditure	2,555	2,544	–	–
– land use rights	150	121	–	–
Depreciation of property, plant and equipment	22,108	26,692	7,163	5,174
Amortisation of premium on investments	84	88	–	–
Net allowance for doubtful debts	2,055	8,696	–	–
(Gain)/loss on disposal of:				
– property, plant and equipment	(316)	(93)	–	(18)
– intangible assets	284	–	–	–
– bonds and medium term notes	–	(16)	–	–
Property, plant and equipment written off	1	83	–	2
Intangible assets written off	717	2,402	–	–
Inventories written off	–	3,136	–	–
Retirement benefits	320	2,868	84	310
Investment income	(25,605)	(2,319)	–	–
Profit from construction contract	(38,243)	(28,426)	(30,641)	(27,864)
Balance carried forward	689,762	659,482	(24,340)	(36,294)

	Group		Company	
	2011 RM'000	Restated 2010 RM'000	2011 RM'000	Restated 2010 RM'000
Balance brought forward	689,762	659,482	(24,340)	(36,294)
Share of results of:				
– Jointly controlled entities	(677)	–	–	–
– Associates	59,764	79,423	–	–
Operating profit/(loss) before working capital changes	748,849	738,905	(24,340)	(36,294)
(Increase)/decrease in inventories	(17,576)	(3,643)	116	183
Increase in receivables	(75,585)	(170,136)	(5,233)	(207)
Increase/(decrease) in payables	38,629	(100,396)	(18,066)	(11,333)
Decrease in provisions for liabilities	(7,013)	(6,582)	–	(12)
Changes in related company balances	–	–	74,614	95,640
Cash generated from operations	687,304	458,148	27,091	47,977
Taxes and zakat paid	(174,535)	(140,510)	(35,530)	(29,703)
Retirement benefits paid	(6,595)	(2,850)	(856)	(203)
Legal settlement	(6,467)	–	–	–
Net cash generated from/(used in) operating activities	499,707	314,788	(9,295)	18,071
Cash flows from investing activities				
Purchase of:				
– property, plant and equipment	(50,475)	(21,962)	(22,783)	(8,594)
– intangible assets	(1,027,089)	(811,594)	(776,551)	(673,877)
– unquoted shares	(3,180)	(7,000)	–	(3)
– additional equity interest from non-controlling interest	(3,000)	–	–	–
– plantation development expenditure	(1,502)	(2,947)	–	–
Proceeds from disposals of:				
– property, plant and equipment	316	273	–	34
– other investments	3,000	38,823	5	32,920
Proceed arising from dissolvement of jointly controlled entity	100	–	–	–
Acquisition of associates	–	(21,514)	–	(21,514)
Advances to associate	(19,458)	–	(19,458)	–
Acquisition in jointly controlled entities	(21,900)	–	(21,900)	–
Balance carried forward	(1,123,188)	(825,921)	(840,687)	(671,034)

STATEMENTS OF **CASH FLOWS**
for the financial year ended 31 December 2011

	Group		Company	
	2011 RM'000	Restated 2010 RM'000	2011 RM'000	Restated 2010 RM'000
Balance brought forward	(1,123,188)	(825,921)	(840,687)	(671,034)
Acquisition in a subsidiary	–	–	(3)	–
Additional investment in an associate	(160)	–	(160)	–
Redemption of bonds	–	5,226	–	–
Investment income received	25,605	2,319	–	–
Interest received	10,035	8,096	348	3,623
Dividend received from:				
– an associate	7,665	–	–	–
– subsidiaries	–	–	194,093	137,618
Net cash used in investing activities	(1,080,043)	(810,280)	(646,409)	(529,793)
Cash flows from financing activities				
Redemption of other financial liability	–	(2,185)	–	–
Repayment of loans and borrowings	–	(508,140)	–	(508,140)
Repayment of finance lease	(11,847)	(11,214)	–	–
Drawdown of loans and borrowings	–	2,500,000	–	2,500,000
Share capital issued to minority interest	–	98	–	–
Interest paid	(6,070)	(22,427)	–	(37)
Dividends paid to shareholders of the Company	(163,210)	(188,925)	(163,210)	(188,925)
Net cash (used in)/generated from financing activities	(181,127)	1,767,207	(163,210)	1,802,898
Net (decrease)/increase in cash and cash equivalents	(761,463)	1,271,715	(818,914)	1,291,176
Effects of foreign currency translation	36	(231)	–	–
Cash and cash equivalents at beginning of year	1,539,770	268,286	1,319,467	28,291
Cash and cash equivalents at end of year (Note 25)	778,343	1,539,770	500,553	1,319,467

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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 immediate holding company is Khazanah Nasional Berhad and the ultimate holding body is the Minister of Finance (Incorporated) ("MoF"), a corporate body which was incorporated under the Minister of Finance (Incorporation) Act, 1957.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are described in Note 17. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 21 February 2012.

1.2 Operating Agreements

On 12 February 2009, the Group signed the following operating agreements between the Company with Malaysia Airports (Sepang) Sdn. Bhd. ("MA Sepang") and the Government of Malaysia ("GoM") ("Operating Agreement for KLIA") and between the Company with Malaysia Airports Sdn. Bhd. ("MASB") and the GoM ("Operating Agreement for Designated Airports").

The operating agreements include the following salient information:

(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) To 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.

1. CORPORATE INFORMATION AND OPERATING AGREEMENTS (CONT'D.)

1.2 Operating Agreements (cont'd.)

(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. The accounting policy for User Fee is described in Note 2.4(t).

(e) Under the Operating Agreement, the GoM shall assist Malaysia Airports Holdings Berhad ("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(u)(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 judgment 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.

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 2011 as described fully in Note 2.2.

The financial statements of the Group and of the Company have also been prepared on a historical basis, unless otherwise indicated in the summary of significant accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000), except when otherwise indicated.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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 2011, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2011.

Effective for financial periods beginning on or after 1 March 2010

Amendments to FRS 132: Classification of Rights Issues

Effective for financial periods beginning on or after 1 July 2010

FRS 1 First-time Adoption of Financial Reporting Standards
Amendments to FRS 2 Share-based Payment
FRS 3 Business Combinations
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 127 Consolidated and Separate Financial Statements
Amendments to FRS 138 Intangible Assets
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives
IC Interpretation 12 Service Concession Arrangements
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17 Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 1 January 2011

IC Interpretation 18 Transfers of Assets from Customers
Amendments to FRS 7: Improving Disclosures about Financial Instruments
Amendments to FRS 1: Limited Exemptions for First-time Adopters
Amendments to FRS 1: Additional Exemptions for First-time Adopters
IC Interpretation 4 Determining Whether an Arrangement contains a Lease
Improvements to FRS issued in 2010 *

<u>Improvements to FRS issued in 2010</u>

* The Improvements to FRS issued in 2010 comprise amendments to the following FRS that are effective for annual periods beginning on or after 1 January 2011:

FRS 1 First-time Adoption of Financial Reporting Standards
FRS 3 Business Combinations
FRS 7 Financial Instruments: Disclosures
FRS 101 Presentation of Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies (cont'd.)

Improvements to FRS issued in 2010 (cont'd.)

FRS 121 The Effects of Changes in Foreign Exchange Rates
FRS 128 Investments in Associates
FRS 131 Interests in Joint Ventures
FRS 132 Financial Instruments: Presentation
FRS 134 Interim Financial Reporting
FRS 139 Financial Instruments: Recognition and Measurement
IC Interpretation 13 Customer Loyalty Programmes

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

(i) Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in accounting for business combinations occurring after 1 July 2010. These changes impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

The revised FRS 3 continues to apply the acquisition method to business combinations but with some significant changes. All payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

On 8 July 2011, the Group's subsidiary Company, Malaysia Airports Consultancy Services Sdn Bhd, acquired an additional 25% equity interest in Urusan Teknologi Wawasan Sdn Bhd ("UTW") from its non-controlling interest details of which are disclosed in note 17(b).

The amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies (cont'd.)

(ii) IC Interpretation 12 Service Concession Arrangements

IC Interpretation 12 - Service concession arrangements ("IC12") which is effective from 1 July 2010 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 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.

During the year, the Group re-assessed an Airport Facilities Agreement ("AFA") with a supplier and concluded that the AFA contains a lease arrangement where the fulfillment of the agreement is dependent on a specified asset. Accordingly, the lease is classified as a finance lease in accordance with FRS 117, and the Group recognised an asset and a liability at an amount equal to the fair 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.

In addition, lease rental obligations in respect of the operating arrangements previously disclosed as commitments are now recognised as concession liabilities pursuant to the adoption of IC 12.

The first time adoption of IC 12 is accounted for in accordance with FRS 108 retrospectively and the comparatives are restated.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies (cont'd.)

(ii) IC Interpretation 12 Service Concession Arrangements (cont'd.)

The following are effects arising from the adoption of IC 12.

	Group Increase/(decrease)		Company Increase/(decrease)	
Group	**As at 31 December 2011 RM'000**	**As at 31 December 2010 RM'000**	**As at 31 December 2011 RM'000**	**As at 31 December 2010 RM'000**
Statements of financial position				
Property, plant and equipment	(2,866,232)	(1,938,910)	(1,483,401)	(706,850)
Intangible assets	3,089,537	2,136,680	1,542,458	735,266
Investment in associate	28,562	28,562	–	–
Trade payables				
– current	12,515	11,847	–	–
– non-current	91,390	103,905	–	–
Deferred tax liabilities	16,660	7,100	14,600	7,000
Concession liabilities	80,962	82,938	–	–
Retained earnings	50,340	20,542	44,457	21,416
Statements of comprehensive income				
Revenue	820,502	655,147	711,550	647,053
Construction cost	782,259	626,721	680,909	619,189
Depreciation and amortisation	12,708	12,622	–	–
Other expenses	(23,669)	(23,669)	–	–
Finance costs	9,846	10,565	–	–
Share of results of associates	–	1,065	–	–
Profit before tax from continuing operations	39,358	29,973	30,641	27,864
Income tax expense	9,560	7,100	7,600	7,000
Profit from continuing operations, net of tax	29,798	22,873	23,041	20,864
Basic Earnings per share	2.71	2.08		

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies (cont'd.)

(iii) Deferred Income

Deferred income in prior year comprised Funds received from GoM for the purpose of the development of Malaysia International Aerospace Centre ("MIAC"). Income is recognised in the period which maintenance of the building is incurred and on a systematic and rational basis over the useful life of 25 years. During the year the Group re-assessed the Group's policy relating to funds received from GoM in prior years and whether those amounts previously received be considered as part of the Group's existing assets presented in the statement of financial position by setting up the grant as deferred income and property, plant and equipment. The Group assessed that the income approach is more appropriate so as to the funds received from the GoM in prior years be recognised in the income statement on a systematic basis over the periods in which the Group recognised as expenses the related costs for which the funds was intended to compensate. The change in the accounting policy in accordance with FRS 120 is applied retrospectively and accordingly, the deferred income and MIAC building of RM143,389,000 as disclosed in Notes 33(d) and Note 13 are de-recognised as prior year adjustments respectively. However, there were no effects to the adjustment of opening balance of the Group's retained earnings.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Effective for financial periods beginning on or after 1 July 2011

IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement

Effective for financial periods beginning on or after 1 January 2012

Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters

Amendments to FRS 7: Transfers of Financial Assets
Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets
FRS 124 Related Party Disclosures

Effective for financial periods beginning on or after 1 July 2012

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd.)

Effective for financial periods beginning on or after 1 January 2013

FRS 9 Financial Instruments
FRS 10 Consolidated Financial Statements
FRS 11 Joint Arrangements
FRS 12 Disclosure of interests in Other Entities
FRS 13 Fair Value Measurement
FRS 119 Employee Benefits
FRS 127 Separate Financial Statements
FRS 128 Investment in Associate and Joint Ventures
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

The directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application, except as disclosed below:

<u>FRS 10 Consolidated financial statements</u>

FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.

<u>FRS 11 Joint Arrangements</u>

FRS 11 replaces FRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly-controlled Entities – Non-monetary Contributions by Venturers.

FRS 11 removes the option to account for jointly controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd.)

Malaysian Financial Reporting Standards (MFRS Framework) (cont'd.)

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has established a project team to plan and manage the adoption of the MFRS Framework.

At the date of these financial statements, the Group has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework due to the ongoing assessment by the project team. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

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 2013.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(a) Subsidiaries and basis of consolidation (cont'd.)

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(iii) Transactions with minority interests

Minority interests 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 minority interests are accounted for using the entity concept method, whereby, transactions with minority interests are accounted for as transactions with owners. On acquisition of minority interests, 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 minority interests is recognised directly in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(b) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not co-terminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(c) Jointly controlled entities

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves an unincorporated entity or the establishment of a separate entity in which each venturer has an interest.

Investment in jointly controlled entity is accounted for in the consolidated financial statements using the equity method of accounting as described in Note 2.4(b). Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intragroup balances, income and expenses and unrealised gains and losses on transactions between the Group and its jointly controlled entities.

The financial statements of the jointly controlled entities are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies into line with those of the Group.

In the Company's separate financial statements, investment in jointly controlled entity is stated at cost less impairment loss. On disposal of such investment, the difference between net disposal proceeds and their carrying amount is included in profit or loss.

(d) Intangible assets

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Other 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(d) Intangible assets (cont'd.)

(iii) Concession rights

As disclosed in the 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.

(iv) 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 ups on the actual cost incurred and are amortised over the respective economic useful lives on a straight line amortisation. The Capital Work in Progress relating to these assets is not amortised until the assets are fully completed and brought to use.

Capital improvements relate to the upgrading and resurfacing of runway.

The amortisation policy of these classes of assets is over the concession period.

(e) 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 income statement 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(e) Property, plant and equipment and depreciation (cont'd.)

Capital work-in-progress is capitalised in accordance with the 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.

During the year, upon adopting IC12 Service Concession Arrangements, certain classes of property and equipment were reclassified as infrastructure and construction assets within intangibles.

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:

Buildings	2% – 4%
Hotel property	4%
Infrastructure, safety equipment and motor vehicles	10% – 20%
Office, communications and electronic equipment	10% – 50%
Furniture and fittings	10% – 20%
Plant and machinery	10% – 20%
Crockery, glassware, cutlery and linen	25%

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(f) 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 cash-generating unit ("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.)

(g) Inventories

Inventories 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.

(h) 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.

(i) Replanting expenditure

Replanting expenditure incurred during the year is recognised in the income statement. Replanting expenditure represents the total cost incurred from land clearing to the point of harvesting.

(j) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(i) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(j) Financial assets (cont'd.)

(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 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 Company do not have any financial assets designated as financial assets at fair value through profit or loss nor held to maturity investments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(k) 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.)

(k) 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.

(l) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at banks and deposits at call which have an insignificant risk of changes in value.

(m) Leases

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Lease assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(m) Leases (cont'd.)

(b) 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.

(n) 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.

(o) Income tax and zakat

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(o) Income tax and zakat (cont'd.)

(ii) Deferred tax (cont'd.)

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 reassessed 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(o) Income tax and zakat (cont'd.)

(ii) Deferred tax (cont'd.)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Zakat

Zakat payable by the Group and Company is a form of contribution according to the principles of Syariah.

(p) Provisions for liabilities

Provisions for liabilities are recognised when the Group has 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.

Provision for restructuring costs is recognised when a detailed and formal restructuring plan has been approved, and the restructuring has either commenced or has been announced publicly. Costs relating to ongoing activities are not provided for.

(q) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(q) Financial liabilities (cont'd.)

Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(r) 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").

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(r) Employee benefits (cont'd.)

(iii) Defined benefit plan

The Group operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for all qualifying staff who have been confirmed in service whereby only employees who have earned in return for their service up to 31 December 2004 shall continue to benefit from the Scheme but limited to their qualifying number of years employed up to and equivalent factoring as at 31 December 2004. The existing employees as well as new employees who have earned in return for their service subsequent to 31 December 2004 are not eligible for the Scheme but shall be compensated based on the Scheme in the defined contribution plans in Note 2.4(r)(ii) above.

The Group's obligations under the Scheme are determined based on triennial actuarial valuation where the amount of benefit that employees have earned in return for their service in the current and prior years is estimated. That benefit is discounted using the Projected Unit Credit Method in order to determine its present value.

As disclosed in Note 30, during the year the Group proposed that the Scheme be revised for non-executive employees and amount due to employees will be credited to their EPF contribution.

As at 31 December 2011, the Scheme only applies to executive employees, as further disclosed in Note 30.

(s) 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. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(s) Foreign currencies (cont'd.)

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) 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 income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(s) Foreign currencies (cont'd.)

(iii) Foreign operations

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:

	2011 RM	2010 RM
United States Dollar (USD)	3.17	3.08
Great Britain Pound (GBP)	4.90	4.78
Singapore Dollar (SGD)	2.56	2.39
Euro (EUR)	4.11	4.08
Switzerland Swiss Franc (CHF)	3.38	N/A
China Remmibi (RMB)	0.50	N/A
Hong Kong Dollar (HKD)	0.41	N/A

(t) 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 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 reimbursements, interest income, recovery of bad debt or inter-company transactions. The amount recognised in the income statement represents half of the total user fee payable to the GoM. The balance is paid to reduce the amount due to GoM as disclosed in Note 33(c). Upon its full settlement, the full user fee thereafter will be fully recognised in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(u) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Dividend income

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

(ii) Sale of goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(iii) Revenue from services

Revenue from airport management and horticulture service rendered is 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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(u) Revenue recognition (cont'd.)

(vi) Construction revenue

Construction revenue is recognised by reference to the stage of completion of the construction activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Where the outcome of the Construction cannot be estimated reliably, revenue is recognised to the extent of Construction costs incurred if it is probable that they will be recoverable. Construction costs are recognised as expenses in the year in which they are incurred.

(vii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(v) 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.

(w) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(w) Concession contracts (cont'd.)

Such assets are not recognised by the Group as property, plant and equipment but as intangible assets as described in Note 2.4(d)(ii). The intangible asset model applies where the operator is paid by the users or where the concession grantor has not provided a contractual guarantee in respect of the amount recoverable. The intangible asset corresponds to the right granted by the concession grantor to the operator to charge users of the public service.

Intangible assets resulting from the application of this policy are recorded in the statement of financial position under the heading 'Concession 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.

2.5 Adjustments, restatements and reclassification of previously issued financial statements

(i) IC 12: Service Concession Arrangements

Tha adoption of IC 12 is applied retrospectively and accordingly the comparatives are restated as described in detail in Note 2.2(ii).

(ii) Deferred income

As disclosed in Note 2.2(iii), the change in accounting policy in respect of Funds received from the GoM is applied retrospectively and accordingly the comparative amounts relating to deferred income and building are restated as described in Notes 33(d) and Note 13 respectively.

A summary of all restatement of comparatives is disclosed in Note 38.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.6 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

The carrying amount of the concession asset is 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 year 2034. 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 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.
- 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).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.6 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 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 21 and 33.

(iii) Revenue recognition

Included in the Group's revenue is revenue in respect of certain aeronautical and commercial debtors where the Group has not finalised the definitive terms of agreement with these customers. The estimated revenue is based on pre-determined rates negotiated upon the operations of the K.L. International Airport ("KLIA") and the amount determined is expected to be probable. The management estimates that based on their experience with other customers where definitive terms were finalised, the formalisation of the agreed rates will not be materially different if such rates are being re-negotiated. Revenue will not be recognised if the amounts cannot be reliably measured and are not expected to be probable.

Significant judgement is also 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 21 comprised approximately 4% (2010: 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.6 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 23.

(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 the 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 33(d).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.6 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 cash-generating units ("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.

In respect of the investment in Sabiha Gokcen International Airport ("SGIA"), the recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a period of 20 year projection. The key assumptions used for each of the CGU's value-in-use calculations are as follows:

(a) Gross Margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year, adjusted for market and economic conditions and internal resource efficiency. The average gross margin expected in the projection is approximately 53.8% (2011: 55.5%)

(b) Growth rate

The average growth rate used is based on the annual growth rate of 7.5% (2010: 9.0%).

(c) Discount rate

The discount rates used range is 12% (2010:12%) which approximates the CGU's average cost of funds in SGIA.

(d) Sensitivity to changes in the assumptions

Management believes that no reasonably possible changes to the above key assumptions, would cause the carrying amount of investment to materially exceed it's recoverable amount.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.6 Significant accounting judgements and estimates (cont'd.)

(b) Key sources of estimation uncertainty (cont'd.)

(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 2.2(ii) 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.

(vii) Finance lease payable arising from the adoption of IC 12

As disclosed in Note 2.2(ii), 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 and an imputed finance charge estimated to be at 5.5% per annum over the period of 20 years ending 2018. Had the estimation of the finance charge to be increased or decreased by 10% of the discount rate used, the net interest charged would be higher by approximately RM784,000 and lower by RM753,000 respectively.

3. REVENUE

	Group		Company	
	2011 RM'000	Restated 2010 RM'000	2011 RM'000	Restated 2010 RM'000
Airport operations:				
– Airport services:				
– Aeronautical	980,732	899,785	–	–
Less: airline incentives	(91,768)	(31,082)	–	–
	888,964	868,703	–	–
– Non-aeronautical	423,179	394,722	–	–
– Construction revenue*	820,502	655,147	711,550	647,053
– Duty free and non-dutiable goods	474,574	411,809	–	–
Non-airport operations:				
– Agriculture and horticulture	55,390	46,698	–	–
– Hotel operations	73,783	62,885	–	–
– Project and repair maintanance	18,437	28,040	–	–
Dividend income from subsidiaries	–	–	194,093	137,618
	2,754,829	2,468,004	905,643	784,671

Included in aeronautical revenue is marginal cost support sum income of RM145,489,000 (2010: RM147,622,000) as disclosed in Note 2.4(u)(iv).

* *Construction revenue relates to revenue recognised in accordance with FRS 111 in respect of the construction of klia2 and development of Penang International Airport.*

4. OTHER INCOME

	Group		Company	
	2011 RM'000	Restated 2010 RM'000	2011 RM'000	2010 RM'000
Interest income:				
– Unquoted investment and staff loan	9,259	7,267	348	3,623
– Other loans and receivables	10,732	10,499	–	–
– Net fair value gain on available-for-sale financial assets	776	829	–	–
Investment income from:				
Available-for-sale financial assets on equity instruments				
– quoted in Malaysia	114	214	–	–
– unquoted in Malaysia	25,491	2,105	–	–
Rental income:				
– Minimum lease payments	9,088	8,498	–	–
Gain on disposal of property, plant and equipment	316	93	–	18
Gain on disposal of bonds and medium-term notes	–	16	–	–
Net realised foreign exchange gain	3,154	3,151	906	5
Management fee charged to subsidiaries	–	–	74,214	64,003
Interest from late payments	4,591	4,050	–	–
Recoupment of expenses	60,572	51,862	550	340
Other project fee	–	9,342	–	6,573
Miscellaneous	7,466	7,745	4,054	2,414
	131,559	105,671	80,072	76,976

5. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Wages and salaries	267,476	221,189	34,740	33,292
Bonus	52,893	44,106	6,328	6,242
Contributions to defined contribution plans	50,469	45,446	7,930	7,583
Social security contributions	3,737	3,470	345	317
Short-term accumulating compensated absences	824	2,932	152	604
Retirement benefits (Note 30)	320	2,868	84	310
Other employee benefits	68,029	62,400	12,280	11,259
	443,748	382,411	61,859	59,607

Included in employee benefits expense of the Group and of the Company are executive director's remuneration amounting to RM1,279,000 (2010: RM1,052,000) and RM1,279,000 (2010: RM1,052,000) respectively as further disclosed in Note 8.

6. FINANCE COSTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Interest expense:				
– finance lease and borrowings	95,037	47,041	90,038	24,651
– financial liabilities	12,739	17,326	–	–
Less: Interest expense capitalised in intangible assets (Note 16)*	(88,967)	(24,614)	(90,038)	(24,614)
Total finance costs	18,809	39,753	–	37

* *The amount is arrived at after netting off interest income of RM27,561,000 (2010: RM828,000).*

7. PROFIT BEFORE TAX AND ZAKAT

The following items have been included in arriving at profit before tax and zakat:

	Group		Company	
	2011 RM'000	Restated 2010 RM'000	2011 RM'000	2010 RM'000
Non-executive directors' remuneration excluding benefits-in-kind (Note 8)	658	641	658	621
Auditors' remuneration:				
– statutory	490	446	76	60
– other services	415	610	415	610
User fee expenses	84,240	76,909	–	–
Rental expense	15,813	9,225	5,771	4,089
Depreciation of property, plant and equipment (Note 13)	22,108	26,692	7,163	5,174
Amortisation of:				
– plantation development expenditure (Note 14)	2,555	2,544	–	–
– land use rights (Note 15)	150	121	–	–
– intangibles (Note 16)	149,632	143,123	–	–
Amortisation of premium on investments	84	88	–	–
Property, plant and equipment written off	1	83	–	2
Loss on disposal of intangible assets	284	–	–	–
Net allowance for and writeback of doubtful debts	2,055	8,696	–	–
Inventories written off	–	3,136	–	–
Bad debts recovered	(100)	(900)	–	–
Utility charges	187,799	188,908	1,757	2,051
Repair and maintenance costs	149,448	119,382	6,480	3,469
Management fee paid to hotel operator	2,775	2,539	–	–
Legal and other professional fees	12,278	22,527	4,161	14,469

User fee amounting to RM84,240,000 (2010: RM76,909,000) relates to license and operating rights payable to the GoM which ranges from 9.04% to 9.26% (2010: 8.74% to 8.96%) of gross revenues by the Group from activities carried out at KLIA and other airports excluding 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 RM3,961,000 (2010: RM Nil).

8. DIRECTORS' REMUNERATION

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Executive director's remuneration (Note 5):				
– Other emoluments	1,279	1,052	1,279	1,052
Non-executive directors' remuneration (Note 7):				
– Fees	399	338	399	338
– Other emoluments	259	303	259	283
	658	641	658	621
Total directors' remuneration	1,937	1,693	1,937	1,673
Estimated money value of benefits-in-kind	33	35	33	35
Total directors' remuneration including benefits-in-kind	1,970	1,728	1,970	1,708

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Executive:				
– Salaries and other emoluments	816	711	816	711
– Bonus	277	188	277	188
– Defined contribution plans	186	153	186	153
– Estimated money value of benefits-in-kind	17	18	17	18
	1,296	1,070	1,296	1,070
Non-executive:				
– Fees	399	338	399	338
– Allowances	259	303	259	283
– Estimated money value of benefits-in-kind	16	17	16	17
	1,970	1,728	1,970	1,708

The amount of fee paid to the immediate holding company in respect of services rendered to the Company by directors are RM73,500 (2010: RM160,000).

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:

	Number of directors	
	2011	**2010**
Executive director:	–	–
RM850,001 - RM900,000	–	–
RM900,001 - RM950,000	–	–
RM950,001 - RM1,000,000	–	–
RM1,000,001 - RM1,050,000	–	–
RM1,050,001 - RM1,100,000	–	1
Above RM1,100,001	1	–
Non-executive directors:		
Less than RM50,000	7	1
RM50,001 - RM100,000	5	8
RM100,001 - RM150,000	–	–
RM150,001 - RM200,000	1	1

9. INCOME TAX AND ZAKAT

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Malaysian income tax and zakat:				
Current income tax	152,427	143,772	27,392	24,577
Over provision in prior years	(2,084)	(9,267)	(1,860)	(590)
	150,343	134,505	25,532	23,987
Deferred tax (Note 23):				
Relating to origination and reversal of temporary differences	25,836	12,716	15,292	7,203
Under/(over)provision of deferred tax liabilities in prior years	(6,971)	8,829	969	1,975
	18,865	21,545	16,261	9,178
	169,208	156,050	41,793	33,165
Income tax expenses	169,208	156,050	41,793	33,165
Zakat	3,767	1,444	3,360	1,444
Total income tax expense and zakat	172,975	157,494	45,153	34,609

9. INCOME TAX AND ZAKAT (CONT'D.)

Reconciliation between tax expense and accounting profit

The reconciliations between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2011 and 2010 are as follows:

	2011 RM'000	Restated 2010 RM'000
Group		
Profit before tax and zakat	574,138	474,964
Taxation at Malaysian statutory tax rate of 25% (2010: 25%)	143,535	118,741
Effect of different tax rates in other countries	–	2
Tax effects of share of results of associates	14,772	20,388
Income not subject to tax	(3,966)	(1,044)
Expenses not deductible for tax purposes	20,624	18,851
Utilisation of previously unrecognised unabsorbed capital allowances	(1,187)	(809)
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	4,485	359
Overprovision of income tax in prior years	(2,084)	(9,267)
(Over)/under provision of deferred tax in prior years	(6,971)	8,829
Income tax expense for the year	169,208	156,050

9. INCOME TAX AND ZAKAT (CONT'D.)

Reconciliation between tax expense and accounting profit (cont'd.)

	2011 RM'000	Restated 2010 RM'000
Company		
Profit before tax and zakat	193,343	126,702
Taxation at Malaysian statutory tax rate of 25% (2010: 25%)	48,336	31,676
Expenses not deductible for tax purposes	4,475	7,445
Income not subject to tax	(11,592)	(6,532)
Utilisation of previously unrecognised unabsorbed capital allowances	(1,186)	(809)
Deferred tax assets not recognised in respect of current year's unabsorbed capital allowances	2,651	–
Overprovision of income tax in prior years	(1,860)	(590)
Under provision of deferred tax in prior years	969	1,975
Income tax expense for the year	41,793	33,165

Current income tax is calculated at the statutory tax rate of 25% (2010: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

10. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR DISPOSAL

On 30 October 2008, the Company's wholly-owned subsidiary, Asia Pacific Auction Centre Sdn. Bhd. ("APAC") and its subsidiaries ceased their operations. The principal activities of APAC and its subsidiaries were management and operations of an auction centre. The APAC group of companies ("APAC Group") are expected to be wound up under members' voluntary liquidation. There were no results and cashflows attributable to the discontinued operations in current and previous years.

As at 31 December 2011 and 2010, the assets and liabilities of APAC Group have been presented on the statements of financial position as a disposal group held for disposal as follows:

	Group	
	2011 RM'000	**2010 RM'000**
Assets		
Trade and other receivables	442	492
Cash and cash equivalents	4	4
Assets of disposal group classified as held for disposal	446	496
Liabilities		
Trade and other payables	178	229
Liabilities of disposal group classified as held for disposal	178	229

The trade and other receivables are past due but not impaired as the amounts are expected to be realised upon liquidation of the APAC Group.

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	
	2011 RM'000	Restated 2010 RM'000
Profit from continuing operations attributable to ordinary equity holders of the Company	401,115	316,784

	Group	
	2011	2010
Weighted average number of ordinary shares in issue ('000)	1,100,000	1,100,000

	Group	
	2011 sen	2010 sen
Basic earnings per share	36.47	28.80

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

There are no shares in issuance which have a dilutive effect to the earnings per share of the Group.

12. DIVIDENDS

	Dividends in respect of year		Dividends recognised in year	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Recognised during the year:				
Interim dividend for 2011: 8.0% less 25% taxation, on 1,100,000,000 ordinary shares (6.00 sen net per ordinary share)	66,000	–	66,000	–
Final dividend for 2010: 11.75% less 25% taxation, on 1,100,000,000 ordinary shares (8.81 sen net per ordinary share)	–	96,938	96,938	–
Interim dividend for 2010: 8.0% less 25% taxation, on 1,100,000,000 ordinary shares (6.00 sen net per ordinary share)	–	66,000	–	66,000
Final dividend for 2009: 14.90% less 25% taxation, on 1,100,000,000 ordinary shares (11.18 sen net per ordinary share)	–	–	–	122,925
Proposed for approval at forthcoming Annual General Meeting (not recognised as liability as at 31 December 2011):				
Final dividend for 2011: on 1,100,000,000 ordinary shares				
– up to 14.14% less 25% taxation, (10.60 sen net per share)	116,640	–	–	–
– up to 0.33% on single tier (0.33 sen net per share)	3,630	–	–	–
	186,270	162,938	162,938	188,925

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2011, of up to RM120,270,000 on 1,100,000,000 ordinary shares will be proposed for shareholders' approval comprising up to 14.14% less 25% taxation (10.60 sen net per share) amounting to RM116,640,000 and up to 0.33% amounting to RM3,630,000 on single tier basis (0.33 sen per net share). The financial statements for the current financial year do not reflect this proposed dividend. 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 2012.

