



FINANCIAL STATEMENTS

160	Directors' Report
164	Statement by Directors
165	Statutory Declaration
166	Independent Auditors' Report
168	Statements of Profit or Loss
170	Statements of Comprehensive Income
171	Consolidated Statement of Financial Position
173	Statement of Financial Position
175	Statements of Changes in Equity
178	Statements of Cash Flows
182	Notes to the 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 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

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

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

Information in respect of the Group's Operating Agreements with the Government of Malaysia ("GoM") and the newly acquired foreign subsidiaries Concession Agreements, including both the obligations and operations are disclosed in Note 1.2 and 1.3 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit from continuing operations, net of tax	40,121	239,015
Loss from discontinued operation, net of tax	(9)	-
Profit net of tax	40,112	239,015
Profit attributable to:		
Owners of the parent	40,904	239,015

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the full year effects arising from the consolidation of the Istanbul Sabiha Gokcen Uluslararası Havalimani Yatırım Yapım ve İşletme A.S. ("ISG") and LGM Havalimani İşletmeleri Ticaret ve Turizm A.S. ("LGM") operation.

SHARE CAPITAL

On 23 January 2015, the Company increased its paid-up share capital to RM1,376,541,340 via the issuance of 2,391,485 new ordinary shares of RM1 each, for a total premium of RM12,268,000 less RM142,000 share issuance expense. The increase arose from the Dividend Reinvestment Plan ("DRP") relating to electable portion (for those shareholders electing for the re-investment) of the single-tier interim dividend of 2.00%, on 1,374,149,855 ordinary shares for the financial year ended 31 December 2014, as disclosed in Note 27.

On 27 March 2015, the Company increased its paid-up share capital to RM1,651,849,607 via the issuance of 275,308,267 new ordinary shares of RM1 each in Malaysia Airports Holdings Berhad ("MAHB") on the basis of one (1) Rights Share for every five (5) existing shares held on the entitlement date. The issue price was fixed at RM4.78 per Right Share, representing a discount of approximately 28.80% to the theoretical ex-rights price of MAHB shares of RM6.71.

SHARE CAPITAL (cont'd)

On 19 June 2015, the Company further increased its paid-up share capital to RM1,659,191,829 via the issuance of 7,342,222 new ordinary shares of RM1 each, for a total premium of RM36,711,000 less RM586,000 share issuance expense arising from the DRP relating to electable portion of the single-tier final dividend of 3.60%, on 1,651,849,607 ordinary shares for the financial year ended 31 December 2014, as disclosed in Note 27.

DIVIDENDS

The amount of dividends declared or paid by the Company since 31 December 2014 were as follows:

	RM'000
In respect of the financial year ended 31 December 2014 as reported in the directors' report of that year:	
Single-tier final dividend of 3.60%, on 1,651,849,607 ordinary shares, declared on 5 May 2015 and paid on 18 June 2015 and partially re-invested on 19 June 2015.	59,467
In respect of the financial year ended 31 December 2015:	
Single-tier interim dividend of 4.00%, on 1,659,191,829 ordinary shares, declared on 30 July 2015 and paid on 28 August 2015	66,368
	125,835

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2015, of 4.50% on 1,659,191,829 ordinary shares on single-tier basis, with a total quantum of RM74,664,000, will be proposed for shareholders' approval ("Proposed Final Dividend").

The Proposed Final Dividend does not consist of an electable portion which can be elected to be re-invested in new ordinary shares in accordance with the DRP as disclosed in Note 27 to the financial statements since the Group has sufficient cash to finance it. The Board on 17 February 2016 has approved the Proposed Final Dividend without DRP.

DIRECTORS

The directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah
 Datuk Mohd Badlisham bin Ghazali
 Datuk Zalekha binti Hassan
 Rosli bin Abdullah
 Jeremy bin Nasrulhaq
 Datuk Seri Yam Kong Choy
 Dato' Mohd Izani bin Ghani
 Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin
 Dato' Siti Zauyah binti Md Desa (resigned on 29 May 2015)
 Norazura binti Tadzim [alternate director to Dato' Siti Zauyah binti Md Desa] (ceased on May 29 May 2015)

DIRECTORS' REPORT

DIRECTORS (cont'd)

Dato' Sri Dr. Mohmad Isa bin Hussain (appointed on 29 May 2015)

Norazura binti Tadzim [alternate director to Dato' Sri Dr. Mohmad Isa bin Hussain] (appointed on 29 May 2015)

Dato' Sri Dr. Ismail bin Hj. Bakar (resigned on 16 December 2015)

Datuk Ruhaizah binti Mohamed Rashid [alternate director to Dato' Sri Dr. Ismail bin Hj. Bakar] (ceased on 16 December 2015)

Datuk Seri Long See Wool (resigned on 16 February 2015)

Chua Kok Ching [alternate director to Datuk Seri Long See Wool] (resigned on 16 February 2015)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

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

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, none of the directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

OTHER STATUTORY INFORMATION (cont'd)

- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENT DURING THE YEAR

Significant event during the year is disclosed in Note 40 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 14 March 2016.



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



Datuk Mohd Badlisham bin Ghazali

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, Tan Sri Dato' Sri Dr. Wan Abdul Aziz bin Wan Abdullah and Datuk Mohd Badlisham bin Ghazali, being two of the directors of Malaysia Airports Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 168 to 307 are drawn up in accordance with the requirements of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance and the cash flows of the Group and of the Company for the year then ended.

The information set out in Note 45 on page 308 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 14 March 2016.



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



Datuk Mohd Badlisham bin Ghazali

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Raja Azmi bin Raja Nazuddin (MIA Number: 8515), being the officer primarily responsible for the financial management of Malaysia Airports Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 168 to 308 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Raja Azmi bin Raja Nazuddin at Kuala Lumpur in the Federal Territory on 14 March 2016.



Raja Azmi bin Raja Nazuddin

Before me,



INDEPENDENT AUDITORS' REPORT

to the members of Malaysia Airports Holdings Berhad
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Malaysia Airports Holdings Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2015, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 168 to 307.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Emphasis of matter

Without qualifying our opinion, we draw attention to the disclosures in Note 3 of the financial statements. Included in revenue of the Group for the year is accrued revenue arising from Malaysia Airports Consultancy Services Middle East L.L.C ("MACS ME") in the amount of QAR 56,442,000, equivalent to RM66,461,000 with respect to the services rendered under the Repair and Maintenance Services for Airport Special Systems Contract. MACS ME has measured this revenue based on the services rendered under the terms of the contract and the submission of payment applications acknowledged by the customer. As of the reporting date, the payment applications have yet to be formally approved by the customer. The management is confident that the amount of QAR 56,442,000, equivalent to RM66,461,000 will be realized in full and accordingly, has recognised such amount as revenue for the year ended 31 December 2015.

INDEPENDENT AUDITORS' REPORT
to the members of Malaysia Airports Holdings Berhad
(Incorporated in Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 ("Act") in Malaysia, we also report the following:

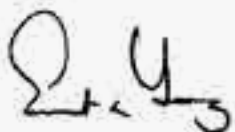
- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 17 to the financial statements, being financial statements that have been included in the consolidated financial statement.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 45 on page 308 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

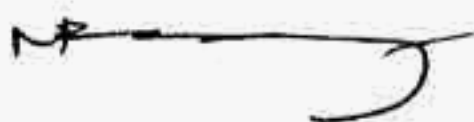
OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Ernst & Young**

AF: 0039

Chartered Accountants

**Nik Rahmat Kamarulzaman bin Nik Ab. Rahman**

No. 1759/02/18(J)

Chartered Accountant

Kuala Lumpur, Malaysia
14 March 2016

STATEMENTS OF PROFIT OR LOSS

for the financial year ended 31 December 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000 Restated	2015 RM'000	2014 RM'000
Continuing operations					
Revenue	3	3,870,207	3,343,721	119,788	728,988
Cost of inventories sold		(373,390)	(330,710)	-	-
Other income	4	337,073	166,672	506,376	311,523
Employee benefits expense	5	(743,966)	(619,334)	(134,010)	(122,392)
Construction costs		-	(633,880)	-	(633,880)
Depreciation and amortisation		(901,711)	(405,399)	(11,924)	(13,752)
Other expenses		(1,410,824)	(1,111,114)	(87,257)	(66,393)
Finance costs	6	(741,851)	(151,337)	(169,750)	(123,008)
Impairment of investments in:					
- associate	18	-	(9,011)	-	-
- unquoted shares	20	-	(15,000)	-	-
Gain arising from re-measurement of fair value of investment	17	-	483,689	-	-
Gain on bargain purchase	17	-	314,925	-	-
Impairment of goodwill	17	-	(231,272)	-	-
Share of results of associates	18	(349)	113	-	-
Share of results of jointly controlled entities	19	10,750	(52,736)	-	-
Profit before tax and zakat from continuing operations	7	45,939	749,327	223,223	81,086
Taxation and zakat	9	(5,818)	(85,931)	15,792	35,522
Profit from continuing operations, net of tax		40,121	663,396	239,015	116,608
Discontinued operation					
Loss from discontinued operation, net of tax	10	(9)	(57)	-	-
Profit net of tax		40,112	663,339	239,015	116,608

STATEMENTS OF PROFIT OR LOSS
for the financial year ended 31 December 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000 Restated	2015 RM'000	2014 RM'000
Profit attributable to:					
Owners of the parent		40,904	663,368	239,015	116,608
Non-controlling interests		(792)	(29)	-	-
		40,112	663,339	239,015	116,608
(Loss)/earnings per share attributable to owners of the parent (sen per share)					
- basic, for profit for the year	11	(1.09)	49.10		
- diluted, for profit for the year	11	-	48.87		

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

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000 Restated	2015 RM'000	2014 RM'000
Profit net of tax		40,112	663,339	239,015	116,608
Other comprehensive income:					
Available-for-sale financial assets					
- Gain on fair value changes	20	7,178	1,390	6,844	927
Foreign currency translation		283,331	2,396	-	-
Share of other comprehensive income of jointly controlled entities	19	-	(10,461)	-	-
Unrealised loss on derivative financial instruments	34	(13,491)	-	-	-
Other comprehensive income for the year, net of tax		277,018	(6,675)	6,844	927
Total comprehensive income for the year		317,130	656,664	245,859	117,535
Total comprehensive income attributable to:					
Owners of the parent		317,922	656,693	245,859	117,535
Non-controlling interests		(792)	(29)	-	-
		317,130	656,664	245,859	117,535

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2015

	Note	Group 2015 RM'000	2014 RM'000 Restated
ASSETS			
Non-current assets			
Property, plant and equipment	13	364,070	365,099
Plantation development expenditure	14	63,698	53,903
Land use rights	15	7,246	7,379
Intangible assets	16	17,842,413	17,556,790
Investments in associates	18	34,485	39,034
Investment in jointly controlled entities	19	71,671	62,415
Available-for-sale investments	20	335,344	467,379
Trade and other receivables	22	429,376	453,800
Staff loans	23	35,344	39,325
Deferred tax assets	24	231,642	240,729
		19,415,289	19,285,853
Current assets			
Inventories	25	117,642	154,485
Trade and other receivables	22	1,140,927	688,902
Tax recoverable		31,588	27,732
Cash and cash equivalents	26	1,286,736	2,041,129
		2,576,893	2,912,248
Assets of disposal group classified as held for disposal	10	151	104
		2,577,044	2,912,352
Total assets		21,992,333	22,198,205

**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**
as at 31 December 2015

		Group	
	Note	2015 RM'000	2014 RM'000 Restated
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	27	1,659,192	1,374,150
Perpetual Sukuk	33	997,842	997,842
Share premium		3,455,149	2,373,149
Retained earnings	28	2,449,491	2,591,922
Fair value adjustment reserve	29	5,300	(1,878)
Hedging reserve	34	(13,491)	-
Other reserve	30	5,083	2,635
Foreign exchange reserve	30	282,786	(545)
		8,841,352	7,337,275
Non-controlling interests		(757)	35
Total equity		8,840,595	7,337,310
Non-current liabilities			
Other financial liability	31	-	201,950
Loans and borrowings	32	5,500,007	5,619,277
Derivative financial instruments	34	14,523	-
Trade and other payables	35	4,478,195	4,329,539
Deferred tax liabilities	24	935,017	978,978
		10,927,742	11,129,744
Current liabilities			
Loans and borrowings	32	398,308	705,742
Derivative financial instruments	34	3,105	-
Trade and other payables	35	1,784,233	2,992,885
Income tax payable		38,331	32,498
		2,223,977	3,731,125
Liabilities of disposal group classified as held for disposal	10	19	26
		2,223,996	3,731,151
Total liabilities		13,151,738	14,860,895
Total equity and liabilities		21,992,333	22,198,205

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

STATEMENT OF FINANCIAL POSITION

as at 31 December 2015

	Note	Company	
		2015 RM'000	2014 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	66,677	94,934
Intangible assets	16	-	-
Investments in subsidiaries	17	1,943,696	1,943,696
Investment in jointly controlled entities	19	53,718	53,718
Available-for-sale investments	20	291,169	198,679
Other receivables	22	5,285,090	5,116,586
Deferred tax assets	24	266	-
		7,640,616	7,407,613
Current assets			
Inventories	25	13	13
Other receivables	22	2,505,940	1,104,991
Tax recoverable		1,389	1,492
Cash and cash equivalents	26	171,400	788,099
		2,678,742	1,894,595
Total assets		10,319,358	9,302,208

STATEMENT OF FINANCIAL POSITION
as at 31 December 2015

	Note	Company	
		2015 RM'000	2014 RM'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	27	1,659,192	1,374,150
Perpetual Sukuk	33	997,842	997,842
Share premium		3,455,149	2,373,149
Retained earnings	28	148,035	92,355
Fair value adjustment reserve	29	5,244	(1,600)
Total equity		6,265,462	4,835,896
Non-current liabilities			
Loans and borrowings	32	3,350,000	3,600,000
Deferred tax liabilities	24	-	15,629
Other payables	35	-	98,300
		3,350,000	3,713,929
Current liabilities			
Loans and borrowings	32	250,000	250,000
Other payables	35	453,896	502,383
		703,896	752,383
Total liabilities		4,053,896	4,466,312
Total equity and liabilities		10,319,358	9,302,208

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

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2015

Group	Attributable to owners of the parent										
	Non-distributable					Distributable					
	Share capital	Perpetual Sukuk	Share premium	Fair value adjustment reserve	Foreign exchange reserve	Hedging reserve	Other reserve	Distributable retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Note	(Note 27)	(Note 33)	(Note 29)	(Note 30)	(Note 34)	(Note 30)	(Note 30)	(Note 28)	(Note 28)		
At 1 January 2014	1,232,444	-	1,409,376	(553)	(2,941)	-	2,546	2,037,431	4,678,303	64	4,678,367
Total comprehensive income	-	-	-	(9,071)	2,396	-	-	663,368	656,693	(29)	656,664
Legal reserve	-	-	-	-	-	-	89	-	89	-	89
Issuance of perpetual sukuk	-	997,842	-	-	-	-	-	-	997,842	-	997,842
Distribution to perpetual sukuk holder	-	-	-	-	-	-	-	(2,520)	(2,520)	-	(2,520)
Transactions with owners											
Issuance of new shares pursuant to DRP	17,656	-	115,996	-	-	-	-	-	133,652	-	133,652
Issuance of new shares via Private Placement	124,050	-	847,777	-	-	-	-	-	971,827	-	971,827
Acquisition of subsidiaries	-	-	-	7,746	-	-	-	-	7,746	-	7,746
Dividends	-	-	-	-	-	-	-	(106,357)	(106,357)	-	(106,357)
Total transactions with owners	141,706	-	963,773	7,746	-	-	-	(106,357)	1,006,868	-	1,006,868
At 31 December 2014, as restated	1,374,150	997,842	2,373,149	(1,878)	(545)	-	2,635	2,591,922	7,337,275	35	7,337,310

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2015

Group	Note	Attributable to owners of the parent										Total equity RM'000
		Attributable to owners of the parent					Non-distributable					
		Share capital RM'000 (Note 27)	Perpetual Sukuk RM'000 (Note 33)	Share premium RM'000 (Note 29)	Fair value adjustment reserve RM'000 (Note 30)	Foreign exchange reserve RM'000 (Note 30)	Hedging reserve RM'000 (Note 34)	Other reserve RM'000 (Note 30)	Distributable retained earnings RM'000 (Note 28)	Total RM'000	Non-controlling interests RM'000	
At 1 January 2015		1,374,150	997,842	2,373,149	(1,878)	(545)	-	2,635	2,591,922	7,337,275	35	7,337,310
Total comprehensive income		-	-	-	7,178	283,331	(13,491)	-	40,904	317,922	(792)	317,130
Legal reserve	30	-	-	-	-	-	-	2,448	-	2,448	-	2,448
Distribution to perpetual sukuk holder	33	-	-	-	-	-	-	(57,500)	(57,500)	(57,500)	-	(57,500)
Transactions with owners												
Issuance of new shares pursuant to DRP	27	9,734	-	48,248	-	-	-	-	-	57,982	-	57,982
Issuance of new shares via right issue	27	275,308	-	1,033,752	-	-	-	-	-	1,309,060	-	1,309,060
Dividends	12	-	-	-	-	-	-	(125,835)	(125,835)	(125,835)	-	(125,835)
Total transactions with owners		285,042	-	1,082,000	-	-	-	(125,835)	(125,835)	1,241,207	-	1,241,207
At 31 December 2015		1,659,192	997,842	3,455,149	5,300	282,786	(13,491)	5,083	2,449,491	8,841,352	(757)	8,840,595