13. PROPERTY, PLANT AND EQUIPMENT

Group	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
At 31 December 2011							
Cost							
At 1 January 2011, restated	43,802	120,745	4,160	173,896	21,145	42,045	405,793
Additions	120	64	390	2,997	230	46,674	50,475
Disposals	–	–	(1,485)	–	–	–	(1,485)
Written off	–	–	(210)	(21)	–	–	(231)
Transfers	866	–	–	35,835	983	(37,684)	–
Reclassified to plantation development expenditure	–	–	–	–	–	(12)	(12)
At 31 December 2011	44,788	120,809	2,855	212,707	22,358	51,023	454,540
Accumulated depreciation and impairment							
At 1 January 2011, restated	10,212	41,884	4,160	100,282	8,913	2,496	167,947
Charge for the year (Note 7)	1,372	3,820	207	14,115	2,594	–	22,108
Disposals	–	–	(1,485)	–	–	–	(1,485)
Written off	–	–	(210)	(20)	–	–	(230)
At 31 December 2011	11,584	45,704	2,672	114,377	11,507	2,496	188,340
Net carrying amount	33,204	75,105	183	98,330	10,851	48,527	266,200

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group	Property and terminal buildings RM'000	Hotel property RM'000	Infrastructure, 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 improve-ments RM'000	Capital work-in-progress RM'000	Total RM'000
At 31 December 2010								
Cost								
At 1 January 2010	984,153	120,745	109,526	805,594	20,070	119,246	118,015	2,277,349
Effect of adopting new/change in accounting policies:								
– Note 2.2(iii)	(143,862)	–	–	–	–	–	–	(143,862)
– Note 2.2(ii)	(796,676)	–	(105,228)	(643,473)	–	(119,246)	(78,131)	(1,742,754)
At 1 January 2010, restated	43,615	120,745	4,298	162,121	20,070	–	39,884	390,733
Additions	–	–	83	7,504	170	–	14,205	21,962
Effect of change in accounting policy:								
– Note 2.2(iii)	–	–	–	–	–	–	(5,281)	(5,281)
Disposals	–	–	(221)	(1,243)	–	–	–	(1,464)
Written off	–	–	–	(149)	(8)	–	–	(157)
Transfers	187	–	–	5,663	913	–	(6,763)	–
At 31 December 2010, restated	43,802	120,745	4,160	173,896	21,145	–	42,045	405,793
Accumulated depreciation and impairment								
At 1 January 2010	168,768	29,087	63,879	354,193	6,506	39,436	2,496	664,365
Effect of adopting new/change in accounting policies:								
– Note 2.2(iii)	(2,877)	–	–	–	–	–	–	(2,877)
– Note 2.2(ii)	(157,064)	–	(59,742)	(262,514)	–	(39,436)	–	(518,756)
At 1 January 2010, restated	8,827	29,087	4,137	91,679	6,506	–	2,496	142,732
Effect of change in accounting policy:								
– Note 2.2(iii)	(2,877)	–	–	–	–	–	–	(2,877)
Charge for the year	4,262	12,797	308	9,794	2,408	–	–	29,569
Disposals	–	–	(285)	(1,118)	–	–	–	(1,403)
Written off	–	–	–	(73)	(1)	–	–	(74)
At 31 December 2010, restated	10,212	41,884	4,160	100,282	8,913	–	2,496	167,947
Net carrying amount	33,590	78,861	–	73,614	12,232	–	39,549	237,846

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company	Building RM'000	Motor vehicles RM'000	Office equipment RM'000	Capital work-in-progress RM'000	Total RM'000
At 31 December 2011					
Cost					
At 1 January 2011	33,134	1,764	27,617	31,464	93,979
Additions	33	240	654	21,856	22,783
Disposal	–	(934)	–	–	(934)
Transfers	–	–	29,915	(29,915)	–
At 31 December 2011	33,167	1,070	58,186	23,405	115,828
Accumulated depreciation					
At 1 January 2011	1,740	1,666	13,229	–	16,635
Charge for the year (Note 7)	1,378	328	5,457	–	7,163
Disposal	–	(934)	–	–	(934)
At 31 December 2011	3,118	1,060	18,686	–	22,864
Net carrying amount	30,049	10	39,500	23,405	92,964
At 31 December 2010					
Cost					
At 1 January 2010	28,505	1,859	24,165	63,931	118,460
Effect of adopting new accounting policy	–	–	–	(32,973)	(32,973)
At 1 January 2010, restated	28,505	1,859	24,165	30,958	85,487
Additions	53	4	2,557	5,980	8,594
Disposal	–	(99)	–	–	(99)
Written off	–	–	(3)	–	(3)
Transfers	4,576	–	898	(5,474)	–
At 31 December 2010	33,134	1,764	27,617	31,464	93,979
Accumulated depreciation					
At 1 January 2010	380	1,529	9,636	–	11,545
Charge for the year (Note 7)	1,360	220	3,594	–	5,174
Disposal	–	(83)	–	–	(83)
Written off	–	–	(1)	–	(1)
At 31 December 2010	1,740	1,666	13,229	–	16,635
Net carrying amount	31,394	98	14,388	31,464	77,344

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 RM108,078,000 (2010: RM94,877,000) and RM12,281,000 (2010: RM9,236,000) respectively.

14. PLANTATION DEVELOPMENT EXPENDITURE

	Group	
	2011 RM'000	2010 RM'000
Cost		
At 1 January	65,632	62,685
Additions	1,502	2,947
Transferred from property, plant and equipment	12	–
At 31 December	67,146	65,632
Accumulated amortisation		
At 1 January	18,395	15,851
Charge for the year (Note 7)	2,555	2,544
At 31 December	20,950	18,395
Net carrying amount	46,196	47,237

15. LAND USE RIGHTS

	Group	
	2011 RM'000	2010 RM'000
Net carrying amount		
At 1 January	7,910	8,031
Amortisation during the year (Note 7)	(150)	(121)
At 31 December	7,760	7,910
Analysed as:		
Short term land use rights	1,766	1,845
Long term land use rights	5,994	6,065
	7,760	7,910

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 2011				
Cost				
At 1 January 2011, restated	1,982,138	1,975,853	819,209	4,777,200
Additions	–	12,103	1,053,229	1,065,332
Disposals	–	(556)	–	(556)
Written off	–	(7,917)	(423)	(8,340)
Transfers	–	60,968	(60,968)	–
At 31 December 2011	1,982,138	2,040,451	1,811,047	5,833,636
Accumulated amortisation and impairment				
At 1 January 2011, restated	223,349	741,320	–	964,669
Charge for the year (Note 7)	40,134	109,498	–	149,632
Disposals	–	(272)	–	(272)
Written off	–	(7,623)	–	(7,623)
At 31 December 2011	263,483	842,923	–	1,106,406
Net carrying amount	1,718,655	1,197,528	1,811,047	4,727,230

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 2010				
Cost				
At 1 January 2010	1,897,310	–	–	1,897,310
Effects of adopting new accounting policies	84,828	1,884,623	78,683	2,048,134
At 1 January 2010, restated	1,982,138	1,884,623	78,683	3,945,444
Additions	–	34,761	805,259	840,020
Disposals	–	(1,540)	–	(1,540)
Written off	–	(6,724)	–	(6,724)
Transfers	–	64,733	(64,733)	–
At 31 December 2010, restated	1,982,138	1,975,853	819,209	4,777,200
Accumulated amortisation and impairment				
At 1 January 2010	185,118	–	–	185,118
Effects of adopting new accounting policies	–	642,171	–	642,171
At 1 January 2010, restated	185,118	642,171	–	827,289
Charge for the year (Note 7)	38,231	104,892	–	143,123
Disposals	–	(1,421)	–	(1,421)
Written off	–	(4,322)	–	(4,322)
At 31 December 2010, restated	223,349	741,320	–	964,669
Net carrying amount	1,758,789	1,234,533	819,209	3,812,531

16. INTANGIBLE ASSETS (CONT'D.)

Company	Capital work-in-progress RM'000
At 31 December 2011	
Cost	
At 1 January 2011, restated	735,266
Additions	807,192
At 31 December 2011	1,542,458
Net carrying amount	1,542,458
At 31 December 2010	
Cost	
At 1 January 2010	–
Effects of adopting IC12	33,525
At 1 January 2010, restated	33,525
Effects of adopting IC12	701,741
At 31 December 2010, restated	735,266
Net carrying amount	735,266

Capital work in progress comprises fair value of the consideration receivable for the construction service delivered during the stage of constructing, 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 are costs incurred to date in respect of the construction of klia2 amounting to RM1,495,788,000 (2010: RM694,203,000) and are not depreciated.

The Group's intangibles include 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. During the financial year, the net borrowing costs capitalised in capital work-in progress amounted to RM90,038,000 (2010: RM24,614,000).

16. INTANGIBLE ASSETS (CONT'D.)

The additions in intangible assets were acquired by way of:

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Cash	1,027,089	811,594	776,551	673,877
Profit from construction contracts	38,243	28,426	30,641	27,864
Total additions	1,065,332	840,020	807,192	701,741

17. INVESTMENTS IN SUBSIDIARIES

	Company	
	2011 RM'000	**2010 RM'000**
Unquoted shares at cost	1,787,719	1,787,716
Acquisition during the year	3	3
Less: Accumulated impairment losses	(10,456)	(10,456)
	1,777,266	1,777,263

Name of Company	Issued and Paid-up Capital RM	Effective Interest Held 2011 %	Effective Interest Held 2010 %	Principal Activities
Malaysia Airports Sdn. Bhd. (230646-U)	360,113,847	100	100	Management, operations and maintenance of designated airports and provision of airport related services in Malaysia other than K. L. International Airport ("KLIA").
Malaysia Airports (Sepang) Sdn. Bhd. (320480-D)	50,000,002	100	100	Management, operations, maintenance and future development of KLIA and Low Cost Carrier Terminal ("LCCT") in Sepang and provision of airport related services.
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.

17. INVESTMENTS IN SUBSIDIARIES (CONTD.)

Name of Company	Issued and Paid-up Capital RM	Effective Interest Held 2011 %	2010 %	Principal Activities
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)	10,900,000	100	100	Owner of the hotel known as The Pan Pacific Hotel KLIA.
– 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.
Asia Pacific Auction Centre Sdn. Bhd. (488190-H) *	10,556,000	100	100	Management and operations of an auction centre. The Company has ceased operations since 2008.
Cargo One Restaurant & Lounge Sdn. Bhd. (528261-V) *	2	100	100	Involved in the business of restaurant operations. The Company has ceased operations since 2001.
Malaysia Airports (Mauritius) Pte Ltd @	USD1,000	100	100	Investment holding.
MAHB (Mauritius) Pte Ltd @	USD2	100	100	Investment holding management.
Asia Pacific Auction Sales Sdn. Bhd. (523300-X) *	2,000	100	100	Involved in the auction of general machineries. The Company has ceased operations since 2001.
Asia Pacific * Machinery Auctions Sdn. Bhd. (503068-D)	2,000	100	100	Involved in the auction of light and heavy machineries. The Company has ceased operations since 2001.
Malaysia Motor Auctions Sdn. Bhd. (500189-H) *	2,000	100	100	Involved in the auction of general motor vehicles. The Company has ceased operations since 2001.
Beans Around The World Coffee Shop Sdn. Bhd. (528250-P) *	2	100	100	Provide services in respect of sale of beverages. The Company has ceased operations since 2001.

17. INVESTMENTS IN SUBSIDIARIES (CONTD.)

Name of Company	Issued and Paid-up Capital RM	Effective Interest Held 2011 %	2010 %	Principal Activities
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. (516854-V)	500,000	100	100	Dormant. Intended principal activities are to provide internet services, development and incubation of electronic commerce, and to acquire, manage, lease, establish, equip, maintain and operate radio wireless, close circuit television and television telecast.
Malaysia Airports (Labuan) Pte Ltd (LL05298)	USD1,000	100	100	Investment holding management.
Urusan Teknologi Wawasan Sdn. Bhd. (459878-D)	750,000	100	75	Provision of mechanical, electrical and civil engineering services at KLIA in Sepang.
Airport Automotive Workshop Sdn. Bhd. (808167-P)	200,000	51 **	38 **	Operations of automotive vehicle workshop.
Malaysia Airports Capital Berhad (906593-U)	2	100	100	Investment holding management.
Malaysia Airports Capital Labuan Pte Ltd (LL07679)	USD2	100	100	Investment holding management.
Malaysia Airports Construction (Labuan) Private Limited (LL08348) *	USD1,000	100	–	Investment holding management.

* *Subsidiaries under member's voluntary winding-up as at 31 December 2011 and classified as discontinued operations*
@ *Audited by a member firm of Ernst & Young Global*
** *51% shareholding held through Urusan Teknologi Wawasan Sdn. Bhd. (459878-D)*
\# *The Company subscribed the shares of the newly incorporated subsidiary during the year*

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Acquisition of subsidiaries:

(a) On 21 July 2011, the Group incorporated a wholly-owned subsidiary, MA Construction (Labuan) Private Limited in the Federal Territory of Labuan, Malaysia under the Labuan Companies Act 1990 by subscription of the shares for a total consideration of USD1,000.

(b) On 28 July 2011, Malaysia Airports Consultancy Services Sdn. Bhd., a wholly-owned subsidiary of the Group, completed the acquisition of 187,500 ordinary shares of RM1.00 each in Urusan Technologi Wawasan Sdn. Bhd. ("UTW"); representing an additional 25% equity interest in UTW for a cash consideration of RM3,000,000 or RM16.00 per UTW ordinary share. Following this transaction, its effective interest in UTW has increased to 100% equity interest and UTW became a wholly-owned subsidiary of the Group. The effects of this transaction resulted in a decrease in minority interest of RM5,546,000 and amount credited to other reserves of RM2,546,000.

18. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Unquoted shares at cost:				
- outside Malaysia	155,172	135,554	133,658	135,554
- in Malaysia	600	600	–	–
	155,772	136,154	133,658	135,554
Share of post-acquisition reserve	(94,157)	(62,518)	–	–
	61,615	73,636	133,658	135,554
Analysed as:				
Unquoted shares at cost:				
At 1 January	136,154	114,640	135,554	114,040
Acquisition during the year	160	21,514	160	21,514
Additional contribution	19,458	–	19,458	–
Disposal of associate to a subsidiary	–	–	(21,514)	–
At 31 December	155,772	136,154	133,658	135,554

18. INVESTMENTS IN ASSOCIATES (CONT'D.)

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Share of post-acquisition reserve:				
At 1 January	(69,094)	(17,168)	–	–
Effects of adopting IC 12	–	27,497	–	–
At 1 January, restated	(69,094)	10,329	–	–
Share of results:				
– current year	(59,764)	–	–	–
– as previously reported	–	(80,488)	–	–
Effects of adopting IC 12	–	1,065	–	–
Share of results restated	(59,764)	(79,423)	–	–
Dividend received	(7,665)	–	–	–
Share of post acquisition reserve at 31 December	(136,523)	(69,094)	–	–
Additional investment (Note 33)	42,366	6,576	–	–
	(94,157)	(62,518)	–	–

Investment in associates with carrying amounts of RM21,537 (2010: RM21,537) are pledged to financial institutions for credit facilities granted to the associates.

Additional contribution is in respect of advances provided to a foreign associate as required under the funding arrangement with the shareholders of the associate and the lenders and may be converted as equity funding.

18. INVESTMENTS IN ASSOCIATES (CONT'D.)

Details of the associates are as follows:

Name of Associate	Country of Incorporation	Issued and Paid-up Capital	Effective Interest Held 2011 %	Effective Interest Held 2010 %	Financial Year End	Principal Activities
Held by the Company:						
Istanbul Sabiha Gokcen International Airport Investment Development and Operation Inc ("SGIA")	Turkey	€114,840,000	20	20	31 December	Operation, management and development and provision of airport related services.
LGM Airport Operations Trade and Tourism Inc	Turkey	€23,145	20	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.
GMR Malè International Airport Limited* ("GMR Malè")	Republic of Maldives	USD 30,050,094	23	23	31 December	Operation, management and development and provision of airport related services.
Held through a subsidiary:						
Kuala Lumpur Aviation Fuelling System Sdn. Bhd. (KAF)**	Malaysia	RM3,000,000	20	20	31 March	Development, management and operations of aviation fuelling system at KLIA.
– preference shares		RM1,320,000				

* *On 21 July 2011, the Company disposed off its entire equity shareholding of GMR Malè to Malaysia Airports (Labuan) Pte Ltd at cost as part of Group re-organisation. Accordingly, GMR Malè is now held through a subsidiary.*

** *KAF has a financial year end of 31 March 2011 to conform with its holding company's financial year end. The financial statements of the associate for the 9 month interim period ended 31 December 2011 have been used for the purpose of applying the equity method of accounting.*

18. INVESTMENTS IN ASSOCIATES (CONT'D.)

The summarised financial statements of the associates are as follows:

	Group	
	2011 RM'000	2010 RM'000
Assets and liabilities		
Current assets	555,866	796,244
Non-current assets	6,049,986	5,899,697
Total assets	6,605,852	6,695,941
Current liabilities	(827,641)	(891,122)
Non-current liabilities	(6,098,784)	(5,590,092)
Total liabilities	(6,926,425)	(6,481,214)
Results		
Revenue	2,006,381	1,165,081
Loss for the year	(309,684)	(391,394)

19. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Unquoted shares at cost:				
– in Malaysia	21,900	100	21,900	–
	21,900	100	21,900	–
Share of post-acquisition reserve	677	–	–	–
	22,577	100	21,900	–
Analysed as:				
Unquoted shares at cost:				
At 1 January	100	100	–	–
Acquisition during the year	21,900	–	21,900	–
Disposal during the year	(100)	–	–	–
At 31 December	21,900	100	21,900	–
Share of post-acquisition reserve:				
At 1 January	–	–	–	–
Share of results	677	–	–	–
At 31 December	677	–	–	–

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 2011 %	Effective Interest Held 2010 %	Financial Year End	Principal Activities
Held through a subsidiary:						
Segi Astana Sdn. Bhd. (SASB)*	Malaysia	1,000	30	–	31 December	Development, management and operations of property.
Airport Cooling Energy Supply Sdn. Bhd. (ACES)**	Malaysia	19,039,998	23	–	31 August	Development, management and operations of chilled water plant.
– Redeemable Preference Shares		76,160,000				

* *On 22 September 2011, the Company had 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. The consideration in respect of this investment was RM300.*

** *On 27 October 2011, the Company had 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. The consideration in respect of this investment was RM21,900,000.*

In prior years, the Company entered into a Consortium Agreement with KLIA Consultancy Services Sdn. Bhd. ("KLIACS") for airport industry related services rendered or to be rendered including the construction of new airport terminal buildings and its complimentaries, hotels, hypermarkets and other constructions ("Works"). KLIACS and the Company have agreed to form an unincorporated consortium ("KLIACS - MAMTS Consortium") for the sole purpose of carrying out the Works. KLIACS and the Company participation in the KLIACS - MAMTS Consortium will be in the agreed proportion of 51% and 49% respectively.

The jointly controlled entity was dissolved during the year and the cost of investment of RM100,000 was refunded.

19. INVESTMENT IN JOINTLY CONTROLLED ENTITIES (CONT'D.)

The summarised financial statements of the jointly controlled entities are as follows:

	Group	
	2011 RM'000	**2010 RM'000**
Assets and liabilities		
Current assets	20,055	–
Non-current assets	185,331	–
Total assets	205,386	–
Current liabilities	187,771	–
Non-current liabilities	15,356	–
Total liabilities	203,127	–
Results		
Revenue	–	–
Profit for the year	2,257	–

ACES has a financial year end of 31 August 2011 to conform with it's holding company's year end. The financial statements of ACES for the 4 month interim period ended 31 December 2011 have been used for the purpose of applying the equity method of accounting.

20. AVAILABLE-FOR-SALE INVESTMENTS ("AFS")

	Group		Company	
	2011 RM'000	Restated 2010 RM'000	2011 RM'000	2010 RM'000
Bonds and medium term notes in Malaysia at fair value	11,273	10,605	–	–
Quoted unit trust in Malaysia	7,174	7,000	–	–
AFS at fair value	18,447	17,605	–	–
* Unquoted shares at cost:				
– in Malaysia	17,253	17,259	2,000	2,005
– outside Malaysia	213,979	207,250	–	–
AFS at cost	231,232	224,509	2,000	2,005
Total other investments	249,679	242,114	2,000	2,005

Movement in available-for-sale investments are as follows:

	Group		Company	
	2011 RM'000	Restated 2010 RM'000	2011 RM'000	2010 RM'000
At 1 January	242,114	302,041	2,005	34,925
Additions	3,180	7,000	–	–
Fair value adjustment	740	(23)	–	–
Amortisation of premium on investments	(84)	(88)	–	–
Disposal	(3,000)	(44,049)	(5)	(32,920)
Foreign currency translation	6,729	(22,767)	–	–
At 31 December	249,679	242,114	2,000	2,005

* *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 RM33,909,000 (2010: RM33,909,000) for the Group are pledged as security in respect of certain agreement entered into by the Group.

21. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current				
Trade receivables				
Third parties	276,395	305,984	–	–
Due from GoM	438,861	327,062	–	–
Accrued revenue	68,606	66,996	–	–
	783,862	700,042	–	–
Less: Allowance for doubtful debts				
Third parties	(55,366)	(60,228)	–	–
Trade receivables, net	728,496	639,814	–	–
Other receivables				
Amounts due from subsidiaries	–	–	892,930	1,057,255
Staff loans (Note 22)	3,539	3,555	–	–
Deposits	4,347	4,111	987	987
Tax recoverable	15,906	8,736	15,374	8,736
Prepayments	1,379	3,322	72	258
Sundry receivables	40,029	37,229	20,802	15,468
	65,200	56,953	930,165	1,082,704
Less: Allowance for doubtful debts	(8,678)	(1,761)	(8)	(8)
Other receivables, net	56,522	55,192	930,157	1,082,696
	785,018	695,006	930,157	1,082,696

21. TRADE AND OTHER RECEIVABLES (CONT'D.)

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-current				
Trade receivables				
Third parties	5,501	11,001	–	–
Other receivables				
Due from GoM	342,553	333,494	49,204	49,119
	348,054	344,495	49,204	49,119
Total trade and other receivables (current and non-current)	1,133,072	1,039,501	979,361	1,131,815
Add: Cash and bank balances (Note 25)	778,343	1,539,770	500,553	1,319,467
Less: Tax recoverable and prepayments	(17,285)	(12,058)	(15,446)	(8,994)
Total loans and receivables	1,894,130	2,567,213	1,464,468	2,442,288

Ageing analysis of trade receivables

The ageing analysis of the Group's total trade receivables (current and non-current), but excluding accrued revenue is as follows:

	Group	
	2011 RM'000	2010 RM'000
Neither past due nor impaired	549,408	399,777
1 to 30 days past due not impaired	46,187	43,586
31 to 60 days past due not impaired	12,838	17,538
61 to 90 days past due not impaired	13,236	10,553
91 to 120 days past due not impaired	9,550	734
More than 121 days past due not impaired	9,270	53,034
	91,081	125,445
Impaired	80,268	118,825
	720,757	644,047

21. TRADE AND OTHER RECEIVABLES (CONT'D.)

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. More than 71% (2010: 74%) 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	
Group	**2011 RM'000**	**2010 RM'000**
Trade receivables		
– nominal amounts	80,268	118,825
Less: Allowance for doubtful debts	(55,366)	(60,228)
	24,902	58,597

(a) Receivables amounting to RM13,885,000 (2010: RM12,016,000) are in respect of certain debtors who have the obligations to repay their debts but are prolonged as settlement of the outstanding balances 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 RM10,053,000 (2010: RM10,463,000) are expected to be settled by instalment arrangement plan.

(c) In prior year, trade receivables arising from project management and services rendered to certain debtors amounted to RM32,280,000 were arranged to be settled via firm commitment on specific dates by the customers. This includes settlement for projects which had back to back collection arrangements as indicated in their relevant agreements.

21. TRADE AND OTHER RECEIVABLES (CONT'D.)

Receivables that are impaired (cont'd.)

Movement in allowance for doubtful debts:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade				
At 1 January	60,228	51,705	–	–
Net (writeback of)/allowance for doubtful debts	(4,862)	8,523	–	–
At 31 December	55,366	60,228	–	–
Other receivables				
At 1 January	1,761	1,588	8	8
Net allowance for doubtful debts	6,917	173	–	–
At 31 December	8,678	1,761	8	8

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 seven (2010: six) customers representing approximately 55% (2010: 48%) of the total trade receivables.

(b) Amounts due from subsidiaries (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. Included in amounts due from subsidiaries was RM507,890,000 paid by the Company to GoM on behalf of its subsidiary in prior years.

21. TRADE AND OTHER RECEIVABLES (CONT'D.)

(c) Trade receivables (Non-current)

The Group had previously negotiated with several debtors to extend the settlement of outstanding debts by entering into debts settlement agreements. The non-current amounts consist of overdue balances of these debtors with the term of settlements ranging from 1 to 6 years (2010: 1 to 6). The amounts due are non-interest bearing, unsecured and are to be repaid by cash settlement.

(d) Other receivables (Non-current)

Amount due from GoM is as explained in Note 21(e).

(e) Due from GoM

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current				
Trade receivables				
MARCS (Note 2.4(u)(iv))	253,652	168,004	–	–
Landing rebates	185,209	159,058	–	–
	438,861	327,062	–	–
Non-current				
Other receivables				
Debts assumed from former subsidiary	121,200	121,200	49,204	49,119
Receivable on call option (Note 2.6(a)(ii))	221,353	212,294	–	–
	342,553	333,494	49,204	49,119
Total amount due from GoM	781,414	660,556	49,204	49,119

Other information on financial risks of other receivables are disclosed in Note 41.

22. STAFF LOANS

	Group	
	2011 RM'000	**2010 RM'000**
Staff loans	38,067	35,631
Less: Current (Note 21)	(3,539)	(3,555)
Non-current portion	34,528	32,076
Analysed as:		
Current	3,539	3,555
Non-current:		
Later than 1 year but not later than 2 years	3,334	3,325
Later than 2 years but not later than 5 years	8,444	8,526
Later than 5 years	22,750	20,225
	34,528	32,076
	38,067	35,631

The staff loans attract interest rate at 4% (2010: 4%) per annum.

Staff loans are unsecured and non-interest bearing. The Group has assessed the non-current portion and considered that the fair value amounts to approximate the carrying amounts.

23. DEFERRED TAX (ASSETS)/LIABILITIES

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
At 1 January	38,158	16,613	8,058	(1,120)
Recognised in income statement (Note 9)	18,865	21,545	16,261	9,178
At 31 December	57,023	38,158	24,319	8,058
Presented in the statement of financial position as follows:				
Deferred tax assets	(21,071)	(16,845)	–	–
Deferred tax liabilities	78,094	55,003	24,319	8,058
	57,023	38,158	24,319	8,058

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
At 1 January 2011	103,904
Recognised in the income statement	18,145
At 31 December 2011	122,049
Less: Offset against deferred tax assets	(43,955)
	78,094
At 1 January 2010	83,100
Recognised in the income statement	20,804
At 31 December 2010	103,904
Less: Offset against deferred tax assets	(48,901)
	55,003

23. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D.)

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 2011	(10)	(37,536)	(13,794)	(14,406)	(65,746)
Recognised in the income statement	–	2,422	12,153	(13,855)	720
At 31 December 2011	(10)	(35,114)	(1,641)	(28,261)	(65,026)
Less: Offset against deferred tax liabilities					43,955
					(21,071)
At 1 January 2010	(1,877)	(37,889)	(13,753)	(12,968)	(66,487)
Recognised in the income statement	1,867	353	(41)	(1,438)	741
At 31 December 2010	(10)	(37,536)	(13,794)	(14,406)	(65,746)
Less: Offset against deferred tax liabilities					48,901
					(16,845)

23. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D.)

Deferred tax liabilities of the Company:

	Property, plant and equipment and intangibles RM'000
At 1 January 2011	10,848
Recognised in the income statement	16,286
At 31 December 2011	27,134
At 1 January 2010	1,264
Recognised in the income statement	9,584
At 31 December 2010	10,848

Deferred tax assets of the Company:

	Retirement benefits RM'000	Payables RM'000	Total RM'000
At 1 January 2011	(742)	(2,048)	(2,790)
Recognised in the income statement	(14)	(11)	(25)
At 31 December 2011	(756)	(2,059)	(2,815)
At 1 January 2010	(715)	(1,669)	(2,384)
Recognised in the income statement	(27)	(379)	(406)
At 31 December 2010	(742)	(2,048)	(2,790)

23. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D.)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Unutilised tax losses	4,245	2,959	–	–
Unabsorbed capital allowances	10,724	4,745	10,604	4,745
Other deductible temporary differences	5,947	19	–	–
	20,916	7,723	10,604	4,745

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.

24. INVENTORIES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cost				
Spares and consumables	15,456	15,063	40	156
Merchandise goods	62,592	45,456	–	–
Food and beverages	475	428	–	–
	78,523	60,947	40	156

25. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash on hand and at banks	90,151	109,955	17,496	30,354
Deposits with licensed banks	127,900	20,774	–	–
Money on call with licensed banks	560,292	1,409,041	483,057	1,289,113
Cash and bank balances	778,343	1,539,770	500,553	1,319,467

Other information on financial risks of cash and cash equivalents are disclosed in Note 41.

26. SHARE CAPITAL

	Number of shares of RM1 each		Amount	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
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:				
Special Rights Redeemable Preference Share of RM1 each	1	1	1	1
Ordinary shares of RM1 each	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000
	1,100,000,001	1,100,000,001	1,100,000,001	1,100,000,001

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.

26. SHARE CAPITAL (CONT'D.)

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.

27. RETAINED EARNINGS

Prior to the year of assessment 2008, Malaysian companies adopt the full imputation system. 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. Companies also have an irrevocable option to disregard the Section 108 balance of Malaysian Income Tax Act, 1967 (Section 108 balance) 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.

The Company has not elected for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the Section 108 balance as at 31 December 2011 and 2010 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 December 2011, the Company has sufficient credit in the Section 108 balance to pay franked dividends amounting to RM116,640,000 (2010: RM279,579,000) out of its retained earnings. If the balance of the retained earnings of RM152,109,000 (2010: RM3,918,000) were to be distributed as dividends, the Company may distribute such dividends under the single tier system.

28. 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.

29. OTHER RESERVE AND FOREX CURRENCY TRANSLATION RESERVES

Other reserve represents the discount on acquisition of minority interest.

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 policy.

30. RETIREMENT BENEFITS

The Group operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for all qualifying staff who have been confirmed in service whereby only employees who have earned in return for their service up to 31 December 2004 shall continue to benefit from the Scheme but limited to their qualifying number of years employed up to and equivalent factoring as at 31 December 2011.

The Group's obligations under the Scheme is determined based on the latest actuarial valuation by an independent valuer carried out on 24 December 2010. The existing employees as well as new employees who have earned in return for their service subsequent to 31 December 2004 are not eligible for the Scheme but shall be compensated based on the Scheme in the defined contribution plans in Note 2.4(r)(ii). The value of retirement benefits shall be paid on the attainment of retirement age of 55.

The Group's obligations under the Scheme continued to be determined based on triennial actuarial valuation where the amount of benefit that employees have earned in return for their service in the current and prior years is estimated. That benefit is discounted using the Projected Unit Credit Method in order to determine its present value.

During the year, the Group proposed that the retirement benefits for employees be revised where the employees who are entitled for the Scheme will now have the amounts due to them and be credited to their Employee Provident Fund accounts ("EPF") in addition to the Group's defined contribution plans. Accordingly, on 25 October 2011, the Group entered a collective agreement with the non-executive staff of the Group where the non-executive staff have accepted the terms of the collective agreement including the proposed year which the entitlements will be credited in the employees' EPF. The Group is also in the midst of proposing the same arrangement with its executive staff and it is expected to be completed in the next financial year ending 31 December 2012.

30. RETIREMENT BENEFITS (CONT'D.)

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Current	565	4,281	400	521
Non-current	5,537	51,029	1,051	2,446
	6,102	55,310	1,451	2,967

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Present value of unfunded defined benefit obligations	6,102	55,310	1,451	2,967
Analysed as:				
Current (Note 33)	565	4,281	400	521
Non-current:				
Later than 1 year but not later than 2 years	404	3,787	94	239
Later than 2 years but not later than 5 years	1,674	10,289	549	906
Later than 5 years	3,459	36,953	408	1,301
	5,537	51,029	1,051	2,446
	6,102	55,310	1,451	2,967

The amount recognised in the income statements comprises:

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Interest cost (Note 5)	320	2,868	84	310

30. RETIREMENT BENEFITS (CONT'D.)

Movements in the net liability in the current year were as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At 1 January	55,310	55,292	2,967	2,860
Reclassification to staff benefits payable	(42,933)	–	(744)	–
Recognised in income statement	320	2,868	84	310
Contributions paid	(6,595)	(2,850)	(856)	(203)
At 31 December	6,102	55,310	1,451	2,967

Principal actuarial assumptions used:

	Group		Company	
	2011 %	2010 %	2011 %	2010 %
(i) Discount rate	5.5	5.5	5.5	5.5

The rate used to discount post-employment benefit obligations is determined by reference to the market yields at the reporting date on high quality corporate bonds.

(ii) There is no projection for future salary increases as this Scheme is a frozen scheme.
(iii) The mortality and disability rates are based on published statistics.

31. OTHER FINANCIAL LIABILITY

	Group	
	2011 RM'000	2010 RM'000
At 1 January	177,716	199,625
Redemption	–	(2,185)
Foreign currency translation	5,770	(19,724)
At 31 December	183,486	177,716

Other financial liability is in respect of unsecured debentures issued by a foreign subsidiary comprising 57,700,000 (2010: 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	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-Current					
Unsecured:					
Revolving loan			–		–
4.55% p.a. fixed rate RM note	2020	1,000,000	1,000,000	1,000,000	1,000,000
4.68% p.a. fixed rate RM note	2022	1,500,000	1,500,000	1,500,000	1,500,000
		2,500,000	2,500,000	2,500,000	2,500,000
Total loans and borrowings					
4.55% p.a. fixed rate RM note		1,000,000	1,000,000	1,000,000	1,000,000
4.68% p.a. fixed rate RM note		1,500,000	1,500,000	1,500,000	1,500,000
		2,500,000	2,500,000	2,500,000	2,500,000

32. LOANS AND BORROWINGS (CONT'D.)

The remaining maturities of the loans and borrowings as at 31 December 2011 are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
On demand or within one year	–	–	–	–
More than 1 year and less than 2 years	–	–	–	–
More than 2 years and less than 5 years	–	–	–	–
5 years or more	2,500,000	2,500,000	2,500,000	2,500,000
	2,500,000	2,500,000	2,500,000	2,500,000

4.55% and 4.68% p.a fixed rate RM notes

These notes with total face value of RM2,500,000 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

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 RM3.1 billion (with a sub-limit of RM1.0 billion in nominal value for the ICP Programme).

Proceeds raised from the Sukuk Programmes will be 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.

32. LOANS AND BORROWINGS (CONT'D.)

The Sukuk Programmes have been accorded a short-term rating of P1 and long-term rating of AAA (with stable outlook) respectively by RAM Rating Services Berhad. 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 RM1.0 billion 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 RM1.5 billion 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.

The terms of the Sukuk 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

(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/losses less goodwill (if any).

The D:E Ratio shall be calculated on a yearly and half yearly basis and as and when such calculations are required to be made under the terms of the transaction documents during the tenor of the Sukuk Programmes. In the case of D:E Ratio calculated on a yearly basis, such calculations shall be based on the latest audited consolidated financial statements of the Company and in the case of D:E Ratio calculated at any other times, the calculations shall be based on the latest consolidated management accounts of the Company.

Other information on financial risks of borrowings are disclosed in Note 41.

33. TRADE AND OTHER PAYABLES

	Group		Company	
	2011 RM'000	Restated 2010 RM'000	2011 RM'000	2010 RM'000
Current				
Trade payables				
Third parties	182,930	119,655	–	–
Other payables				
Amounts due to subsidiaries	–	–	197,935	309,160
Accruals	116,694	159,800	60,626	22,585
Provisions for liabilities	18,939	17,521	2,133	1,981
Sundry payables	260,900	178,055	50,909	98,617
Due to GoM	116,526	110,418	–	18,279
Deferred income	80,924	32,849	–	–
Dividend payable	191	463	191	463
Deposits	49,144	39,909	21,143	10,519
Retirement benefits (Note 30)	565	4,281	400	521
Concession liabilities	2,066	1,976	–	–
Obligations under finance lease (Note 34)	12,515	11,847	–	–
	658,464	557,119	333,337	462,125
	841,394	676,774	333,337	462,125

33. TRADE AND OTHER PAYABLES (CONT'D.)

	Group		Company	
	2011 RM'000	Restated 2010 RM'000	2011 RM'000	2010 RM'000
Non-current				
Other payables				
Deferred income	21,770	–	–	–
Due to GoM	–	98,391	–	–
Provision for additional investment relating to an associate (Note 18)	42,366	6,576	–	–
Concession liabilities	78,896	80,962	–	–
Obligations under finance lease (Note 34)	91,389	103,904	–	–
	234,421	289,833	–	–
Total trade and other payables (current and non-current)	1,075,815	966,607	333,337	462,125
Add: Loans and borrowings (Note 32)	2,500,000	2,500,000	2,500,000	2,500,000
Less: – Provisions for liabilities	(18,939)	(17,521)	(2,133)	(1,981)
– Deferred income	(102,694)	(32,849)	–	–
– Provision for liability related on associates	(42,366)	(6,576)	–	–
– Retirement benefits	(565)	(4,281)	(400)	(521)
Total financial liabilities carried at amortised cost	3,411,251	3,405,380	2,830,804	2,959,623

33. TRADE AND OTHER PAYABLES (CONT'D.)

Movements of provisions for liabilities during the year is as follows:

Group	Short term accumulating compensated absences RM'000	Lease rental RM'000	Assessment fees RM'000	Total RM'000
At 31 December 2011				
At 1 January 2010	10,536	–	6,985	17,521
Additional provision during the year	4,873	–	4,069	8,942
Writeback of provision	(511)	–	–	(511)
Utilised during the year	(3,474)	–	(3,539)	(7,013)
At 31 December 2011	11,424	–	7,515	18,939
At 31 December 2010				
At 1 January 2010	7,624	–	7,968	15,592
Additional provision during the year	3,639	3,285	2,294	9,218
Writeback of provision	(707)	–	–	(707)
Utilised during the year	(20)	(3,285)	(3,277)	(6,582)
At 31 December 2010	10,536	–	6,985	17,521

33. TRADE AND OTHER PAYABLES (CONT'D.)

Company	Short term accumulating compensated absences RM'000
At 31 December 2011	
At 1 January 2011	1,981
Provision during the year	152
Utilised during the year	–
At 31 December 2011	2,133
At 31 December 2010	
At 1 January 2010	1,389
Writeback of provision during the year	604
Utilised during the year	(12)
At 31 December 2010	1,981

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 (2010: 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.

33. TRADE AND OTHER PAYABLES (CONT'D.)

(c) Due to GoM

Amount due to GoM is in respect of User Fee payable to the GoM and is unsecured and non-interest bearing. The Group pays the GoM on a quarterly basis amount equal to half the total amount calculated as the User Fee based on revenue generated from activities carried out at KLIA and other airports until the amount is fully settled. The non-current portion of the amount due to the GoM is expected to be fully settled by the end of 2012.

(d) Deferred income

Deferred income is analysed as follows:

	Group	
	2011 RM'000	**Restated* 2010 RM'000**
Analysed as:		
Current	80,924	32,849
Non-current:		
Later than 1 year but not later than 2 years	1,074	–
Later than 2 years but not later than 5 years	3,264	–
Later than 5 years	17,432	–
	21,770	–
	102,694	32,849

Deferred income is in respect of customer loyalty programme on airline incentives and deferred lease rental from commercial activities

* *Restatement of deferred income due to derecognition of funds received from GoM for the purpose of the development of Malaysia International Aerospace Centre ("MIAC") as disclosed in Note 2.2(iii).*

33. TRADE AND OTHER PAYABLES (CONT'D.)

(e) Concession liabilities

Concession liabilities are in respect of lease rental payable to the GoM for Subang airport and all other airports managed by the Group upon to the adoption of IC 12.

Concession liabilities is analysed as follows:

	Group	
	2011 RM'000	Restated 2010 RM'000
Analysed as:		
Current	2,066	1,976
Non-current:		
Later than 1 year but not later than 2 years	2,160	2,066
Later than 2 years but not later than 5 years	7,087	6,779
Later than 5 years	69,649	72,117
	78,896	80,962
	80,962	82,938

Other information on financial risks of other payables are disclosed in Note 41.

34. LEASE ARRANGEMENTS

(a) 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 5 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.

34. LEASE ARRANGEMENTS (CONT'D.)

(a) Operating lease (cont'd.)

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the reporting date but not recognised as liabilities are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Future minimum rental payments:				
Not later than 1 year	13,951	11,228	1,335	2,133
Later than 1 year and not later than 5 years	20,509	14,289	1,048	1,646
	34,460	25,517	2,383	3,779

(b) Obligation under finance lease

The finance lease arose upon the adoption of IC12, as disclosed in Note 2.2 (ii).

Future minimum lease payments under finance lease together with the present value of the net minimum lease payments are as follows:-

	Group	
	2011 RM'000	2010 RM'000
Minimum lease payments:		
Not later than 1 year	17,917	17,917
Later than 1 year but not later than 2 years	17,917	17,917
Later than 2 years but not later than 5 years	53,752	53,752
Later than 5 years	35,835	53,752
Total minimum lease payments	125,421	143,338
Less: Amount representing finance charges	(21,517)	(27,587)
Present value of minimum lease payments	103,904	115,751

34. LEASE ARRANGEMENTS (CONT'D.)

(b) Obligation under finance lease (cont'd.)

	Group	
	2011 RM'000	**2010 RM'000**
Present value of payments:		
Not later than 1 year	12,515	11,847
Later than 1 year but not later than 2 years	13,221	12,515
Later than 2 years but not later than 5 years	44,308	41,942
Later than 5 years	33,860	49,447
Present value of minimum lease payments	103,904	115,751
Less: Due within 12 months (Note 33)	(12,515)	(11,847)
Due after 12 months (Note 33)	91,389	103,904

35. COMMITMENTS

	Due year 2012 RM'000	Due year 2013 to 2016 RM'000	Due year 2017 to 2066 RM'000	Total RM'000
31 December 2011				
Group				
(i) Approved and contracted for:				
Lease rental payable to GoM other than within the operating agreements [(a)]	–	–	64,064	64,064
Capital expenditure	1,867,343	129,295	–	1,996,638
	1,867,343	129,295	–	1,996,638
	1,867,343	129,295	64,064	2,060,702
31 December 2011				
Group				
(ii) Approved but not contracted for:				
Capital expenditure	484,137	818,735	–	1,302,872
(iii) Other Investments				
Investment in Istanbul Sabiha Gokchen International Airport [(b)]	–	146,790	–	146,790
Investment in GMR Malè International Airport ("GMR Malè") [(c)]	61,100	28,000	–	89,100
Investment in Segi Astana Sdn Bhd [(d)]	21,000	10,817	–	31,817
	82,100	185,607	–	267,707
	2,433,580	1,133,637	64,064	3,631,281

35. COMMITMENTS (CONT'D.)

	Due year 2012 RM'000	Due year 2013 to 2016 RM'000	Due year 2017 to 2066 RM'000	Total RM'000
31 December 2010				
Group				
(i) Approved and contracted for:				
Lease rental payable to GoM other than within the operating agreements [(a)]	–	–	64,064	64,064
Capital expenditure	1,812,611	737,104	–	2,549,715
	1,812,611	737,104	–	2,549,715
	1,812,611	737,104	64,064	2,613,779

	Due year 2012 RM'000	Due year 2013 to 2016 RM'000	Due year 2017 to 2066 RM'000	Total RM'000
31 December 2010				
Group				
(ii) Approved but not contracted for:				
Capital expenditure	354,705	550,894	–	905,599
(iii) Other Investments				
Investment in Istanbul Sabiha Gokchen International Airport [(b)]	–	164,914	–	164,914
Investment in GMR Malè International Airport ("GMR Malè") [(c)]	43,710	43,400	–	87,110
	43,710	208,314	–	252,024
	398,415	759,208	–	1,157,623

35. COMMITMENTS (CONT'D.)

	Due year 2012 RM'000	Due year 2013 to 2016 RM'000	Due year 2017 to 2066 RM'000	Total RM'000
31 December 2011				
Company				
(i) Approved and contracted for:				
Capital expenditure	1,739,612	129,295	–	1,868,907
(ii) Approved but not contracted for:				
Capital expenditure	–	818,735	–	818,735
31 December 2010				
Company				
(i) Approved but not contracted for:				
Capital expenditure	1,447,368	687,104	–	2,134,472
(ii) Approved but not contracted for:				
Capital expenditure	58,644	550,894	–	609,538
	1,506,012	1,237,998	–	2,744,010

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Analysed as:				
Not later than 1 year	2,433,580	398,415	–	1,506,012
Later than 1 year and not later than 5 years	1,133,637	759,208	–	1,237,998
Later than 5 years	64,064	–	–	–
	3,631,281	1,157,623	–	2,744,010

35. COMMITMENTS (CONT'D.)

(a) Lease payable to the Federal Lands Commissioner under the Lease Agreement not within the Operating Agreements.

(b) 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 Infrastructure Limited, GMR Infrastructure Overseas S.L.U, Limak Insaat Sanayi Ve Ticaret A.S. and Limak Yatirim Isletme Hizmetleri Ve Insaat A.S. (collectively referred to as "Shareholders"), and, amongst others, Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme A.S. ("ISGIA") to facilitate the loan financing arrangements by ISGIA to fund the development of the Sabiha Gokcen International Airport in Istanbul, Turkey. Pursuant to the Agreement, each Shareholder had agreed to provide further equity funding to ISGIA under certain prescribed circumstances, which include additional investment as may be requested by the Authority pursuant to its Implementation Agreement and to ensure ISGIA has sufficient funds to meet certain loan covenants and obligations as stipulated therein. The commitment by the Company to provide further equity funding is based on its proportionate shareholding in ISGIA and the Company is not obliged to cover any shortfall of any other Shareholder.

(c) On 28 June 2010, the Company entered into an agreement with GMR Airport (Global) Limited, GMR Infrastructure (Mauritius) Ltd. and GMR Infrastructure Limited (collectively known as "GMR") to form a joint venture company ("JVC") for the operation, maintenance, expansion, rehabilitation and modernisation of the Ibrahim Nasir International Airport ("INNA") in Maldives. MAHB will jointly undertake the airport terminal operations and management of MIA with GMR and will progressively make cash investments for 23% equity participation in the JVC.

(d) The commitments in respect of investment in Segi Astana are in accordance with the shareholders' agreement where the Company will be subscribing the new shares issued by Segi progressively as stipulated in the Share Subscription Schedule between years 2012 and 2013 of up to RM31.8 million.

(e) A wholly-owned subsidiary of the Group, Malaysia Airports (Mauritius) Pte Ltd ("MA (Mauritius)"), had entered into a shareholders agreement to acquire a 10% equity interest in Delhi International Airport Limited ("DIAL") on 4 April 2006. DIAL, a company incorporated in India, has been identified for the modernisation and restructuring of the Indira Gandhi International Airport in New Delhi, India. MA (Mauritius) is involved in the airport management project of DIAL and will progressively make cash investments into DIAL up to a maximum of Indian Rs3,450,000,000 (approximately RM269,670,000).

    As at 31 December 2011, MA (Mauritius) has paid up RM199,360,000 (2010: RM199,360,000) as share capital in DIAL and advances which are convertible into shares in DIAL.

36. FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

(a) As at 31 December 2011, the Company provided corporate guarantees as follows:

(i) RM32,880,000 (2010: RM33,000,000) for the purpose of standby equity commitment to a financial institution for credit facilities granted to Istanbul Sabiha Gokcen International Airport Investment Development and Operation Inc (“ISG”).

(ii) RM13,974,000 (2010: RM17,023,810) for the purpose of standby equity commitment to a financial institution for credit facilities granted to LGM Airport Operations Trade and Tourism Inc, a related company of ISG.

(iii) RM24,660,000 (2010: RM30,000,000) for advance payment guarantee to a Duty Free Operator at ISG.

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 2011.

(b) On 13 December 2011, Court of Appeal “COA” has reversed the Judgement by the High Court in respect of the legal suit by Federal Express Brokerage Sdn Bhd, United Parcel Service (M)Sdn Bhd and UPS SCS (Malaysia) Services Sdn Bhd (collectively referred to as “the Appellants”).

Based on advice from the Group legal counsel, the Group filed an application of leave to appeal on 22 December 2011 and such other relevant application against the Court of Appeal’s decision to the Federal Court. In view of the ongoing legal proceedings, other than claimed sum amount of RM1,922,733, no other information is disclosed as any further disclosures may be prejudicial to the outcome of the Group’s appeal.

37. RELATED PARTY DISCLOSURES

(a) Sale and purchase of goods and services

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		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Services rendered to associates	4,532	3,615	–	–
Recoupment income received from associates	42	1,377	–	–
Rental income received from associates	7,205	5,704	–	–
Other project fee rendered to an associate	–	9,342	–	6,573
Utilities payable to subsidiaries	–	–	(1,034)	(1,038)
Repair and maintenance payable to subsidiaries	–	–	(5,377)	(2,258)
Supply of food and beverages from subsidiaries	–	–	(645)	(796)
Management fees received from subsidiaries	–	–	74,214	64,003

(b) Other transactions

Disposal of associate to a subsidiary	–	–	(21,514)	–

Related companies:

These are subsidiaries and associates of the Company and its subsidiaries.

37. RELATED PARTY DISCLOSURES (CONT'D.)

(c) Compensation of key management personnel

The remuneration of other members of key management during the year was as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Short-term employee benefits	11,203	10,779	8,097	8,312
Post-employment benefit:				
Defined contribution plans	1,769	1,674	1,294	1,283
	12,972	12,453	9,391	9,595

Remuneration of directors is as disclosed in Note 8.

38. COMPARATIVES

Certain comparative amounts as at 31 December 2010 have been restated.

	Note	As previously reported RM'000	Adjustment/ Reclassi –fication RM'000	As restated RM'000
Group				
Statement of financial position				
Property, plant and equipment	(i),(ii)	2,320,145	(2,082,299)	237,846
Intangible assets	(i)	1,675,851	2,136,680	3,812,531
Investment in associate	(i)	45,074	28,562	73,636
Trade and other payables				
– Current	(i),(ii)	(671,948)	(4,826)	(676,774)
– Non-current	(i),(ii)	(239,358)	(50,475)	(289,833)
Deferred tax liabilities	(i)	(47,903)	(7,100)	(55,003)
Retained earnings	(i),(ii)	(1,366,449)	(20,542)	(1,386,991)

38. COMPARATIVES (CONT'D.)

	Note	As previously reported RM'000	Adjustment/ Reclassi –fication RM'000	As restated RM'000
Group				
Statement of comprehensive income				
Revenue	(i)	1,812,857	655,147	2,468,004
Other income	(ii)	108,548	(2,877)	105,671
Depreciation and amortisation	(i), (ii)	(162,735)	(9,745)	(172,480)
Construction cost	(i)	–	(626,721)	(626,721)
Other expenses	(i), (iii)	(618,799)	37,133	(581,666)
Finance costs	(i), (iii)	(15,724)	(24,029)	(39,753)
Share of results of associates	(i)	(80,488)	1,065	(79,423)
Profit before tax	(i), (ii)	444,991	29,973	474,964
Income tax expense	(i)	(150,394)	(7,100)	(157,494)
Company				
Statement of financial position				
Property, plant and equipment	(i)	784,194	(706,850)	77,344
Intangible assets	(i)	–	735,266	735,266
Deferred tax liabilities	(i)	(1,058)	(7,000)	(8,058)
Retained earnings	(i)	(262,081)	(21,416)	(283,497)
Statement of comprehensive income				
Revenue	(i)	137,618	647,053	784,671
Construction cost	(i)	–	(619,189)	(619,189)
Profit before tax	(i)	98,838	27,864	126,702
Income tax expense	(i)	(27,609)	(7,000)	(34,609)

38. COMPARATIVES (CONT'D.)

Certain comparative amounts as at 1 January 2010 have been restated.

	Note	As previously reported RM'000	Adjustment/ Reclassi –fication RM'000	As restated RM'000
Group				
Statement of financial position				
Property, plant and equipment	(i),(ii)	1,612,984	(1,364,983)	248,001
Intangible assets	(i)	1,712,192	1,405,963	3,118,155
Investment in associate	(i)	133,734	27,497	161,231
Trade and other payables				
– Current	(ii)	(307,920)	37,339	(270,581)
– Non-current	(ii)	(665,406)	(108,147)	(773,553)
Retained earnings	(i),(ii)	(1,421,407)	2,331	(1,419,076)

(i) Arising from the adjustments as disclosed in Note 2.2(ii).
(ii) Arising from the adjustments as disclosed in Note 2.2(iii).
(iii) Arising from reclassification on fair value adjustments on financial liabilities of RM13,464,000 previously in other expenses to finance cost.

39. SIGNIFICANT EVENTS

(1) On 22 February 2011, a subsidiary, Malaysia Airports Consultancy Services Sdn Bhd ("MACS") entered into a Joint Cooperation Agreement with Nagamas Enterprise Hong Kong Limited ("NEHK") for the joint provision of airport operation, management and technical consultancy services for the Yongzhou Lingling Airport. Subsequently, on 20 September 2011, MACS entered into a Joint Venture Agreement with NEHK to set up a joint venture company for the joint provision of airport operation, management and technical consultancy services for the Yongzhou Lingling Airport for the Yongzhou City Government, as well as other airports in China to be mutually agreed by both MACS and NEHK. However, the incorporation of a joint venture company has not been incorporated and the proposed subscription of shares in the joint venture entity has not been effected as at 31 December 2011.

(2) On 22 September 2011, the Company entered into a concession agreement with WCT Berhad ("WCT") and Segi Astana Sdn Bhd ("SASB") for the privatisation of the construction, development and financing of the Integrated Complex at klia2 ("Concession Agreement") on a build-operate-transfer model ("the Project") for a concession period of 25 years with an option to extend for another 10 years in accordance with the terms and conditions in the Concession Agreement. On the same day, the relevant parties have also entered into the Shareholders Agreement made between WCT Land Sdn Bhd ("WCTL") (a wholly-owned subsidiary of WCT), SASB and the Company to govern the relationship of WCTL and MAHB in respect of the Project and as shareholders of SASB. The Company's equity interest in SASB is disclosed as investment in jointly controlled entities in Note 19.

(3) On 23 September 2011 the High Court of Malaya at Shah Alam had allowed XYBase Technologies (M) Sdn. Bhd ("XYBase") claims against the Group and two other parties ("the defendants") in respect of certain alleged breach of contract amounting to RM6,467,000 with interest at 4% per annum from 23 September 2011 until full settlement and claim for general damages for unlawful interference with XYBase's employees against all the defendants with the damages to be assessed by the Senior Assistant Registrar. The Group had paid the claims during the year.

(4) On 27 October 2011, the Company entered into a concession agreement with Airport Cooling Energy Supply Sdn Bhd ("the Concessionaire"), a wholly-owned subsidiary of TNB Engineering Corporation Sdn Bhd ("TNEC"), for the privatisation of the development of a 132kV sub-station and a district cooling plant for the supply of chilled water and electricity and associated works at the new low cost carrier terminal at Kuala Lumpur International Airport ("KLIA"), Sepang, Selangor (klia2) ("the klia2 Generation Plant") on a build-operate-transfer model for a concession period of up to 20 years.

On the same day, both the Company and TNEC executed a Shareholders Agreement in relation to TNEC's and MAHB's respective shareholdings in the Concessionaire and to govern TNEC's and MAHB's relationship as shareholders of the Concessionaire. The Company's equity interest in the Concessionaire is disclosed as investment in jointly controlled entities in Note 19.

40. SUBSEQUENT EVENT

On 30 January 2012, the Company announced the proposal to undertake a proposed private placement of up to 110,000,000 new ordinary shares of RM1 each in the Company representing up to 10% of the issued and paid up capital of the Company at an issue price to be determined at a later date ("Proposed Private Placement").

The purpose of the Proposed Private Placement is for the purpose of raising funds in an expedition manner to part finance the additional capital expenditure in connection with the construction of klia2 which is scheduled to be completed by April 2013.

The new shares to be issued pursuant to the Placement Exercise "Placement Shares", upon allotment and issue, shall rank *pari passu* in all respects with the existing shares of the Company and will not be ntitled to any dividends, rights, allotments and/or any other distributions, the entitlement date of which is prior to the date of allotment of the Placement Shares.

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 Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short-term in nature and have been mostly placed in fixed deposits.

The Group has minimal exposure to interest rate risk at the reporting date. The following table sets out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at the reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk:

41. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Interest rate risk (cont'd.)

	Note	WAEIR %	Within 1 Year RM'000	1–2 Years RM'000	Over 5 Years RM'000	Total RM'000
At 31 December 2011						
Group						
Fixed rate bonds	32	4.63	–	–	2,500,000	2,500,000
Floating rate						
Cash and cash equivalents	25	3.2	688,192	–	–	688,192
Company						
Fixed rate bonds	32	4.63	–	–	2,500,000	2,500,000
Floating rate						
Cash and cash equivalents	25	3.23	483,057	–	–	483,057
At 31 December 2010						
Group						
Fixed rate term loan	32	4.62	–	–	2,500,000	2,500,000
Floating rate						
Cash and cash equivalents	25	2.72	1,429,815	–	–	1,429,815
Company						
Fixed rate term loan	32	4.62	–	–	2,500,000	2,500,000
Floating rate						
Cash and cash equivalents	25	3.03	1,289,113	–	–	1,289,113

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 77 (2010: 95) 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.

41. FINANCIAL INSTRUMENTS (CONT'D.)

(c) Foreign currency risk

Other than the Group's investments in foreign associates and foreign subsidiaries, the Group does not operate internationally but is mainly exposed to the United States Dollar, Great Britain Pound, Euro, Singapore Dollar, 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:

Group	Net Financial Assets/(Liabilities) 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/CNY RM'000	Hong Kong HKD RM'000	Total RM'000
At 31 December 2011								
Ringgit Malaysia	6,868	(236)	(1,209)	1,185	15	(6)	(124)	6,493
At 31 December 2010								
Ringgit Malaysia	8,401	(250)	942	(31)	–	–	–	9,062
Company								
At 31 December 2011								
Ringgit Malaysia	11,710	(163)	1,587	424	–	–	(124)	13,434
At 31 December 2010								
Ringgit Malaysia	9,342	–	–	–	–	–	–	–

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, Euro and SGD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Group 2011 RM'000 Profit net of tax	Company 2011 RM'000 Profit net of tax
USD/RM	– strengthened 5%	(343)	(586)
	– weakened 5%	343	586
GBP/RM	– strengthened 5%	12	8
	– weakened 5%	(12)	(8)
Euro/RM	– strengthened 5%	60	(79)
	– weakened 5%	(60)	79
SGD/RM	– strengthened 5%	(59)	(21)
	– weakened 5%	59	21
SF/RM	– strengthened 5%	(1)	–
	– weakened 5%	1	–
HKD/RM	– strengthened 5%	6	–
	– weakened 5%	(6)	–

41. FINANCIAL INSTRUMENTS (CONT'D.)

(d) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short–term funding so as to achieve overall cost effectiveness.

At the reporting date, the entire trade and other payable will mature on demand or within a year.

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.

Group	**On demand within one year RM'000**	**One to five years RM'000**	**Over five years RM'000**	**Total RM'000**
31 December 2011				
Financial liabilities:				
Trade and other payables	913,929	–	–	913,929
Loans and borrowings	115,700	578,500	2,969,984	3,664,184
Total undiscounted financial liabilities	1,029,629	578,500	2,969,984	4,578,113
31 December 2010				
Financial liabilities:				
Trade and other payables	752,429	98,391	–	850,820
Loans and borrowings	115,700	578,500	3,085,684	3,779,884
Total undiscounted financial liabilities	868,129	676,891	3,085,684	4,630,704

41. FINANCIAL INSTRUMENTS (CONT'D.)

(d) Liquidity risk (cont'd.)

Analysis of financial instrument by remaining contractual maturities (cont'd.)

Company	On demand within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
31 December 2011				
Financial liabilities:				
Trade and other payables	333,337	–	–	333,337
Loans and borrowings	115,700	578,500	2,969,984	3,664,184
Total undiscounted financial liabilities	449,037	578,500	2,969,984	3,997,521
31 December 2010				
Financial liabilities:				
Trade and other payables	462,125	–	–	462,125
Loans and borrowings	115,700	578,500	3,085,684	3,779,884
Total undiscounted financial liabilities	577,825	578,500	3,085,684	4,242,009

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 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 21. 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 20 and 25.

Credit risk concentration profile

At the reporting date, approximately 55% (2010: 56%) of the Group's trade receivables were due from 6 (2010: six) 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 21 and the Group minimise its credit risk by regular communication with the GoM.

41. FINANCIAL INSTRUMENTS (CONT'D.)

(e) Credit risk (cont'd.)

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 21. Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 21.

(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	21
Trade and other payables	33

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.

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 2011 and 31 December 2010 other than the proposed private placement as disclosed in Note 40.

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 includes 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		Company	
	Note	2011 RM'000	Restated 2010 RM'000	2011 RM'000	Restated 2010 RM'000
Loans and borrowings	32	2,500,000	2,500,000	2,500,000	2,500,000
Financial guarantee and contingent liabilities	36	71,514	86,491	71,514	86,491
Obligation under finance lease	33	103,904	115,751	–	–
Aggregate indebtedness		2,675,418	2,702,242	2,571,514	2,586,491
Equity attributable to the owners of the parent		3,546,869	3,304,411	2,191,493	2,206,241
Total equity		3,546,869	3,304,411	2,191,493	2,206,241
Gearing ratio		75%	82%	117%	117%

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.

(b) Business segments

For management purposes, the Group is organised into business units and has the following reportable operating segments:-

(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 The Pan Pacific Hotel KLIA.

(v) Project and repair maintenance

To provide 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.

43. SEGMENT INFORMATION (CONT'D.)

(c) Geographical segments

No segmental information is provided on a geographical basis as the results of the overseas subsidiaries company are considered insignificant to the Group.

(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.