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

STATEMENTS OF CHANGES IN EQUITY
for the financial year ended 31 December 2015

Company	Note	Share capital RM'000 (Note 27)	Perpetual Sukuk RM'000 (Note 33)	← Non-distributable →		Distributable retained earnings RM'000 (Note 28)	Total equity RM'000
				Share premium RM'000	Fair value adjustment reserve RM'000 (Note 29)		
At 1 January 2014		1,232,444	-	1,409,376	(2,527)	84,624	2,723,917
Total comprehensive income		-	-	-	927	116,608	117,535
Issuance of perpetual sukuk	33	-	997,842	-	-	-	997,842
Distribution to perpetual sukuk holder	33	-	-	-	-	(2,520)	(2,520)
Transactions with owners							
Issuance of new shares pursuant to DRP	27	17,656	-	115,996	-	-	133,652
Issuance of new shares via Private Placement	27	124,050	-	847,777	-	-	971,827
Dividends	12	-	-	-	-	(106,357)	(106,357)
Total transactions with owners		141,706	-	963,773	-	(106,357)	999,122
At 31 December 2014		1,374,150	997,842	2,373,149	(1,600)	92,355	4,835,896
At 1 January 2015		1,374,150	997,842	2,373,149	(1,600)	92,355	4,835,896
Total comprehensive income		-	-	-	6,844	239,015	245,859
Distribution to perpetual sukuk holder	33	-	-	-	-	(57,500)	(57,500)
Transactions with owners							
Issuance of new shares pursuant to DRP	27	9,734	-	48,248	-	-	57,982
Issuance of new shares via right issues	27	275,308	-	1,033,752	-	-	1,309,060
Dividends	12	-	-	-	-	(125,835)	(125,835)
Total transactions with owners		285,042	-	1,082,000	-	(125,835)	1,241,207
At 31 December 2015		1,659,192	997,842	3,455,149	5,244	148,035	6,265,462

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

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2015

	Group		Company	
	2015 RM'000	2014 RM'000 Restated	2015 RM'000	2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before tax and zakat from				
- continuing operations	45,939	749,327	223,223	81,086
- discontinued operation	(9)	(26)	-	-
Adjustments for:				
Interest income	(33,656)	(15,936)	(2,015)	(777)
Dividend income	-	-	(124,776)	(66,583)
Interest from late payments	(5,538)	(4,456)	-	-
Interest expense	741,239	151,337	169,750	123,008
Provision for liabilities (Note 35)	7,334	4,394	563	32
Writeback of provision for liabilities	(514)	(39)	-	-
Amortisation of:				
- intangible assets	846,291	354,327	-	-
- plantation development expenditure	3,200	3,211	-	-
- land use rights	133	139	-	-
Depreciation of property, plant and equipment	52,087	47,722	11,924	13,752
(Reversal)/impairment of:				
- investment in associate	-	9,011	-	-
- investment in unquoted shares	-	15,000	-	-
- intangible assets	(18,368)	50,310	-	-
Net allowance/(write-back) for doubtful debts	25,688	(3,024)	(522)	(1,350)
Net bad debt written off/(write-back)	6,483	(393)	141	-
Gain on disposal of:				
- property, plant and equipment	(22)	(39)	(3)	-
- intangible assets	-	(36)	-	-
- quoted unit trust	-	(10)	-	(10)
- unquoted equity shares	(81,245)	-	-	-
Loss from derivative instrument	612	-	-	-
Realised foreign exchange gain arising from settlement of bridger loan	(63,450)	-	(63,450)	-
Property, plant and equipment written off	19,174	2,398	13,627	1
Intangible assets written off	18,444	2,206	-	-
Plantation development expenditure written off	-	1,396	-	-
Balance carried forward	1,563,822	1,366,819	228,462	149,159

STATEMENTS OF CASH FLOWS
for the financial year ended 31 December 2015

	Group		Company	
	2015 RM'000	2014 RM'000 Restated	2015 RM'000	2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (cont'd.)				
Balance brought forward	1,563,822	1,366,819	228,462	149,159
Inventories written off	7,395	290	-	-
Investment income	(30,346)	(23,915)	(22,218)	(13,688)
Profit from construction contract	-	(28,525)	-	(28,525)
Gain arising from re-measurement of fair value of investment	-	(483,689)	-	-
Gain on bargain purchase	-	(314,925)	-	-
Impairment of goodwill	-	231,272	-	-
Share of results of:				
- Jointly controlled entities	(10,750)	52,736	-	-
- Associates	349	(113)	-	-
Operating profit before working capital changes	1,530,470	799,950	206,244	106,946
Decrease/(increase) in inventories	29,802	(29,042)	-	-
(Increase)/decrease in receivables	(383,410)	(46,193)	(123,875)	3,014
(Decrease)/increase in payables	(366,311)	18,481	(187,222)	306,071
Decrease in concession liabilities	(26,943)	(22,834)	-	-
Decrease in provisions for liabilities	(4,383)	(3,433)	(10)	(6)
Changes in related company balances	-	-	(1,336,850)	(860,471)
Cash generated from/(used in) operations	779,225	716,929	(1,441,713)	(444,446)
Taxes and zakat (paid)/refunded	(101,354)	(143,228)	-	5,570
Net cash generated from/(used in) operating activities	677,871	573,701	(1,441,713)	(438,876)

STATEMENTS OF CASH FLOWS
for the financial year ended 31 December 2015

	Group		Company	
	2015 RM'000	2014 RM'000 Restated	2015 RM'000	2014 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of:				
- property, plant and equipment	(71,463)	(75,968)	(44,473)	(21,351)
- intangible assets	(229,211)	(488,689)	-	(690,144)
- quoted unit trust	(49,812)	(116,842)	(80,646)	(116,784)
- quoted bonds	(5,000)	-	(5,000)	-
- plantation development expenditure	(12,995)	(5,960)	-	-
Proceeds from disposals of:				
- property, plant and equipment	22	39	3	-
- intangible assets	-	36	-	-
- quoted unit trust	-	11	-	11
- unquoted equity shares	290,400	-	-	-
Advances to an associate	-	(9,020)	-	(9)
Acquisition of a subsidiary	(1,182,856)	-	-	(3)
Additional investment in an associate	(3,000)	(19,200)	-	-
Additional investment in jointly controlled entities (Note 19)	-	(963,213)	-	-
Cash and cash equivalents arising from acquisition of subsidiaries (Note 17)	-	913,960	-	-
Investment income received	30,346	23,915	22,218	13,688
Interest received	8,698	4,370	982	777
Dividend received from:				
- an associate and jointly controlled entity	8,694	3,600	4,988	-
- subsidiaries	-	-	119,788	66,583
Net cash (used in)/generated from investing activities	(1,216,177)	(732,961)	17,860	(747,232)

STATEMENTS OF CASH FLOWS
for the financial year ended 31 December 2015

	Group		Company	
	2015 RM'000	2014 RM'000 Restated	2015 RM'000	2014 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Share issuance expenses	-	(8,168)	-	(8,168)
Proceed from issuance of shares	-	124,050	-	124,050
Proceed from issuance of share premium	-	855,945	-	855,945
Share issuance expenses for right issue	(6,940)	-	(6,940)	-
Proceeds from issuance of shares from right issue	275,308	-	275,308	-
Proceeds of share premium arising from right issue	1,040,692	-	1,040,692	-
Perpetual sukuk issuance expense	-	(2,158)	-	(2,158)
Proceeds from issuance of perpetual sukuk	-	1,000,000	-	1,000,000
Loan syndication fee payment	(6,988)	-	-	-
Repayment of loan	(644,032)	(200,000)	(250,000)	(200,000)
Repayment of bridger loan	(1,119,413)	-	(1,119,413)	-
Repayment of debenture	(209,451)	-	-	-
Concession payment	(379,705)	-	-	-
Drawdown of loans and borrowings	1,182,856	250,000	1,182,856	250,000
Interest paid	(236,346)	(146,536)	(163,243)	(123,008)
Premium on debenture	(59,169)	-	-	-
Dividends paid to shareholders of the Company	(94,606)	(18,443)	(94,606)	(18,443)
Distribution paid to Perpetual Sukuk Holder	(57,500)	-	(57,500)	-
Net cash (used in)/generated from financing activities	(315,294)	1,854,690	807,154	1,878,218
Net (decrease)/increase in cash and cash equivalents	(853,600)	1,695,430	(616,699)	692,110
Effects of foreign currency translation	99,254	286	-	-
Cash and cash equivalents at beginning of year	2,041,233	345,517	788,099	95,989
Cash and cash equivalents at end of year (Note 26)	1,286,887	2,041,233	171,400	788,099

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

1. Corporate information and Operating Agreements

1.1 Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Malaysia Airports Corporate Office, Persiaran Korporat KLIA, 64000 KLIA, Sepang, Selangor Darul Ehsan.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 14 March 2016.

1.2 Operating Agreements

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

The Operating Agreements include the following salient terms:

- (a) To restate the Group's respective rights and commitments with respect to the operation, management, maintenance and development of K.L. International Airport ("KLIA") and the Designated Airports, and to terminate all prior rights and commitments arising from the concession agreement and lease agreement for KLIA entered into earlier between the GoM and MA (Sepang) save for rights and commitments expressly excluded in the Operating Agreements for KLIA and the Designated Airports;
- (b) The settlement of Residual Payment owing by MA (Sepang) to the GoM in a manner that could not significantly deplete the cash reserves of the Group, and that would take into consideration the Group's financial resources and business plans; and
- (c) MA (Sepang) and MASB ("Malaysia Airports") have been granted a lease of the airport lands for a period of 25 years commencing from 12 February 2009 via Lease Agreements signed between Federal Land Commissioner and Malaysia Airports, respectively on 12 February 2009.

However, via a letter dated 20 November 2015 from Ministry of Finance, MAHB has in principle been granted a lease of the airport lands for a period of sixty (60) years on a rolling basis. The respective GoM agencies are in the midst of formalising the implementation of the Rolling Lease before obtaining final approval on the same from the GoM.

- (d) In consideration of the GoM entering into the Operating Agreements for KLIA and Designated Airports, MA (Sepang) and MASB agree to pay the GoM the User Fee. User Fee is equal to a specified percentage of revenue the Group derive from activities carried out at KLIA and other airports.
- (e) Under the Operating Agreement, the GoM shall assist MAHB in bearing its socio-economic obligations by compensating MA (Sepang) and MASB with a marginal cost support sum ("MARCS") as disclosed in Note 2.4(y)(iv) for marginal losses suffered, arising from the undertaking of socio-economic activities and GoM policies.

1. Corporate information and Operating Agreements (cont'd.)

1.2 Operating Agreements (cont'd.)

- (f) The Operating Rights are granted by the GoM to further define and augment the rights of MA (Sepang) as a licensed airport operator and manager of KLIA, and MASB as a licensed airport operator and manager of the Designated Airports, and the Operating Rights shall run for a period of twenty five (25) years from 12 February 2009 and may be renewed by the GoM.
- (g) Under the Operating Agreements, these rights may be revoked by the GoM for certain prescribed reasons, including any default on the MAHB Group's obligations, any order being made, or a resolution being passed, for the winding-up, liquidation, or receivership of MAHB or its principal subsidiaries, MA (Sepang) or MASB, the execution of any judgement against a substantial portion of the assets of MAHB or MA (Sepang) or MASB, if MAHB, MA (Sepang) or MASB were to make an assignment or enter into an arrangement or composition with its creditors or the licenses held by MA (Sepang) or MASB to operate airports being revoked or suspended by the GoM. The New Operating Agreements permit the GoM to expropriate the rights with three months' written notice if they determine, in their sole discretion, that it is in the national interest or in the interest of national security. Upon the GoM exercising its rights of termination, the GoM shall pay an amount to be determined by an independent valuer appointed by the GoM and the Group.

1.3 Concession Agreements relating to ISG and LGM

As disclosed in Note 17 to the financial statements, effective 31 December 2014, ISG and LGM became wholly owned subsidiaries of the Group. ISG via the Concession Agreement signed with the Undersecretariat of Defence, Turkey (the "Administration") has been given the rights to operate Istanbul Sabiha Gokcen International Airport ("ISGIA") for a period of 22 years commencing 1 May 2008.

The Concession Agreements include the following salient information:

- (a) The right to operate the ISGIA is transferred to ISG in exchange for the amount offered at the tender and completion of the construction with regards to establishment of ISGIA's New International Terminal Building and its Complementaries (the "Construction"), which include construction of all infrastructures and superstructures, their connections to the main-system within the framework of the implementation including detailed projects to be drafted in accordance with tender specifications.
- (b) ISG is responsible for operating the domestic and international terminals currently available in the ISGIA in accordance with the principles and requirements of International Civil Aviation Organization ("ICAO"), European Civil Aviation Conference ("ECAC"), Airports Council International ("ACI"), European Organization for the Safety of Air Navigation ("EUROCONTROL"), Joint Aviation Authorities ("JAA") and International Air Transport Association ("IATA"); principles and procedures set forth by the Airport Authority and other criteria set forth in the relevant legislation of the Directorate of Air Transportation of the Ministry of Transportation, Turkey. In respect of this operation, ISG charges airlines departing passenger service fee. In addition, the occupiers of the areas within the ISGIA, other than public entities and agencies are charged for general utilities (i.e. heating, cooling and ventilation).
- (c) The passenger service fees for international and domestic lines are determined by the Ministry of Transportation, Turkey. In the event the passenger service fees increases above the amounts set in the Concession Agreement, ISG shall pay 50% of the incremental increase to the Administration. In the event the passenger service fees decreases below the amounts set in the Concession Agreement, 50% of the difference shall be deducted from the Utilisation Fee.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

1. Corporate information and Operating Agreements (cont'd.)

1.3 Concession Agreements relating to ISG and LGM (cont'd.)

(d) In accordance with the Concession Agreement, the tariff regarding the counter, bridge revenues (bridge, 400 Hz, water), commercially important person ("CIP"), general aviation terminal, meeting, conference hall revenues (except for space allocation, lease and advertisement revenues) together with ticket sales, office allocation, left luggage offices, parking area, luggage carrying (porter), telephone, diaphone, public announcement, aviation information and monitor utilisation, medical examination, treatment, electricity and water revenues shall be determined based on the tariff applied in Istanbul Atatürk Airport.

(e) ISG is responsible for:

- taking all measures to ensure that the operation continues without interruption during the concession period;
- providing insurance coverage for the Construction and the ISGIA;
- regular and continuous repair of all systems and equipment it possesses, keeping them in working order, replacement of the assets subject to depreciation during the concession period, whose economic useful lives determined by the Turkish Tax Procedural Law have ended or which have become out of order.

(f) According to the Concession Agreement, ISG is responsible for ensuring the security of the ISGIA (including the New International Terminal and Its Complementaries), maintenance, periodic maintenance and repairs, and transfer of the ISGIA to the Administration at the end of the concession period free from any obligation and liability and free of charge in operational condition.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2015 as described fully in Note 2.2.

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

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2015, the Group and the Company adopted the following new and amended FRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2015.

2. Significant accounting policies (cont'd.)

2.2 Changes in accounting policies (cont'd.)

Effective for financial periods beginning on or after 1 July 2014

Amendments to FRS 119: Defined Benefit Plans: Employee Contributions

Annual Improvements to FRSs 2010 - 2012 Cycle

- Amendments to FRS 2: Share-based payment
- Amendments to FRS 3: Business Combinations
- Amendments to FRS 8: Operating Segments
- Amendments to FRS 116: Property, Plant and Equipment
- Amendments to FRS 124: Related Party
- Amendments to FRS 138: Intangibles Asset

Annual Improvements to FRSs 2011 - 2013 Cycle

- Amendments to FRS 3: Business Combinations
- Amendments to FRS 13: Fair Value Measurement
- Amendments to FRS 140: Investment Property

The application of the above amendments had no material impact on the financial position or disclosure in the Group's financial statements.

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Effective for financial periods beginning on or after 1 January 2016

Annual Improvements to FRSs 2012 – 2014 Cycle

Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to FRS 116 and FRS 141: Agriculture: Bearer Plants

Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments to FRS 127: Equity Method in Separate Financial Statements

Amendments to FRS 101: Disclosure Initiatives

Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception

FRS 14 Regulatory Deferral Accounts

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

2. Significant accounting policies (cont'd.)

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

Effective for financial periods beginning on or after 1 January 2018

FRS 9: Financial Instruments

MFRS 15: Revenue from Contracts with Customers

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

Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. The amendments will have an impact on the financial statements of a foreign subsidiary.

The Group assessed the impact of the new standard and is planning to amortise the airport operation's right of a foreign subsidiary by determining the method reflecting the asset's usage based on passenger volumes and usage of airport activities over the concession period. The Group will adopt these standards prospectively beginning 1 January 2016 and the future amortisation used by the foreign subsidiary shall reflect the pattern in which the concession's future economic benefits are expected to be consumed by the Group and is applied consistently from period to period, unless there is a change in the expected pattern of consumption of those future economic benefits.

Amendments to FRS 116 and FRS 141: Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of FRS 141. Instead, FRS 116 will apply. After initial recognition, bearer plants will be measured under FRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of FRS 141 and are measured at fair value less costs to sell.

The amendments are effective for annual periods beginning on or after 1 January 2016 and are to be applied retrospectively, with early adoption permitted. These amendments are not expected to have any impact on the Group's financial statements.

2. Significant accounting policies (cont'd.)

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

Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and
- gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined by Malaysian Accounting Standards Board. Early application is permitted. These amendments are not expected to have any impact on the Group.

Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations

The amendments to FRS 11 require that a joint operator which acquires an interest in a joint operations which constitute a business to apply the relevant FRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not re-measured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to FRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

Amendments to FRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying FRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of FRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to FRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments is not expected to have any impact on the Group's and the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

2. Significant accounting policies (cont'd.)

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

Amendments to FRS 101: Disclosure Initiatives

The amendments to FRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

The amendments are to be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

FRS 9: Financial Instruments

In November 2014, the Malaysian Accounting Standards Board issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

MFRS 15: Revenue from Contracts with Customer

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

2. Significant accounting policies (cont'd.)

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

MFRS 15: Revenue from Contracts with Customer (cont'd.)

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Directors anticipate that the application of MFRS 15 will have a material impact on the amounts reported and disclosures made in the Group’s and the Company’s financial statements. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

Malaysian Financial Reporting Standards (MFRS Framework)

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

The MFRS Framework is a fully IFRS-compliant framework which is applicable for all non-private entities for annual periods beginning on or after 1 January 2012, other than Transitioning Entities (TEs), which may defer adoption in view of potential changes on the horizon which may change current accounting treatments. On 8 September 2015, the Malaysian Accounting Standards Board had announced the adoption of MFRS for the TEs is deferred to 1 January 2018.

TEs are non-private entities within the scope of MFRS 141 - Agriculture and IC Interpretation 15 - Agreements for the Construction of Real Estate, including their parent, significant investor and venturer. The Group being a TE, will adopt the MFRS Framework with effect from 1 January 2018.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2018.

2.4 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company’s separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

2. Significant accounting policies (cont'd.)

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

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

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. Significant accounting policies (cont'd.)

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

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

(ii) Basis of consolidation (cont'd.)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(iii) Transactions with non-controlling interests

Non-controlling interest represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with non-controlling interest are accounted for using the entity concept method, whereby, transactions with non-controlling interest are accounted for as transactions with owners. On acquisition of non-controlling interest, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interest is recognised directly in equity.

(b) Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill. The accounting policy of goodwill is stated in Note 2.4(d)(iii) to the financial statements.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

2. Significant accounting policies (cont'd.)

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

(b) Business combination (cont'd.)

Goodwill is carried at cost less accumulated impairment losses, if any. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of FRS 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to OCI. If the contingent consideration is not within the scope of FRS 139, it is measured in accordance with the appropriate FRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

(c) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2. Significant accounting policies (cont'd.)

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

(c) Investment in associates and joint ventures (cont'd.)

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as 'Share of results of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on usage based method and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date.

(i) Concession rights

(a) Airport operation rights in Malaysia

As disclosed in Note 1.2, the Group signed Operating Agreements on 12 February 2009 for a period of 25 years ending 2034 and the consideration paid to the GoM is classified as concession rights.

The Group's amortisation policy in respect of the Operating Agreements is determined on the method reflecting the asset's usage based on passengers volume and usage of airport activities over the concession period. The current amortisation used shall reflect the pattern in which the concession's future economic benefits are expected to be consumed by the Group and is applied consistently from period to period, unless there is a change in the expected pattern of consumption of those future economic benefits.

(b) Airport operations right in Turkey

As disclosed in Note 1.3, ISG via the Concession Agreement signed with the Administration has given the rights to operate ISGIA for the period of 22 years commencing 1 May 2008.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

2. Significant accounting policies (cont'd.)

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

(d) Intangible assets (cont'd.)

(i) Concession rights (cont'd.)

(b) Airport operations right in Turkey (cont'd.)

The right to charge users of an airport for services is recognised as an intangible asset. The airport operations right is initially recognised at cost, being the fair value of Utilisation Fee liability at the date of transfer of control of the ISGIA to ISG and the fair value of other consideration transferred to acquire the asset, which is the fair value of the consideration receivable for the construction services delivered. ISG estimates the fair value of the consideration receivable is estimated to be equal to the construction costs, plus 10% margin. Other costs (including travel and consultancy costs) incurred in regards to the project covered by the Concession Agreement are regarded as part of the consideration paid by ISG, and therefore included in the cost of airport operations right. The airport has been operational since 31 October 2009.

The airport operations right is amortised over the concession period, starting from the date the right is available for use. Accordingly, ISG started to amortise the first phase of the airport operations right, cost of which is measured as the fair value of Utilisation Fees payable, on 1 May 2008 (for extended period of 2 years on 15 October 2009), whereas the second phase, cost of which is measured as the fair value of the consideration receivable for the construction services delivered started to be amortised following the completion of the construction by November 2009. The airport operations are amortised using the revenue projections (mainly based on traffic projections) during the concession period, considering such method best reflects the pattern in which the asset's future benefits are expected to be consumed by ISG. Amortisation method and underlying assumptions are reviewed for validity at each period.

The concession rights also includes identifiable intangible asset of LGM long-term service contract with ISG to operate the food and beverage operations, CIP lounges and the hotel. The contract will expire in 2019 and MAHB intends to extend this contract until the end of the concession period in 2030.

(ii) Infrastructure and construction assets

Infrastructure and construction assets comprised assets which are constructed by the Group in exchange for the right of the Group to charge users of the public service infrastructure that it has constructed or upgraded and are stated at the fair value of construction services delivered including certain mark-up on the actual costs incurred and are amortised over the respective economic useful lives. The capital work in progress relating to these assets is not amortised until the assets are fully completed and brought to use. Similar to concession rights, the infrastructure and construction assets are amortised based on passengers volume and usage of airport activities over the concession period.

The Group's amortisation policy in respect of infrastructure and construction assets are determined on the method reflecting the asset's usage based on passenger volume and usage of airport activities over the concession period. The current amortisation used shall reflect the pattern in which the concession's future economic benefits are expected to be consumed by the Group and is applied consistently from period to period, unless there is a change in the expected pattern of consumption of those future economic benefits.

2. Significant accounting policies (cont'd.)

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

(d) Intangible assets (cont'd.)

(iii) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's Cash Generating Unit ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

(e) Fair value measurement

The Group measures financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 21.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

2. Significant accounting policies (cont'd.)

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

(e) Fair value measurement (cont'd.)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the valuation committee analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the valuation committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The valuation committee, in conjunction with the Group's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the valuation committee and the Group's external valuers present the valuation results to the audit committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(f) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

2. Significant accounting policies (cont'd.)

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

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

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Capital work-in-progress comprises the construction of buildings, renovation in-progress and other assets which have not been commissioned. Capital work-in-progress is not depreciated.

Capital work-in-progress is capitalised in accordance with FRS 116 Property, Plant and Equipment and is recognised as an asset when:

- (i) it is probable that future economic benefits associated with the asset will flow to the enterprise; and
- (ii) the cost of the asset to the enterprise can be measured reliably.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Freehold land	Not depreciated
Leasehold land	Over lease period
Buildings and building renovation	2% - 20%
Hotel property	2%
Infrastructure, safety equipment and motor vehicles	4% - 50%
Office, communications and electronic equipment	10% - 50%
Furniture and fittings	10% - 20%
Plant and machinery	10% - 20%
Crockery, glassware, cutlery and linen	20%

All property, plant and equipment located on Government leasehold land are depreciated over the estimated useful life or the remaining concession period which ever is earlier.

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

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

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

2. Significant accounting policies (cont'd.)

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

(g) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(h) Inventories

Inventories relating to merchandise goods and food and beverages are stated at the lower of cost (determined on a weighted average basis) and net realisable value. Cost of inventories comprises cost of purchase of goods. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution. Other inventories not to be resold and for consumption purposes are classified as spares and consumables.

2. Significant accounting policies (cont'd.)

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

(i) Plantation development expenditure

New planting expenditure incurred on land clearing and upkeep of trees to maturity are capitalised under plantations.

Amortisation of plantation development expenditure is at a rate of 4% per annum.

(j) Replanting expenditure

Replanting expenditure incurred during the year is recognised in the profit or loss.

Replanting expenditure represents the total cost incurred from land clearing to the point of harvesting.

(k) Financial assets

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

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

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

(i) Loans and receivables

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

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

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

(ii) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

2. Significant accounting policies (cont'd.)

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

(k) Financial assets (cont'd.)

(ii) Available-for-sale financial assets (cont'd.)

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

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

(l) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

2. Significant accounting policies (cont'd.)

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

(I) Impairment of financial assets (cont'd.)

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

2. Significant accounting policies (cont'd.)

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

(l) Impairment of financial assets (cont'd.)

(iii) Available-for-sale financial assets (cont'd.)

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(m) Derivative financial instruments and hedging activities

Derivative financial instruments are recognised and measured at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value with changes in fair value recognised in the statement of profit or loss at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedge) or hedges of a particular risk associated with a recognised asset or liability (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Group applies fair value hedge accounting for hedging fixed interest risk on borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the statement of profit or loss within 'finance cost'. The gain or loss relating to the ineffective portion is recognised in the statement of profit or loss within 'other gains or losses - net'. Changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk are recognised in the statement of profit or loss within 'finance cost'.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the statement of profit or loss over the period to maturity.

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(m) Derivative financial instruments and hedging activities (cont'd.)****(ii) Cash Flow hedge**

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit or loss within 'other gains or losses - net'.

Amounts accumulated in equity are reclassified to the statement of profit or loss in the periods when the hedged item affects the statement of profit or loss. The gain or loss relating to the effective portion of cross currency interest rate swaps hedging fixed rate borrowings is recognised in the statement of profit or loss within 'finance cost'.

When a hedging instrument matures, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the hedged item is ultimately recognised in the statement of profit or loss.

(n) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at banks and deposits at call.

(o) Leases**(i) As lessee**

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

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

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

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

2. Significant accounting policies (cont'd.)

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

(o) Leases (cont'd.)

(ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

(p) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(q) Income tax and zakat

(i) Current tax

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

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

(ii) Deferred tax

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

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(q) Income tax and zakat (cont'd.)****(ii) Deferred tax (cont'd.)**

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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

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

(iii) Zakat

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

(iv) Goods and Service Tax ("GST")

The net amount of GST being the difference between output and input of GST, payable to or receivable from the respective authorities at the reporting date, is included in trade and other payables or trade and other receivables in the statements of financial position.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

2. Significant accounting policies (cont'd.)

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

(r) Provisions for liabilities

Provisions for liabilities are recognised when the Group and the Company have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(s) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

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

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

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

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

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

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(t) Concession liabilities**

Concession liabilities are in respect of concession contracts and are recognised for the following arrangements:

- (i) Annual charges and land usage charges payable to GoM.
- (ii) Airport Facilities Agreements relating to chilled water utilities at KLIA.
- (iii) Privatisation of the Development of a Generation Plant at klia2.

(u) Employee benefits**(i) Short-term benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). For companies in Turkey, the contributions are made to public administered Social Security Fund.

(iii) Defined benefit plans

In accordance with the existing social legislation in Turkey, ISG and LGM are required to make lump-sum termination indemnities to each employee who has completed one year of service and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

Provision for unemployment termination benefits is provided as requirement of Turkish Labour Law to each employee who has completed one year of service and retires, whose employment is terminated without due cause, who is called up for military service, or who dies; and represents the present value of the estimated total reserve of the future probable obligation of the Group.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

2. Significant accounting policies (cont'd.)

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

(v) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(ii) Foreign currency transactions

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

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

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

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each statements of financial position presented are translated at the closing rate prevailing at the reporting date;
- Income and expenses for each profit or loss are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

2. Significant accounting policies (cont'd.)

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

(v) Foreign currencies (cont'd.)

(iii) Foreign operations (cont'd.)

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

The principal exchange rates used for every unit of foreign currency ruling at the reporting date are as follows:

	2015	2014
	RM	RM
United States Dollar (USD)	4.29	3.50
Great Britain Pound (GBP)	6.37	5.45
Singapore Dollar (SGD)	3.04	2.65
Euro (EUR)	4.69	4.25
Switzerland Swiss Franc (CHF)	4.33	3.53
China Renminbi (RMB)	0.68	0.56
Hong Kong Dollar (HKD)	0.55	0.45
Qatar Riyal (QAR)	1.19	0.92
Australian Dollar (AUD)	3.14	2.87
South African Rand (ZAR)	0.31	0.30

(w) User Fee

User Fee is payable to the GoM and equal to a specified percentage of all revenue the Group derive from activities at KLIA and other airports in Malaysia that involves the use of airport infrastructure, assets provided by or financed by the GoM or land belonging to the GoM. The User Fee increases over time by approximately 0.25% per annum and is payable on quarterly basis and increases further depending on the capital expenditure borne by the GoM based on the criteria set out in the Operating Agreements. The revenue base used in calculating the User Fee does not include any construction revenue, reimbursements, interest income, recovery of bad debt or inter-company transactions.

(x) Utilisation Fee

The Utilisation Fee liability represents the present value of amounts payable to the Administration in accordance with the Concession Agreement for the operation of the ISGIA for 20 years plus 22 months of extension period. The Utilisation Fee liability is discounted to present value, at a rate of 10.3%.

In respect of ISG and LGM, ISG has an agreement with Setur Servis Turistik A.S. ("Setur") providing Setur the right to be the exclusive duty free operator during the concession period as defined in Note 1.3. Monthly rentals are variable based on a certain criteria with a minimum annual rental guaranteed by Setur.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

2. Significant accounting policies (cont'd.)

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

(y) Revenue recognition

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

(i) Dividend income

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

(ii) Sale of goods

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

(iii) Revenue from services

Revenue from airport management and horticulture service rendered are recognised net of service taxes and discounts as and when the services are performed.

Revenue from contracts are recognised by reference to the stage of completion at the reporting date. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

(iv) Marginal Cost Support Sum ("MARCS")

Under the Operating Agreements, the GoM shall assist the Group in bearing its socio-economic obligations by compensating the Group with a MARCS for marginal losses suffered, arising from the undertaking of socio-economic activities and GoM policies.

The MARCS support is recognised in the financial statements throughout the concession year as revenue when recovery is probable and the amount that is recoverable can be measured reliably. Further details are disclosed in Notes 1.2 and 3.

As stipulated in the Operating Agreement, the Benchmark Passenger Service Charge ("PSC") rate is revised in every 5 years based on the agreed calculation. The 2nd Tariff Cycle revision became effective on 12 February 2014. MARCS PSC of RM87,659,000 (2014: RM80,297,000) was recognised during the year for the difference between actual PSC and Benchmark PSC rate.

Apart from this, included in MARCS is MARCS Express Rail Link ("MARCS ERL") as disclosed in Note 3.

2. Significant accounting policies (cont'd.)

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

(y) Revenue recognition (cont'd.)

(v) Revenue from hotel operations

Revenue from rental of hotel rooms, sale of food and beverages and other related income are recognised when the services are performed.

(vi) Construction revenue

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

(vii) Interest income

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

(z) Disposal groups classified as held for sale and discontinued operations

A component of the Group is classified as a “discontinued operation” when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Upon classification as held for sale, non-current assets and disposal groups are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

(aa) Concession contracts

A substantial portion of the Group’s assets are used within the framework of concession contracts/Operating Agreements granted by the GoM (“the grantor”). The characteristics of the Operating Agreements generally provide, directly or indirectly, for customer involvement in the determination of the service and its remuneration, and the return of the assets necessary to the performance of the service at the end of the contract.

In order to fall within the scope of concession contract, a contract must satisfy the following two criteria:

- the grantor controls or regulates what services the operator must provide with the infrastructure/assets, to whom it must provide them, and at what price; and
- the grantor controls the significant residual interest in the infrastructure/assets at the end of the term of the arrangement.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

2. Significant accounting policies (cont'd.)

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

(aa) Concession contracts (cont'd.)

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

Intangible assets resulting from the application of this policy are recorded in the statement of financial position under the heading 'Intangible assets' and are amortised on the method reflecting the asset's usage based on passengers volume and usage of airports activities over the concession period. Under the intangible asset model, revenue includes revenue from the construction of the infrastructure/assets and operating revenue of the infrastructure.

(ab) IC Interpretation 12 Service Concession Arrangements

IC Interpretation 12 - Service Concession Arrangements ("IC 12") adopted by the Group applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. Depending on the contractual terms, this interpretation requires the operator to recognise a financial asset if it has an unconditional contractual right to receive cash or an intangible asset if it receives a right (license) to charge users of the public service. Some contractual terms may give rise to both a financial asset and an intangible asset.

The IC 12 considered the nature of the rights conveyed to the operator in a service concession arrangement. It first examined whether the infrastructure used to provide public services could be classified as property, plant and equipment of the operator under FRS 116. It started from the principle that infrastructure used to provide public services should be recognised as property, plant and equipment of the party that controls its use. This principle determines which party should recognise the property, plant and equipment as its own.

The interpretation also concluded that treatment of infrastructure that the operator constructs or acquires or to which the grantor gives the operator access for the purpose of the service arrangement should be determined by whether the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and the grantor control through ownership, beneficial entitlement or otherwise any significant residual interest in the infrastructure at the end of the term of the arrangement.

Under IC 12, the operator may provide construction services to the grantor in exchange for an intangible asset, i.e. a right to collect revenue in accordance with the Operating Agreements. In accordance with FRS 138 Intangible Assets, the operator recognises the intangible asset at its fair value. The fair value of the intangible asset is calculated by including a certain mark-up on the actual cost incurred, estimated to reflect a margin consistent where possible with other similar construction works.

In addition, pursuant to the Airport Facilities Arrangement ("AFA") where the agreement is dependent on a specified asset, the Group recognised an asset and a liability at an amount equal to the value of the underlying asset as determined in the AFA and subsequently the liability shall be reduced as payments are made and an imputed finance charge on the liability recognised using the purchaser's incremental borrowing rate of interest.