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	Continuing 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	Eliminations RM'000	Notes	Total RM'000	Discontinued operations Auction RM'000	Total operation RM'000
31 December 2011											
Revenue											
External sales											
Airport operations:											
Aeronautical	–	888,964	–	–	–	–	–		888,964	–	888,964
Non-aeronautical:											
Retail	474,574	–	–	–	–	–	–		474,574	–	474,574
Others	–	423,179	–	–	–	–	–		423,179	–	423,179
Construction	–	820,502	–	–	–	–	–		820,502	–	820,502
Non-airport operations	–	–	55,390	73,783	18,437	–	–		147,610	–	147,610
Inter-segment sales	1,604	137,851	2,747	861	86,967	–	(230,030)	A	–	–	–
Inter-segment dividends	–	–	–	–	–	211,986	(211,986)		–	–	–
Total revenue	476,178	2,270,496	58,137	74,644	105,404	211,986	(442,016)		2,754,829	–	2,754,829

43. SEGMENT INFORMATION (CONT'D.)

	Continuing 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	Eliminations RM'000	Notes	Total RM'000	Discontinued operations Auction RM'000	Total operation RM'000
31 December 2011											
Results											
Segment results	44,190	778,636	23,633	17,882	9,851	174,205	(221,918)	B	826,479	–	826,479
Depreciation and amortisation	(4,258)	(151,624)	(3,385)	(7,979)	(259)	(6,940)	–		(174,445)	–	(174,445)
Finance costs	–	(18,809)	–	–	–	–	–		(18,809)	–	(18,809)
Share of results of associates	–	3,476	–	–	–	(63,240)	–		(59,764)	–	(59,764)
Share of results of jointly controlled entities	–	–	–	–	–	677	–		677	–	677
Profit/(loss) before tax	39,932	611,679	20,248	9,903	9,592	104,702	(221,918)		574,138	–	574,138
Income tax expense	(9,912)	(144,766)	(4,757)	(2,742)	(4,272)	(46,686)	40,160	C	(172,975)	–	(172,975)
Profit/(loss) for the year	30,020	466,913	15,491	7,161	5,320	58,016	(181,758)		401,163	–	401,163
Assets											
Segment assets	184,964	5,889,989	88,641	126,094	174,052	5,754,544	(5,970,414)	D	6,247,870	446	6,248,316
Additions to non-current assets	9,241	258,188	2,432	3,169	22	844,257	–	E	1,117,309	–	1,117,309
Investment in associates	–	600	–	–	21,514	39,501	–		61,615	–	61,615
Total assets	194,205	6,148,777	91,073	129,263	195,588	6,638,302	(5,970,414)		7,426,794	446	7,427,240
Liabilities											
Segment liabilities representing total liabilities	109,758	3,074,871	28,784	18,193	121,840	4,549,744	(4,022,997)	F	3,880,193	178	3,880,371

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										
	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	Eliminations RM'000	Notes	Total RM'000	Discontinued operations Auction RM'000	Total operation RM'000
31 December 2010											
Revenue											
External sales											
Airport operations:											
Aeronautical	–	868,703	–	–	–	–	–		868,703	–	868,703
Non-aeronautical:											
Retail	411,809	–	–	–	–	–	–		411,809	–	411,809
Others	–	394,722	–	–	–	–	–		394,722	–	394,722
Construction	–	655,147	–	–	–	–	–		655,147	–	655,147
Non-airport operations	–	–	46,698	62,885	28,040	–	–		137,623	–	137,623
Inter-segment sales	1,406	136,392	2,899	781	84,555	–	(226,033)		–	–	–
Inter-segment dividends	–	–	–	–	–	143,618	(143,618)	A	–	–	–
Total revenue	413,215	2,054,964	49,597	63,666	112,595	143,618	(369,651)		2,468,004	–	2,468,004
Results											
Segment results	22,289	729,133	18,037	15,880	20,350	108,542	(147,611)	B	766,620	–	766,620
Depreciation and amortisation	(3,668)	(145,044)	(3,361)	(14,702)	(636)	(5,069)	–		(172,480)	–	(172,480)
Finance costs	–	(39,715)	–	–	–	(38)	–		(39,753)	–	(39,753)
Share of results of associates	–	3,507	–	–	–	(82,930)	–		(79,423)	–	(79,423)
Profit/(loss) before tax	18,621	547,881	14,676	1,178	19,714	20,505	(147,611)		474,964	–	474,964
Income tax expense	(5,484)	(135,009)	(4,080)	(550)	(5,639)	(36,164)	29,432	C	(157,494)	–	(157,494)
Profit/(loss) for the year	13,137	412,872	10,596	628	14,075	(15,659)	(118,179)		317,470	–	317,470

43. SEGMENT INFORMATION (CONT'D.)

	Continuing 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	Eliminations RM'000	Notes	Total RM'000	Discontinued operations Auction RM'000	Total operation RM'000
31 December 2010											
Assets											
Segment assets	116,944	7,149,059	73,066	117,420	175,815	6,331,577	(7,791,934)	D	6,171,947	496	6,172,443
Additions to non-current assets	1,711	141,414	6,984	4,016	37	710,768	–	E	864,930	–	864,930
Investment in associates	–	600	–	–	–	73,036	–		73,636	–	73,636
Total assets	118,655	7,291,073	80,050	121,436	175,852	7,115,381	(7,791,934)		7,110,513	496	7,111,009
Liabilities											
Segment liabilities representing total liabilities	46,886	4,546,436	24,563	19,721	101,328	4,964,674	(5,902,737)	F	3,800,871	229	3,801,100

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) The following items are added to/(deducted from) segment profit to arrive at "Profit before tax from continuing operations" presented in the consolidated statements of comprehensive income:

	2011 RM'000	2010 RM'000
Profit from inter-segment revenue	–	–
Profit from inter-segment dividend	221,918	150,991
Foreign currency exchange	–	(3,380)
	221,918	147,611

43. SEGMENT INFORMATION (CONT'D.)

(C) Inter-segment tax payable on dividend received are eliminated on consolidation.

(D) The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2011 RM'000	2010 RM'000
Investment in subsidiaries	(1,886,703)	(1,883,802)
Inter-segment assets	(4,083,711)	(5,908,132)
	(5,970,414)	(7,791,934)

(E) Additions to non-current assets consist of:

	2011 RM'000	2010 RM'000
Property, plant and equipment	50,475	21,963
Plantation development expenditure	1,502	2,947
Intangible assets	1,065,332	840,020
	1,117,309	864,930

(F) The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated financial statements of financial position:

	2011 RM'000	2010 RM'000
Provision for additional investment relating to an associate	(42,366)	(6,576)
Inter-segment liabilities	4,065,363	5,909,313
	4,022,997	5,902,737

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 2011 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	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Total retained earnings of the Company and its subsidiaries				
– Realised	3,163,928	2,809,283	234,012	263,140
– Unrealised	10,198	(9,180)	34,737	20,357
	3,174,126	2,800,103	268,749	283,497
Total share of retained earnings/(accumulated losses) from associated companies:				
– Realised	(187,793)	(26,112)	–	–
– Unrealised	51,270	(42,982)	–	–
	(136,523)	(69,094)	–	–
Total share of retained earnings from jointly controlled entities:				
– Realised	677	–	–	–
– Unrealised	–	–	–	–
	677	–	–	–
Less: Consolidation adjustments	(1,413,112)	(1,344,018)	–	–
Total retained earnings as per financial statements	1,625,168	1,386,991	268,749	283,497

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.

PASSENGER MOVEMENTS		2011	2010	% +/–
Terminal passengers	(international)	30,441,067	27,558,727	10.5%
Terminal passengers	(domestic)	32,922,125	29,570,367	11.3%
Transit passengers		646,466	700,371	–7.7%
Total passenger movements		**64,009,658**	**57,829,465**	**10.7%**

AIRCRAFT MOVEMENTS		2011	2010	% +/–
Commercial aircraft	(international)	227,514	206,372	10.2%
Commercial aircraft	(domestic)	404,622	371,718	8.9%
Total commercial aircraft		**632,136**	**578,090**	**9.3%**
All other aircraft		228,440	275,539	–17.1%
Total aircraft movements		**860,576**	**853,629**	**0.8%**

CARGO MOVEMENTS (kg)		2011	2010	% +/–
Cargo movements	(international)	721,752,807	741,045,406	–2.6%
Cargo movements	(domestic)	166,546,077	162,281,836	2.6%
Transit cargo		11,527,677	14,764,840	–21.9%
Total cargo movements		**899,826,561**	**918,092,081**	**–2.0%**

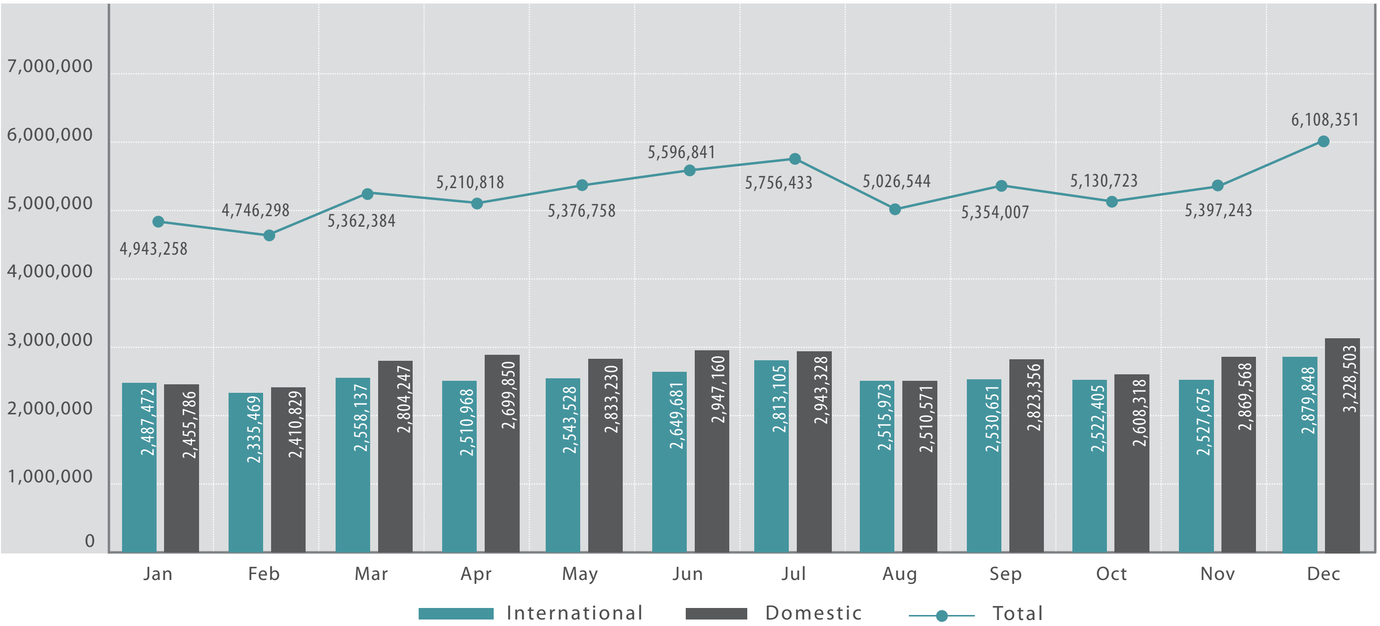
MAIL MOVEMENTS (kg)		2011	2010	% +/–
Mail movements	(international)	24,154,543	17,773,991	35.9%
Mail movements	(domestic)	7,793,346	7,881,449	–1.1%
Transit mail		137,752	672,121	–79.5%
Total mail movements		**32,085,641**	**26,327,561**	**21.9%**

PASSENGER MOVEMENTS 2011

AIRPORTS	DOMESTIC			INTERNATIONAL			TOTAL			TRANSIT		
	Arrival	Departure	Total	Arrival	Departure	Total	2011*	2010*	% + /–	Domestic	Int'l	Total
KLIA	5,730,525	5,667,147	11,397,672	12,898,577	13,017,146	25,915,723	37,704,510	34,087,636	10.6%	118	390,997	391,115
Penang	1,183,151	1,189,770	2,372,921	1,085,291	1,103,786	2,189,077	4,600,274	4,166,969	10.4%	17,329	20,947	38,276
Kota Kinabalu	2,251,560	2,263,004	4,514,564	625,954	631,597	1,257,551	5,808,639	5,223,454	11.2%	20,968	15,556	36,524
Kuching	1,936,802	1,929,126	3,865,928	190,569	191,278	381,847	4,286,722	3,684,517	16.3%	32,684	6,263	38,947
Langkawi	675,154	685,701	1,360,855	69,146	73,261	142,407	1,504,697	1,374,729	9.5%	1,414	21	1,435
Kota Bharu	559,797	572,548	1,132,345	0	0	0	1,132,345	1,047,755	8.1%	0	0	0
Ipoh	325	382	707	35,310	35,152	70,462	71,169	48,508	46.7%	0	0	0
Kuala Terengganu	255,648	238,188	493,836	4,553	4,577	9,130	502,966	520,611	-3.4%	0	0	0
Alor Setar	204,680	203,037	407,717	0	0	0	407,717	400,997	1.7%	0	0	0
Melaka	296	243	539	11,070	9,652	20,722	21,322	21,687	-1.7%	0	61	61
Subang	491,551	496,987	988,538	168,602	163,087	331,689	1,320,227	1,118,309	18.1%	0	0	0
Kuantan	112,345	110,306	222,651	13,061	13,134	26,195	248,846	220,878	12.7%	0	0	0
Tioman	20,510	20,854	41,364	9,852	10,794	20,646	62,010	54,056	14.7%	0	0	0
Pangkor	277	270	547	0	0	0	547	2,588	-78.9%	0	0	0
Redang	15,470	16,271	31,741	6,735	7,683	14,418	46,159	48,610	-5.0%	0	0	0
Labuan	266,496	254,861	521,357	897	66	963	567,928	505,903	12.3%	45,608	0	45,608
Lahad Datu	65,890	65,164	131,054	0	0	0	131,054	113,442	15.5%	0	0	0
Sandakan	375,653	380,440	756,093	31	20	51	788,515	741,674	6.3%	32,371	0	32,371
Tawau	454,511	467,941	922,452	0	0	0	922,452	897,848	2.7%	0	0	0
Bintulu	287,904	279,615	567,519	0	0	0	590,253	557,459	5.9%	22,734	0	22,734
Miri	892,643	890,176	1,782,819	29,350	30,836	60,186	1,856,626	1,694,915	9.5%	13,621	0	13,621
Sibu	558,048	560,804	1,118,852	0	0	0	1,133,093	1,009,002	12.3%	14,241	0	14,241
Mulu	31,887	31,590	63,477	0	0	0	67,041	66,575	0.7%	3,564	0	3,564
Limbang	28,255	27,956	56,211	0	0	0	56,211	50,044	12.3%	0	0	0
STOL Sabah	2,080	2,118	4,198	0	0	0	5,046	793	536.3%	848	0	848
STOL Sarawak	78,730	87,438	166,168	0	0	0	173,289	170,506	1.6%	7,121	0	7,121
Peninsular Malaysia	9,249,729	9,201,704	18,451,433	14,302,197	14,438,272	28,740,469	47,622,789	43,113,333	10.5%	18,861	412,026	430,887
Sabah	3,416,190	3,433,528	6,849,718	626,882	631,683	1,258,565	8,223,634	7,483,114	9.9%	99,795	15,556	115,351
Sarawak	3,814,269	3,806,705	7,620,974	219,919	222,114	442,033	8,163,235	7,233,018	12.9%	93,965	6,263	100,228
Total 2011	**16,480,188**	**16,441,937**	**32,922,125**	**15,148,998**	**15,292,069**	**30,441,067**	**64,009,658**	**57,829,465**	**10.7%**	**212,621**	**433,845**	**646,466**
Total 2010	14,794,336	14,776,031	29,570,367	13,782,313	13,776,414	27,558,727	57,829,465			267,018	433,353	700,371
% change	11.4%	11.3%	11.3%	9.9%	11.0%	10.5%	10.7%			-20.4%	0.1%	–7.7%

*Note : * Including transit passengers*

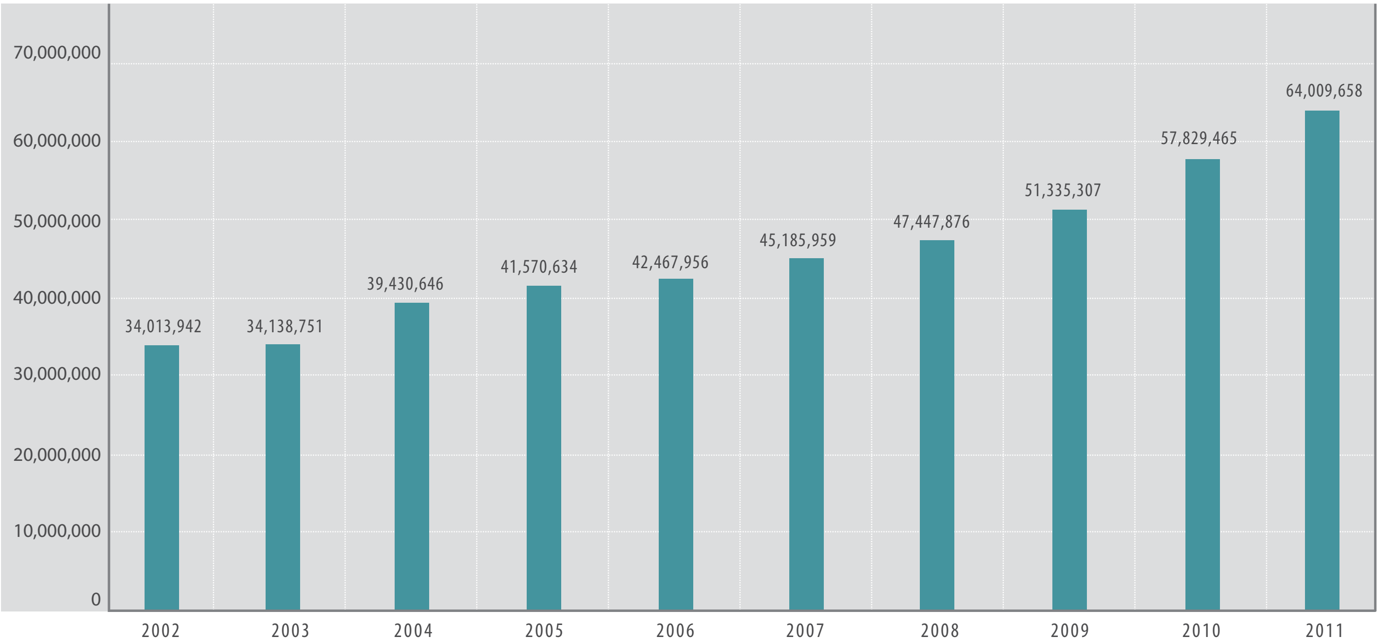
PASSENGER MOVEMENTS AT MAHB AIRPORTS 2011



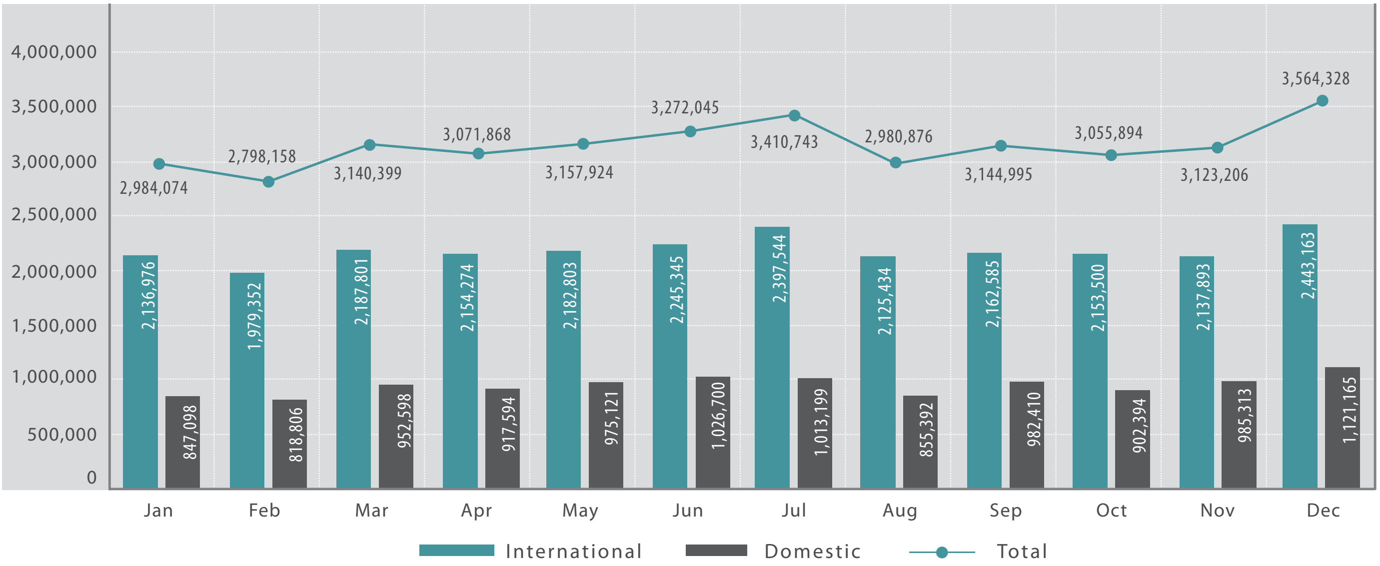
PASSENGER MOVEMENTS (2002 – 2011)

AIRPORTS	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	% + /–
KLIA	16,398,230	17,454,564	21,058,572	23,213,926	24,129,748	26,453,379	27,529,355	29,682,093	34,087,636	37,704,510	10.6%
Penang	2,508,693	2,334,669	2,987,993	2,834,545	3,103,772	3,173,117	3,405,762	3,325,423	4,166,969	4,600,274	10.4%
Kota Kinabalu	3,256,212	3,302,366	3,918,201	3,975,136	4,015,221	4,399,939	4,689,164	4,868,526	5,223,454	5,808,639	11.2%
Kuching	2,935,052	2,923,633	3,317,879	3,354,973	3,196,352	3,236,468	3,238,614	3,574,632	3,684,517	4,286,722	16.3%
Langkawi	712,988	726,817	845,276	830,334	934,024	1,122,911	1,196,956	1,359,271	1,374,729	1,504,697	9.5%
Johor Bahru	874,278	651,352	–	–	–	–	–	–	–	–	–
Kota Bharu	534,959	589,950	639,871	635,397	678,306	759,316	836,060	1,003,162	1,047,755	1,132,345	8.1%
Ipoh	132,314	115,286	103,123	74,451	64,711	814	5,376	21,937	48,508	71,169	46.7%
Kuala Terengganu	309,202	394,240	435,620	419,475	398,252	430,800	487,495	523,619	520,611	502,966	–3.4%
Alor Setar	287,465	353,778	346,502	323,669	292,549	291,006	307,564	421,314	400,997	407,717	1.7%
Melaka	7,438	31,108	46,692	27,683	18,509	27,209	23,751	18,576	21,687	21,322	–1.7%
Subang	1,130,169	72,491	90,593	83,602	83,502	95,583	307,747	819,840	1,118,309	1,320,227	18.1%
Kuantan	388,746	351,179	349,375	298,184	273,005	262,486	259,529	226,912	220,878	248,846	12.7%
Tioman	64,067	56,900	57,957	54,054	57,559	46,260	48,767	49,057	54,056	62,010	14.7%
Pangkor	8,811	6,095	10,247	11,193	9,866	8,906	8,132	7,617	2,588	547	–78.9%
Redang	–	–	20,750	30,650	28,928	33,738	34,957	28,246	48,610	46,159	–5.0%
Labuan	635,458	696,961	686,103	642,582	575,684	535,294	550,859	476,876	505,903	567,928	12.3%
Lahad Datu	108,151	107,914	117,584	116,973	108,697	77,024	99,983	98,558	113,442	131,054	15.5%
Sandakan	449,613	497,999	574,213	621,513	633,194	626,192	618,927	672,469	741,674	788,515	6.3%
Tawau	495,462	551,168	620,847	680,901	660,331	736,646	768,967	866,601	897,848	922,452	2.7%
Bintulu	422,715	427,894	464,576	487,077	449,673	381,158	417,918	487,060	557,459	590,253	5.9%
Miri	1,292,004	1,377,312	1,509,684	1,594,855	1,559,379	1,454,167	1,537,840	1,620,345	1,694,915	1,856,626	9.5%
Sibu	759,704	817,687	903,108	920,930	898,923	809,955	831,772	939,732	1,009,002	1,133,093	12.3%
Mulu	44,371	41,280	54,767	52,914	48,825	37,463	43,652	49,255	66,575	67,041	0.7%
Limbang	77,821	83,459	96,209	105,652	89,814	50,107	49,181	45,512	50,044	56,211	12.3%
STOL Sabah	6,896	6,945	7,099	6,009	5,933	1,942	3,741	0	793	5,046	536.3%
STOL Sarawak	173,123	165,704	167,805	173,956	153,199	134,079	145,807	148,674	170,506	173,289	1.6%
Peninsular Malaysia	23,357,360	23,138,429	26,992,571	28,837,163	30,072,731	32,705,525	34,451,451	37,487,067	43,113,333	47,622,789	10.5%
Sabah	4,951,792	5,163,353	5,924,047	6,043,114	5,999,060	6,377,037	6,731,641	6,983,030	7,483,114	8,223,634	9.9%
Sarawak	5,704,790	5,836,969	6,514,028	6,690,357	6,396,165	6,103,397	6,264,784	6,865,210	7,233,018	8,163,235	12.9%
Grand Total	**34,013,942**	**34,138,751**	**39,430,646**	**41,570,634**	**42,467,956**	**45,185,959**	**47,447,876**	**51,335,307**	**57,829,465**	**64,009,658**	**10.7%**
% change	4.2%	0.4%	15.5%	5.4%	2.2%	6.4%	5.0%	8.2%	12.7%	10.7%	

PASSENGER MOVEMENTS AT MAHB AIRPORTS (2002 – 2011)



PASSENGER MOVEMENTS AT KL INTERNATIONAL AIRPORT 2011



INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2011

	ARRIVAL		DEPARTURE		TOTAL		
	2011	2010	2011	2010	2011	2010	% + / –
SOUTH EAST ASIA							
Balikpapan	20,372	0	19,161	0	39,533	0	–
Banda Acheh	27,997	27,393	28,916	27,979	56,913	55,372	2.8%
Bandar Seri Begawan	144,801	113,686	144,760	111,843	289,561	225,529	28.4%
Bandung	152,455	121,404	162,452	130,035	314,907	251,439	25.2%
Bangkok	723,051	692,015	747,827	668,611	1,470,878	1,360,626	8.1%
Cebu	0	2,523	0	2,208	0	4,731	–
Chiang Mai	52,896	50,688	52,635	50,658	105,531	101,346	4.1%
Clark Field	44,703	42,407	46,849	43,986	91,552	86,393	6.0%
Da Nang	1,154	0	1,416	0	2,570	0	–
Denpasar	402,437	360,958	392,141	351,547	794,578	712,505	11.5%
Dili	0	112	0	46	0	158	–
Hanoi	120,700	113,490	130,248	122,182	250,948	235,672	6.5%
Hatyai	43,324	14,905	43,045	15,325	86,369	30,230	185.7%
Ho Chi Minh City	335,303	293,161	319,792	273,708	655,095	566,869	15.6%
Jakarta	767,493	647,385	784,501	689,081	1,551,994	1,336,466	16.1%
Krabi	47,251	42,746	46,041	41,111	93,292	83,857	11.3%
Manado	0	2,360	0	2,276	0	4,636	–
Manila	163,240	133,429	158,707	129,087	321,947	262,516	22.6%
Mataram	2,526	17,635	6,418	17,550	8,944	35,185	–74.6%
Medan	258,971	220,808	271,729	234,918	530,700	455,726	16.5%
Padang	68,786	62,134	70,226	65,133	139,012	127,267	9.2%
Palembang	19,986	5,312	20,372	5,737	40,358	11,049	265.3%
Pekan Baru	47,448	35,528	47,198	36,134	94,646	71,662	32.1%
Phnom Penh	130,197	115,981	132,961	102,071	263,158	218,052	20.7%
Phuket	261,595	215,504	258,186	212,801	519,781	428,305	21.4%
Siem Reap	60,684	66,728	58,021	56,365	118,705	123,093	–3.6%
Singapore	1,479,495	1,377,099	1,464,692	1,356,987	2,944,187	2,734,086	7.7%
Solo City	40,121	40,028	49,080	46,636	89,201	86,664	2.9%
Surabaya	263,019	247,406	288,200	262,554	551,219	509,960	8.1%
Ujung Padang	28,003	27,485	28,971	27,911	56,974	55,396	2.8%
Vientiane	19,986	20,458	20,052	20,721	40,038	41,179	–2.8%
Yangon	121,933	103,646	99,429	70,685	221,362	174,331	27.0%
Yogyakarta	49,559	53,326	59,105	62,365	108,664	115,691	–6.1%
Total	**5,899,486**	**5,267,740**	**5,953,131**	**5,238,251**	**11,852,617**	**10,505,991**	**12.8%**

INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2011

	ARRIVAL		DEPARTURE		TOTAL		
	2011	2010	2011	2010	2011	2010	% + / –
NORTH EAST ASIA							
Beijing	120,891	116,423	125,582	120,266	246,473	236,689	4.1%
Changsha	88	0	373	0	461	0	–
Chengdu	67,223	69,978	68,775	72,752	135,998	142,730	–4.7%
Chongqing	185	164	255	326	440	490	–10.2%
Fuzhou	13,378	14,984	13,367	18,361	26,745	33,345	–19.8%
Guangzhou	295,026	230,557	301,162	230,790	596,188	461,347	29.2%
Guilin	30,136	34,646	30,359	34,820	60,495	69,466	–12.9%
Haikou	6,255	21,617	6,103	21,168	12,358	42,785	–71.1%
Haneda	40,666	3,466	37,239	3,177	77,905	6,643	1072.7%
Hangzhou	98,174	102,508	102,682	103,405	200,856	205,913	–2.5%
Harbin	261	0	601	0	862	0	–
Hong Kong	635,513	600,416	667,144	637,034	1,302,657	1,237,450	5.3%
Kaohsiung	11,826	14,075	11,686	14,137	23,512	28,212	–16.7%
Kunming	20,221	15,519	19,630	16,089	39,851	31,608	26.1%
Macau	143,918	133,327	146,196	135,778	290,114	269,105	7.8%
Muan	0	0	0	14	0	14	–
Nanjing	0	434	0	361	0	795	–
Nanning	4,520	8,323	5,692	9,048	10,212	17,371	–41.2%
Osaka	60,288	61,239	63,261	68,460	123,549	129,699	–4.7%
Pyongyang	773	223	934	301	1,707	524	225.8%
Sanya	0	0	0	111	0	111	–
Sapporo	1,055	1,029	1,716	1,098	2,771	2,127	30.3%
Seoul	257,906	171,624	261,159	168,297	519,065	339,921	52.7%
Shanghai Pu Dong	187,365	187,330	190,751	195,172	378,116	382,502	–1.1%
Shenzhen	99,953	122,497	101,111	119,134	201,064	241,631	–16.8%
Taipei	327,740	332,215	326,817	329,648	654,557	661,863	–1.1%
Tianjin	65,065	58,344	68,052	61,305	133,117	119,649	11.3%
Tokyo	144,743	180,054	147,778	179,643	292,521	359,697	–18.7%
Urumqi	0	0	0	294	0	294	–
Wuhan	0	164	0	0	0	164	–
Xi An	236	2	585	697	821	699	17.5%
Xiamen	50,246	49,255	52,165	49,722	102,411	98,977	3.5%
Zhengzhou	489	187	9,781	3,056	10,270	3,243	216.7%
Total	**2,684,140**	**2,530,600**	**2,760,956**	**2,594,464**	**5,445,096**	**5,125,064**	**6.2%**

	ARRIVAL		DEPARTURE		TOTAL		
	2011	2010	2011	2010	2011	2010	% + / –
SOUTHWEST PACIFIC							
Adelaide	68,061	49,654	68,808	51,415	136,869	101,069	35.4%
Auckland	66,929	54,734	67,744	58,630	134,673	113,364	18.8%
Brisbane	58,803	50,624	56,687	41,798	115,490	92,422	25.0%
Christchurch	45,154	0	42,727	0	87,881	0	–
Christmas Island	2,624	2,197	2,517	2,413	5,141	4,610	11.5%
Gold Coast	92,335	95,982	95,861	94,250	188,196	190,232	–1.1%
Melbourne	342,008	356,439	346,073	352,770	688,081	709,209	–3.0%
Perth	224,790	214,098	225,058	210,698	449,848	424,796	5.9%
Port Moresby	1,545	3,231	1,692	3,779	3,237	7,010	–53.8%
Sydney	187,887	147,771	193,555	153,646	381,442	301,417	26.5%
Total	**1,090,136**	**974,730**	**1,100,722**	**969,399**	**2,190,858**	**1,944,129**	**12.7%**
SOUTH ASIA							
Bangalore	73,195	55,524	76,249	59,592	149,444	115,116	29.8%
Chennai	230,097	195,946	212,359	181,170	442,456	377,116	17.3%
Colombo	178,663	144,016	155,879	131,097	334,542	275,113	21.6%
Delhi	202,270	133,843	206,209	131,610	408,479	265,453	53.9%
Dhaka	204,321	255,026	177,055	197,416	381,376	452,442	–15.7%
Gan Island	0	0	0	57	0	57	–
Hyderabad	39,441	40,847	40,427	40,504	79,868	81,351	–1.8%
Karachi	39,019	39,051	35,603	28,997	74,622	68,048	9.7%
Kathmandu	37,900	34,273	41,630	36,984	79,530	71,257	11.6%
Kochi	49,610	41,816	51,814	46,250	101,424	88,066	15.2%
Kolkata	20,305	34,360	21,568	35,737	41,873	70,097	–40.3%
Lahore	9,205	7,219	9,568	5,943	18,773	13,162	42.6%
Malè	46,148	43,612	46,968	50,641	93,116	94,253	–1.2%
Mumbai	130,483	104,316	126,460	100,585	256,943	204,901	25.4%
Peshawar	5,467	0	7,565	5,325	13,032	5,325	144.7%
Thiruchilapally	78,035	80,427	90,079	94,272	168,114	174,699	–3.8%
Thiruvananthapuram	653	27,200	436	27,435	1,089	54,635	–98.0%
Total	**1,344,812**	**1,237,476**	**1,299,869**	**1,173,615**	**2,644,681**	**2,411,091**	**9.7%**

INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2011

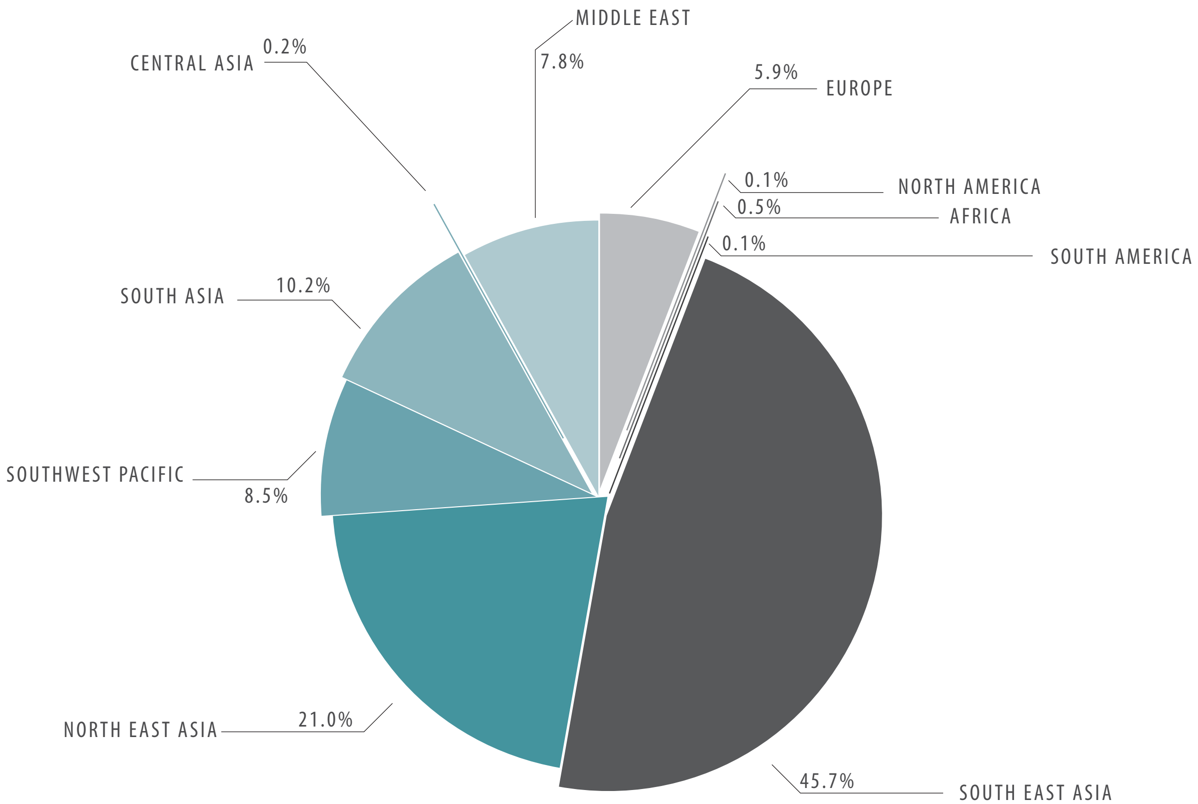
	ARRIVAL		DEPARTURE		TOTAL		
	2011	2010	2011	2010	2011	2010	% + / –
CENTRAL ASIA							
Almaty	15,489	8,885	14,851	8,344	30,340	17,229	76.1%
Tashkent	17,411	14,579	16,691	14,291	34,102	28,870	18.1%
Total	**32,900**	**23,464**	**31,542**	**22,635**	**64,442**	**46,099**	**39.8%**
MIDDLE EAST							
Abu Dhabi	84,789	88,321	83,297	84,613	168,086	172,934	–2.8%
Amman	14,706	7,983	16,487	9,176	31,193	17,159	81.8%
Bahrain	60,826	60,528	58,014	57,234	118,840	117,762	0.9%
Beirut	294	8,141	300	8,403	594	16,544	–96.4%
Cairo	16,639	39,772	18,304	38,941	34,943	78,713	–55.6%
Dammam	11,716	6,082	8,332	6,951	20,048	13,033	53.8%
Doha	128,941	125,493	120,970	119,827	249,911	245,320	1.9%
Dubai	308,286	288,482	306,782	279,756	615,068	568,238	8.2%
Jeddah	139,476	101,031	140,020	101,018	279,496	202,049	38.3%
Kuwait	11,259	14,572	15,935	18,389	27,194	32,961	–17.5%
Madinah	11,276	10,662	22,150	20,125	33,426	30,787	8.6%
Mashad	2,378	3,250	2,379	3,592	4,757	6,842	–30.5%
Muscat	44,472	18,934	47,671	16,960	92,143	35,894	156.7%
Riyadh	50,102	32,084	28,273	17,074	78,375	49,158	59.4%
Sanaa	5,712	6,996	5,796	7,574	11,508	14,570	–21.0%
Shiraz	7,889	10,294	8,085	8,819	15,974	19,113	–16.4%
Tehran Imam Khomeini	113,899	75,365	113,829	74,804	227,728	150,169	51.6%
Total	**1,012,660**	**897,990**	**996,624**	**873,256**	**2,009,284**	**1,771,246**	**13.4%**

	ARRIVAL		DEPARTURE		TOTAL		
	2011	2010	2011	2010	2011	2010	% + / –
EUROPE							
Amsterdam	192,357	189,654	204,519	201,520	396,876	391,174	1.5%
Frankfurt	70,524	74,121	73,545	77,452	144,069	151,573	–5.0%
Istanbul	33,610	33,299	34,622	33,891	68,232	67,190	1.6%
London Heathrow	214,331	214,223	219,154	214,278	433,485	428,501	1.2%
London Gatwick	11,765	0	11,504	0	23,269	0	–
London Stansted	61,657	79,639	71,841	90,012	133,498	169,651	–21.3%
Moscow	303	0	0	0	303	0	–
Paris	82,653	75,190	84,899	80,242	167,552	155,432	7.8%
Paris Orly	42,188	0	45,665	0	87,853	0	–
Rome	35,100	34,093	36,545	35,913	71,645	70,006	2.3%
Stockholm	0	0	0	457	0	457	–
Total	**744,488**	**700,219**	**782,294**	**733,765**	**1,526,782**	**1,433,984**	**6.5%**
NORTH AMERICA							
Los Angeles	13,585	12,674	16,710	16,344	30,295	29,018	4.4%
Total	**13,585**	**12,674**	**16,710**	**16,344**	**30,295**	**29,018**	**4.4%**
SOUTH AMERICA							
Buenos Aires	17,637	15,937	16,748	15,078	34,385	31,015	10.9%
Total	**17,637**	**15,937**	**16,748**	**15,078**	**34,385**	**31,015**	**10.9%**
AFRICA							
Cape Town	12,345	7,960	11,990	8,878	24,335	16,838	44.5%
Harare	1,478	1,715	1,232	1,567	2,710	3,282	–17.4%
Johannesburg	30,982	27,576	29,640	25,133	60,622	52,709	15.0%
Mauritius	13,928	16,918	15,688	15,043	29,616	31,961	–7.3%
Total	**58,733**	**54,169**	**58,550**	**50,621**	**117,283**	**104,790**	**11.9%**
Grand Total	**12,898,577**	**11,714,999**	**13,017,146**	**11,687,428**	**25,915,723**	**23,402,427**	**10.7%**

INTERNATIONAL PASSENGER MOVEMENTS **BY SECTORS AT KL INTERNATIONAL AIRPORT 2011**

KL INTERNATIONAL AIRPORT PASSENGER MOVEMENTS BY SECTORS 2011

INTERNATIONAL MOVEMENTS: 25,915,723



AIRLINES WITH MORE THAN 1% INTERNATIONAL MARKET SHARE AT KLIA

AIRLINES	PASSENGER MOVEMENTS 2011	MARKET SHARE %
Malaysia Airlines	8,282,175	31.5%
AirAsia	6,477,327	24.6%
AirAsia X	2,388,702	9.1%
Indonesia AirAsia	1,213,421	4.6%
Emirates	725,500	2.8%
Cathay Pacific Airways	678,633	2.6%
Tiger Airways	449,850	1.7%
KLM-Royal Dutch Airlines	443,291	1.7%
SilkAir	426,882	1.6%
Thai Airways International	370,782	1.4%

10 HIGHEST GROWTH INTERNATIONAL PERFORMANCE AT KLIA

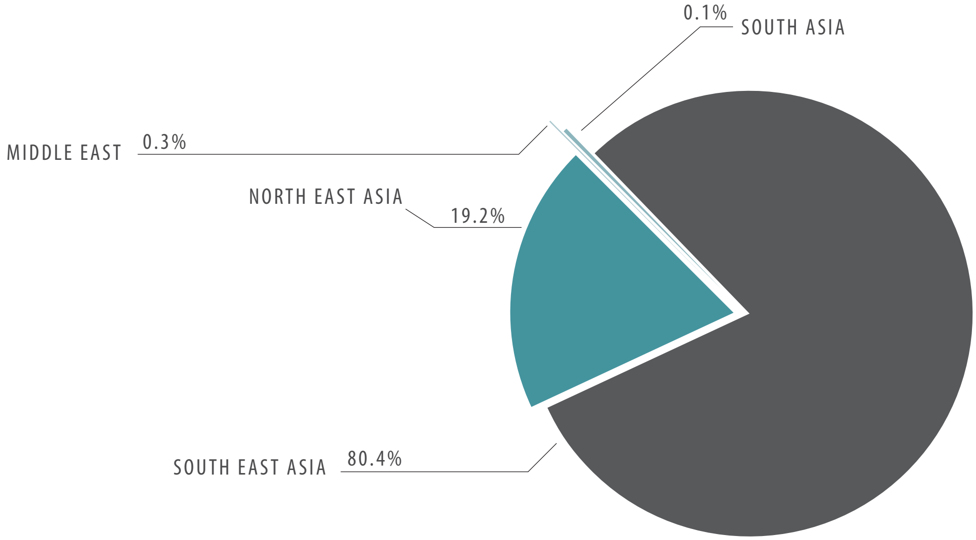
AIRLINES	PASSENGER MOVEMENTS 2011	% Y-O-Y
Lion Air	78,793	3147.9%
Air Koryo	1,707	225.8%
Oman Air	92,143	156.7%
Royal Jordanian	63,913	140.7%
Air Astana	30,340	76.1%
Tiger Airways	449,850	56.6%
Garuda Indonesia	163,122	53.4%
China Southern Airlines	157,946	52.9%
Vietnam Airlines	210,990	51.9%
Pakistan International Airlines	67,228	33.4%

DOMESTIC TRAFFIC AT KLIA

AIRLINES	PASSENGER MOVEMENTS 2011	% Y-O-Y
Malaysia Airlines	4,109,363	–5.4%
AirAsia	6,586,687	10.3%
Firefly	701,661	–

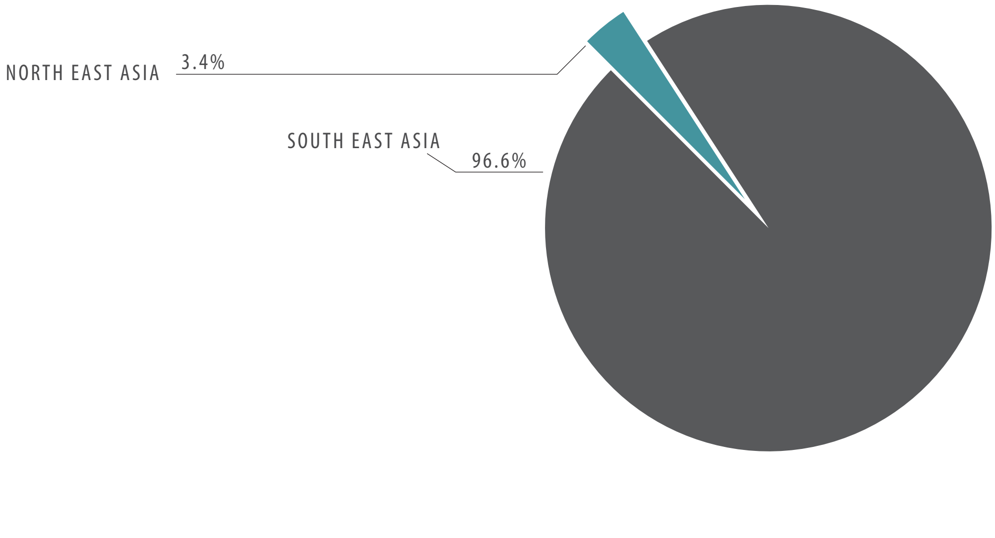
PENANG INTERNATIONAL AIRPORT PASSENGER BY SECTORS 2011

INTERNATIONAL MOVEMENTS: 2, 210, 024



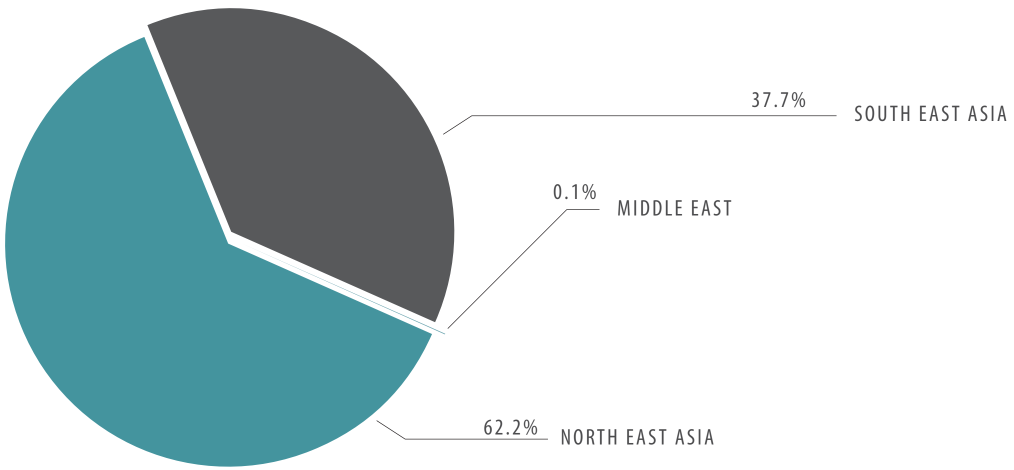
LANGKAWI INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS 2011

INTERNATIONAL MOVEMENTS: 142,428



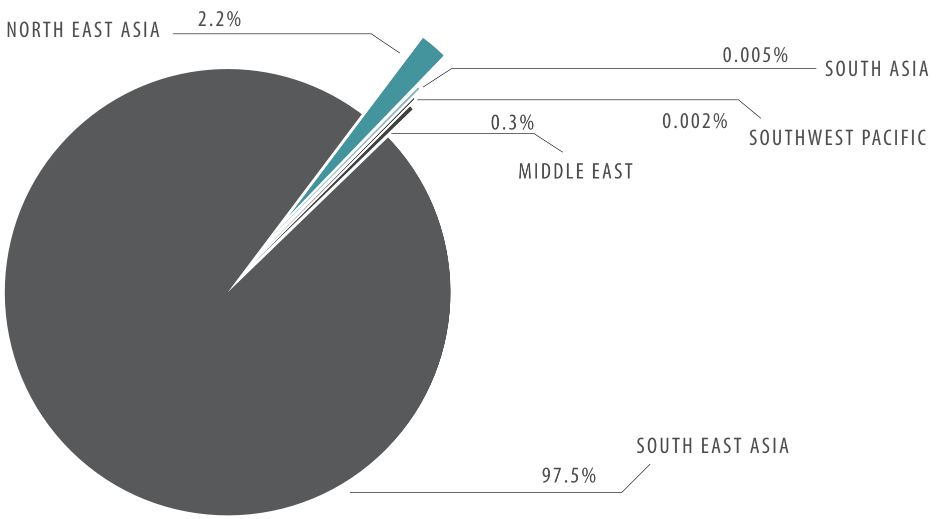
KOTA KINABALU INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS 2011

INTERNATIONAL MOVEMENTS: 1,273,107



KUCHING INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS 2011

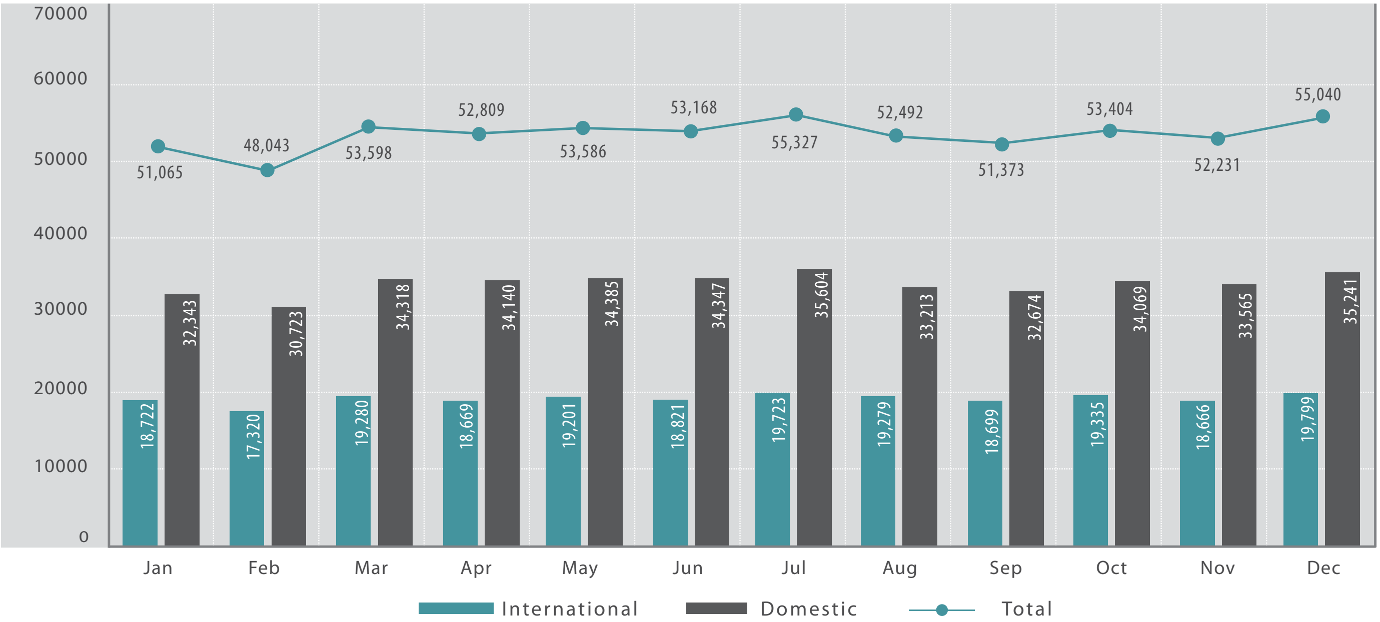
INTERNATIONAL MOVEMENTS: 388,110



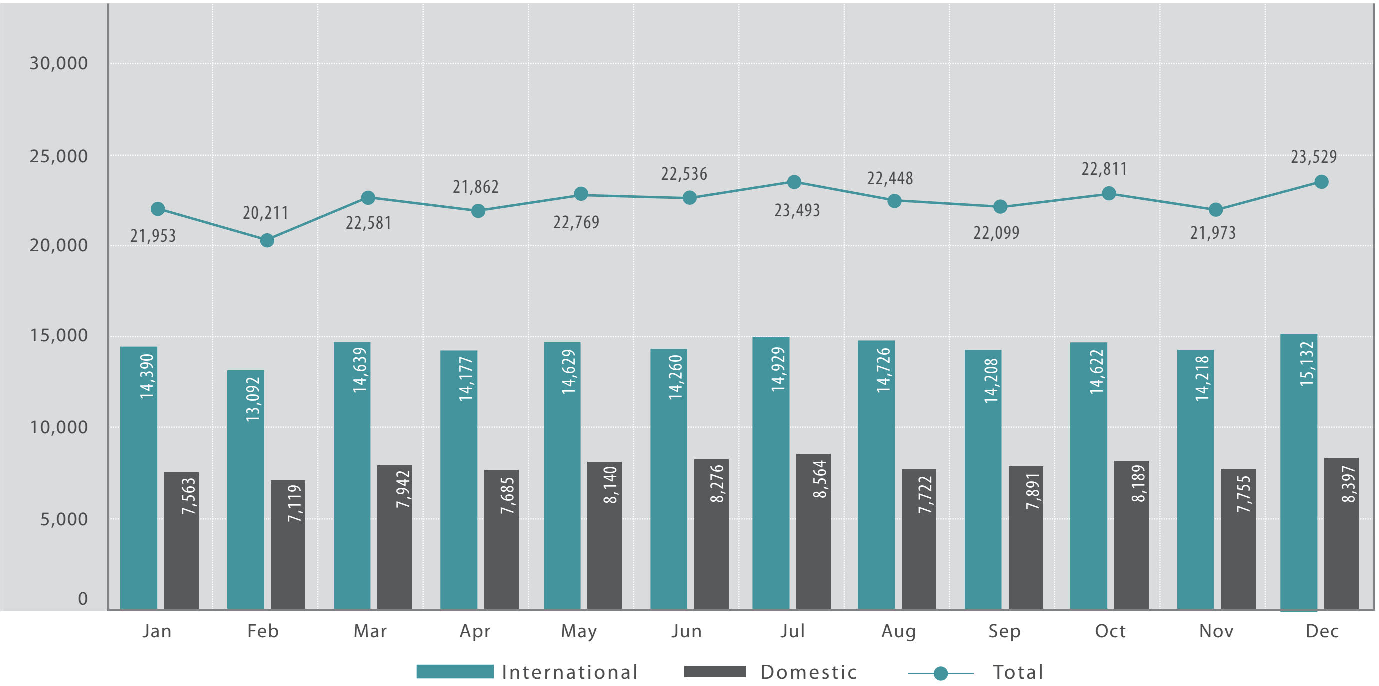
COMMERCIAL AIRCRAFT MOVEMENTS 2011

AIRPORTS	DOMESTIC			INTERNATIONAL			TOTAL		
	Scheduled	Non-scheduled	Total	Scheduled	Non-scheduled	Total	2011	2010	% +/–
KLIA	94,521	722	95,243	171,961	1,061	173,022	268,265	244,179	9.9%
Penang	26,644	1	26,645	23,949	16	23,965	50,610	44,753	13.1%
Kota Kinabalu	47,159	1,397	48,556	11,080	2	11,082	59,638	55,089	8.3%
Kuching	40,876	3,561	44,437	4,921	255	5,176	49,613	42,940	15.5%
Langkawi	12,902	0	12,902	1,600	8	1,608	14,510	13,274	9.3%
Kota Bharu	12,632	2,672	15,304	0	0	0	15,304	13,180	16.1%
Ipoh	40	0	40	1,496	0	1,496	1,536	844	82.0%
Kuala Terengganu	5,929	0	5,929	50	27	77	6,006	5,959	0.8%
Alor Setar	4,841	0	4,841	0	0	0	4,841	4,513	7.3%
Melaka	24	0	24	442	0	442	466	584	–20.2%
Subang	22,520	0	22,520	8,259	0	8,259	30,779	24,509	25.6%
Kuantan	2,728	4	2,732	424	22	446	3,178	2,628	20.9%
Tioman	1,111	0	1,111	655	0	655	1,766	1,662	6.3%
Pangkor	32	0	32	0	0	0	32	174	–81.6%
Redang	849	0	849	470	0	470	1,319	1,356	–2.7%
Labuan	8,800	3,724	12,524	8	113	121	12,645	11,988	5.5%
Lahad Datu	2,880	61	2,941	0	0	0	2,941	2,860	2.8%
Sandakan	9,888	839	10,727	0	30	30	10,757	12,095	–11.1%
Tawau	9,045	265	9,310	0	18	18	9,328	9,723	–4.1%
Bintulu	10,065	1,143	11,208	8	54	62	11,270	10,994	2.5%
Miri	30,156	10,190	40,346	583	2	585	40,931	39,509	3.6%
Sibu	16,821	1,390	18,211	0	0	0	18,211	17,899	1.7%
Mulu	1,876	36	1,912	0	0	0	1,912	1,726	10.8%
Limbang	1,678	218	1,896	0	0	0	1,896	1,947	–2.6%
STOL Sabah	264	0	264	0	0	0	264	167	58.1%
STOL Sarawak	13,086	1,032	14,118	0	0	0	14,118	13,538	4.3%
Peninsular Malaysia	184,773	3,399	188,172	209,306	1,134	210,440	398,612	357,615	11.5%
Sabah	78,036	6,286	84,322	11,088	163	11,251	95,573	91,922	4.0%
Sarawak	114,558	17,570	132,128	5,512	311	5,823	137,951	128,553	7.3%
Total 2011	**377,367**	**27,255**	**404,622**	**225,906**	**1,608**	**227,514**	**632,136**	**578,090**	**9.3%**
Total 2010	347,654	24,064	371,718	203,815	2,557	206,372	578,090		
% change	8.5%	13.3%	8.9%	10.8%	–37.1%	10.2%	9.3%		

COMMERCIAL AIRCRAFT MOVEMENTS AT MAHB AIRPORTS 2011



COMMERCIAL AIRCRAFT MOVEMENTS AT KL INTERNATIONAL AIRPORT 2011

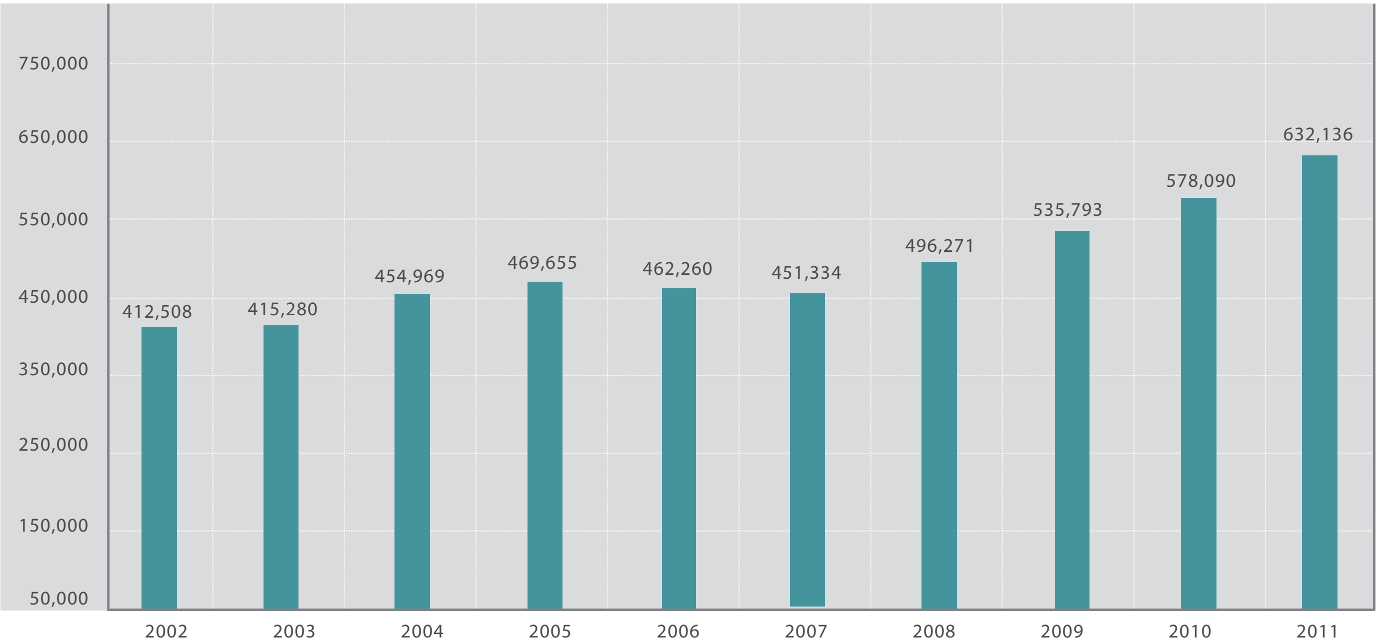


COMMERCIAL AIRCRAFT MOVEMENTS (2002 – 2011)