2. Significant accounting policies (cont'd.)

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

(ac) Equity Instruments and Related Expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares and Perpetual Sukuk are classified as equity instruments.

Dividends on ordinary shares and distribution on Perpetual Sukuk are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

2.5 Significant accounting judgements and estimates

(a) Critical judgements made in applying accounting policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(i) Amortisation of concession rights and infrastructure and construction assets

The carrying amount of the concession rights and infrastructure and construction assets are amortised over the concession period determined by the method where the amortisation method used shall reflect the pattern which the concession's future economic benefits are expected to be consumed by the Group based on the expected number of passengers and the utilisation of the airports over the concession period. The variable factors in determining the estimated amortisation includes projected total number of passengers for subsequent years to the end of concession period. The assumptions to arrive at the passenger volume projections and usage of airports also take into consideration the growth rate based on current market and economic conditions. Changes in the expected passenger volume and usage of airports could impact future amortisation charges.

(ii) Amount due from GoM

Management assessed the amount claimable from the GoM together with the future obligations of the Group in respect of User Fee payable to the GoM.

Profit projections are used in determining the future obligations in respect of future User Fee payable for any potential set-off against the amount claimable from GoM as at reporting date. The profit projections by the management are based on various assumptions, amongst others including passenger volume, usage of airports, amortisation of concession asset and projected growth rate.

Further management's key assumptions and judgement on arriving at the initial recognition and the fair value of the amount receivable from the GoM relating to the option of the racing circuit which was recognised as receivables in prior years are as follows:

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

2. Significant accounting policies (cont'd.)

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

(a) Critical judgements made in applying accounting policies (cont'd.)

(ii) Amount due from GoM (cont'd.)

- The present value of the consideration of the racing circuit option is calculated on the assumption that the amount expected to be received by the Group at the end of the option period in April 2019.
- The consideration of the racing circuit is based on the book value of the circuit as at 31 December 2010 and subsequent to the present value of the amount classified as long-term debts (receivable from the GoM).
- The discounted rate used of 4.55% which approximated the prevailing market rates at the date of inception and subsequent changes to the accretion of the present value is accounted for as interest income relating to loans and receivables in future years.

Details of amounts due from and to GoM are disclosed in Notes 22 and 35.

(iii) Revenue recognition

Significant judgement is applied to determine the accrued revenue for aeronautical and commercial debtors based on passenger movements, the number of airlines and timing of billings.

As at reporting date, the amount of accrued revenue for aeronautical and commercial debtors as disclosed in Note 22 comprised approximately 6% (2014: 5%) of the total revenue.

(iv) Land use rights

The Group has assessed that the previous amount paid was in relation to the rights to occupy the land leased by the Federal Land Commissioner, and accordingly pursuant to Amendments to FRS 117, prepaid land lease payments is classified as land use rights.

(v) Impairment of available-for-sale investments

The Group and the Company review their investments in equity instruments, which are classified as available-for-sale investments at each reporting date to assess whether they are impaired. The Group and the Company record impairment charges when there has been a significant or prolonged decline in the fair value below their cost.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group and the Company evaluate, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost. The Group and the Company impair quoted and unquoted equity instruments with "significant" decline in fair value greater than 20%, and "prolonged" period as greater than 12 months.

2. Significant accounting policies (cont'd.)**2.5 Significant accounting judgements and estimates (cont'd.)****(b) Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(ii) Deferred taxation

Deferred tax assets are recognised for all unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in Note 24.

(iii) Airline incentives

The management determined that the Group's obligation to provide the airlines incentives should be recognised and measured by allocating some of the consideration received or receivable from the sales transactions to award credits and deferring the recognition of revenue.

In deferring the recognition of revenue, management estimated and made certain assumptions on the probability of each airline to have met the conditions imposed by the Group in order to qualify under the incentive programme such as the achievement of the growth rate of the inbound passengers and landing managed by the respective airlines, the probability of non-disputing of billings and settlement of outstanding debts; and the likelihood of the existence of the airlines within the next twelve months from the date of the airlines' incentive entitlement.

Further information on airline incentives are disclosed in Note 35(d).

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

2. Significant accounting policies (cont'd.)

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

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

(iv) Impairment of investments in associates

Investments in associates are for long-term basis and the Company determines whether the carrying amounts of its investments in associates are impaired at least on an annual basis at reporting date. This requires an estimation of the value in use of the CGU which is attributable to those investments. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(v) Concession contract and percentage of completion

The Group provides construction services in exchange for the right to operate the airport in accordance with the Operating Agreements. As described in Note 2.4(ab) IC 12 Service Concession Arrangement, the Group recognises the revenues and costs in accordance to FRS 111 Construction Contracts by reference to the stage of completion of the construction activity. The date of completion is measured by reference to the Construction costs incurred for work performed to date bear to the estimated total costs for the contract.

(vi) Mark-up rate for the construction

The airport operations right in exchange for the construction services provided is recognised at the fair value of the consideration receivable for the construction services delivered. The fair value of the consideration receivable for the construction services delivered is calculated by including certain mark-up, estimated to reflect a margin consistent with other similar construction work where possible, on the actual costs incurred. Mark-up rate used in calculating the fair value of the consideration receivable estimated by the Group on the previous year construction project is 4.5% as disclosed in Note 16. Mark-up rate used by ISG in calculating the fair value of the consideration receivable for the completed construction work was estimated as 10% in prior years.

(vii) Concession liabilities

As disclosed in Note 2.4(t) and (aa), the Group recognised an asset and a liability at an amount equal to the fair value of the underlying asset as determined in the agreement and subsequently the liability shall be reduced when payments are made. The imputed finance charges estimated are as follows:

(i) Annual charges and land usage charges payable to GoM

4.55% per annum over the period of 25 years ending 2034. Had the estimation of the finance charge increase or decrease by 10% of the discount rate used, the net interest charged would be higher by approximately RM195,000 or lower by RM216,000 respectively.

2. Significant accounting policies (cont'd.)**2.5 Significant accounting judgements and estimates (cont'd.)****(b) Key sources of estimation uncertainty (cont'd.)****(vii) Concession liabilities (cont'd.)**

- (ii) Airport Facilities Agreement relating to chilled water utilities at KLIA pursuant to the Operating Agreement payable to service provider

5.5% per annum over the period of 20 years ending 2018. Had the estimation of the finance charge increase or decrease by 10% of the discount rate used, the net interest charged would be higher by approximately RM443,000 or lower by RM419,000 respectively.

- (iii) Privatisation of the Development of a Generation Plant at klia2

5.5% per annum over the period of 20 years ending 2033. Had the estimation of the finance charge increase or decrease by 10% of the discount rate used, the net interest charged would be higher by approximately RM2,080,000 or lower by RM2,066,000 respectively.

(viii) Financial liability relating to the Utilisation Fee recognised in ISG

The Utilisation Fee liability represent the present value of amounts payable to the Administration in accordance with the Concession Agreement for the operation of the ISGIA for 20 years plus 22 months of extension period. The Utilisation Fee liability is discounted to present value, at a rate of 10.3%.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

3. Revenue

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Airport operations:				
- Airport services:				
- Aeronautical	1,947,532	1,448,643	-	-
Less: airline incentives	(48,184)	(107,568)	-	-
	1,899,348	1,341,075	-	-
- Non-aeronautical	1,046,500	553,997	-	-
- Construction revenue*	-	662,405	-	662,405
- Duty free and non-dutiable goods	672,520	614,688	-	-
Non-airport operations:				
- Agriculture and horticulture	29,915	31,304	-	-
- Hotel operations	86,017	74,136	-	-
- Project and repair maintenance	135,907	66,116	-	-
Dividend income from subsidiaries	-	-	119,788	66,583
	3,870,207	3,343,721	119,788	728,988

Included in aeronautical revenue is MARCS sum income of RM144,181,000 (2014: RM145,790,000) as disclosed in Note 2.4(y)(iv).

Included in project and repair maintenance revenue is revenue arising from MACS ME amounting to QAR 111,050,000, equivalent to RM115,506,000 with respect to the repair and maintenance services at Hamad International Airport (formerly known as New Doha International Airport).

* Construction revenue relates to revenue recognised pursuant to IC 12 and in accordance with FRS 111 in respect of the construction of klia2. During the year, there were no construction revenues recognised, as the construction of klia2 was completed on 2 May 2014.

Included in the revenue is revenue contributed by ISG and LGM totaling to RM919,315,000 (2014: nil).

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

4. Other income

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Interest income:				
- Unquoted investments and staff loan	8,698	4,398	982	762
- Other loans and receivables	23,875	11,399	-	7
- Gain on financial instruments at fair value through profit or loss	1,083	139	1,033	8
Investment income from:				
Available-for-sale financial assets on equity instruments				
- quoted in Malaysia	24,703	18,661	20,619	13,627
- unquoted in Malaysia	2,940	5,005	-	-
- unquoted short-term investment	2,703	249	1,599	61
Rental income:				
- Minimum lease payments	10,462	10,080	-	-
Gain on disposal of:				
- Property, plant and equipment	22	39	3	-
- Intangible assets	-	36	-	-
- Quoted unit trust	-	10	-	10
- Unquoted equity shares	81,245	-	-	-
Realised foreign exchange gain arising from settlement of bridger loan	63,450	-	63,450	-
Net realised foreign exchange gain/(loss)	3,765	3,553	(549)	1,858
Management fee charged to subsidiaries	-	-	186,489	159,822
Interest from late payments	5,538	4,456	-	-
Recoupment of expenses	94,946	89,377	218,857	124,625
Miscellaneous	13,643	19,270	13,893	10,743
	337,073	166,672	506,376	311,523

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

5. Employee benefits expense

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Wages and salaries	458,466	369,768	80,370	71,520
Bonus	59,420	52,798	15,724	9,755
Contributions to defined contribution plans	80,476	73,085	16,250	13,464
Social security contributions	5,565	5,163	674	651
Short-term accumulating compensated absences	2,794	3,997	563	32
Other employee benefits	137,245	114,523	20,429	26,970
	743,966	619,334	134,010	122,392

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM1,458,000 (2014: RM3,041,000) and RM1,458,000 (2014: RM3,041,000) respectively as further disclosed in Note 8.

6. Finance costs

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest expense:				
- concession payables and borrowings	295,515	202,802	162,707	178,330
- financial liabilities	387,167	4,801	7,043	944
Premium on debenture	59,169	-	-	-
Less: Interest expense capitalised in intangible assets*	-	(56,266)	-	(56,266)
	741,851	151,337	169,750	123,008

* The amount for 2014 is arrived at after netting off interest income of RM2,638,000.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

7. Profit before tax and zakat from continuing operations

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-executive directors' remuneration excluding benefits-in-kind (Note 8)	2,061	2,177	1,874	2,071
Auditors' remuneration:				
- statutory	1,132	692	147	120
- other services	594	540	582	540
User Fee expenses	282,059	271,369	-	-
Rental expense	111,799	57,018	6,061	8,673
Depreciation of property, plant and equipment (Note 13)	52,087	47,722	11,924	13,752
Amortisation of:				
- plantation development expenditure (Note 14)	3,200	3,211	-	-
- land use rights (Note 15)	133	139	-	-
- intangible assets (Note 16)	846,291	354,327	-	-
Property, plant and equipment written off	19,174	2,398	13,627	1
Intangible assets written off	18,444	2,206	-	-
Plantation development expenditure written off	-	1,396	-	-
Gain on disposal of:				
- intangible assets	-	(36)	-	-
- property, plant and equipment	(22)	(39)	(3)	-
- unquoted equity shares	(81,245)	-	-	-
Impairment of:				
- investment in unquoted shares	-	15,000	-	-
- intangible assets (Note 16)	-	50,310	-	-
Reversal of impairment of intangible assets (Note 16)	(18,368)	-	-	-
Net allowance/(writeback) of doubtful debts	25,688	(3,024)	(522)	(1,350)
Inventories written off	7,395	290	-	-
Bad debts written off/(writeback)	6,483	(393)	141	-
Utility charges	326,295	284,950	1,404	1,452
Repair and maintenance costs	306,535	201,857	11,017	7,324
Legal and other professional fees	32,762	43,436	13,970	10,245

User Fee expenses amounting to RM282,059,000 (2014: RM271,369,000) relates to license and operating rights payable to the GoM which ranges from 10.51% to 10.80% (2014: 10.13% to 10.42%) of gross revenues by the Group from activities carried out at KLIA and other airports excluding construction revenue, reimbursements, interest income, recovery of bad debt or inter-company transactions.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

8. Directors' remuneration

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Executive directors' remuneration (Note 5):				
- Other emoluments	1,458	3,041	1,458	3,041
Non-executive directors' remuneration (Note 7):				
- Fees	1,035	1,053	1,035	1,053
- Other emoluments	1,026	1,124	839	1,018
	2,061	2,177	1,874	2,071
Total directors' remuneration	3,519	5,218	3,332	5,112
Estimated money value of benefits-in-kind	237	167	237	167
Total directors' remuneration including benefits-in-kind	3,756	5,385	3,569	5,279

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Executive:				
- Salaries and other emoluments	993	2,268	993	2,268
- Bonus	253	503	253	503
- Defined contribution plans	212	270	212	270
- Estimated money value of benefits-in-kind	131	30	131	30
	1,589	3,071	1,589	3,071
Non-executive:				
- Fees	1,035	1,053	1,035	1,053
- Allowances	1,026	1,124	839	1,018
- Estimated money value of benefits-in-kind	106	137	106	137
	3,756	5,385	3,569	5,279

Included in the Group non-executive directors' allowance was the subsidiaries directors' allowance of RM186,500 (2014: RM106,000).

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

8. Directors' remuneration (cont'd.)

The number of directors of the Company whose total remuneration during the financial year fell within the following bands are analysed below:

	Number of directors	
	2015	2014
Executive director:		
Less than RM2,000,000	1	1
RM2,000,001 – RM2,050,000	-	-
RM2,050,001 – RM2,100,000	-	-
RM2,100,001 – RM2,150,000	-	-
RM2,150,001 – RM2,200,000	-	-
RM2,200,001 – RM2,250,000	-	-
RM2,250,001 – RM2,300,000	-	-
RM2,300,001 – RM2,350,000	-	-
RM2,350,001 – RM2,400,000	-	-
RM2,400,001 – RM2,450,000	-	-
RM2,450,001 – RM2,500,000	-	1
Non-executive directors:		
Less than RM50,000	5	5
RM50,001 – RM100,000	2	-
RM100,001 – RM150,000	1	2
RM150,001 – RM200,000	3	2
RM200,001 – RM250,000	3	5
RM250,001 – RM300,000	-	-
RM300,001 – RM350,000	-	-
RM350,001 – RM400,000	1	-
RM400,001 – RM450,000	-	-
RM450,001 – RM500,000	-	1
RM500,001 – RM550,000	-	-

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

9. Taxation and zakat

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current income tax:				
- Malaysian income tax	83,439	90,788	207	104
- Foreign tax	8,162	1,171	-	-
- Under/(over) provision in prior years	9,223	9,208	(104)	(127)
	100,824	101,167	103	(23)
Deferred tax (Note 24):				
Relating to origination and reversal of temporary differences	(75,881)	(11,945)	(1,638)	8,909
Relating to reduction in Malaysia income tax rate	955	-	11	-
Over provision of deferred tax in prior years	(22,587)	(8,076)	(14,268)	(775)
Derecognition of deferred tax on control transfer of intangible assets	-	-	-	(45,189)
	(97,513)	(20,021)	(15,895)	(37,055)
	3,311	81,146	(15,792)	(37,078)
Income tax expense/(credit)	3,311	81,146	(15,792)	(37,078)
Zakat	2,507	4,785	-	1,556
Total income tax expense/(credit) and zakat	5,818	85,931	(15,792)	(35,522)

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

9. Taxation and zakat (cont'd.)

Reconciliation between tax expense/(credit) and accounting profit

The reconciliations between tax expense/(credit) and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2015 and 2014 are as follows:

	2015 RM'000	2014 RM'000 Restated
Group		
Profit/(loss) before tax and zakat from:		
Continuing operations	45,939	749,327
Discontinued operation (Note 10)	(9)	(26)
	45,930	749,301
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	11,483	187,325
Different tax rates in other countries	(5,466)	(2,082)
Relating to reduction in Malaysia tax rate	955	-
Tax effects of share of results of associates and jointly controlled entities	(2,600)	13,156
Income not subject to tax	(51,815)	(240,670)
Expenses not deductible for tax purposes	156,537	122,771
Deferred tax asset recognised on investment tax allowances	(29,520)	-
Utilisation of other deductible temporary differences	(44,399)	-
Utilisation of previously unrecognised tax losses	27,866	-
Utilisation of previously unrecognised unabsorbed capital allowances	-	(13)
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	(46,366)	(473)
Under provision of income tax in prior years	9,223	9,208
Over provision of deferred tax in prior years	(22,587)	(8,076)
Income tax expense for the year	3,311	81,146

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

9. Taxation and zakat (cont'd.)

Company	2015 RM'000	2014 RM'000
Profit before tax and zakat	223,223	81,086
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	55,806	20,272
Relating to reduction in Malaysia tax rate	11	-
Income not subject to tax	(67,023)	(27,141)
Expenses not deductible for tax purposes	9,786	15,882
Over provision of income tax in prior years	(104)	(127)
Over provision of deferred tax in prior years	(14,268)	(775)
Derecognition of deferred tax on control transfer of intangible assets	-	(45,189)
Income tax credit for the year	(15,792)	(37,078)

Current income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year.