AIRPORTS	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	% + /–
KLIA	127,462	139,101	164,483	181,341	182,548	192,304	209,681	225,251	244,179	268,265	9.9%
Penang	28,861	26,516	29,182	31,173	31,448	34,508	38,335	38,343	44,753	50,610	13.1%
Kota Kinabalu	42,177	42,491	50,313	49,680	50,594	49,881	52,463	52,677	55,089	59,638	8.3%
Kuching	39,477	38,676	41,353	39,430	37,167	34,192	36,087	41,437	42,940	49,613	15.5%
Pulau Langkawi	7,910	7,168	7,352	8,021	8,287	10,828	12,242	12,638	13,274	14,510	9.3%
Johor Bahru	9,291	8,848	–	–	–	–	–	–	–	–	–
Kota Bharu	6,255	7,520	8,888	8,765	10,368	13,074	14,083	13,709	13,180	15,304	16.1%
Ipoh	1,662	1,572	1,402	1,145	954	12	183	384	844	1,536	82.0%
Kuala Terengganu	3,196	4,221	4,776	4,623	3,792	4,533	6,043	6,006	5,959	6,006	0.8%
Alor Setar	2,940	3,646	3,568	3,267	2,820	2,668	2,934	4,578	4,513	4,841	7.3%
Melaka	182	1,102	2,135	1,328	596	714	700	616	584	466	–20.2%
Subang	14,685	5,140	6,981	8,988	9,158	7,234	11,448	19,897	24,509	30,779	25.6%
Kuantan	3,764	3,743	3,748	3,500	2,748	3,253	3,334	2,947	2,628	3,178	20.9%
Tioman	2,357	2,173	1,885	1,668	1,836	1,597	1,603	1,591	1,662	1,766	6.3%
Pangkor	519	511	534	530	514	517	503	502	174	32	–81.6%
Redang	–	–	741	1,110	934	1,053	1,083	862	1,356	1,319	–2.7%
Labuan	8,358	9,661	10,450	9,292	9,332	10,127	11,212	10,868	11,988	12,645	5.5%
Lahad Datu	2,886	2,882	2,948	3,010	3,203	2,195	2,922	2,922	2,860	2,941	2.8%
Sandakan	9,474	9,985	10,184	10,876	10,034	7,719	8,991	10,214	12,095	10,757	–11.1%
Tawau	6,928	7,450	8,019	8,531	8,005	6,863	7,334	8,885	9,723	9,328	–4.1%
Bintulu	14,111	13,288	13,240	13,146	11,388	6,542	8,933	10,948	10,994	11,270	2.5%
Miri	39,545	40,468	42,306	40,302	39,462	33,022	35,178	38,836	39,509	40,931	3.6%
Sibu	16,791	16,593	17,162	16,683	15,092	11,765	14,307	16,275	17,899	18,211	1.7%
Mulu	4,536	3,422	3,066	2,620	2,220	1,638	1,642	1,570	1,726	1,912	10.8%
Limbang	4,688	4,994	5,625	5,490	4,242	2,300	1,860	1,697	1,947	1,896	–2.6%
STOL Sabah	922	936	812	814	800	338	459	0	167	264	58.1%
STOL Sarawak	13,531	13,173	13,816	14,322	14,718	12,457	12,716	12,140	13,538	14,118	4.3%
Peninsular Malaysia	209,084	211,261	235,675	255,459	256,003	272,295	302,167	327,324	357,615	398,612	11.5%
Sabah	70,745	73,405	82,726	82,203	81,968	77,123	83,381	85,566	91,922	95,573	4.0%
Sarawak	132,679	130,614	136,568	131,993	124,289	101,916	110,723	122,903	128,553	137,951	7.3%
Total	**412,508**	**415,280**	**454,969**	**469,655**	**462,260**	**451,334**	**496,271**	**535,793**	**578,090**	**632,136**	**9.3%**
% change	4.5%	0.7%	9.6%	3.2%	–1.6%	–2.4%	10.0%	8.0%	7.9%	9.3%	

COMMERCIAL AIRCRAFT MOVEMENTS (2002 – 2011)

COMMERCIAL AIRCRAFT MOVEMENTS AT MAHB AIRPORTS (2002 – 2011)



ALL AIRCRAFT MOVEMENTS (2002 – 2011)

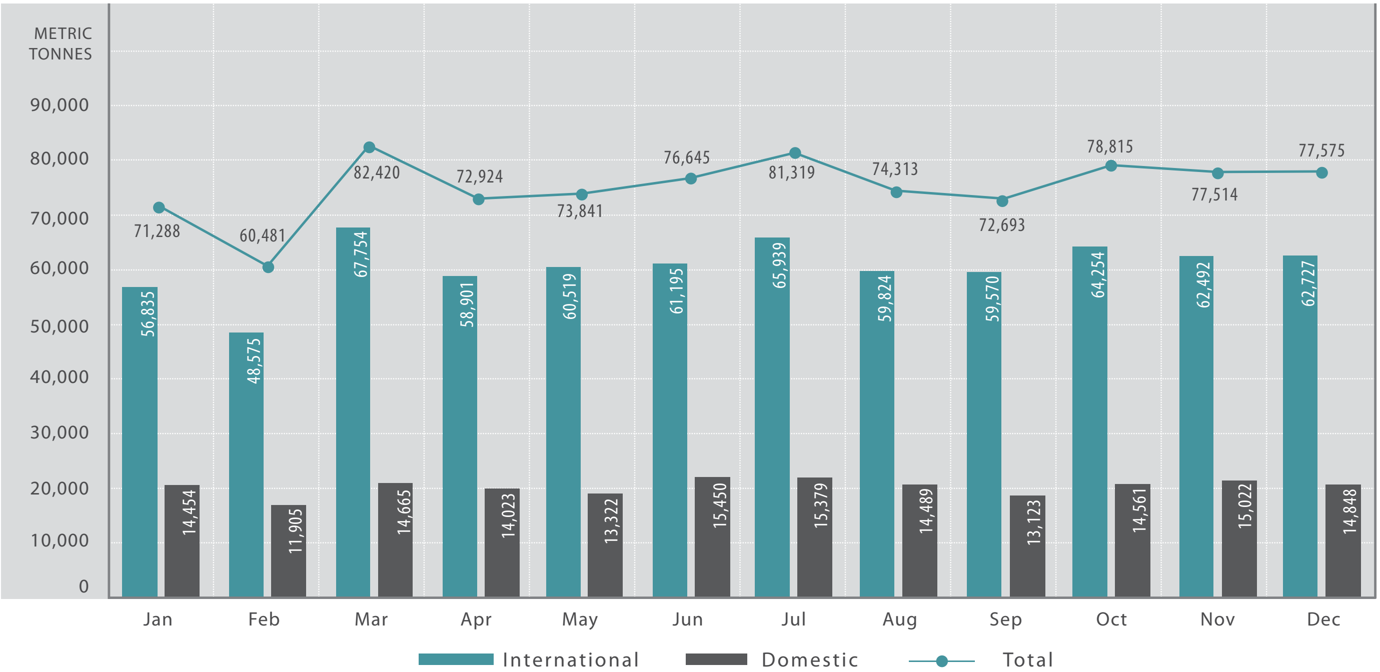
AIRPORTS	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	% + /–
KLIA	127,952	139,947	165,115	182,537	183,869	193,710	211,228	226,751	245,650	269,509	9.7%
Penang	32,503	30,558	33,069	34,616	36,259	39,265	43,796	43,621	50,205	54,713	9.0%
Kota Kinabalu	44,528	44,748	52,352	51,824	52,055	52,047	54,317	53,554	55,241	59,638	8.0%
Kuching	42,975	42,138	45,340	43,253	40,292	37,348	39,188	44,761	46,382	53,154	14.6%
Pulau Langkawi	9,686	8,913	8,711	8,964	27,622	43,234	41,837	39,815	33,064	31,482	–4.8%
Johor Bahru	28,759	22,253	–	–	–	–	–	–	–	–	–
Kota Bharu	8,527	10,010	11,869	11,194	38,352	58,996	57,102	74,863	75,906	64,114	–15.5%
Ipoh	8,562	8,505	7,075	26,657	30,626	32,462	2,183	40,883	41,069	29,074	–29.2%
Kuala Terengganu	4,159	5,508	5,834	5,622	3,792	8,781	10,045	9,875	10,959	14,296	30.4%
Alor Star	24,539	18,318	14,784	17,632	18,495	20,277	17,705	24,031	22,187	19,621	–11.6%
Melaka	40,030	57,636	70,369	77,504	74,888	64,936	60,512	54,160	60,811	53,702	–11.7%
Subang	28,170	19,616	22,757	29,668	36,626	44,302	46,989	55,148	63,616	68,135	7.1%
Kuantan	4,043	4,054	4,088	3,757	2,973	3,487	3,551	3,110	2,802	3,452	23.2%
Tioman	2,641	2,633	2,447	2,146	2,256	1,989	2,141	2,180	2,167	2,222	2.5%
Pangkor	764	657	698	752	541	589	545	502	174	32	–81.6%
Redang	0	0	741	1,121	934	1,053	1,083	862	1,356	1,319	–2.7%
Labuan	8,871	9,896	10,668	9,510	9,554	10,349	11,328	11,045	12,093	12,762	5.5%
Lahad Datu	2,990	3,035	3,055	3,160	3,376	2,336	3,012	3,077	2,960	3,024	2.2%
Sandakan	10,569	10,588	10,823	11,662	10,776	8,410	9,622	12,915	13,517	11,715	–13.3%
Tawau	8,148	8,368	8,900	9,814	9,215	7,992	8,546	9,876	10,845	10,186	–6.1%
Bintulu	14,485	13,627	13,546	13,619	11,804	7,093	16,787	51,009	24,246	17,122	–29.4%
Miri	42,714	43,460	45,269	42,865	42,680	35,502	38,172	41,996	41,682	43,707	4.9%
Sibu	17,113	16,885	17,650	17,330	15,638	12,536	14,672	17,449	18,985	19,169	1.0%
Mulu	4,654	3,524	3,122	2,642	2,220	1,660	1,664	1,592	1,444	1,920	33.0%
Limbang	4,688	5,046	5,691	5,568	4,366	2,552	2,112	1,949	2,171	1,968	–9.4%
STOL Sabah	922	938	812	814	800	338	459	0	559	278	–50.3%
STOL Sarawak	13,531	13,305	13,838	14,394	14,854	12,719	12,978	12,140	13,538	14,262	5.3%
Peninsular Malaysia	320,335	328,608	347,557	402,170	457,233	513,081	498,717	575,801	609,966	611,671	0.3%
Sabah	76,028	77,573	86,610	86,784	85,776	81,472	87,284	90,467	95,215	97,603	2.5%
Sarawak	140,160	137,985	144,456	139,671	131,854	109,410	125,573	170,896	148,448	151,302	1.9%
Total	**536,523**	**544,166**	**578,623**	**628,625**	**674,863**	**703,963**	**711,574**	**837,164**	**853,629**	**860,576**	**0.8%**
% change	5.8%	1.4%	6.3%	8.6%	7.4%	4.3%	1.1%	17.6%	2.0%	0.8%	

CARGO MOVEMENTS 2011

AIRPORTS	DOMESTIC			INTERNATIONAL			TOTAL			TRANSIT		
(kg)	Arrival	Departure	Total	Arrival	Departure	Total	2011*	2010*	% + /–	Domestic	Int'l	Total
KLIA	20,820,030	42,418,717	63,238,747	298,067,679	308,542,599	606,610,278	669,849,025	674,901,790	–0.7%	0	0	–
Penang	16,894,785	4,728,555	21,623,340	41,844,600	58,335,922	100,180,521	131,845,600	147,056,819	–10.3%	3,431,099	6,610,640	10,041,739
Kota Kinabalu	15,490,409	9,522,642	25,013,051	1,298,421	1,494,169	2,792,590	28,534,048	26,732,864	6.7%	515,748	212,659	728,407
Kuching	14,895,384	8,342,388	23,237,772	938,314	397,922	1,336,236	24,786,619	26,976,585	–8.1%	203,682	8,929	212,611
Langkawi	488,402	27,375	515,777	127,434	2,566	130,000	645,777	434,439	48.6%	0	0	0
Kota Bharu	98,855	65,401	164,256	0	0	0	164,256	177,470	–7.4%	0	0	0
Ipoh	0	0	0	0	0	0	0	0	–	0	0	0
Kuala Terengganu	49,417	53,448	102,865	0	500	500	103,365	49,920	107.1%	0	0	0
Alor Star	6,094	40,297	46,391	0	0	0	46,391	34,052	36.2%	0	0	0
Melaka	61	42	103	61,681	77,171	138,852	138,955	143,847	–3.4%	0	0	0
Subang	3,150,290	6,952,735	10,103,025	4,594,208	5,230,367	9,824,575	19,927,599	19,988,128	–0.3%	–	–	–
Kuantan	32,088	5,539	37,627	0	0	0	37,627	49,375	–23.8%	0	0	0
Tioman	0	0	0	0	0	0	0	0	0	0	0	0
Pangkor	0	0	0	0	0	0	0	0	0	0	0	0
Labuan	3,161,226	971,051	4,132,277	670,200	32,050	702,250	5,294,125	4,591,662	15.3%	458,443	1,155	459,598
Lahad Datu	39,589	2,240	41,829	0	0	0	41,829	0	–	0	0	0
Sandakan	583,712	1,711,054	2,294,766	0	0	0	2,300,108	2,805,918	–18.0%	5,342	0	5,342
Tawau	727,677	2,470,744	3,198,421	0	0	0	3,198,421	3,044,935	5.0%	0	0	0
Bintulu	1,252,926	817,724	2,070,650	0	0	0	2,071,369	1,702,807	21.6%	719	0	719
Miri	6,201,399	1,960,032	8,161,431	32,328	4,678	37,006	8,198,437	6,770,421	21.1%	0	0	0
Sibu	931,500	215,762	1,147,262	0	0	0	1,152,885	1,132,514	1.8%	5,623	0	5,623
Mulu	364,916	5,243	370,159	0	0	0	370,159	395,638	–6.4%	0	0	0
Limbang	336,805	160,778	497,583	0	0	0	497,583	559,536	–11.1%	0	0	0
STOL Sabah	13	0	13	0	0	0	13	0	–	0	0	0
STOL Sarawak	349,198	199,534	548,732	0	0	0	622,370	543,361	14.5%	73,638	0	73,638
Peninsular Malaysia	41,540,022	54,292,109	95,832,131	344,695,602	372,189,124	716,884,726	822,758,596	842,835,840	–2.4%	3,431,099	6,610,640	10,041,739
Sabah	20,002,626	14,677,731	34,680,357	1,968,621	1,526,219	3,494,840	39,368,544	37,175,379	5.9%	979,533	213,814	1,193,347
Sarawak	24,332,128	11,701,461	36,033,589	970,642	402,600	1,373,242	37,699,422	38,080,862	–1.0%	283,662	8,929	292,591
Total 2011	**85,874,776**	**80,671,300**	**166,546,077**	**347,634,864**	**374,117,943**	**721,752,807**	**899,826,561**	**918,092,081**	**–2.0%**	**4,694,294**	**6,833,383**	**11,527,677**
Total 2010	83,273,044	79,008,792	162,281,836	349,381,535	391,663,871	741,045,406	918,092,081			6,259,633	8,505,207	14,764,840
% change	3.1%	2.1%	2.6%	–0.5%	–4.5%	–2.6%	–2.0%			–25.0%	–19.7%	–21.9%

* *Including transit cargo*

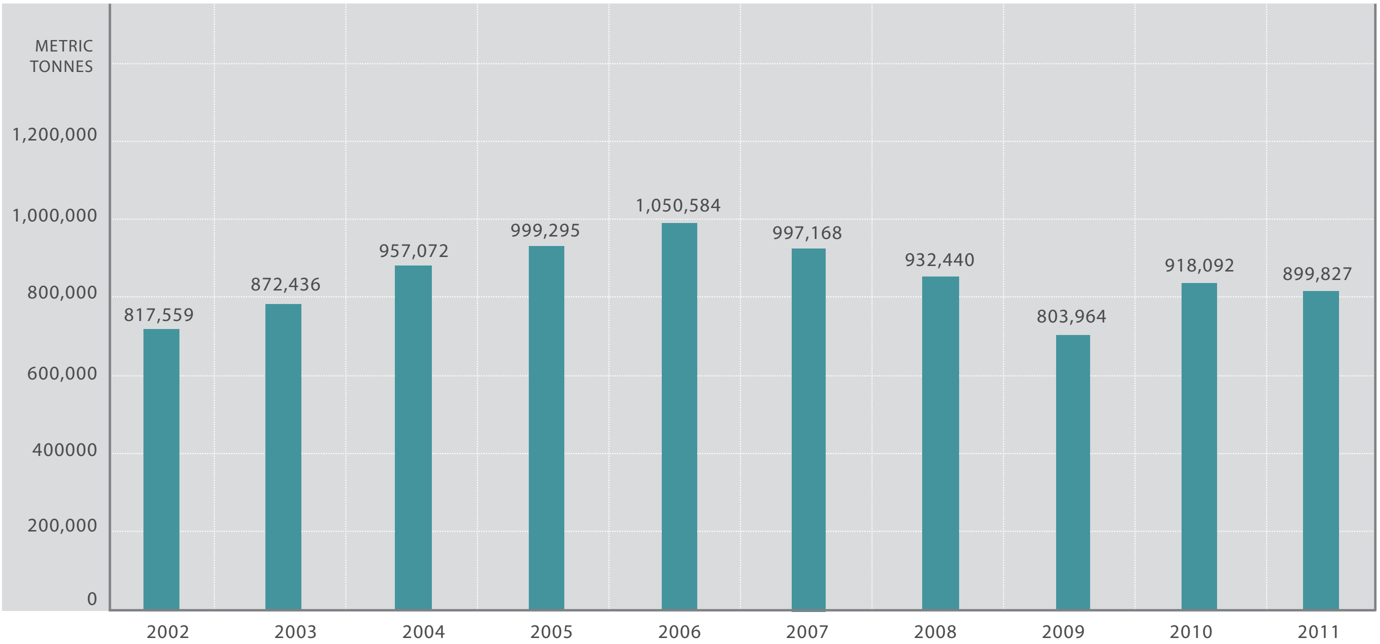
CARGO MOVEMENTS AT MAHB AIRPORTS 2011



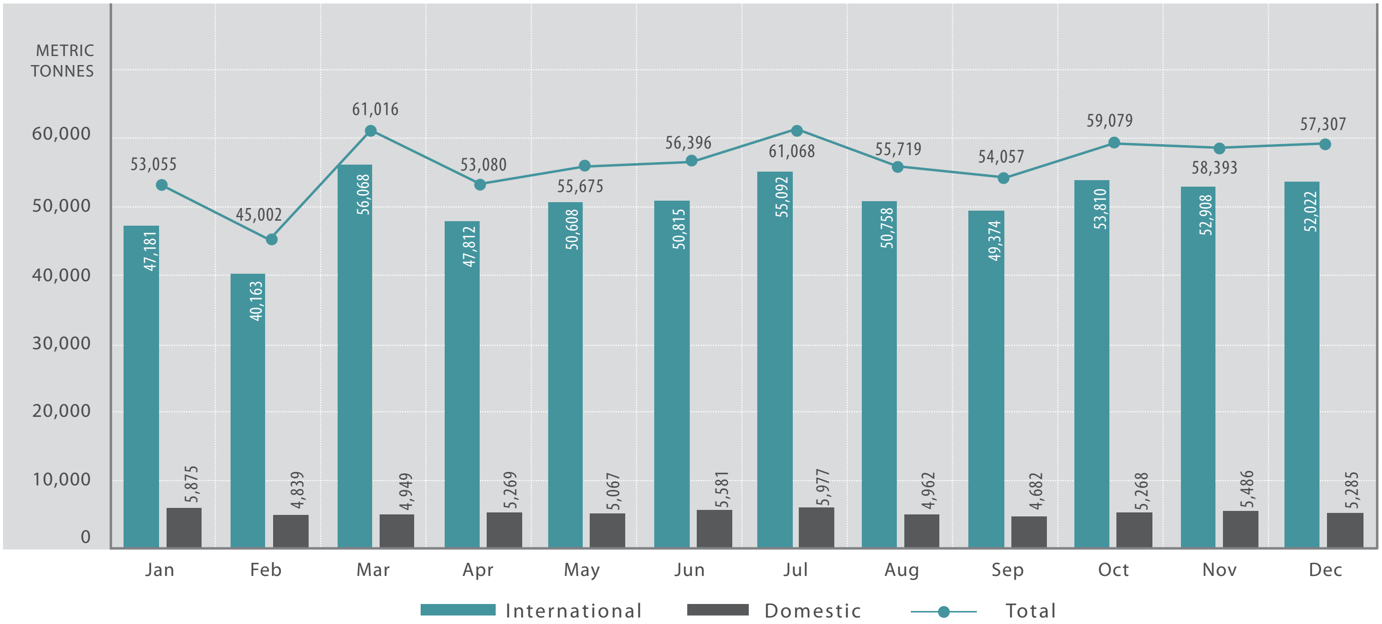
CARGO MOVEMENTS (2002 – 2011)

AIRPORTS (Metric tonnes)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	% + /–
KLIA	527,124	586,195	651,747	653,654	672,888	644,100	649,077	584,559	674,902	669,849	–0.7%
Penang	202,044	197,567	212,369	221,971	225,952	208,582	192,936	137,775	147,057	131,846	–10.3%
Kota Kinabalu	28,112	25,638	27,191	25,473	28,356	35,638	34,532	25,079	26,733	28,534	6.7%
Kuching	24,835	26,278	26,073	28,407	29,716	23,818	19,166	20,830	26,977	24,787	–8.1%
Langkawi	210	287	325	449	487	524	589	572	434	646	48.6%
Johor Bahru	3,849	3,697	–	–	–	–	–	–	–	–	–
Kota Bharu	404	315	235	168	210	163	181	185	177	164	–7.4%
Kuala Terengganu	151	160	124	94	70	47	24	24	50	103	107.1%
Alor Setar	30	17	67	118	111	55	41	34	34	46	36.2%
Melaka	49	214	602	370	146	219	179	127	144	139	–3.4%
Subang	12,261	14,358	18,670	46,082	71,953	63,382	18,473	18,536	19,988	19,928	–0.3%
Kuantan	96	64	64	75	109	103	70	70	49	38	–23.8%
Ipoh	388	498	735	437	357	10	0	0	0	0	–
Tioman	0	0	0	0	0	0	0	0	0	0	–
Pangkor	0	0	0	0	0	0	0	0	0	0	–
Labuan	3,176	2,733	2,653	3,077	3,207	3,985	4,566	4,165	4,592	5,294	15.3%
Lahad Datu	469	400	390	334	170	0	0	0	0	42	–
Sandakan	2,665	3,713	4,053	4,531	5,475	6,224	3,055	2,099	2,806	2,300	–18.0%
Tawau	3,612	2,701	2,968	3,885	3,030	2,134	1,262	1,951	3,045	3,198	5.0%
Bintulu	1,176	940	1,375	2,110	2,205	2,252	1,978	1,903	1,703	2,071	21.6%
Miri	3,903	3,881	4,721	5,392	4,080	3,564	4,146	3,921	6,770	8,198	21.1%
Sibu	1,916	1,701	1,567	1,377	1,040	892	735	856	1,133	1,153	1.8%
Mulu	18	4	102	459	240	191	262	346	396	370	–6.4%
Limbang	249	226	179	289	379	440	475	530	560	498	–11.1%
STOL Sabah	4	2	2	1	1	0	0	0	0	0	–
STOL Sarawak	818	847	862	540	403	845	692	402	543	622	14.5%
Peninsular Malaysia	746,607	803,372	884,937	923,419	972,283	917,186	861,570	741,881	842,836	822,759	–2.4%
Sabah	38,037	35,187	37,257	37,301	40,238	47,982	43,415	33,294	37,175	39,369	5.9%
Sarawak	32,915	33,876	34,878	38,575	38,062	32,001	27,454	28,789	38,081	37,699	–1.0%
Grand Total	**817,559**	**872,436**	**957,072**	**999,295**	**1,050,584**	**997,168**	**932,440**	**803,964**	**918,092**	**899,827**	**–2.0%**
% change	16.2%	6.7%	9.7%	4.4%	5.1%	–5.1%	–6.5%	–13.8%	14.2%	–2.0%	

CARGO MOVEMENTS AT MAHB AIRPORTS (2002 – 2011)



CARGO MOVEMENTS AT KL INTERNATIONAL AIRPORT 2011



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INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2011

(kg)	ARRIVAL		DEPARTURE		TOTAL		% + / –
	2011	2010	2011	2010	2011	2010	
SOUTH EAST ASIA							
Balikpapan	53,806	0	7,122	0	60,928	0	–
Banda Aceh	1,986	732	1,215	569	3,201	1,301	146.0%
Bandar Seri Begawan	82,496	119,196	1,254,297	1,244,441	1,336,793	1,363,637	–2.0%
Bandung	12,988	0	132	1,320	13,120	1,320	893.9%
Bangkok	12,788,199	12,380,562	11,305,899	11,814,360	24,094,098	24,194,922	–0.4%
Cebu	0	26,468	0	57,637	0	84,105	–100.0%
Chiang Mai	0	0	17,619	20,387	17,619	20,387	–13.6%
Clark Field	7,659	84,595	37,707	106,533	45,366	191,128	–76.3%
Denpasar Bali	1,226,124	1,358,857	962,147	1,276,761	2,188,271	2,635,618	–17.0%
Hanoi	1,687,537	1,035,013	2,574,235	977,029	4,261,772	2,012,042	111.8%
Hat Yai	0	0	0	5	0	5	–
Ho Chi Minh City	3,375,454	3,136,799	2,670,740	2,269,418	6,046,194	5,406,217	11.8%
Jakarta	15,105,780	17,081,133	7,841,520	8,634,306	22,947,300	25,715,439	–10.8%
Krabi	0	0	0	27	0	27	–
Manado	0	1,258	0	0	0	1,258	–100.0%
Manila	1,673,494	2,708,065	1,670,079	3,834,392	3,343,573	6,542,457	–48.9%
Mataram	0	33,044	144	14,129	144	47,173	–99.7%
Medan	1,649,868	1,196,435	833,636	666,113	2,483,504	1,862,548	33.3%
Padang	268,184	17,007	2,396	13,567	270,580	30,574	785.0%
Palembang	19,778	4,661	66,375	0	86,153	4,661	1748.4%
Pekan Baru	21,586	22,306	7,973	1,836	29,559	24,142	22.4%
Phnom Penh	1,039,405	1,143,834	1,219,269	809,960	2,258,674	1,953,794	15.6%
Phuket	21,598	31,629	222,396	60,032	243,994	91,661	166.2%
Siem Reap	3,619	12,676	27,402	5,227	31,021	17,903	73.3%
Singapore	13,427,048	13,879,509	11,813,736	12,271,566	25,240,784	26,151,075	–3.5%
Solo City	87,737	83,653	4,497	2,962	92,234	86,615	6.5%
Surabaya	1,134,153	1,321,191	971,484	663,907	2,105,637	1,985,098	6.1%
Ujung Pandang	651,435	496,222	1,314	44	652,749	496,266	31.5%
Vientiane	28	4,859	131,573	49,861	131,601	54,720	140.5%
Yangon	710,406	549,155	906,626	699,024	1,617,032	1,248,179	29.6%
Yogyakarta	231,973	276,008	15,293	23,712	247,266	299,720	–17.5%
Total	**55,282,341**	**57,004,867**	**44,566,826**	**45,519,125**	**99,849,167**	**102,523,992**	**–2.6%**

INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2011

	ARRIVAL		DEPARTURE		TOTAL		
(kg)	2011	2010	2011	2010	2011	2010	% + / –
NORTH EAST ASIA							
Beijing	4,235,489	3,848,739	3,507,346	3,382,013	7,742,835	7,230,752	7.1%
Chengdu	582,303	869,377	358,824	213,869	941,127	1,083,246	–13.1%
Fuzhou	120,381	196,739	13,018	27,887	133,399	224,626	–40.6%
Guangzhou	15,666,026	17,093,236	6,861,162	5,358,030	22,527,188	22,451,266	0.3%
Guilin	3,730	54,023	10,711	6,574	14,441	60,597	–76.2%
Haikou	2,288	9,440	2,467	2,649	4,755	12,089	–60.7%
Haneda	5,881,497	23,021	842,177	60,221	6,723,674	83,242	7977.3%
Hangzhou	3,879,701	3,002,777	99,330	1,267,262	3,979,031	4,270,039	–6.8%
Hong Kong	30,898,284	33,168,366	21,811,697	25,350,130	52,709,981	58,518,496	–9.9%
Kaoshiung	190,462	342,515	67,160	150,037	257,622	492,552	–47.7%
Kunming	301,057	303,534	42,544	37,346	343,601	340,880	0.8%
Macau	621,599	929,280	86,538	36,606	708,137	965,886	–26.7%
Nanning	607	177,076	1,772	20	2,379	177,096	–98.7%
Osaka	3,424,037	3,499,514	4,376,707	4,102,686	7,800,744	7,602,200	2.6%
Sapporo Chitose	0	0	96	0	96	0	–
Seoul	22,002,784	24,168,516	18,044,210	17,163,076	40,046,994	41,331,592	–3.1%
Shanghai Pu Dong	18,167,311	16,315,728	14,815,281	17,570,661	32,982,592	33,886,389	–2.7%
Shenzhen	3,439,836	3,195,900	541,349	852,115	3,981,185	4,048,015	–1.7%
Tainan	0	0	0	451	0	451	–
Taipei	15,268,780	15,455,695	17,618,229	19,755,770	32,887,009	35,211,465	–6.6%
Tianjin	837,686	1,139,270	733,387	452,401	1,571,073	1,591,671	–1.3%
Tokyo	4,476,621	13,023,161	11,841,362	12,171,656	16,317,983	25,194,817	–35.2%
Xianmen	2,080,287	2,479,927	1,471,594	1,850,799	3,551,881	4,330,726	–18.0%
Zhengzhou	0	0	1,802	0	1,802	0	–
Total	**132,080,766**	**139,295,834**	**103,148,763**	**109,812,259**	**235,229,529**	**249,108,093**	**–5.6%**

(kg)	ARRIVAL 2011	ARRIVAL 2010	DEPARTURE 2011	DEPARTURE 2010	TOTAL 2011	TOTAL 2010	% + / –
SOUTHWEST PACIFIC							
Adelaide	961,691	961,521	2,299,638	1,981,122	3,261,329	2,942,643	10.8%
Auckland	1,990,389	1,713,139	2,978,036	2,751,032	4,968,425	4,464,171	11.3%
Avalon	1,075	272,350	0	199,792	1,075	472,142	–99.8%
Brisbane	1,211,151	885,508	2,415,061	1,703,044	3,626,212	2,588,552	40.1%
Christchurch	142,275	0	108,036	0	250,311	0	–
Christmas Island	5,240	0	178,722	0	183,962	0	–
Gold Coast	268,182	149,972	2,998,756	3,207,298	3,266,938	3,357,270	–2.7%
Melbourne	6,883,872	6,643,725	13,397,405	14,937,591	20,281,277	21,581,316	–6.0%
Perth	2,032,714	1,401,587	6,357,882	5,921,227	8,390,596	7,322,814	14.6%
Port Moresby	3,536	13,736	17,770	89,326	21,306	103,062	–79.3%
Sydney	3,822,557	3,779,013	13,884,544	13,239,795	17,707,101	17,018,808	4.0%
Total	**17,322,682**	**15,820,551**	**44,635,850**	**44,030,227**	**61,958,532**	**59,850,778**	**3.5%**
SOUTH ASIA							
Bangalore	966,238	769,520	897,477	707,131	1,863,715	1,476,651	26.2%
Chennai	6,486,528	5,968,326	4,847,155	4,875,139	11,333,683	10,843,465	4.5%
Colombo	2,046,992	2,550,159	1,950,481	2,668,364	3,997,473	5,218,523	–23.4%
Delhi	5,880,048	5,140,102	7,314,370	5,260,990	13,194,418	10,401,092	26.9%
Dhaka	5,962,776	7,618,111	5,005,714	4,834,737	10,968,490	12,452,848	–11.9%
Hyderabad	898,206	636,134	458,596	371,199	1,356,802	1,007,333	34.7%
Karachi	1,464,969	1,448,602	1,159,408	1,478,185	2,624,377	2,926,787	–10.3%
Kathmandu	225,792	226,063	829	0	226,621	226,063	0.2%
Kochi	247,829	196,414	109,589	31,858	357,418	228,272	56.6%
Kolkata	267,865	495,001	181,387	29,859	449,252	524,860	–14.4%
Lahore	108,644	76,798	48,988	116,897	157,632	193,695	–18.6%
Malè	303,824	198,827	829,251	1,622,516	1,133,075	1,821,343	–37.8%
Mumbai	5,495,665	5,117,890	5,104,231	4,424,790	10,599,896	9,542,680	11.1%
Peshawar	12,246	0	15,217	15,433	27,463	15,433	77.9%
Thiruvananthapuram	6,140	23,584	956	5,140	7,096	28,724	–75.3%
Tiruchirapally	525,775	586,956	4,268	163	530,043	587,119	–9.7%
Total	**30,899,537**	**31,052,487**	**27,927,917**	**26,442,401**	**58,827,454**	**57,494,888**	**2.3%**

INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2011

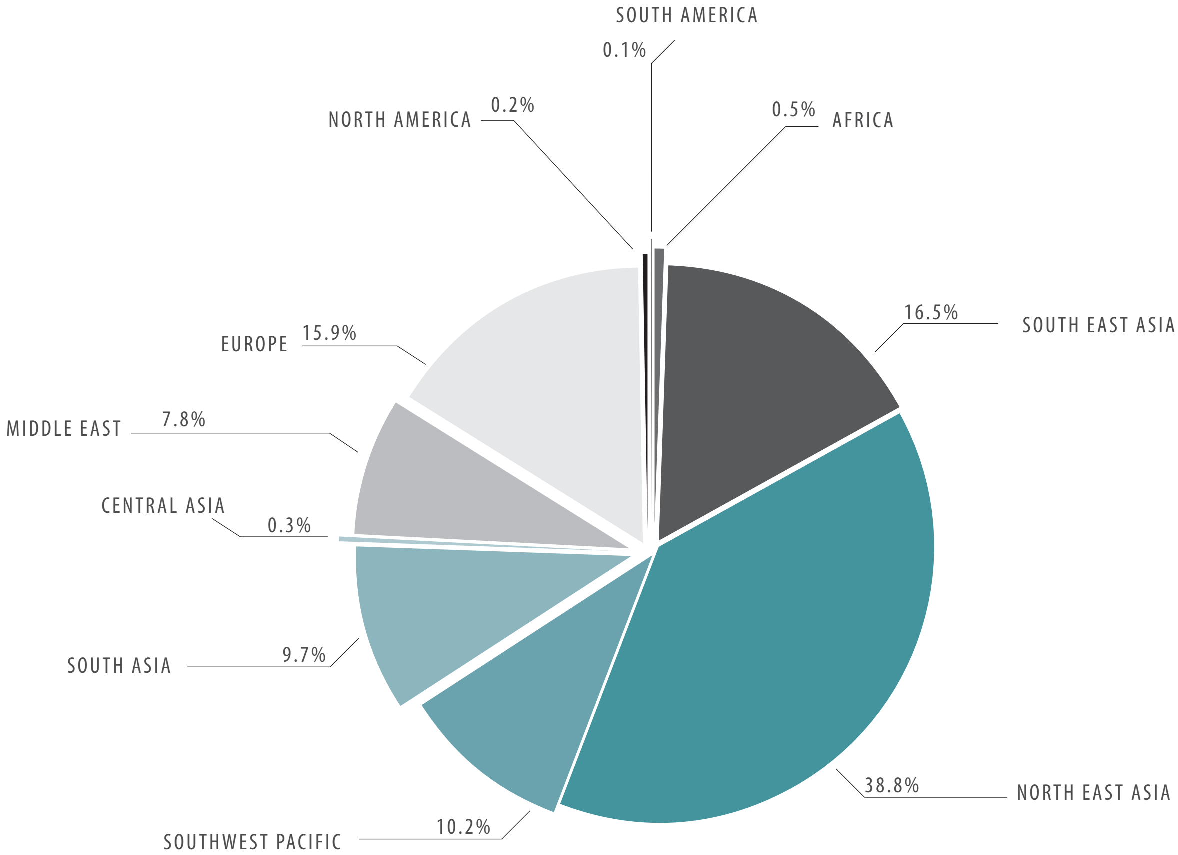
(kg)	ARRIVAL 2011	ARRIVAL 2010	DEPARTURE 2011	DEPARTURE 2010	TOTAL 2011	TOTAL 2010	% + / –
CENTRAL ASIA							
Almaty	5,773	741	552,744	0	558,517	741	75273.4%
Tashkent	24,614	29,283	986,582	675,880	1,011,196	705,163	43.4%
Total	**30,387**	**30,024**	**1,539,326**	**675,880**	**1,569,713**	**705,904**	**122.4%**
MIDDLE EAST							
Abu Dhabi	2,387,775	1,703,538	2,889,641	3,619,048	5,277,416	5,322,586	–0.8%
Amman	32,392	32,506	216,425	70,243	248,817	102,749	142.2%
Bahrain	649,931	500,153	2,610,355	2,284,886	3,260,286	2,785,039	17.1%
Beirut	13,074	131,336	12,938	665,400	26,012	796,736	–96.7%
Cairo	268,132	142,519	202,430	708,619	470,562	851,138	–44.7%
Dammam	168	12,128	220,711	84,470	220,879	96,598	128.7%
Doha	3,741,502	3,359,702	5,845,177	6,901,830	9,586,679	10,261,532	–6.6%
Dubai	5,195,457	4,383,256	11,712,033	10,662,840	16,907,490	15,046,096	12.4%
Jeddah	926,546	788,631	2,989,044	2,938,694	3,915,590	3,727,325	5.1%
Kuwait	83,793	75,650	686,984	896,128	770,777	971,778	–20.7%
Madinah	33,589	540	7,798	9,706	41,387	10,246	303.9%
Mashad	1,003	499	1,022	731	2,025	1,230	64.6%
Muscat	1,184,445	371,417	2,427,067	1,361,511	3,611,512	1,732,928	108.4%
Riyadh	85,371	46,350	669,262	542,148	754,633	588,498	28.2%
Riyan Mukalla	995	0	0	0	995	0	–
Sanaa	30,348	27,012	61,719	89,497	92,067	116,509	–21.0%
Sharjah	165,658	0	19,169	0	184,827	0	–
Shiraz	3,117	2,500	31,083	524	34,200	3,024	1031.0%
Tehran Imam Khomeini	158,873	155,583	1,837,572	1,188,899	1,996,445	1,344,482	48.5%
Total	**14,962,169**	**11,733,320**	**32,440,430**	**32,025,174**	**47,402,599**	**43,758,494**	**8.3%**

(kg)	ARRIVAL 2011	ARRIVAL 2010	DEPARTURE 2011	DEPARTURE 2010	TOTAL 2011	TOTAL 2010	% + / –
EUROPE							
Amsterdam	11,298,033	9,688,471	16,741,154	18,250,086	28,039,187	27,938,557	0.4%
Basel	1,563,806	4,788,818	125,309	421,643	1,689,115	5,210,461	–67.6%
Erzurum	0	0	97,240	0	97,240	0	–
Frankfurt	15,270,561	12,163,318	13,365,289	13,023,399	28,635,850	25,186,717	13.7%
Istanbul	1,700,699	1,121,990	1,510,172	2,047,982	3,210,871	3,169,972	1.3%
London Gatwick	304,918	0	261,485	0	566,403	0	–
London Heathrow	3,785,626	3,886,604	6,726,135	8,004,871	10,511,761	11,891,475	–11.6%
London Stansted	1,788,768	2,093,652	1,813,437	3,191,014	3,602,205	5,284,666	–31.8%
Luxembourg	2,516,176	2,037,990	4,835,287	4,833,948	7,351,463	6,871,938	7.0%
Maastricht	15,052	89,247	0	0	15,052	89,247	–83.1%
Paris	3,714,892	3,210,395	3,775,888	3,737,109	7,490,780	6,947,504	7.8%
Paris Orly	2,145,561	0	725,791	0	2,871,352	0	–
Rome	1,695,008	2,150,437	975,117	1,567,403	2,670,125	3,717,840	–28.2%
Stockholm	0	0	0	224	0	224	–
Total	**45,799,100**	**41,230,922**	**50,952,304**	**55,077,679**	**96,751,404**	**96,308,601**	**0.5%**
NORTH AMERICA							
Los Angeles	446,977	447,640	827,550	814,716	1,274,527	1,262,356	1.0%
Total	**446,977**	**447,640**	**827,550**	**814,716**	**1,274,527**	**1,262,356**	**1.0%**
SOUTH AMERICA							
Buenos Aires	122,592	159,581	539,502	525,832	662,094	685,413	–3.4%
Total	**122,592**	**159,581**	**539,502**	**525,832**	**662,094**	**685,413**	**–3.4%**
AFRICA							
Brazzaville	0	0	0	96,788	0	96,788	–
Cape Town	628,449	483,932	249,527	189,250	877,976	673,182	30.4%
Harare	164,566	18,177	34,799	62,660	199,365	80,837	146.6%
Johannesburg	278,796	298,326	1,322,985	1,093,850	1,601,781	1,392,176	15.1%
Mauritius	49,317	66,292	356,820	391,906	406,137	458,198	–11.4%
Total	**1,121,128**	**866,727**	**1,964,131**	**1,834,454**	**3,085,259**	**2,701,181**	**14.2%**
Grand Total	**298,067,679**	**297,641,953**	**308,542,599**	**316,757,747**	**606,610,278**	**614,399,700**	**–1.3%**

INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2011

KL INTERNATIONAL AIRPORT CARGO MOVEMENTS BY SECTORS 2011

INTERNATIONAL MOVEMENTS: 606,610 METRIC TONNES



AIRLINES WITH MORE THAN 1% INTERNATIONAL MARKET SHARE AT KLIA

AIRLINES	CARGO MOVEMENTS 2011 (kg)	MARKET SHARE %
Malaysia Airlines	325,238,404	53.6%
AirAsia X	45,440,424	7.5%
Korean Air	31,246,305	5.2%
AirAsia	26,680,456	4.4%
Cathay Pacific Airways	21,983,739	3.6%
China Airlines	17,848,229	2.9%
Singapore Airlines	17,357,239	2.9%
Thai Airways International	17,138,678	2.8%
Emirates	11,454,870	1.9%
Federal Express	11,154,690	1.8%
KLM-Royal Dutch Airlines	10,369,877	1.7%

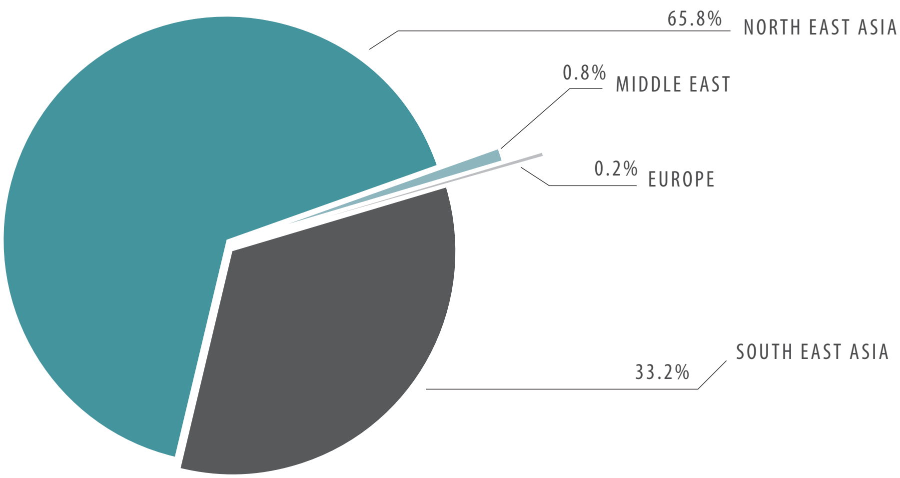
10 HIGHEST GROWTH INTERNATIONAL PERFORMANCE* AT KLIA

AIRLINES	CARGO MOVEMENTS 2011 (kg)	% Y-O-Y
Royal Jordanian	1,222,309	108.9%
Oman Air	3,611,512	108.4%
Cebu Pacific Air	1,267,962	75.6%
China Southern Airlines	1,386,963	60.8%
AirAsia	26,680,456	49.3%
AirAsia X	45,440,424	46.5%
Kuwait Airways	1,155,696	25.2%
Gulf Air	3,260,286	17.1%
Iran Air	1,324,075	16.6%
Cargolux Airlines International	7,351,463	12.2%

*Note: *1,000 kg and above*

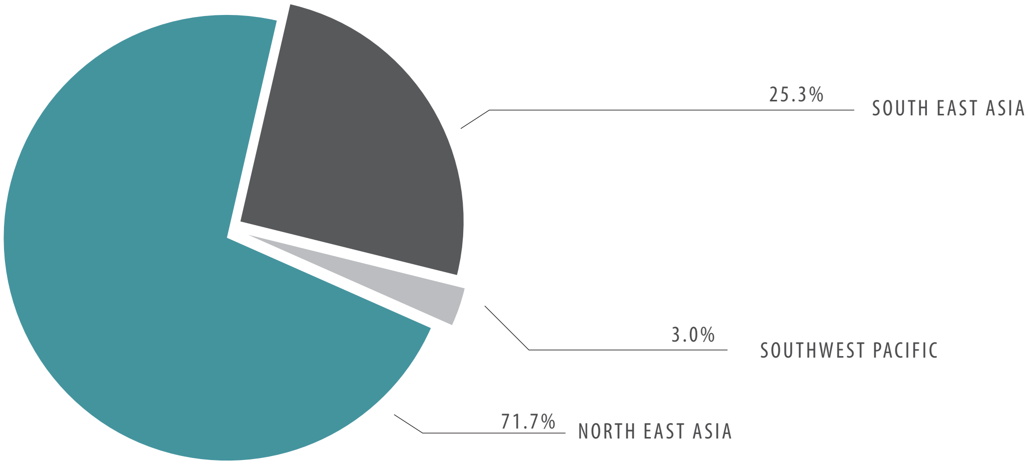
PENANG INTERNATIONAL CARGO MOVEMENTS BY SECTORS 2011

INTERNATIONAL MOVEMENTS: 106,791 METRIC TONNES



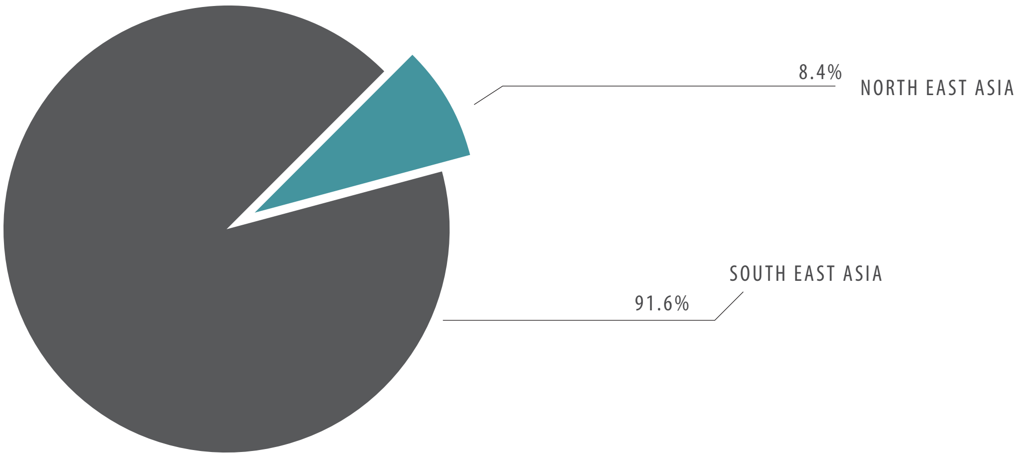
KOTA KINABALU INTERNATIONAL CARGO MOVEMENTS BY SECTORS 2011

INTERNATIONAL MOVEMENTS: 3,005 METRIC TONNES



KUCHING INTERNATIONAL CARGO MOVEMENTS BY SECTORS 2011

INTERNATIONAL MOVEMENTS: 1,345 METRIC TONNES

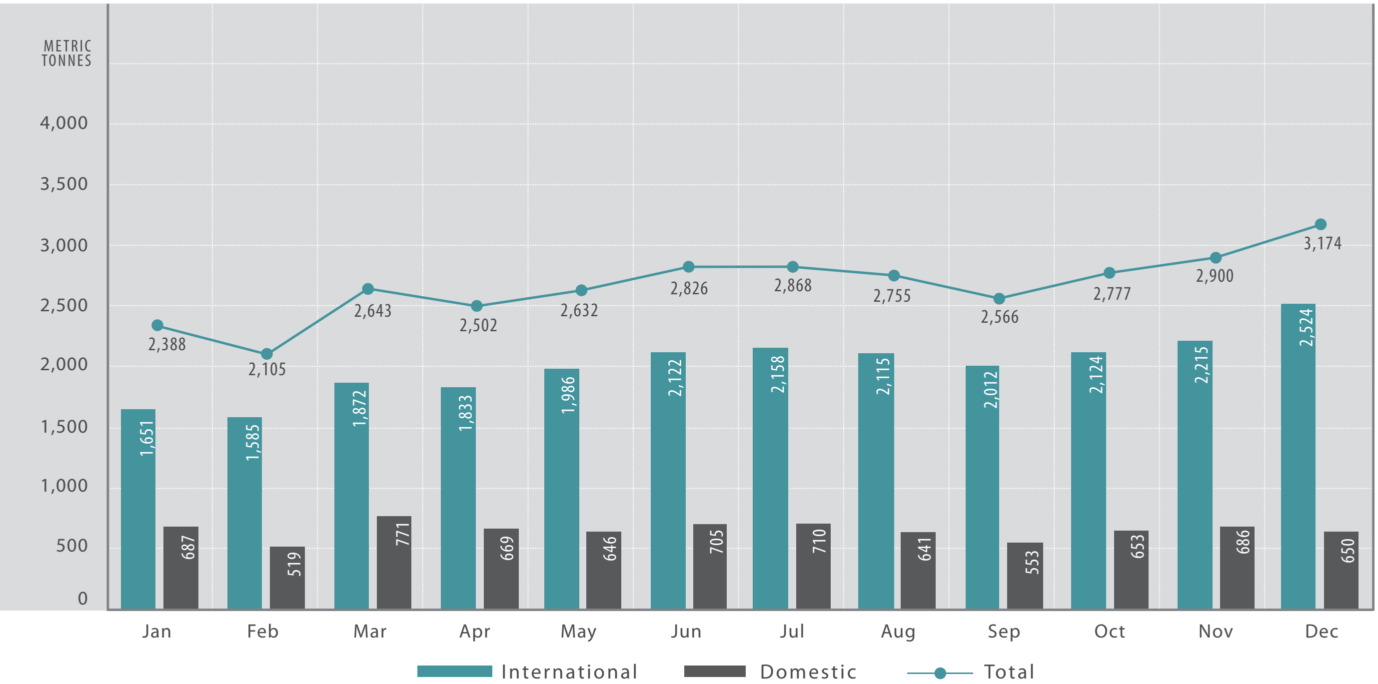


MAIL MOVEMENTS 2011

AIRPORTS	DOMESTIC			INTERNATIONAL			TOTAL			TRANSIT		
(kg)	Arrival	Departure	Total	Arrival	Departure	Total	2011*	2010*	% + /–	Domestic	Int'l	Total
KLIA	369,821	1,140,126	1,509,947	11,651,746	12,301,235	23,952,981	25,462,928	19,393,540	31.3%	0	0	0
Penang	486	909	1,395	10,255	318	10,573	11,968	4,204	184.7%	0	0	0
Kota Kinabalu	591,135	899,654	1,490,789	167,365	23,210	190,575	1,810,421	2,158,476	–16.1%	87,031	42,026	129,057
Kuching	83,951	394,157	478,108	66	348	414	478,531	641,547	–25.4%	9	0	9
Langkawi	91,838	39,266	131,104	0	0	0	131,104	89,537	46.4%	0	0	0
Kota Bharu	184,839	144,980	329,819	0	0	0	329,819	322,282	2.3%	0	0	0
Ipoh	0	0	0	0	0	0	0	0	–	0	0	0
Kuala Terengganu	6,118	9,764	15,882	0	0	0	15,882	11,584	37.1%	0	0	0
Alor Setar	1,466	56,966	58,432	0	0	0	58,432	47,240	23.7%	0	0	0
Melaka	0	0	0	0	0	0	0	0	–	0	0	0
Subang	0	0	0	0	0	0	0	0	–	0	0	0
Kuantan	1	0	1	0	0	0	1	2,081	–	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	347,249	64,655	411,904	0	0	0	414,432	377,978	9.6%	2,528	0	2,528
Lahad Datu	186,769	25,769	212,538	0	0	0	212,538	207,216	2.6%	0	0	0
Sandakan	395,280	63,824	459,104	0	0	0	465,262	476,172	–2.3%	6,158	0	6,158
Tawau	398,451	58,779	457,230	0	0	0	457,230	439,476	4.0%	0	0	0
Bintulu	149,185	69,087	218,272	0	0	0	218,272	264,142	–17.4%	0	0	0
Miri	1,161,180	446,889	1,608,069	0	0	0	1,608,069	1,563,526	2.8%	0	0	0
Sibu	228,560	142,211	370,771	0	0	0	370,771	287,474	29.0%	0	0	0
Mulu	0	0	0	0	0	0	0	0	–	0	0	0
Limbang	13	25,356	25,369	0	0	0	25,369	27,631	–8.2%	0	0	0
STOL Sabah	0	0	0	0	0	0	0	0	–	0	0	0
STOL Sarawak	8,396	6,217	14,613	0	0	0	14,613	13,455	8.6%	0	0	0
Peninsular Malaysia	654,569	1,392,011	2,046,580	11,662,001	12,301,553	23,963,554	26,010,134	19,870,468	30.9%	0	0	0
Sabah	1,918,884	1,112,681	3,031,565	167,365	23,210	190,575	3,359,883	3,659,318	–8.2%	95,717	42,026	137,743
Sarawak	1,631,285	1,083,917	2,715,202	66	348	414	2,715,625	2,797,775	–2.9%	9	0	9
Total 2011	**4,204,738**	**3,588,609**	**7,793,346**	**11,829,432**	**12,325,111**	**24,154,543**	**32,085,641**	**26,327,561**	**21.9%**	**95,726**	**42,026**	**137,752**
Total 2010	4,044,436	3,837,013	7,881,449	8,930,134	8,843,857	17,773,991	26,327,561			548,917	123,204	672,121
% change	4.0%	–6.5%	–1.1%	32.5%	39.4%	35.9%	21.9%			–82.6%	0	–79.5%

*Note : * Including transit mail*

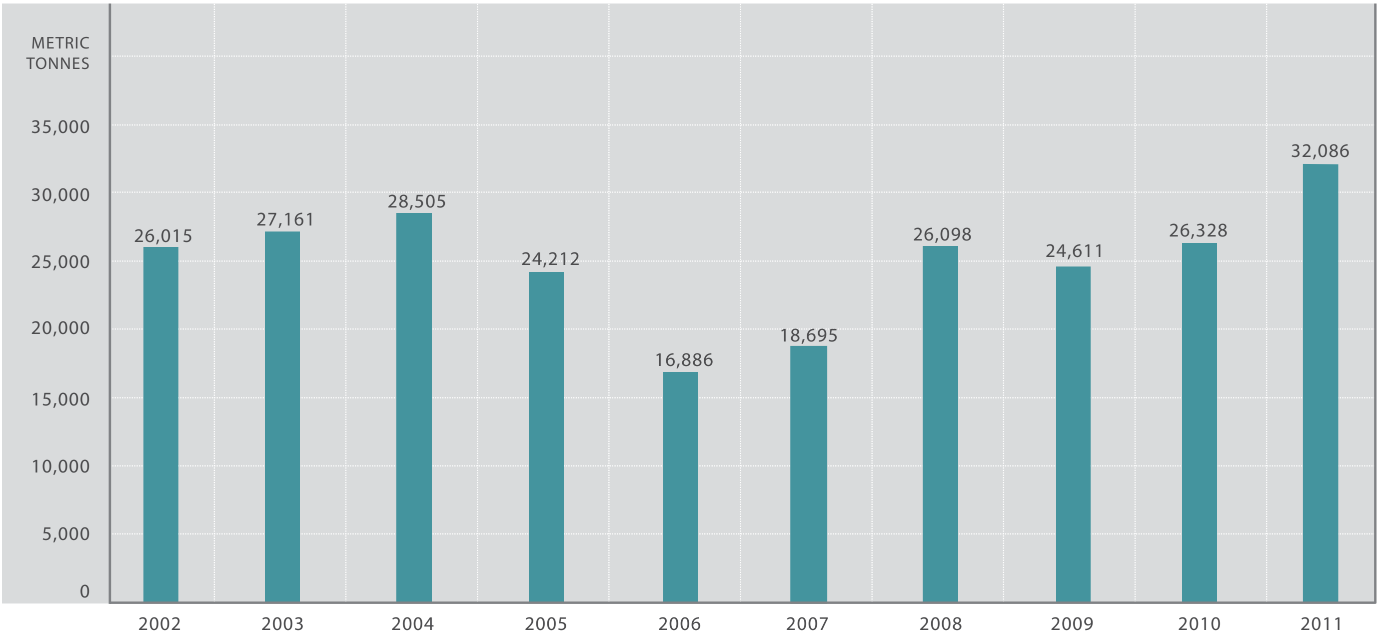
MAIL MOVEMENTS AT MAHB AIRPORTS 2011



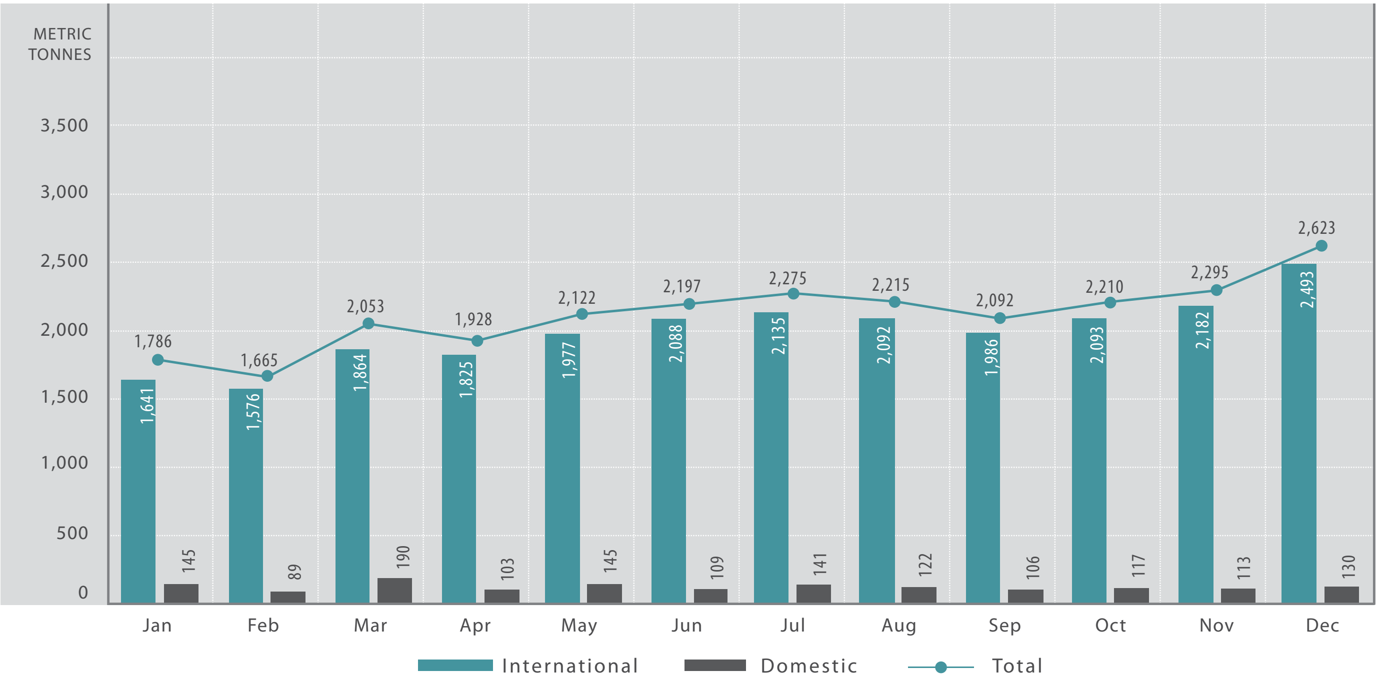
MAIL MOVEMENTS (2002 – 2011)

AIRPORTS (Metric tonnes)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	% + /–
KLIA	4,858	3,787	3,621	2,999	4,558	8,794	18,418	17,061	19,394	25,463	31.3%
Penang	1	992	1,563	9	2	1.4	0.4	7	4	12	184.7%
Kota Kinabalu	5,214	5,737	5,940	5,032	3,787	4,044	3,149	1,744	2,158	1,810	–16.1%
Kuching	5,181	5,131	5,344	5,086	3,467	3,137	999	821	642	479	–25.4%
Langkawi	25	42	44	46	58	58	83	73	90	131	46.4%
Johor Bahru	0	0	–	–	–	–	–	–	–	–	–
Kota Bharu	287	305	384	226	171	175	236	322	322	330	2.3%
Ipoh	0	0	0	0	0	0	0	0	0	0	–
Kuala Terengganu	136	164	174	132	10	4	8	5	12	16	37.1%
Alor Setar	0	0	0	0	0	0	2	55	47	58	23.7%
Melaka	0	0	0	0	0	0	0	0	0	0	–
Subang	7,142	7,860	8,003	7,006	1,656	0	0	0	0	0	–
Kuantan	0	9	12	2	0	0	0	0	2	0	–100.0%
Tioman	0	0	0	0	0	0	0	0	0	0	–
Pangkor	0	0	0	0	0	0	0	0	0	0	–
Labuan	288	307	276	257	291	334	399	360	378	414	9.6%
Lahad Datu	201	155	165	154	212	157	193	212	207	213	2.6%
Sandakan	360	216	202	52	90	9	233	254	476	465	–2.3%
Tawau	510	453	431	264	102	27	281	242	439	457	4.0%
Bintulu	151	122	151	134	240	83	339	382	264	218	–17.4%
Miri	1,118	1,283	1,255	1,633	1,439	1,806	1,665	2,171	1,564	1,608	2.8%
Sibu	543	598	909	1,089	698	59	0	849	287	371	29.0%
Limbang	0	0	0.011	0.047	0.06	0	0	0	28	25	–8.2%
STOL Sarawak	0	0	32	90	106	6	94	53	13	15	8.6%
Peninsular Malaysia	12,449	13,160	13,801	10,421	6,455	9,033	18,747	17,523	19,870	26,010	30.9%
Sabah	6,573	6,868	7,013	5,759	4,481	4,572	4,254	2,812	3,659	3,360	–8.2%
Sarawak	6,993	7,133	7,691	8,032	5,950	5,090	3,097	4,276	2,798	2,716	–2.9%
Grand Total	**26,015**	**27,161**	**28,505**	**24,212**	**16,886**	**18,695**	**26,098**	**24,611**	**26,328**	**32,086**	**21.9%**
% change	5.0%	4.4%	4.9%	–15.1%	–30.3%	10.7%	39.6%	–5.7%	7.0%	21.9%	

MAIL MOVEMENTS AT MAHB AIRPORTS (2002 – 2011)