The income tax rate will be reduced by 1%, at 24% from the year of assessment 2016 onwards.

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

10. Discontinued operation and disposal group classified as held for disposal

On 3 September 2013, KLAH issued a notice of termination of the Hotel Management Agreement (“HMA”) to Sama-Sama Hospitality Management Sdn. Bhd. (“SSHM”) due to the non-participation and withdrawal of a key individual in the management and operations of the JV Company. On 18 September 2013, pursuant to the terms of the Joint Venture Agreement (“JVA”), KLAH issued a written notice of termination to ATOZ Hospitality Services Sdn. Bhd. (“ATOZ”), to terminate the JVA.

As at 31 December 2015, the assets and liabilities of SSHM have been presented on the consolidated statements of financial position as assets and liabilities held for disposal and results from SSHM is presented separately on the statement of comprehensive income as a discontinued operation.

The Board of Directors of MAHB, had on 25 November 2014 approved for the striking off or winding up of SSHM via court order, after attempts to have SSHM wound up via voluntary winding up failed. Subsequently, on 6 November 2015, ATOZ has applied for an intervener application. Upon the application of ATOZ to file a supplementary affidavit, the Judge allowed the request and fixed 31 March 2016 for case management pending the exchange of affidavits for the hearing of both the Winding-Up Petition and the Intervention Application.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

10. Discontinued operation and disposal group classified as held for disposal (cont'd.)

An analysis of the results of the discontinued operation is as follows:

	2015 RM'000	2014 RM'000
Expenses	(9)	(26)
Loss before tax of a discontinued operation	(9)	(26)
Income tax expense	-	(31)
Loss for the year from a discontinued operation	(9)	(57)

The classes of assets and liabilities classified as held for disposal on the consolidated statement of financial position are as follows:

	2015 RM'000	2014 RM'000
Asset		
Cash and cash equivalents	151	104
Assets of disposal group classified as held for disposal	151	104
Liability		
Trade and other payables	19	26
Liabilities of disposal group classified as held for disposal	19	26

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

11. Earnings per share

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2015	2014
	RM'000	RM'000
		Restated
Profit from continuing operations attributable to ordinary equity holders of the Company	40,121	663,396
Distribution to Perpetual Sukuk Holders	(57,500)	(2,520)
Net (loss)/profit from continuing operations attributable to owners of the parent	(17,379)	660,876
Loss from a discontinued operation attributable to ordinary equity holders of the Company	(9)	(57)
(Loss)/profit attributable to ordinary equity holders of the Company	(17,388)	660,819

	Group	
	2015	2014
Weighted average number of ordinary shares in issue ('000)	1,590,754	1,346,049

	Group	
	2015	2014
	sen	sen
		Restated
Basic (loss)/earnings per share for:		
- Basic, for profit for the year	(1.09)	49.10

(b) Diluted

In prior year, the earnings per share were diluted by the issuance of 2,391,485 ordinary shares of RM1 each, at a total premium of RM12,268,000 less RM354,000 share issuance expense arising from the DRP relating to electable portion (for those shareholders electing for the re-investment) of the interim dividend of 2.0%, on 1,374,149,854 ordinary shares, declared on 25 November 2014 for the financial year ended 31 December 2014. Had this ordinary shares been issued as at 31 December 2014, the diluted earnings per share would have been 49.09 sen.

The earnings per share were further diluted by Proposed Rights Issue of 275,308,267 new ordinary shares of RM1 each in MAHB on the basis of one (1) Rights Share for every five (5) existing MAHB shares held on an entitlement date. The number of Rights Shares to be issued was arrived at based on the issued and paid-up ordinary share capital of 1,374,149,854. Had this ordinary shares been issued as at 31 December 2014, the diluted earnings per share would have been 48.87 sen.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

11. Earnings per share (cont'd.)**(b) Diluted (cont'd.)**

There was no issuance of shares between the current financial year and the date of the report.

Weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period.

12. Dividends

	Dividends in respect of year		Dividends recognised in year	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Recognised during the year:				
Interim dividend for 2015: on 1,659,191,829 ordinary shares - 4.00% on single-tier (4.00 sen net per ordinary share)	66,368	-	66,368	-
Final dividend for 2014: on 1,651,849,607 ordinary shares - 3.60% on single-tier (3.60 sen net per ordinary share)	-	59,467	59,467	-
Interim dividend for 2014: on 1,374,149,855 ordinary shares - 2.00% on single-tier (2.00 sen net per ordinary share)	-	27,483	-	27,483
Final dividend for 2013: on 1,364,596,352 ordinary shares - 5.78% on single-tier (5.78 sen net per ordinary share)	-	-	-	78,874
Proposed for approval at forthcoming Annual General Meeting (not recognised as liability as at 31 December 2015):				
Final dividend for 2015: on 1,659,191,829 ordinary shares - 4.50% on single-tier (4.50 sen net per ordinary share)	74,664	-	-	-
	141,032	86,950	125,835	106,357

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

12. Dividends (cont'd.)

Proposed final dividend

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2015, of 4.50% on 1,659,191,829 ordinary shares on single-tier basis, with a total quantum of RM74,664,000, will be proposed for shareholders' approval.

Dividend Reinvestment Plan ("DRP")

The DRP was approved by the Shareholders at the Extraordinary General Meeting held on 30 November 2012. The DRP provides Shareholders an option to elect to re-invest their cash dividend(s) declared by the Company (whether interim, final, special or any other cash dividend) ("Dividend(s)") in new ordinary shares of RM1 each in MAHB ("MAHB Shares").

Details of the DRP are disclosed in Note 27.

Dividend paid during financial year

A single-tier interim dividend of 2.00 sen per ordinary share in respect of the financial year ended 31 December 2014 was declared on 25 November 2014. The interim dividend amounting to RM27,483,000 of which RM12,825,000 was paid on 22 January 2015 and the remaining was re-invested on 23 January 2015.

The reinvestment rate subsequent to the completion of the dividend payment was 53.3%.

A single-tier final dividend of 3.60 sen per ordinary share in respect of the financial year ended 31 December 2014 was approved by the Shareholders at its Annual General Meeting held on 5 May 2015. The final dividend amounting to RM59,467,000 of which RM15,413,000 was paid on 18 June 2015 and the remaining was re-invested on 19 June 2015.

The reinvestment rate subsequent to the completion of the dividend payment was 74.1%.

A single-tier interim dividend of 4.00 sen per ordinary share in respect of the financial year ended 31 December 2015 was declared on 30 July 2015. The interim dividend amounting to RM66,368,000 was paid in full on 28 August 2015.

NOTES TO THE
FINANCIAL STATEMENTS
31 December 2015

13. Property, plant and equipment

	Property and buildings RM'000	Hotel property RM'000	Safety equipment and motor vehicles RM'000	Office, communication and electronic equipment, furniture and fittings RM'000	Plant and machinery, crockery, glassware, cutlery and linen RM'000	Capital work-in- progress RM'000	Total RM'000
Group							
At 31 December 2015							
Cost							
At 1 January 2015	119,667	120,282	6,438	360,797	30,991	48,583	686,758
Additions	-	234	424	27,195	407	43,203	71,463
Disposals	-	-	(95)	(999)	(159)	-	(1,253)
Written off	-	-	-	(11,796)	(4,410)	(12,927)	(29,133)
Transfers	47,875	208	-	6,855	2,092	(57,030)	-
Reclassified to intangible assets	-	-	-	-	-	(2,310)	(2,310)
Foreign currency translation	18	-	150	3,726	-	-	3,894
At 31 December 2015	167,560	120,724	6,917	385,778	28,921	19,519	729,419
Accumulated depreciation and impairment							
At 1 January 2015	27,140	52,542	1,128	218,070	20,283	2,496	321,659
Charge for the year (Note 7)	5,660	4,065	530	38,440	3,392	-	52,087
Disposals	-	-	(95)	(999)	(159)	-	(1,253)
Written off	-	-	-	(7,104)	(2,855)	-	(9,959)
Foreign currency translation	8	-	107	2,700	-	-	2,815
At 31 December 2015	32,808	56,607	1,670	251,107	20,661	2,496	365,349
Analysed as:							
Accumulated depreciation	32,808	56,607	1,670	250,355	20,661	-	362,101
Accumulated impairment loss	-	-	-	752	-	2,496	3,248
	32,808	56,607	1,670	251,107	20,661	2,496	365,349
Net carrying amount	134,752	64,117	5,247	134,671	8,260	17,023	364,070

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

13. Property, plant and equipment (cont'd.)

	Property and buildings RM'000	Hotel property RM'000	Safety equipment and motor vehicles RM'000	Office, communication and electronic equipment, furniture and fittings RM'000	Plant and machinery, crockery, glassware, cutlery and linen RM'000	Capital work-in- progress RM'000	Total RM'000
Group							
At 31 December 2014							
Cost							
At 1 January 2014	118,321	119,173	5,913	252,049	24,839	58,957	579,252
Additions	885	17	1,642	5,231	27	68,166	75,968
Disposals	-	-	-	(1,502)	(30)	-	(1,532)
Written off	-	-	(1,478)	(1,299)	-	-	(2,777)
Transfers	282	1,092	-	71,011	6,155	(78,540)	-
Reclassified from plantation development expenditure	-	-	-	272	-	-	272
Acquisition of subsidiaries	179	-	361	35,035	-	-	35,575
At 31 December 2014	119,667	120,282	6,438	360,797	30,991	48,583	686,758
Accumulated depreciation and impairment							
At 1 January 2014	20,498	48,449	566	163,673	17,235	2,496	252,917
Charge for the year (Note 7)	6,578	4,093	239	33,734	3,078	-	47,722
Disposals	-	-	-	(1,502)	(30)	-	(1,532)
Written off	-	-	-	(379)	-	-	(379)
Acquisition of subsidiaries	64	-	323	22,534	-	-	22,921
Foreign currency translation	-	-	-	10	-	-	10
At 31 December 2014	27,140	52,542	1,128	218,070	20,283	2,496	321,659
Analysed as:							
Accumulated depreciation	27,140	52,542	1,128	217,318	20,283	-	318,411
Accumulated impairment loss	-	-	-	752	-	2,496	3,248
	27,140	52,542	1,128	218,070	20,283	2,496	321,659
Net carrying amount	92,527	67,740	5,310	142,727	10,708	46,087	365,099

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

13. Property, plant and equipment (cont'd.)

	Building RM'000	Motor vehicles RM'000	Office equipment RM'000	Capital work-in- progress RM'000	Total RM'000
Company					
At 31 December 2015					
Cost					
At 1 January 2015	32,568	2,200	91,457	38,809	165,034
Additions	-	-	10,220	34,253	44,473
Transfers	-	-	129	(129)	-
Written off	-	-	(3,012)	(12,927)	(15,939)
Disposal	-	-	-	(47,179)	(47,179)
At 31 December 2015	32,568	2,200	98,794	12,827	146,389
Accumulated depreciation					
At 1 January 2015	7,353	1,392	61,355	-	70,100
Charge for the year (Note 7)	1,365	137	10,422	-	11,924
Written off	-	-	(2,312)	-	(2,312)
At 31 December 2015	8,718	1,529	69,465	-	79,712
Net carrying amount	23,850	671	29,329	12,827	66,677
At 31 December 2014					
Cost					
At 1 January 2014	32,857	2,194	80,329	28,951	144,331
Additions	-	6	690	20,655	21,351
Transfers	115	-	10,682	(10,797)	-
Written off	-	-	(244)	-	(244)
Adjustment for overaccrual	(404)	-	-	-	(404)
At 31 December 2014	32,568	2,200	91,457	38,809	165,034
Accumulated depreciation					
At 1 January 2014	5,967	1,255	49,369	-	56,591
Charge for the year (Note 7)	1,386	137	12,229	-	13,752
Written off	-	-	(243)	-	(243)
At 31 December 2014	7,353	1,392	61,355	-	70,100
Net carrying amount	25,215	808	30,102	38,809	94,934

Included in the cost of property, plant and equipment of the Group and of the Company are cost of fully depreciated assets which are still in use amounting to RM176,824,000 (2014: RM168,196,000) and RM36,933,000 (2014: RM33,579,000) respectively.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

14. Plantation development expenditure

	Group	
	2015 RM'000	2014 RM'000
Cost		
At 1 January	83,406	79,164
Additions	12,995	5,960
Written off	-	(1,446)
Reclassified to property, plant and equipment	-	(272)
At 31 December	96,401	83,406
Accumulated amortisation		
At 1 January	29,503	26,342
Charge for the year (Note 7)	3,200	3,211
Written off	-	(50)
At 31 December	32,703	29,503
Net carrying amount	63,698	53,903

15. Land use rights

	Group	
	2015 RM'000	2014 RM'000
Net carrying amount		
At 1 January		
Amortisation during the year (Note 7)	7,379	7,518
At 31 December	(133)	(139)
	7,246	7,379
Analysed as:		
Short-term land use rights	1,538	1,601
Long-term land use rights	5,708	5,778
	7,246	7,379

NOTES TO THE
FINANCIAL STATEMENTS
31 December 2015

16. Intangible assets

	Concession rights RM'000	Terminal building, plant and infrastructures RM'000	Capital work-in- progress RM'000	Total RM'000
Group				
At 31 December 2015				
Cost				
At 1 January 2015	9,754,034	10,353,373	245,065	20,352,472
Additions	-	24,543	204,668	229,211
Written off	-	(29,604)	-	(29,604)
Transfers	-	128,469	(128,469)	-
Reclassified from property, plant and equipment	-	2,310	-	2,310
Foreign currency translation	804,620	204,694	-	1,009,314
At 31 December 2015	10,558,654	10,683,785	321,264	21,563,703
Accumulated amortisation and impairment				
At 1 January 2015	892,843	1,902,839	-	2,795,682
Charge for the year (Note 7)	346,016	500,275	-	846,291
Written off	-	(11,160)	-	(11,160)
Reversal of impairment (Note 7)	-	(18,368)	-	(18,368)
Foreign currency translation	59,224	49,621	-	108,845
At 31 December 2015	1,298,083	2,423,207	-	3,721,290
Analysed as:				
Accumulated depreciation	1,298,083	2,391,265	-	3,689,348
Accumulated impairment loss	-	31,942	-	31,942
	1,298,083	2,423,207	-	3,721,290
Net carrying amount	9,260,571	8,260,578	321,264	17,842,413

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

16. Intangible assets (cont'd.)

	Concession rights RM'000	Terminal building, plant and infrastructures RM'000	Capital work-in- progress RM'000	Total RM'000
Group				
At 31 December 2014, as restated				
Cost				
At 1 January 2014	1,982,138	2,946,652	4,839,164	9,767,954
Additions	-	9,747	845,546	855,293
Written off	-	(19,829)	-	(19,829)
Transfers	-	5,439,645	(5,439,645)	-
Acquisition of subsidiaries	7,771,896	1,977,158	-	9,749,054
At 31 December 2014, as restated	9,754,034	10,353,373	245,065	20,352,472
Accumulated amortisation and impairment				
At 1 January 2014	357,470	1,151,370	-	1,508,840
Charge for the year (Note 7)	47,018	307,309	-	354,327
Written off	-	(17,623)	-	(17,623)
Impairment loss (Note 7)	-	50,310	-	50,310
Acquisition of subsidiaries	488,355	411,473	-	899,828
At 31 December 2014, as restated	892,843	1,902,839	-	2,795,682
Analysed as:				
Accumulated depreciation	892,843	1,852,529	-	2,745,372
Accumulated impairment loss	-	50,310	-	50,310
	892,843	1,902,839	-	2,795,682
Net carrying amount, as restated	8,861,191	8,450,534	245,065	17,556,790

The effects of the restatement has been adjusted as disclosed in Note 43.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

16. Intangible assets (cont'd.)

	Capital work-in- progress RM'000
Company	
At 31 December 2015	
Cost	
At 1 January 2015	-
Addition	-
At 31 December 2015	-
Net carrying amount	-
At 31 December 2014	
Cost	
At 1 January 2014	4,583,712
Addition	718,669
Transferred to a subsidiary	(5,302,381)
At 31 December 2014	-
Net carrying amount	-

Included in the cost of intangible assets of the Group is cost of fully depreciated intangible assets which are still in use amounting to RM322,150,000 (2014: RM248,340,000).

The Group's intangible assets comprises fair value of the consideration receivable for the construction service delivered during the stage of construction, including an average of 4.5% mark-up on the cost incurred for klia2.

The capital work-in-progress was in respect of the cost incurred by the Company relating to the infrastructure and airport developments in Sepang, including the construction of klia2. The entire cost was transferred to MA (Sepang) in the previous year of which RM3,977,000,000 was relating to the construction cost of klia2.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

16. Intangible assets (cont'd.)

The construction of klia2 was completed on 2 May 2014. The Group has assessed all the progress claims submitted by the contractors and due to the delay in completing klia2, there could possibly be additional variation orders ("VOs") that might be claimed by the contractors. On 29 May 2013, the Company also announced that they may impose Liquidated Ascertained Damages ("LAD") based on the extension of time to complete on the respective contractors under the respective contracts for the delay. At the date of the report a discussion between the Group and a contractor on the VOs and prolongation cost claimed by the contractor is still on going.

The additions in intangible assets were acquired by way of:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash	229,211	488,689	-	690,144
Accrual for klia2	-	338,079	-	-
Profit from construction contracts	-	28,525	-	28,525
Total additions	229,211	855,293	-	718,669

17. Investments in subsidiaries

	Company	
	2015 RM'000	2014 RM'000
Unquoted shares at cost	1,943,696	1,777,269
Reclassified from investments in jointly controlled entities (Note 19)	-	166,427
	1,943,696	1,943,696

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

17. Investments in subsidiaries (cont'd.)

Name of Company	Issued and Paid-up Capital RM	Proportion of ownership interest held		Principal Activities
		2015 %	2014 %	
Malaysia Airports Sdn. Bhd. (230646-U)	360,113,847	100	100	Management, operations, maintenance and provision of airport related services of designated airports in Malaysia other than KLIA, Low Cost Carrier Terminal ("LCCT") and klia2.
Malaysia Airports (Sepang) Sdn. Bhd. (320480-D)	50,000,002	100	100	Management, operations, maintenance and provision of airport related services in KLIA, LCCT and klia2 in Sepang.
Malaysia Airports (Niaga) Sdn. Bhd. (281310-V)	5,000,002	100	100	Operating duty free, non- duty free outlets and providing management services in respect of food and beverage outlets at airports.
Malaysia Airports Consultancy Services Sdn. Bhd. (375245-X)	500,002	100	100	Provision of maintenance and technical services in connection with the airport industry.
Malaysia Airports (Properties) Sdn. Bhd. (484656-H)	2	100	100	Provision of non-passenger related services which involves property management and establishing fixed asset requirements.
MAB Agriculture-Horticulture Sdn. Bhd. (467902-D)	10,000,000	100	100	Cultivation and selling of oil palm and other agricultural products, and engaging in horticulture activities.
K.L. Airport Hotel Sdn. Bhd. (330863-D)	10,000,000	100	100	Owner of the hotel known as Sama-Sama Hotel, KLIA; Sama-Sama Express, KLIA; and Sama-Sama Express klia2.
- preference shares	900,000			
Malaysia Airports Technologies Sdn. Bhd. (512262-H)	1,150,002	100	100	Operations and maintenance services and undertaking Information and Communication Technology business ventures.
Malaysia Airports (Mauritius) Pte Ltd [®]	USD1,000	100	100	Investment holding.
MAHB (Mauritius) Pte Ltd [®]	USD2	100	100	Investment holding.
Eraman (Malaysia) Sdn. Bhd. (324329-K)	2	100	100	Dormant. Intended principal activity is general trading.
Malaysia International Aerospace Centre Sdn. Bhd. (438244-H)	2	100	100	Planning, management and marketing for the development of Malaysia International Aerospace Centre at Sultan Abdul Aziz Shah Airport and other airports in Malaysia.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

17. Investments in subsidiaries (cont'd.)

Name of Company	Issued and Paid-up Capital RM	Proportion of ownership interest held		Principal Activities
		2015 %	2014 %	
Airport Ventures Sdn. Bhd. (512527-U)	2	100	100	Investment holding.
Malaysia Airports MSC Sdn. Bhd. ("MAMSC") (516854-V)	500,000	100	100	Investment holding.
Malaysia Airports (Labuan) Pte Ltd (LL05298)	USD1,000	100	100	Investment holding.
Urusan Teknologi Wawasan Sdn. Bhd. (459878-D)	750,000	100	100	Provision of mechanical, electrical and civil engineering services at KLIA in Sepang.
Malaysia Airports Capital Berhad (906593-U)	2	100	100	Investment holding.
Malaysia Airports Capital Labuan Ltd (LL07679)	USD2	100	100	Investment holding.
MA Construction (Labuan) Private Limited (LL08348)	USD1,000	100	100	Investment holding.
Malaysia Airports Consultancy Services Middle East LLC (62645) ^{@, ^^}	Qatar Riyal 200,000	49	49	Facilities Maintenance Services at airports.
Sama-Sama Hospitality Management Sdn. Bhd. ("SSHM") (1029991-A)	100	51	51	Ceased operation.
Malaysia Airports Cities Sdn. Bhd. ("MA Cities") (1114062-X)	3,000	100	100	Investment holding.
Istanbul Sabiha Gokcen Uluslararası Havalimanı Yatırım Yapım ve İşletme A.S. ^{*@**}	€178,741,000	100	100	Operation, management and development and provision of airport related services.

17. Investments in subsidiaries (cont'd.)

Name of Company	Issued and Paid-up Capital	Proportion of ownership interest held		Principal Activities
		2015 %	2014 %	
LGM Havalimani Isletmeleri Ticaret ve Turizm A.S. *@**	€209,037	100	100	Provision of management services in respect of transportation, parking, food and beverages, cleaning at the airport and construction of hotel and car park within the airport.
Istanbul Sabiha Gokcen Uluslararası Havalimani Yer Hizmetleri A.S.®	€2,420,582	60.8 ^	60.8 ^	Provision of ground handling services. Ceased operations.

@ Audited by a member firm of Ernst & Young Global

* Effective interest held in each subsidiary through

	2015	2014
Company	20%	20%
MAMSC	40%	40%
MA Cities	40%	40%
	100%	100%

** Investments in LGM and ISG with carrying amounts of RMnil (2014: RM888,000) and RM670,608,000 (2014: RM607,691,000) respectively are pledged to financial institutions for credit facilities granted to the subsidiaries.

^ 51% shareholding held through ISG.

^^ Eventhough the proportion of ownership is 49%, MAHB's effective interest held is 100% due to certain terms and conditions as stipulated in the shareholder's agreement.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

17. Investments in subsidiaries (cont'd.)

Acquisition of subsidiaries

In the previous year, ISG and LGM were reclassified from associates to jointly controlled entities ("JCE") and subsequently, reclassified to subsidiaries. Details of the step-up acquisitions were as follows:

On 23 December 2013, MAHB had announced that pursuant to the shareholders agreement in relation to ISG dated 19 March 2008 (the "ISG Shareholders Agreement") and the shareholders agreement in relation to LGM dated 4 January 2010 (the "LGM Shareholders Agreement"), MAHB is to exercise its rights of first refusal ("RoFR") in respect of the proposed acquisition of a 40% equity stake in each of ISG and LGM. As permitted under the ISG Shareholders Agreement and the LGM Shareholders Agreement, MAHB exercised its RoFR through an indirectly wholly owned subsidiary, MAMSC.

Subsequently, on 28 December 2013, MAHB had entered into an agreement to purchase an additional 40% stake in ISG and LGM from GMR Infrastructure Limited, GMR Infrastructure Overseas Limited and GMR Infrastructure (Global) Limited (collectively referred to as "GMR").

On 30 April 2014, MAHB had completed the acquisition for a total consideration of EUR 209,000,000, equivalent to RM944,337,000. With the completion of the acquisition from GMR, MAHB through a wholly owned subsidiary, MAMSC, held 60% equity interest in ISG and LGM. The acquisition was financed by a combination of proceeds from the Private Placement and internally generated funds. Upon the acquisition, ISG and LGM were regarded as JCE.

On 20 October 2014, MAHB had incorporated its wholly owned subsidiary, MA Cities.

On 23 October 2014, MAHB had announced that it has, via MA Cities exercised its RoFR, pursuant to the ISG Shareholders Agreement and the LGM Shareholders Agreement to acquire the remaining 40% equity stake in each of ISG and LGM from Limak for a cash consideration of EUR 279,232,000, equivalent to RM1,182,856,000.

Subsequently on 31 December 2014, all conditions precedent pertaining to the proposed acquisitions were fulfilled or waived, thus ISG and LGM were effectively MAHB's wholly owned subsidiaries on 31 December 2014. The total cash consideration of EUR 279,232,000, equivalent to RM1,182,856,000 was subsequently remitted to the acquiree on 2 January 2015.

Provisional accounting of acquisition

As at 31 December 2014, the fair value of ISG's and LGM's identifiable assets and liabilities were determined on a provisional basis. Any differences arising from this acquisition will be adjusted retrospectively in accordance with FRS 3 Business Combinations, basis should there be any changes made to the fair value of the assets and liabilities acquired.

The one year period for the Purchase Price Allocation ("PPA") exercise ends on 31 December 2015 (one year from the date of completion of the acquisition, i.e. 31 December 2014). Within the said period, the amounts have been revised according to the finalised valuation report issued during the year.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

17. Investments in subsidiaries (cont'd.)**Acquisition of subsidiaries (cont'd.)**Provisional accounting of acquisition (cont'd.)

The following summarises the consideration paid on the acquisition of ISG and LGM, the fair value of assets acquired and liabilities assumed at date of acquisition.

	ISG RM'000	LGM RM'000	Total RM'000
Acquisition of subsidiaries - purchase consideration transferred in cash	825,964	356,892	1,182,856
Carrying amount of previously held equity interest	480,270	316,731	797,001
Carrying amount in the fair value adjustment reserve	7,746	-	7,746
Total purchase acquisition	1,313,980	673,623	1,987,603

Details of the net identifiable assets acquired are as follows:

Assets			
Property, plant and equipment	11,020	1,634	12,654
Intangible assets	8,470,402	378,824	8,849,226
Cash and cash equivalents	873,129	40,831	913,960
Trade and other receivables	139,903	15,804	155,707
Inventories	3,051	374	3,425
Deferred tax assets	772,058	527	772,585
	10,269,563	437,994	10,707,557
Liabilities			
Trade and other payables	4,253,347	22,306	4,275,653
Borrowings	2,449,211	25,806	2,475,017
Deferred tax liabilities	1,326,110	75,832	1,401,942
	8,028,668	123,944	8,152,612
Total identifiable net assets at fair value	2,240,895	314,050	2,554,945
Goodwill on acquisition	-	231,272	231,272
Gain on bargain purchase	(314,925)	-	(314,925)
(Gain)/loss on re-measurement of fair value of previously held equity interest	(611,990)	128,301	(483,689)
	1,313,980	673,623	1,987,603

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

17. Investments in subsidiaries (cont'd.)

The acquisition on a collective and aggregate basis gave rise to a re-measurement profit, bargain purchase and goodwill of RM483,689,000, RM314,925,000 and RM231,272,000 respectively, of which the goodwill has been impaired.

The directors have completed the PPA exercise in compliance with FRS 3 Business Combinations and the effect of the restatement has been adjusted in the retained earnings as disclosed in Note 43.

18. Investments in associates

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unquoted shares at cost:				
- outside Malaysia	34,268	34,268	-	166,427
- in Malaysia	23,640	20,640	-	-
Reclassified to jointly controlled entities (Note 19)	-	-	-	(166,427)
	57,908	54,908	-	-
Share of post-acquisition reserve	58,246	65,795	-	-
Impairment of investment	(81,669)	(81,669)	-	-
	34,485	39,034	-	-
Analysed as:				
Unquoted shares at cost:				
At 1 January	54,908	193,115	-	166,418
Additional investment	3,000	19,200	-	-
Additional contribution	-	9,020	-	9
Reclassified to jointly controlled entities (Note 19)	-	(166,427)	-	(166,427)
At 31 December	57,908	54,908	-	-

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

18. Investments in associates (cont'd.)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Share of post-acquisition reserve:				
At 1 January	65,795	(194,898)	-	-
Share of results	(349)	113	-	-
Dividend received	(7,200)	(3,600)	-	-
Reclassified to jointly controlled entities (Note 19)	-	264,180	-	-
Share of post-acquisition reserve at 31 December	58,246	65,795	-	-
	58,246	65,795	-	-

ISG and LGM

Investment in ISG and LGM were reclassified as JCE upon the completion of 40% acquisition from GMR on 30 April 2014. Subsequently, they were reclassified as investment in subsidiaries on 31 December 2014.

GMR Male International Airport Limited

On 27 November 2012, the Maldivian Government together with Maldives Airports Company Limited ("MACL") declared that the concession agreement with GMR Male International Airport Limited ("GMR Male") which was awarded in 2010, as void ab initio. GMR Male was to operate, maintain, expand, rehabilitate and modernise the Ibrahim Nasir International Airport ("INIA") for a period of 25 years which the Group has 23% interest. Investment in GMR Male has been provided for impairment loss in the financial statements.

The dispute was brought to an arbitration tribunal as per the dispute resolution mechanics stipulated under the concession agreement. Pending the decision of the arbitration tribunal, the directors had made impairment on this investment in previous financial years.

By the first arbitration award dated 18 June 2014 (First Part Final Award), the arbitration tribunal declared that the concession agreement was valid and binding and the concession agreement was not void ab initio. Further, the arbitration tribunal declared that the Maldivian Government and MACL are jointly and severally liable in damages to GMR Male for loss caused by wrongful repudiation of the agreement. As the concession agreement has now been found to be valid and persisting, MACL and the Maldivian Government have been found to have acted in repudiatory breach of the concession agreement by forcibly taking possession of the INIA. The tribunal had also ordered that the compensation shall be in accordance with the terms of the concession agreement which includes the sums payable by GMIAL to Axis Bank under the Facility Agreement as at the date of termination of the Concession Agreement. The next hearing is scheduled to commence in August 2016.

The Group has not recognised further losses relating to GMR Male where its share of losses exceeded the Group's interest and the extent of the Group's legal and constructive obligations in its investment in GMR Male. The Group's current year end cumulative share of unrecognised losses in the financial year was RM107,176,000 (2014: RM95,234,000). The share of unrecognised losses excluded any potential claims from the Maldivian Government by GMR Male which are subject to and pending the arbitration tribunal. The Group has no further obligation in respect of these losses and until such time where the associates are in a profitable position, the Group shall recognise the share of profits only after its share of the profits equals the share of losses not recognised.

Additional contribution is in respect of advances provided to GMR Male as required under the funding arrangement with the shareholders of the associate and the lenders and may be converted as equity funding. This amount has been subsequently fully impaired.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

18. Investments in associates (cont'd.)

GMR Male International Airport Limited (cont'd.)

Investment in GMR Male with carrying value of RM15,134,000 (2014: RM12,325,000) is pledged to financial institutions for credit facilities granted to the associate.

MFMA Development Sdn. Bhd.

On 21 August 2013, MAHB has entered into a Joint Venture Agreement with MA (Sepang), Mitsui Fudosan Co. Ltd. ("MF") and Retail Investment One Pte. Ltd. ("RI One"), to participate in a joint venture company under the name of MFMA Development Sdn. Bhd. ("MFMA") for the development operation and maintenance of a Factory Outlet Centre and its complementary components known as "Mitsui Outlet Park KLIA". MFMA was incorporated on 26 February 2013. The issued share capital of MFMA amounting to RM2,800,000 in which 30% is held by MA (Sepang) and 70% by RI One. During the year, MFMA had further increased the share capital to RM76,800,000 (2014: RM66,800,000) in which 30% is held by MA (Sepang) and 70% by RI One.

Details of the associates are as follows:

Name of Associate	Country of Incorporation	Issued and Paid-up Capital	Proportion of ownership interest held		Financial Year End	Principal Activities
			2015 %	2014 %		
Held through a subsidiary:						
GMR Male International Airport Private Limited	Republic of Maldives	USD 30,050,094	23	23	31 December	Operation, management and development and provision of airport related services. However, the entity has ceased operations.
Kuala Lumpur Aviation Fuelling System Sdn. Bhd. ("KAF")*	Malaysia	RM3,000,000	20	20	31 March	Development, management and operation of aviation fuelling system at KLIA.
MFMA Development Sdn. Bhd. **	Malaysia	RM76,800,000	30	30	31 December	Development operation and maintenance of a factory outlet centre and its complementary components known as "Mitsui Outlet Park KLIA".

* KAF has a financial year end of 31 March 2015 to conform with its holding company's financial year end. The financial statements of the associate for the 9 months interim period ended 31 December 2015 have been used for the purpose of applying the equity method of accounting.

** During the year, the Group had further increased its investment in MFMA amounting to RM3,000,000 (2014: RM19,200,000).