MAIL MOVEMENTS AT KL INTERNATIONAL AIRPORT 2011



INTERNATIONAL MAIL MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2011

(kg)	ARRIVAL 2011	ARRIVAL 2010	DEPARTURE 2011	DEPARTURE 2010	TOTAL 2011	TOTAL 2010	% + / –
SOUTH EAST ASIA							
Bandar Seri Begawan	6,945	4,916	131,559	90,602	138,504	95,518	45.0%
Bangkok	443,147	334,764	142,730	134,561	585,877	469,325	24.8%
Clark Field	0	178,986	0	176,043	0	355,029	–
Denpasar Bali	105,087	4,669	74,775	0	179,862	4,669	3752.3%
Hanoi	1,183	19	177,720	106,913	178,903	106,932	67.3%
Ho Chi Minh City	2,296	2,855	16,599	34,622	18,895	37,477	–49.6%
Jakarta	386,014	397,454	666,943	0	1,052,957	397,454	164.9%
Manila	9,490	1,396	67,187	64,857	76,677	66,253	15.7%
Medan	0	0	30,967	24,708	30,967	24,708	25.3%
Phnom Penh	99,400	51,073	269,212	207,268	368,612	258,341	42.7%
Phuket	466	391	8	0	474	391	21.2%
Singapore	763,976	628,351	95,956	122,017	859,932	750,368	14.6%
Yangon	20	72	63,470	37,154	63,490	37,226	70.6%
Yogyakarta	0	0	0	414,445	0	414,445	–
Total	**1,818,024**	**1,604,946**	**1,737,126**	**1,413,190**	**3,555,150**	**3,018,136**	**17.8%**
NORTH EAST ASIA							
Beijing	336,198	29,300	78,284	58,202	414,482	87,502	373.7%
Chengdu	0	0	20	0	20	0	–
Fuzhou	1,624	1,084	0	0	1,624	1,084	49.8%
Guangzhou	663,526	689,086	68,702	62,560	732,228	751,646	–2.6%
Hong Kong	339,061	342,677	337,913	336,883	676,974	679,560	–0.4%
Kaohsiung	437	35	0	0	437	35	1148.6%
Osaka	99,659	82,556	40,562	15,640	140,221	98,196	42.8%
Seoul	1,536,353	900,770	167,242	95,324	1,703,595	996,094	71.0%
Shanghai Pu Dong	16,858	12,216	8,081	18,263	24,939	30,479	–18.2%
Shenzhen	1,896,626	1,495,465	2,008,378	1,266,621	3,905,004	2,762,086	41.4%
Taipei	532,601	529,774	299,314	127,969	831,915	657,743	26.5%
Tokyo	6,491	4,293	284,568	258,595	291,059	262,888	10.7%
Xiamen	35,012	1,662	428	185	35,440	1,847	1818.8%
Total	**5,464,446**	**4,088,918**	**3,293,492**	**2,240,242**	**8,757,938**	**6,329,160**	**38.4%**

INTERNATIONAL MAIL MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2011

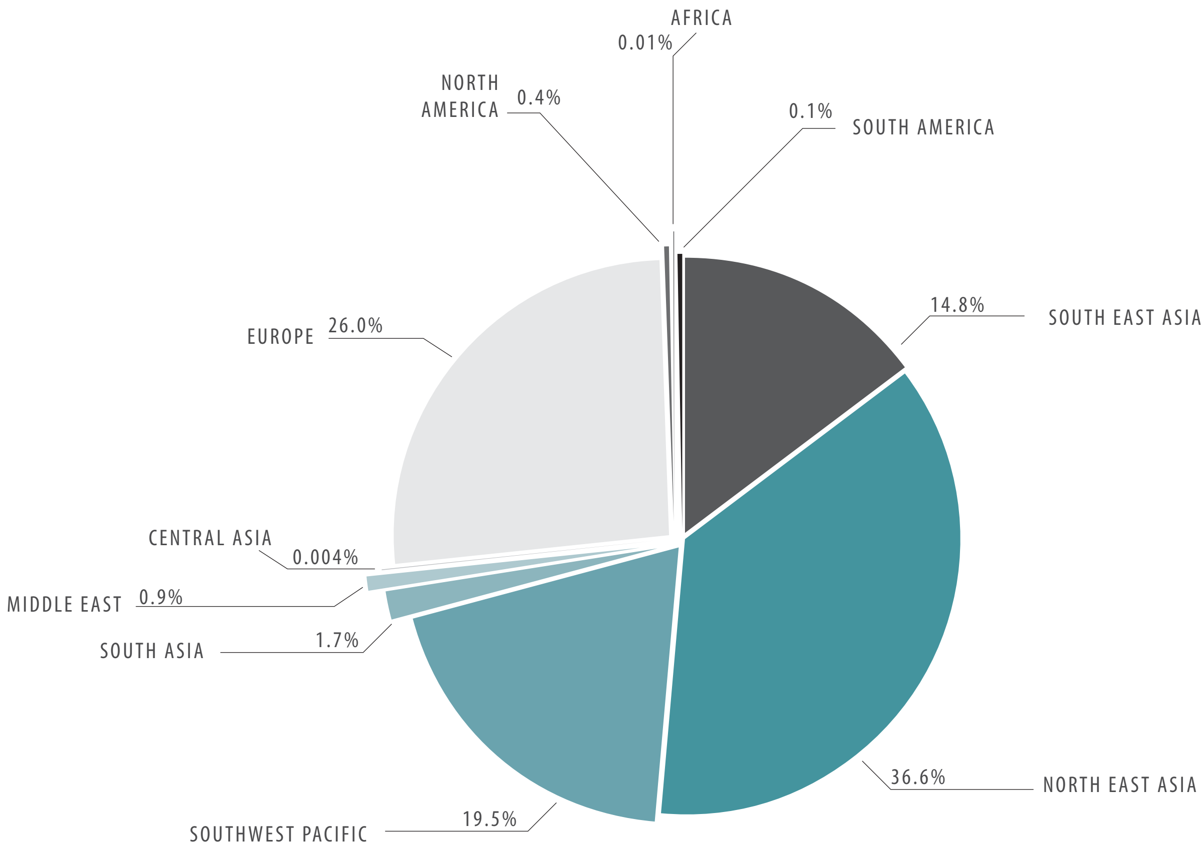
	ARRIVAL		DEPARTURE		TOTAL		
(kg)	2011	2010	2011	2010	2011	2010	% + / –
SOUTHWEST PACIFIC							
Adelaide	0	187	190,523	1	190,523	188	101242.0%
Auckland	3,461	4,905	754,372	317,700	757,833	322,605	134.9%
Brisbane	0	0	179,648	11,971	179,648	11,971	1400.7%
Christmas Island	0	0	1,711	0	1,711	0	–
Melbourne	918	381	1,472,092	1,267,756	1,473,010	1,268,137	16.2%
Perth	2,457	9,541	612,927	121,773	615,384	131,314	368.6%
Port Moresby	1	0	0	0	1	0	–
Sydney	2,700	708	1,442,251	984,138	1,444,951	984,846	46.7%
Total	**9,537**	**15,722**	**4,653,524**	**2,703,339**	**4,663,061**	**2,719,061**	**71.5%**
SOUTH ASIA							
Bangalore	1	0	0	6	1	6	–83.3%
Chennai	207	780	8,858	10,754	9,065	11,534	–21.4%
Colombo	131,713	138,801	36,959	32,094	168,672	170,895	–1.3%
Delhi	31	194	43,650	26,282	43,681	26,476	65.0%
Dhaka	16,272	14,819	78,324	63,193	94,596	78,012	21.3%
Karachi	3,168	1,001	29,575	0	32,743	1,001	3171.0%
Kathmandu	3	0	10	16,412	13	16,412	–99.9%
Lahore	499	346	20	0	519	346	50.0%
Malè	401	276	17,451	3,584	17,852	3,860	362.5%
Mumbai	63	43	43,671	33,221	43,734	33,264	31.5%
Total	**152,358**	**156,260**	**258,518**	**185,546**	**410,876**	**341,806**	**20.2%**
MIDDLE EAST							
Abu Dhabi	34,992	44,431	47	0	35,039	44,431	–21.1%
Amman	1,314	376	84	41	1,398	417	235.3%
Bahrain	16,918	14,011	119	45	17,037	14,056	21.2%
Beirut	0	0	1	868	1	868	–99.9%
Cairo	201	1,399	37	0	238	1,399	–83.0%
Dammam	0	377	0	0	0	377	–
Doha	93,971	74,772	2,336	528	96,307	75,300	27.9%
Dubai	2,238	19,823	10,080	31,950	12,318	51,773	–76.2%
Jeddah	5,296	3,218	21,909	35,310	27,205	38,528	–29.4%
Kuwait	2,672	30,596	79	89	2,751	30,685	–91.0%
Muscat	601	86	10	5	611	91	571.4%
Riyadh	3,873	2,544	352	80	4,225	2,624	61.0%
Riyan Mukalla	344	0	0	0	344	0	–
Sanaa	881	952	1	0	882	952	–7.4%
Sharjah	9,398	0	0	0	9,398	0	–
Shiraz	0	0	74	0	74	0	–
Tehran	10,404	10,963	435	366	10,839	11,329	–4.3%
Total	**183,103**	**203,548**	**35,564**	**69,282**	**218,667**	**272,830**	**–19.9%**

(kg)	ARRIVAL 2011	ARRIVAL 2010	DEPARTURE 2011	DEPARTURE 2010	TOTAL 2011	TOTAL 2010	% + / –
CENTRAL ASIA							
Tashkent	868	6,207	0	0	868	6,207	–86.0%
Total	**868**	**6207**	**0**	**0**	**868**	**6207**	**–86.0%**
EUROPE							
Amsterdam	399,284	442,616	143,458	141,946	542,742	584,562	–7.2%
Basel	0	0	0	1,847	0	1,847	–
Frankfurt	30,764	27,274	77,993	28,810	108,757	56,084	93.9%
Istanbul	64	118	24,934	23,428	24,998	23,546	6.2%
London	3,521,999	2,268,037	1,865,310	1,797,018	5,387,309	4,065,055	32.5%
Paris	374	5,697	157,013	155,366	157,387	161,063	–2.3%
Paris Orly	0	0	470	0	470	0	–
Rome	0	0	763	1,912	763	1,912	–60.1%
Total	**3,952,485**	**2,743,742**	**2,269,941**	**2,150,327**	**6,222,426**	**4,894,069**	**27.1%**
NORTH AMERICA							
Los Angeles	70,617	97,467	36,036	55,591	106,653	153,058	–30.3%
Total	**70,617**	**97,467**	**36,036**	**55,591**	**106,653**	**153,058**	**–30.3%**
SOUTH AMERICA							
Buenos Aires	3	930	15,764	16,027	15,767	16,957	–7.0%
Total	**3**	**930**	**15,764**	**16,027**	**15,767**	**16,957**	**–7.0%**
AFRICA							
Cape Town	0	2,869	1,173	1,290	1,173	4,159	–71.8%
Harare	1	16	0	0	1	16	–93.8%
Johannesburg	118	29	97	929	215	958	–77.6%
Mauritius	186	71	0	2	186	73	154.8%
Total	**305**	**2,985**	**1,270**	**2,221**	**1,575**	**5,206**	**–69.7%**
Grand Total	**11,651,746**	**8,920,725**	**12,301,235**	**8,835,765**	**23,952,981**	**17,756,490**	**34.9%**

INTERNATIONAL MAIL MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2011

KL INTERNATIONAL AIRPORT MAIL MOVEMENTS BY SECTORS 2011

TOTAL INTERNATIONAL MOVEMENTS: 23,953 METRIC TONNES



MOVEMENTS AT MAHB STOLports IN SABAH & SARAWAK 2011/2010

STOLports	AIRCRAFT MOVEMENTS	% CHG	PASSENGERS	% CHG	CARGO & MAIL (KG)	% CHG
SARAWAK REGION						
Bakalalan	370	–18.9%	5,333	–12.3%	–	–
Bario	1,718	13.6%	17,975	2.6%	293,928	22.3%
Lawas	3,870	2.6%	55,451	2.3%	35,100	–
Long Banga	234	–25.5%	2,647	–21.4%	0	–
Long Lellang	242	5.2%	2,240	10.6%	0	–
Long Akah	378	31.3%	2,081	20.7%	0	–
Long Seridan	194	–25.4%	1,589	1.4%	6,868	1.5%
Marudi	3,854	9.4%	48,523	7.3%	301,671	–2.6%
Mukah	3,258	3.4%	37,450	–3.5%	0	–
Belaga	–	–	–	–	–	–
Long Semado	–	–	–	–	–	–
Kapit	–	–	–	–	–	–
Total	**14,118**	**4.5%**	**173,289**	**1.6%**	**637,567**	**14.5%**
SABAH REGION						
Kudat	264	58.1%	5,046	536.3%	13	–
Long Pasia	–	–	–	–	–	–
Semporna	–	–	–	–	–	–
Total	**264**	**58.1%**	**5,046**	**536.3%**	**13**	**–**
Grand Total	**14,382**	**5.2%**	**178,335**	**4.1%**	**637,580**	**14.5%**

AIRLINES OPERATING AT KL INTERNATIONAL AIRPORT 2011 (DECEMBER)

		WEEKLY FLIGHT FREQUENCY
1	Air Astana	3
2	Air China	5
3	Air India Express	3
4	Air Mauritius	4
5	Air Zimbabwe	1
6	AirAsia	501 int/497 dom
7	AirAsia X	90
8	Biman Bangladesh Airlines	7
9	Cargolux Airlines International (cargo)	3
10	Cathay Pacific Airways	21
11	Cebu Pacific Air	10
12	China Airlines	9 + 2C
13	China Eastern Airlines	9
14	China Southern Airlines	14
15	Egyptair	7
16	Emirates	14
17	Etihad Airways	7
18	Eva Airways	4
19	Federal Express (cargo)	10
20	Firefly (domestic)	2
21	Gading Sari (cargo)-domestic	11
22	Garuda Indonesia	14
23	Gulf Air	5
24	Indonesia AirAsia	91
25	Iran Air	5
26	Japan Airlines International	7
27	Jet Airways (India)	7
28	Jetstar Asia	23
29	KLM-Royal Dutch Airlines	7

		WEEKLY FLIGHT FREQUENCY
30	Korean Air	7 + 6C
31	Kuwait Airways	6
32	Lion Air	10
33	Lufthansa German Airlines	4
34	Mahan Air	2
35	Malaysia Airlines	485 int + 19 C/395 dom
36	Martinair Holland (cargo)	2
37	Myanmar Airways International	5
38	Nepal Airlines	5
39	Oman Air	7
40	Pakistan International Airlines	4
41	Qatar Airways	14
42	Royal Brunei Airlines	7
43	Royal Jordanian	3
44	Saudi Arabian Airlines	7
45	SilkAir	44
46	Singapore Airlines	17
47	SriLankan Airlines	12
48	Thai AirAsia	21
49	Thai Airways International	19
50	Tiger Airways	26
51	Transaero Airlines	1
52	Transmile Air (cargo)-domestic	1
53	United Airways Bangladesh	5
54	United Parcel Services (cargo)	9
55	Uzbekistan Airways	3
56	Vietnam Airlines	21
57	Xiamen Airlines	5
58	Yemenia Yemen Airways	1

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. **COMERCIAL AIR TRANSPORT OPERATION**
An aircraft operation involving the transport of passengers, baggage, cargo or mail for remuneration or hire.

4. **AIR SERVICES , SCHEDULED**
Air services provided by flights scheduled and performed for remuneration according to a published timetable, or so regular or frequent as to constitute a recognisably systematic series which are open for use by public including empty flights related thereto and preliminary revenue flights on planned new air services.

5. **NON SCHEDULED FLIGHT**
Commercial flights not listed in the time table of an airline including General Aviation aircraft carrying passenger or cargo for remuneration or hire.

6. **PASSENGER**
Any person, except members of the crew, carried or to be carried in an aircraft with the consent of the carrier.

7. **TRANSFER PASSENGER (CARGO, MAIL)**
A passenger making a direct connection between two flights i.e using different aircraft and flight numbers, operated by the same or another airline. Synonymous with connecting passenger.

8. **TRANSIT PASSENGER (CARGO, MAIL)**
A passenger arriving and departing on one and the same aircraft.

9. **CARGO**
Anything carried or to be carried in an aircraft, except mail, or baggage carried under a passenger ticket and baggage check, but includes baggage moving under an airway bill or shipment record.

10. **MAIL, SERVICE**
- Dispatches of correspondence and other objects tendered by and intended for delivery to postal administration.
- Goods carried under the terms of an international Postal Convention.

11. **DEPARTURE**
The boarding of an aircraft for the purpose of commencing a flight, except by such crew or passengers as have embarked on a previous stage of the same through-flight.

12. **ARRIVAL**
The leaving of an aircraft after a landing except by crew or passenger continuing to the next stage of the same through-flight.

13. **STOLports**
An airport designed to serve short take-off and landing (STOL) aircraft.

STATISTICS OF SHAREHOLDINGS

STATEMENT OF SHAREHOLDINGS

Share Capital

Authorised Share Capital : RM2,000,000,001/-
Issued and Fully Paid-Up Capital : RM1,100,000,001/-
Class of Equity Securities : 1,100,000,000 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 26 of the Financial Statements.

ANALYSIS OF SHAREHOLDINGS AS AT 31 JANUARY 2012

A. DISTRIBUTION OF SHAREHOLDINGS (MALAYSIAN & FOREIGN)

	No. of holders		No. of holdings		Percentage	
Size of holdings	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
1 – 99	57	1	763	66	0.00	0.00
100 – 1,000	5,789	27	5,685,843	23,000	0.52	0.00
1,001 – 10,000	3,422	50	11,903,885	275,068	1.08	0.03
10,001 – 100,000	318	89	9,247,800	3,589,901	0.84	0.33
100,001 – 54,999,999 (*)	91	76	196,843,630	95,302,544	17.89	8.66
55,000,000 and above (**)	3	0	777,127,500	0	70.65	0.00
Total	**9,680**	**243**	**1,000,809,421**	**99,190,579**	**90.98**	**9.02**
Grand Total	**9,923**		**1,100,000,000**		**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.

B. LIST OF TOP 30 SECURITIES ACCOUNT HOLDERS AS AT 31 JANUARY 2012
(Without aggregating securities from different securities accounts belonging to the same person)

Name of Shareholders	No. of Holdings	Percentage
1. KHAZANAH NASIONAL BERHAD	594,000,000	54.00
2. CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	104,996,200	9.55
3. AMANAHRAYA TRUSTEES BERHAD SKIM AMANAH SAHAM BUMIPUTERA	78,131,300	7.10
4. AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM WAWASAN 2020	29,611,130	2.69
5. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (BERMUDA)	25,698,292	2.34
6. MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	24,947,100	2.27
7. MAYBAN NOMINEES (TEMPATAN) SDN BHD MAYBAN TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N14011940100)	18,043,500	1.64
8. CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	12,024,600	1.09
9. AMANAHRAYA TRUSTEES BERHAD AS 1MALAYSIA	9,344,500	0.85
10. HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	7,103,400	0.65
11. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR THE BANK OF NEW YORK MELLON (MELLON ACCT)	6,886,900	0.63
12. AMANAHRAYA TRUSTEES BERHAD PUBLIC GROWTH FUND	5,588,400	0.51
13. AMANAHRAYA TRUSTEES BERHAD PB GROWTH FUND	5,371,600	0.49
14. BHR ENTERPRISE SDN BHD	5,151,600	0.47
15. SETIAUSAHA KERAJAAN PULAU PINANG	5,000,000	0.45

STATISTICS OF **SHAREHOLDINGS**

Name of Shareholders	No. of Holdings	Percentage
16. AMANAHRAYA TRUSTEES BERHAD PUBLIC INDEX FUND	4,899,600	0.45
17. CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PRUDENTIAL FUND MANAGEMENT BERHAD	4,884,200	0.44
18. TABUNG AMANAH WARISAN NEGERI JOHOR	4,571,800	0.42
19. CHIEF MINISTER, STATE OF SABAH	4,500,000	0.41
20. STATE FINANCIAL SECRETARY SARAWAK	4,500,000	0.41
21. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.A.E.)	4,245,888	0.39
22. KERAJAAN NEGERI PAHANG	4,100,000	0.37
23. STATE SECRETARY KEDAH INCORPORATED	4,100,000	0.37
24. AMANAHRAYA TRUSTEES BERHAD PUBLIC EQUITY FUND	3,867,200	0.35
25. HSBC NOMINEES (ASING) SDN BHD TNTC FOR NEW ZEALAND SUPERANNUATION FUND	3,770,300	0.34
26. CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	3,503,900	0.32
27. MAYBAN NOMINEES (TEMPATAN) SDN BHD MAYBAN TRUSTEES BERHAD FOR PUBLIC AGGRESSIVE GROWTH FUND (N14011940110)	3,191,900	0.29
28. MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 2)	3,025,900	0.28
29. HSBC NOMINEES (ASING) SDN BHD SUMITOMO T&B NY FOR ASIA OCEANIA DIVIDEND YIELD STOCK MOTHERFUND	3,000,000	0.27
30. AMANAHRAYA TRUSTEES BERHAD PUBLIC SECTOR SELECT FUND	2,796,500	0.25

C. LIST OF SECURITIES ACCOUNT HOLDERS OF SPECIAL RIGHTS REDEEMABLE PREFERENCE SHARE AS AT 31 JANUARY 2012

1. The Minister of Finance (Incorporated)

D. SUBSTANTIAL SHAREHOLDERS AS AT 31 JANUARY 2012 (as shown in the register of substantial shareholders)

	No. of Shares held		
Name of Substantial Shareholders	**Direct**	**Indirect**	**Percentage**
Khazanah Nasional Berhad	594,000,000	–	54.00
Employees Provident Fund Board	112,403,500	–	10.22
AmanahRaya Trustees Berhad – Skim Amanah Saham Bumiputera	78,131,300	–	7.10

E. DIRECTOR'S SHAREHOLDINGS AS AT 31 JANUARY 2012 (as shown in the register of director's shareholding)

	No. of Shares held		
Name of Directors	**Direct**	**Indirect**	**Percentage**
1. Tan Sri Datuk Dr. Aris Bin Othman	–	–	–
2. Tan Sri Bashir Ahmad Bin Abdul Majid	–	–	–
3. Dato' Long See Wool	–	–	–
4. Eshah Binti Meor Suleiman	–	–	–
5. Datuk Alias Bin Haji Ahmad	–	–	–
6. Datuk Siti Maslamah Binti Osman	–	–	–
7. Jeremy Bin Nasrulhaq	–	–	–
8. Hajah Jamilah Binti Dato' Haji Hashim	–	–	–
9. Mohd Izani Bin Ghani	–	–	–
10. Norazura Binti Tadzim (Alternate Director to Eshah Binti Meor Suleiman)	–	–	–

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Millenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
T • 603-2084 9000
F • 603-2094 9940/2095 0295

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 Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed in 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 2009 to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act 2007.

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
T • 603-8777 7011
F • 603-8777 7512

Registered Owner and Location	Description and Existing Use	Tenure	Land Area	Built-up Area (sqm)	Net Book Value as at 31 Dec 2011 (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 50 years (Expiry date of 4 May 2048)	22,620 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 2067)	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	2,392
Malaysia Airports (Properties) Sdn. Bhd. Location: Genting Permai Park & Resort District of Bentong, Pahang Malaysia	4 units of apartments	Freehold	–	342	783
Malaysia Airports (Properties) Sdn. Bhd. Location: Teluk Dalam, Pulau Pangkor District of Manjung, Perak Malaysia	10 units of apartments	Freehold	–	744	909

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 2011 (RM'000)
LANDED PROPERTIES OWNED BY THE GROUP (CONTINUED)					
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	–	268
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	–	221

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.*

MALAYSIA AIRPORTS HOLDINGS BERHAD AND GROUP
Registered Address:
Malaysia Airports Corporate Office
Persiaran Korporat KLIA
64000 KLIA, Sepang, Selangor Darul Ehsan
T • 603-8777 7000
F • 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
T • 603-8777 7000
F • 603-8777 7778/603-8777 7512

MALAYSIA AIRPORTS (SEPANG) SDN BHD (320480-D)
Business Address:
3rd & 4th Floor, Airport Management Centre
Kuala Lumpur International Airport
64000 KLIA, Sepang, Selangor Darul Ehsan
T • 603-8776 2000/603-8777 8888
F • 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
T • 603-8776 8600
F • 603-8787 3747

MALAYSIA AIRPORTS (PROPERTIES) SDN BHD (484656-H)
Business Address:
Block C, Ground Floor, Short Term Car Park
64000 KLIA, Sepang, Selangor Darul Ehsan
T • 603-8776 8401
F • 603-8776 8181

K.L. AIRPORT HOTEL SDN BHD (330863-D)
Business Address:
Pan Pacific Kuala Lumpur International Airport Hotel
Kuala Lumpur International Airport
Jalan CTA 4B, 64000 KLIA, Sepang, Selangor Darul Ehsan
T • 603-8787 3333
F • 603-8787 5555

MAB AGRICULTURE-HORTICULTURE SDN BHD (467902-D)
Business Address:
4th Floor, Airport Management Centre
Kuala Lumpur International Airport
64000 KLIA, Sepang, Selangor Darul Ehsan
T • 019-2824 362
F • 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
T • 603-7846 3870
F • 603-7846 3300

GROUP **CORPORATE DIRECTORY**

MALAYSIA AIRPORTS TECHNOLOGIES SDN BHD (512262-H)
MALAYSIA AIRPORTS MSC SDN BHD (516854-V)
Business Address:
3rd Floor, Airport Management Centre
Kuala Lumpur International Airport
64000 KLIA, Sepang, Selangor Darul Ehsan
T • 603-8776 8341
F • 603-8786 8680

URUSAN TEKNOLOGI WAWASAN SDN BHD (459878-D)
AIRPORT AUTOMOTIVE WORKSHOP SDN BHD (808167-P)
Business Address:
1st Floor, Civil Engineering Building
Engineering Complex, Kuala Lumpur International Airport
64000 Sepang, Selangor Darul Ehsan
T • 603-8776 7002
F • 603-8787 2455

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 • 6088-219 081

KUCHING INTERNATIONAL AIRPORT
Peti Surat 1070
93722 Kuching, Sarawak, Malaysia
T • 6082-454 242
F • 6082-458 587

SULTAN ABDUL AZIZ SHAH AIRPORT
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
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 • 6089-667 782/667 786
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

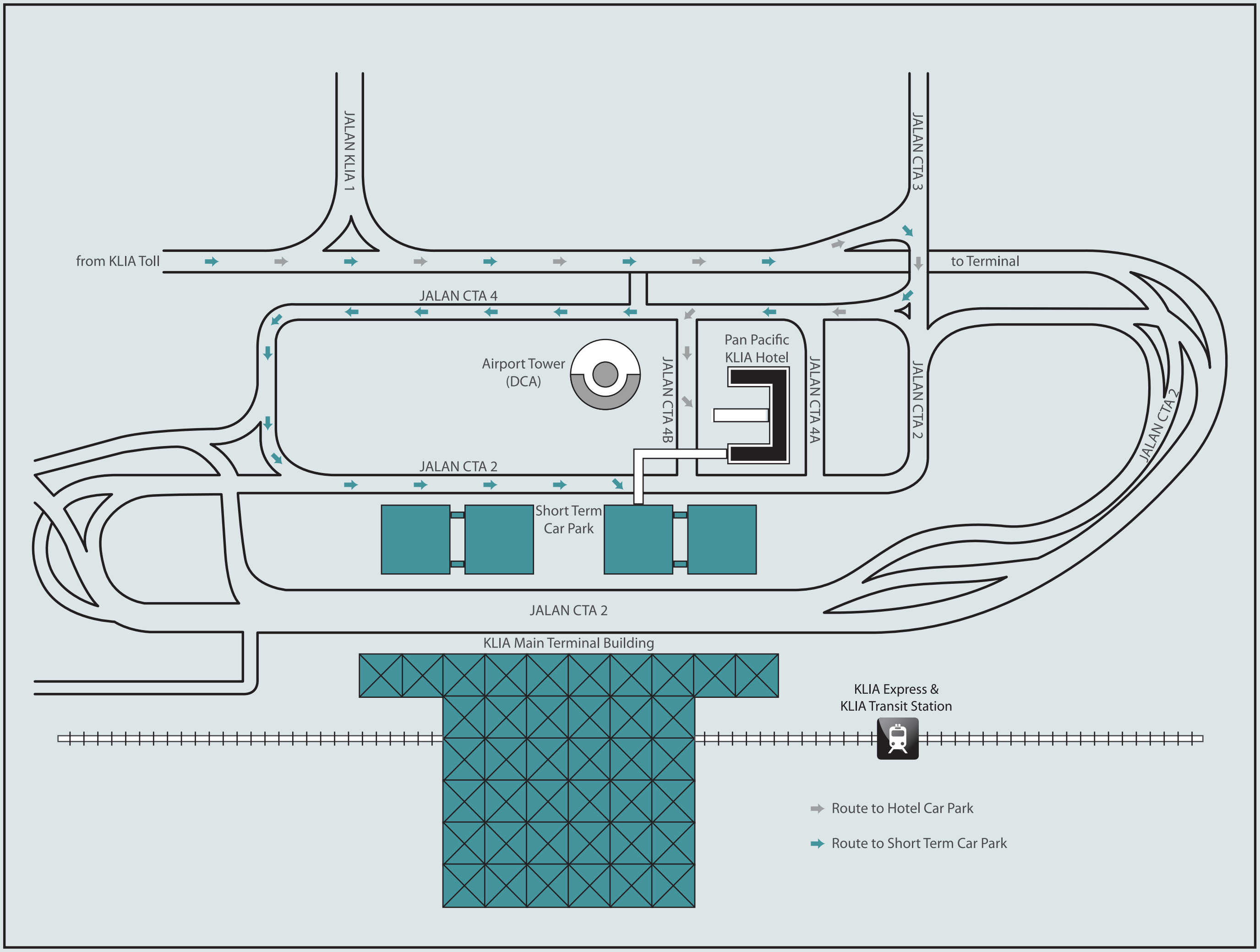
SIBU AIRPORT
Peti Surat 645
96000 Sibu, Sarawak, Malaysia
T • 6084-307 770
F • 6084-307 709

BINTULU AIRPORT
97000 Bintulu, Sarawak, Malaysia
T • 6086-339 163/333 844
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**



PROXY **FORM**

Malaysia Airports Holdings Berhad (487092-W)
Incorporated In Malaysia

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 Thirteenth Annual General Meeting of the Company to be held at Gateway Ballroom, Level 1, Pan Pacific Kuala Lumpur International Airport Hotel, Kuala Lumpur International Airport, Jalan CTA 4B, 64000 KLIA, Sepang, Selangor Darul Ehsan on Thursday, 29 March 2012 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.

		For	Against
Resolution 1	To receive the Audited Financial Statements and Reports of the Directors and Auditors for the financial year ended 31 December 2011.		
Resolution 2	To declare and approve the payment of final dividend for the financial year ended 31 December 2011.		
Resolution 3	To approve the payment of Directors' fees for the financial year ended 31 December 2011.		
Resolution 4	To re-elect Eshah binti Meor Suleiman as Director.		
Resolution 5	To re-elect Tan Sri Bashir Ahmad bin Abdul Majid as Director.		
Resolution 6	To re-elect Dato' Long See Wool as Director.		
Resolution 7	To re-elect Datuk Siti Maslamah binti Osman as Director.		
Resolution 8	To re-appoint Messrs. Ernst & Young as Auditors and to authorise the Directors to fix their remuneration.		
Resolution 9	Authority to issue and allot shares.		
Resolution 10	Proposed Amendments to the Articles of Association of the Company.		

As witness my/our hands this ______________ day of ______________ 2012.

____
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 stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(a), (b) and (c) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
2. The instrument appointing a proxy shall be in print or writing under the hand of the appointer or his duly constituted attorney, or if such appointer is a corporation, under its common seal or the hand 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 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 the 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 amount ("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