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

18. Investments in associates (cont'd.)

Detail of the associates are as follows:

(a) The summarised Financial Statement of KAF is as follows:

	Group	
	2015 RM'000	2014 RM'000
Assets and liabilities		
Current assets	17,173	34,517
Non-current assets	201,353	219,904
Current liabilities	(22,758)	(23,624)
Non-current liabilities	(104,822)	(117,530)
Equity	90,946	113,267
Cost of investment	600	600
Results		
Revenue	63,769	60,717
Cost of sales	(27,279)	(20,632)
Other income	2,294	613
Administrative expenses	(15,940)	(16,158)
Finance costs	(4,826)	(3,092)
Profit before tax for the year	18,018	21,448
Income tax	(4,788)	(2,654)
Profit for the year	13,230	18,794
Group's share of profit for the year	2,646	3,759

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

18. Investments in associates (cont'd.)

Detail of the associates are as follows (cont'd.):

(b) The summarised Financial Statement of MFMA is as follows:

	Group	
	2015 RM'000	2014 RM'000
Assets and liabilities		
Current assets	35,603	49,391
Non-current assets	228,129	163,617
Current liabilities	(21,933)	(5,977)
Non-current liabilities	(187,131)	(152,382)
Equity	54,668	54,649
Cost of investment	23,040	20,040
Results		
Revenue	30,319	-
Cost of sales	(20,266)	-
Other income	33,215	6,952
Administrative expenses	(53,249)	(17,522)
Loss before tax for the year	(9,981)	(10,570)
Income tax	-	-
Loss for the year	(9,981)	(10,570)
Group's share of loss for the year	(2,995)	(3,646)

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

18. Investments in associates (cont'd.)

Detail of the associates are as follows (cont'd.):

(c) The summarised Financial Statement of GMR Male is as follows:

	Group	
	2015 RM'000	2014 RM'000
Assets and liabilities		
Current assets	228,217	188,465
Non-current assets	-	30
Current liabilities	(774,788)	(659,646)
Non-current liabilities	(158,787)	(63)
Equity	(705,358)	(471,214)
Cost of investment	34,268	34,268
Results		
Revenue	-	-
Cost of sales	-	-
Other income	-	13,989
Administrative expenses	(56,756)	(126,150)
Finance income	4,856	3,955
Loss before tax for the year	(51,900)	(108,206)
Income tax	(21)	(17)
Loss for the year	(51,921)	(108,223)
Group's share of loss for the year *	-	-

* The Group has not recognised further losses relating to GMR Male where its share of losses exceed the Group's interest and extent of the Group's legal and constructive obligations in its investment in GMR Male. The Group's current year end cumulative share of unrecognised losses in financial year was RM107,176,000 (2014: RM95,234,000). The share of unrecognised losses excluded any potential claims from the Maldivian Government by GMR Male which are subject to and pending the arbitration tribunal. The Group has no further obligation in respect of these losses and until such time where the associates are in a profitable position, the Group shall recognise the share of profits only after its share of the profits equal the share of losses not recognised.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

19. Investment in jointly controlled entities

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unquoted shares at cost:				
- in Malaysia	53,718	53,718	53,718	53,718
Share of post-acquisition reserve	17,953	8,697	-	-
	71,671	62,415	53,718	53,718
Analysed as:				
Unquoted shares at cost:				
At 1 January	53,718	53,718	53,718	53,718
Acquisition during the year	-	963,213	-	-
Reclassified from investment in associates (Note 18)	-	166,427	-	166,427
Reclassified to investment in subsidiaries (Note 17)	-	(1,129,640)	-	(166,427)
At 31 December	53,718	53,718	53,718	53,718
Share of post-acquisition reserve:				
At 1 January	8,697	3,434	-	-
Share of results	10,750	(52,736)	-	-
Share of other comprehensive loss of jointly controlled entity	-	(10,461)	-	-
Dividend received	(1,494)	-	-	-
Reclassified from investment in associates (Note 18)	-	(264,180)	-	-
Reclassified to investment in subsidiaries	-	332,640	-	-
At 31 December	17,953	8,697	-	-

Acquisition of additional equity interest in ISG and LGM in the previous year

The 40% equity interest acquired from GMR resulted in ISG and LGM becoming jointly controlled entities from 30 April 2014 to 30 December 2014. Upon the acquisition of the remaining 40% equity interest from Limak, they became wholly owned subsidiaries as disclosed in Note 17.

Included in the previous year share of results above is ISG's and LGM's previous years share of unrecognised losses amounting to RM42,478,000. As disclosed in Note 17, ISG and LGM became wholly owned subsidiaries as at 31 December 2014.

19. Investment in jointly controlled entities (cont'd.)

Details of the jointly controlled entities are as follows:

Name of Entity	Country of Incorporation	Issued and Paid-up Capital	Effective interest held		Financial Year End	Principal Activities
			2015 %	2014 %		
Held by the Company:						
Segi Astana Sdn. Bhd. ("SASB")*	Malaysia	RM106,060,000	30	30	31 December	Development, management and operations of property.
Airport Cooling Energy Supply Sdn. Bhd. ("ACES")**	Malaysia	RM19,040,000	23	23	31 August	Development, management and operations of chilled water plant.
- Redeemable Preference Shares		RM761,600				

* On 22 September 2011, the Company entered into a Joint Venture Agreement with WCT Land Sdn. Bhd. to provide ancillary and complementary support services and facilities to the klia2 Terminal Building.

** On 27 October 2011, the Company entered into a Joint Venture Agreement with TNB Engineering Corporation Berhad and incorporated ACES for the operation and maintenance of a generation plant for the supply of chilled water and power at the klia2.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

19. Investment in jointly controlled entities (cont'd.)

Detail of the jointly controlled entities are as follows:

(a) The summarised financial statement of SASB is as follows:

	Group	
	2015 RM'000	2014 RM'000
Assets and liabilities		
Current assets	74,819	66,843
Non-current assets	606,743	628,222
Current liabilities	(113,191)	(112,098)
Non-current liabilities	(459,804)	(487,271)
Equity	108,567	95,696
Cost of investment	31,818	31,818
Results		
Revenue	118,702	77,720
Cost of sales	(27,540)	(19,407)
Other income	10,535	6,554
Administrative expenses	(31,963)	(42,127)
Finance costs	(56,875)	(23,985)
Profit/(loss) before tax for the year	12,859	(1,245)
Income tax	113	(4,820)
Profit/(loss) for the year	12,972	(6,065)
Group's share of profit/(loss) for the year	3,892	(2,483)

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

19. Investment in jointly controlled entities (cont'd.)

Detail of the jointly controlled entities are as follows (cont'd.):

(b) The summarised financial statement of ACES is as follows:

	Group	
	2015 RM'000	2014 RM'000
Assets and liabilities		
Current assets	72,515	65,136
Non-current assets	368,304	360,258
Current liabilities	(38,666)	(30,639)
Non-current liabilities	(231,915)	(247,684)
Equity	170,238	147,071
Cost of investment	21,900	21,900
Results		
Revenue	76,697	73,819
Cost of sales	(20,194)	(16,024)
Other income	1,277	661
Administrative expenses	(1,395)	(1,322)
Finance costs	(14,702)	(16,452)
Profit before tax for the year	41,683	40,682
Income tax	(11,866)	(8,184)
Profit for the year	29,817	32,498
Group's share of profit for the year	6,858	7,745

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

20. Available-for-sale investments (“AFS”)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Quoted bonds in Malaysia at fair value	4,928	-	4,928	-
Quoted unit trust in Malaysia at fair value	288,676	231,613	286,241	198,679
AFS at fair value	293,604	231,613	291,169	198,679
* Unquoted shares at cost:				
- in Malaysia	254	254	-	-
** - outside Malaysia	41,486	235,512	-	-
AFS at cost	41,740	235,766	-	-
Total other AFS investments	335,344	467,379	291,169	198,679

Movement in AFS investments is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At 1 January	467,379	349,450	198,679	80,969
Additions	54,812	116,842	85,646	116,784
Fair value adjustment	7,178	1,390	6,844	927
Disposals	(209,155)	(1)	-	(1)
Impairment of investment in unquoted shares	-	(15,000)	-	-
Foreign currency translation	15,130	14,698	-	-
At 31 December	335,344	467,379	291,169	198,679

Unquoted shares of RM28,620,000 (2014: RM162,153,000) of the Group are pledged as security in respect of certain agreements entered into by the Group.

* The fair value information has not been disclosed for these financial instruments as their fair value cannot be measured reliably due to the lack of quoted market price in an active market and assumption required for valuing these financial instruments.

** On 25 May 2015, the Group has disposed of its entire 10% of equity interest in Delhi International Airport Private Limited (“DIAL”) at a sale consideration of USD80,000,000, equivalent to RM290,400,000.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

21. Fair value measurement

Fair value measurement hierarchy for assets:

	Fair value measurement using			
	Total RM'000	Quoted prices in active markets (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000
As at 31 December 2015				
Available-for-sale financial investment (Note 20)				
Quoted bond	4,928	4,928	-	-
Quoted unit trust	288,676	288,676	-	-
Unquoted equity shares	41,740	-	41,486	254
	335,344	293,604	41,486	254
As at 31 December 2014				
Available-for-sale financial investment (Note 20)				
Quoted unit trust	231,613	231,613	-	-
Unquoted equity shares	235,766	-	235,512	254
	467,379	231,613	235,512	254

Level 1: The fair value of available-for-sale financial assets is derived from quoted prices in active markets.

Level 2: The fair values of available-for-sale assets cannot be measured based on quoted prices in active markets. Their fair values are measured using valuation techniques from observable markets which was based on analyst reports and there were significant variance in the valuations. Thus, FRS 139 exception rule applied and book values were used.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

22. Trade and other receivables

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
		Restated		
Current				
Trade receivables				
Third parties	721,044	445,772	-	-
Due from GoM	156,900	75,841	-	-
Accrued revenue	222,904	132,476	-	-
	1,100,848	654,089	-	-
Less: Allowance for doubtful debts				
Third parties	(74,256)	(47,706)	-	-
Trade receivables, net	1,026,592	606,383	-	-
Other receivables				
Amounts due from subsidiaries	-	-	2,495,935	1,091,075
Staff loans (Note 23)	5,259	5,492	-	-
Deposits	5,553	5,545	115	29
Prepayments	32,651	33,994	4,030	2,889
Sundry receivables	81,671	49,025	12,022	17,682
	125,134	94,056	2,512,102	1,111,675
Less: Allowance for doubtful debts	(10,799)	(11,537)	(6,162)	(6,684)
Other receivables, net	114,335	82,519	2,505,940	1,104,991
	1,140,927	688,902	2,505,940	1,104,991
Non-current				
Trade receivables				
Third parties	278	-	-	-
Other receivables				
Due from GoM	368,359	375,901	41,330	49,204
Amounts due from a subsidiary	-	-	5,243,760	5,067,382
Sundry receivables	60,739	77,899	-	-
	429,098	453,800	5,285,090	5,116,586
	429,376	453,800	5,285,090	5,116,586
Total trade and other receivables (current and non-current)	1,570,303	1,142,702	7,791,030	6,221,577
Add: Cash and cash equivalent (Note 26)	1,286,736	2,041,129	171,400	788,099
Less: Prepayment	(32,651)	(33,994)	(4,030)	(2,889)
Total loans and receivables	2,824,388	3,149,837	7,958,400	7,006,787

The effects of the restatement has been adjusted as disclosed in Note 43.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

22. Trade and other receivables (cont'd.)

Ageing analysis of trade receivables

The ageing analysis of the Group's total trade receivables, but excluding accrued revenue is as follows:

	Group	
	2015 RM'000	2014 RM'000 Restated
Neither past due nor impaired	368,506	236,431
1 to 30 days past due not impaired	113,057	93,504
31 to 60 days past due not impaired	62,781	20,384
61 to 90 days past due not impaired	54,318	26,259
91 to 120 days past due not impaired	31,726	18,495
More than 121 days past due not impaired	134,482	53,982
	396,364	212,624
Impaired	113,352	72,558
	878,222	521,613

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. More than 77% (2014: 90%) of the Group's trade receivables arise from customers with more than 5 years of experience with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance for doubtful debts used to record the doubtful debts are as follows:

	Individually impaired	
	2015 RM'000	2014 RM'000 Restated
Group		
Trade receivables		
- nominal amounts	113,352	72,558
Less: Allowance for doubtful debts	(74,256)	(47,706)
	39,096	24,852

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

22. Trade and other receivables (cont'd.)

Receivables that are impaired (cont'd.)

- (a) Receivables amounting to RM3,354,000 (2014: RM21,888,000) are in respect of certain debtors who have the obligations to repay their debts but are prolonged as settlement of the outstanding balances are pending approvals. Historically, the nature for these type of debts will eventually be settled, including the possible set off against any future liabilities of the Group with the same debtors. Accordingly, no further allowance for doubtful debt is necessary.
- (b) Receivables amounting to RM35,742,000 (2014: RM2,964,000) are expected to be settled by installment arrangement plan.

Movement in allowance for doubtful debts:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade				
At 1 January	47,706	48,909	-	-
Net allowance/(writeback) of doubtful debts (Note 7)	26,426	(2,491)	-	-
Acquisition of subsidiaries	-	1,288	-	-
Foreign currency translation	124	-	-	-
At 31 December	74,256	47,706	-	-
Other receivables				
At 1 January	11,537	12,070	6,684	8,034
Net writeback of doubtful debts (Note 7)	(738)	(533)	(522)	(1,350)
At 31 December	10,799	11,537	6,162	6,684

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

22. Trade and other receivables (cont'd.)**(a) Credit risk**

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management and bears interest at 1% per month on overdue balances. As at reporting date, the concentration of credit risk in the form of outstanding balances is mainly due to five (2014: four) customers representing approximately 51% (2014: 64%) of the total trade receivables.

(b) Amounts due from subsidiaries**(i) Current**

Amounts due from subsidiaries are non-interest bearing and are repayable on demand. All related parties receivables are unsecured and are to be settled in cash.

(ii) Non-current

Amount due from a subsidiary is unsecured and bear interest at 4.46% per annum.

(c) Sundry receivables (Non-current)

Included in sundry receivables is Value Added Tax ("VAT") receivable of RM55,673,000 (2014: RM71,792,000) classified as long-term receivables. These amounts arised from the Utilisation Fee liability to the Administration, and cannot be refunded in cash or offset against other tax liabilities. The Group will be offsetting these long-term receivables when it generates such a level of revenue that the VAT payable arising would exceed VAT paid for other operational and investing activities.

(d) Other receivables

Amount due from GoM is further discussed in Note 22(f).

(e) Prepayments

Prepayments amounting to RM17,383,000 (2014: RM19,766,000) are in respect of leasing equipment for klia2.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

22. Trade and other receivables (cont'd.)

(f) Due from GoM

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current				
Trade receivables				
MARCS (Note 2.4(y)(iv))	156,900	75,841	-	-
Non-current				
Other receivables				
Debts assumed from former subsidiary	101,802	121,200	41,330	49,204
Receivable on call option (Note 2.5(a)(ii))	266,557	254,701	-	-
	368,359	375,901	41,330	49,204
Total amount due from GoM	525,259	451,742	41,330	49,204

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

23. Staff loans

	Group	
	2015 RM'000	2014 RM'000
Staff loans	40,603	44,817
Less: Current (Note 22)	(5,259)	(5,492)
Non-current portion	35,344	39,325
Analysed as:		
Current	5,259	5,492
Non-current:		
Later than 1 year but not later than 2 years	3,085	3,212
Later than 2 years but not later than 5 years	8,188	8,026
Later than 5 years	24,071	28,087
	35,344	39,325
	40,603	44,817

The staff loans attract interest rate at 4% (2014: 4%) per annum.

The Group has assessed the non-current portion and considered that the fair value amounts to approximate the carrying amounts.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

24. Deferred tax (assets)/liabilities

	Group		Company	
	2015 RM'000	2014 RM'000 Restated	2015 RM'000	2014 RM'000
At 1 January	738,249	128,913	15,629	52,684
Recognised in statement of profit or loss (Note 9)	(97,513)	(20,021)	(15,895)	(37,055)
Acquisition of subsidiaries	-	629,357	-	-
Recognised in equity	(3,522)	-	-	-
Foreign currency translation	66,161	-	-	-
At 31 December	703,375	738,249	(266)	15,629
Presented in the statements of financial position as follows:				
Deferred tax assets	(231,642)	(240,729)	(11,948)	(6,834)
Deferred tax liabilities	935,017	978,978	11,682	22,463
	703,375	738,249	(266)	15,629

The effects of the restatement arising from business combination has been adjusted in the retained earnings as disclosed in Note 43.

The component and movement of deferred tax liabilities and assets during the financial year are as follows:

Deferred tax liabilities of the Group:

	Property, plant and equipment and intangibles RM'000	Borrowings RM'000	Total RM'000
At 1 January 2015	1,794,949	8,232	1,803,181
Recognised in the statement of profit or loss	(124,799)	476	(124,323)
Foreign currency translation	140,349	880	141,229
At 31 December 2015	1,810,499	9,588	1,820,087
Less: Offset against deferred tax assets			(885,070)
			935,017
At 1 January 2014	200,674	-	200,674
Recognised in the statement of profit or loss	200,565	-	200,565
Acquisition of subsidiaries	1,393,710	8,232	1,401,942
At 31 December 2014, as restated	1,794,949	8,232	1,803,181
Less: Offset against deferred tax assets			(824,203)
			978,978

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

24. Deferred tax (assets)/liabilities (cont'd.)**Deferred tax liabilities of the Company:**

	Property, plant and equipment and intangibles RM'000
At 1 January 2015	22,463
Recognised in the statement of profit or loss	(10,781)
At 31 December 2015	11,682
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At 1 January 2014	66,884
Recognised in the statement of profit or loss	(44,421)
At 31 December 2014	22,463

Deferred tax assets of the Company:

	Payables RM'000
At 1 January 2015	(6,834)
Recognised in the statement of profit or loss	(5,114)
At 31 December 2015	(11,948)
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At 1 January 2014	(14,200)
Recognised in the statement of profit or loss	7,366
At 31 December 2014	(6,834)

Deferred tax assets of the Group has not been recognised in respect of the following items:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unutilised tax losses	29,291	103,234	-	-
Unabsorbed capital allowances	113	90	-	-
Other deductible temporary differences	(87)	(9)	-	-
	29,317	103,315	-	-

The availability of the unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the respective subsidiaries of the Group are subject to no substantial changes in shareholdings of those subsidiaries under Section 44(5A) and (5B) of Income Tax Act, 1967.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

24. Deferred tax (assets)/liabilities (cont'd.)

Deferred tax assets have not been recognised where it is not probable that future taxable profits will be available against which the Company or subsidiaries can utilise the benefits.

25. Inventories

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cost				
Spares and consumables	30,098	23,198	13	13
Merchandise goods	85,296	129,163	-	-
Food and beverages	2,248	2,124	-	-
	117,642	154,485	13	13

The cost of inventories relating to merchandise goods, food and beverages recognised as an expense during the financial year amounted to RM373,390,000 (2014: RM330,710,000).

26. Cash and cash equivalents

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash on hand and at banks	858,040	1,034,902	16,338	5,390
Deposits with licensed banks	416,595	954,658	142,961	773,809
Money on call with licensed banks	12,101	51,569	12,101	8,900
Cash and bank balances	1,286,736	2,041,129	171,400	788,099

Other information on financial risks of cash and cash equivalents are disclosed in Note 41.

For the purpose of consolidated statement of cash flow, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances:				
- Continuing operations	1,286,736	2,041,129	171,400	788,099
- Discontinued operation (Note 10)	151	104	-	-
Cash and cash equivalents	1,286,887	2,041,233	171,400	788,099

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

27. Share capital

	Number of shares of RM1 each		Amount	
	2015	2014	2015 RM	2014 RM
Authorised:				
Special Rights Redeemable Preference				
Share of RM1 each	1	1	1	1
Ordinary shares of RM1 each	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
	2,000,000,001	2,000,000,001	2,000,000,001	2,000,000,001

Issued and fully paid:

	Number of shares of RM1 each	Amount RM
At 1 January 2014	1,232,443,880	1,232,443,880
DRP issued on:		
4 February 2014	8,102,473	8,102,473
Private Placement issued on 12 March 2014	124,050,000	124,050,000
DRP issued on:		
2 May 2014	9,553,502	9,553,502
At 31 December 2014	1,374,149,855	1,374,149,855
DRP issued on:		
23 January 2015	2,391,485	2,391,485
Rights Shares issued on 27 March 2015	275,308,267	275,308,267
DRP issued on:		
19 June 2015	7,342,222	7,342,222
At 31 December 2015	1,659,191,829	1,659,191,829

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

27. Share capital (cont'd.)

Ordinary shares issued for cash

On 23 January 2015, the Company increased its paid-up share capital to 1,376,541,340 via the issuance of 2,391,485 new ordinary shares of RM1 each pursuant to DRP relating to electable portion of the single-tier interim dividend of 2.00% for the financial year ended 31 December 2014.

On 27 March 2015, the Company increased its paid-up share capital to RM1,651,849,607 via the issuance of 275,308,267 new ordinary shares of RM1 each in MAHB on the basis of one (1) Rights Share for every five (5) existing shares held on the entitlement date. The issue price was fixed at RM4.78 per Right Share, representing a discount of approximately 28.80% to the theoretical ex-rights price of MAHB shares of RM6.71.

On 19 June 2015, the Company further increased its paid-up share capital to 1,659,191,829 via issuance of 7,342,222 new ordinary shares of RM1 each pursuant to DRP relating to electable portion of the single-tier final dividend of 3.60% for the financial year ended 31 December 2014.

Dividend Reinvestment Plan ("DRP")

The DRP was established upon the approval from the Shareholders, at the Extraordinary General Meeting held on 30 November 2012. The DRP provides Shareholders an option to elect to re-invest their cash dividend(s) declared by the Company (whether interim, final, special or any other cash dividend) ("Dividend(s)") in new ordinary shares of RM1 each in MAHB ("MAHB Shares").

The DRP provides Shareholders with an opportunity to re-invest their Dividends in new MAHB Shares ("New Shares") in lieu of receiving cash. Shareholders are expected to benefit from their participation in the DRP as the New Shares may be issued at a discount and their subscription of such New Shares will be free from any brokerage fees and other related transaction costs. In addition, the DRP also provides the Shareholders with greater flexibility to meet their investment objectives as they would have the choice of receiving Dividends in cash or reinvesting into the Company through the subscription of additional Shares.

The DRP has capital management benefits to MAHB as the reinvestment of Dividends by Shareholders in New Shares will enlarge MAHB's share capital base and strengthen MAHB's capital position. Under the DRP, any cash so retained within MAHB, that would otherwise be made payable by way of dividend, will be preserved to fund the Group's continuing growth and expansion plan, and/or for the Group's working capital (including payment for general corporate activities and to defray expenses incurred in the course of day-to-day business operations). The issue of New Shares under the DRP is also expected to improve the liquidity of MAHB Shares currently listed on the Main Market of Bursa Securities.

In relation to Dividends declared, the Board may, at its absolute discretion, determine whether to offer Shareholders an option to re-invest such Dividend in New Shares ("Reinvestment Option") and where applicable, the size of the portion of such Dividend to which the Reinvestment Option applies ("Electable Portion").

Shareholders will have the following options in respect of a Reinvestment Option:

- (a) elect to participate and thereby re-invest the entire Electable Portion (or a part thereof) at the Issue Price (as defined below) for New Shares and to receive wholly in cash:
 - (i) the portion of the Dividend to which the Reinvestment Option does not apply, as determined by the Board ("Non-Electable Portion"); and
 - (ii) the remaining portion of the Electable Portion not re-invested (if any) ("Remaining Portion"); or
- (b) elect not to participate in the Reinvestment Option and thereby receive the entire Dividend wholly in cash.

27. Share capital (cont'd.)**Dividend Reinvestment Plan (“DRP”) (cont'd.)**

The issue price of such New Shares shall be the higher of the following (“Issue Price”):

- (a) the adjusted VWAMP of MAHB Shares for the five market days immediately before the price fixing date (i.e. a date on which the Issue Price will be determined) after applying a discount of not more than 10%. The VWAMP shall be adjusted for Dividends before applying the aforementioned discount in fixing the Issue Price; or
- (b) the par value of MAHB Shares at the material time.

Special Rights Redeemable Preference Share

- (a) The Special Rights Redeemable Preference Share (“Special Share”) of RM1 enables the GoM, through the Minister of Finance, to ensure that certain major decisions affecting the operations of the Company are consistent with GoM policies. The Special Shareholder, which may only be the GoM or any representative or person acting on its behalf, is entitled to receive notices of meetings but not entitled to vote at such meetings of the Company. However, the Special Shareholder is entitled to attend and speak at such meetings.

The Special Shareholder has the right to appoint any person, but not more than six at any time, to be directors.

- (b) The Special Shareholder has the right to require the Company to redeem the Special Share at par at any time by serving written notice upon the Company and delivering the relevant share certificate.
- (c) The Special Shareholder shall be entitled to repayment of the capital paid-up on the Special Share in priority to any repayment of capital to any other member.
- (d) The Special Shareholder does not have any right to participate in the capital or profits of the Company.
- (e) Certain matters which vary the rights attached to the Special Share can only be effective with the written consent of the Special Shareholder, in particular matters relating to the creation and issue of additional shares which carry different voting rights, the dissolution of the Company, substantial disposal of assets, amalgamations, merger and takeover.

28. Retained earnings

The Company may distribute dividends out of its entire retained earnings as at 31 December 2015 and 2014 under the single-tier system.

29. Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

30. Other reserve and foreign currency translation reserves

(a) Foreign exchange reserve

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) Other reserve

	Group	
	2015 RM'000	2014 RM'000
Reserve arising from acquisition of non-controlling interest		
As at 1 January/31 December	2,546	2,546
Legal reserve		
As at 1 January	89	-
Created during the year	2,418	89
Foreign currency translation	30	-
As at 31 December	2,537	89
	5,083	2,635

(i) Reserve arising from acquisition of non-controlling interest

This relates to the discount on acquisition of non-controlling interest in prior years.

(ii) Legal reserve

- (i) In accordance with Qatar Companies' Law No. 5 of 2002, ("the Qatari Law") and the Articles of Association of Malaysia Airports Consultancy Services Middle East L.L.C. ("MACS ME"), 10% of the MACS ME's profit for the period is required to be transferred to a Legal Reserve until such time the reserve equals 50% of MACS ME's paid-up capital. This reserve is not available for distribution except in the circumstances stipulated under the Qatari Law.

30. Other reserve and foreign currency translation reserves (cont'd.)

(b) Other reserve (cont'd.)

(ii) Legal reserve (cont'd.)

- (ii) According to Turkish Commercial Code ("TCC"), legal reserves comprises of first and second legal reserves. The first legal reserve are generated by annual appropriations amounting to 5 percent of income disclosed in the Company's statutory accounts until it reaches 20 percent of paid-in share capital. If the dividend distribution is made in accordance with Dividend Distribution Communique II-19.1, a further 1/10 of dividend distributions, in excess of 5 percent of paid-in capital is to be appropriated to increase second legal reserves. If the dividend distribution is made in accordance with statutory records, a further 1/11 of dividend distributions, in excess of 5 percent of paid-in capitals are to be appropriated to increase second legal reserves. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50 percent of paid-in capital. As at 31 December 2015, total legal reserves in LGM amounts to EUR 515,645, equivalent to RM2,418,373 (2014: nil).

31. Other financial liability

	Group	
	2015 RM'000	2014 RM'000
At 1 January	201,950	189,256
Redemption of debenture	(209,451)	-
Foreign currency translation	7,501	12,694
At 31 December	-	201,950

Other financial liability is in respect of unsecured debentures issued by a foreign subsidiary comprising 57,700,000 fully paid debenture units of USD1 each. Interest on the debentures are payable upon the realisation of dividends from other investment held by the foreign subsidiary. The debentures have a 10-year period and the debenture holders have the rights to redeem the debentures at the nominal value and the debentures may be converted to ordinary shares issued by the foreign subsidiary.

On 25 May 2015, the Group has fully redeemed its debentures at nominal value plus premium amounting to USD74,000,000, equivalent to RM268,620,000 by utilising the proceeds from the disposal of its stake in DIAL.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

32. Loans and borrowings

	Maturity	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current					
Unsecured:					
Murabahah Tawarruq					
Revolving Credit Facility	2015	-	250,000	-	250,000
Term Loan	2015	-	25,807	-	-
3.85% p.a. fixed rate RM Senior Sukuk	2016	250,000	-	250,000	-
Secured:					
Subordinated Loan	2015	-	368,225	-	-
Senior Term Facility	2015	-	61,710	-	-
Senior Term Facility	2016	148,308	-	-	-
		398,308	705,742	250,000	250,000
Non-current					
Unsecured:					
4.55% p.a. fixed rate RM IMTN	2020	1,000,000	1,000,000	1,000,000	1,000,000
4.68% p.a. fixed rate RM IMTN	2022	1,500,000	1,500,000	1,500,000	1,500,000
4.15% p.a. fixed rate RM IMTN	2024	600,000	600,000	600,000	600,000
3.85% p.a. fixed rate RM Senior Sukuk	2016	-	250,000	-	250,000
4.15% p.a. fixed rate RM Senior Sukuk	2018	250,000	250,000	250,000	250,000
Secured:					
Senior Term Facility	2017-2021	2,150,007	2,019,277	-	-
		5,500,007	5,619,277	3,350,000	3,600,000
Total loans and borrowings					
4.55% p.a. fixed rate RM IMTN		1,000,000	1,000,000	1,000,000	1,000,000
4.68% p.a. fixed rate RM IMTN		1,500,000	1,500,000	1,500,000	1,500,000
4.15% p.a. fixed rate RM IMTN		600,000	600,000	600,000	600,000
3.85% p.a. fixed rate RM Senior Sukuk		250,000	250,000	250,000	250,000
4.15% p.a. fixed rate RM Senior Sukuk		250,000	250,000	250,000	250,000
Revolving Credit Facility		-	250,000	-	250,000
Euribor + 5.5% p.a. Term Loan		-	25,807	-	-
7.95% p.a. fixed rate Subordinated Loan		-	368,225	-	-
Euribor + 2.75% p.a. Senior Term Facility		2,298,315	2,080,987	-	-
		5,898,315	6,325,019	3,600,000	3,850,000

32. Loans and borrowings (cont'd.)

The remaining maturities of the loans and borrowings as at 31 December 2015 are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
On demand or within one year	398,308	705,742	250,000	250,000
More than 1 year and less than 2 years	186,564	388,296	-	250,000
More than 2 years and less than 5 years	2,608,599	692,438	1,250,000	250,000
5 years or more	2,704,844	4,538,543	2,100,000	3,100,000
	5,898,315	6,325,019	3,600,000	3,850,000

- (a) On 5 January 2015, the Company has repaid its revolving credit facility amounting to RM250,000,000 by utilising the proceeds raised from the issuance of RM1,000,000,000 Perpetual Subordinated Sukuk pursuant to the Perpetual Subordinated Sukuk Programme which was issued on 15 December 2014 as disclosed in Note 33.
- (b) On 21 January 2015, ISG has repaid its secured subordinated loan principal amount of EUR 80,000,000, equivalent to RM334,400,000. On 30 January 2015, LGM has repaid its unsecured term loan principal amount of EUR 6,071,000, equivalent to RM24,954,000. The repayment of the loans were made by utilising the proceeds from the EUR 500,000,000, equivalent to RM2,125,000,000 on the secured senior term loan facility which was fully drawdown by ISG on 24 December 2014.

(c) ICP Programme and IMTN Programme (collectively referred to as the “Sukuk Programmes”)

Malaysia Airports Capital Berhad (“MACB” or the “Issuer”), a wholly owned subsidiary of MAHB as disclosed in Note 17, is a special purpose vehicle and its principal activity is to undertake the issuance of Ringgit-denominated Islamic Commercial Papers (“ICPs”) and Islamic Medium Term Notes (“IMTNs”) pursuant to an Islamic Commercial Paper Programme (“ICP Programme”) and an Islamic Medium Term Notes Programme (“IMTN Programme”), respectively in accordance with Shariah Principles (collectively referred to as the “Sukuk Programmes”).

The Sukuk Programmes have a combined aggregate nominal value of up to RM3,100,000,000 (with a sub-limit of RM1,000,000,000 in nominal value for the ICP Programme).

Proceeds raised from the Sukuk Programmes were utilised by MAHB to part finance the construction of a new terminal (“klia2”) and/or to refinance MAHB’s existing borrowings/financing which were utilised for Shariah-compliant purposes and/or for MAHB’s Shariah-compliant general corporate purposes.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

32. Loans and borrowings (cont'd.)

(c) ICP Programme and IMTN Programme (collectively referred to as the “Sukuk Programmes”) (cont'd.)

The Sukuk Programmes has been accorded a short-term rating of P1 and long-term rating of AAA/Stable respectively by RAM Rating Services Berhad (“RAM”). The Sukuk Programmes are issued under the Shariah Principle of Ijarah and Murabahah utilising Commodity (“Commodity Murabahah”).

On 30 August 2010, MACB completed the issuance of the first tranche comprising RM1,000,000,000 nominal value IMTNs under the Shariah Principle of Ijarah pursuant to the IMTN Programme. The IMTNs issued under the first tranche have a tenure of ten (10) years from the date of issuance with a periodic distribution (coupon) rate of 4.55% per annum.

On 17 December 2010, MACB completed the issuance of the second tranche comprising RM1,500,000,000 nominal value IMTNs pursuant to the IMTN Programme based on the Shariah Principle of Commodity Murabahah. The IMTNs issued under the second tranche have a tenure of twelve (12) years from the date of issuance with a periodic distribution (coupon) rate of 4.68% per annum.

On 28 December 2012, MACB completed the issuance of the final tranche comprising RM600,000,000 nominal value IMTNs pursuant to the IMTN Programme based on the Shariah Principle of Commodity Murabahah. The IMTNs issued under the final tranche have a tenure of twelve (12) years from the date of issuance with a periodic distribution (coupon) rate of 4.15% per annum.

These notes with total face value of RM3,100,000,000 are unsecured. Details of the notes are as follows:

Coupon rate	Issue size (RM'000)	Issue date	Maturity date
4.55%	1,000,000	30.08.2010	28.08.2020
4.68%	1,500,000	17.12.2010	16.12.2022
4.15%	600,000	28.12.2012	27.12.2024

(d) Senior Sukuk Programme and Perpetual Subordinated Sukuk Programme (collectively referred to as the “Sukuk Musharakah Programmes”)

The Company also undertook a Senior Sukuk Programme and Perpetual Subordinated Sukuk Programme with a combined aggregate limit of up to RM2,500,000,000 under the Shariah Principle of Musharakah (collectively referred to as the “Sukuk Musharakah Programmes”). MAHB is the issuer for the Sukuk Musharakah Programmes.

The proceeds from the Sukuk Musharakah Programmes issuance shall be utilised for the working capital requirements, general investments and/or refinance any borrowings/financing of MAHB and/or its subsidiaries, which are Shariah-compliant.

32. Loans and borrowings (cont'd.)

(d) Senior Sukuk Programme and Perpetual Subordinated Sukuk Programme (collectively referred to as the "Sukuk Musharakah Programmes") (cont'd.)

The Senior Sukuk Programme has been accorded long-term rating of AAA/Stable respectively by RAM while the Perpetual Subordinated Sukuk Programme have been accorded with long-term rating of AA2/Stable. Both the Senior Sukuk Programme and the Perpetual Subordinated Sukuk Programme are issued under the Shariah Principle of Musharakah.

On 6 September 2013, MAHB has completed the issuance of RM500,000,000 Senior Sukuk (Sukuk Musharakah) via a dual tranche offering pursuant to the Senior Sukuk Programme. The Senior Sukuk offering comprises a three (3) years, RM250,000,000 tranche and a five (5) years, RM250,000,000 tranche with a periodic distribution rate (per annum, payable semi-annually) of 3.85% and 4.15% respectively.

On 15 December 2014, the Company has completed the issuance of RM1,000,000,000 Perpetual Subordinated Sukuk pursuant to the Perpetual Subordinated Sukuk Programme. The Perpetual Subordinated Sukuk is structured as a Perpetual Sukuk and accounted as equity (as stated in Note 2.4(ac) and 33).

These Senior Sukuk with total face value of RM500,000,000 are unsecured. Details of the Senior Sukuk are as follows:

Coupon rate	Issue size (RM'000)	Issue date	Maturity date
3.85%	250,000	06.09.2013	06.09.2016
4.15%	250,000	06.09.2013	06.09.2018

The terms of the Sukuk Programmes and the Sukuk Musharakah Programmes contain various covenants including the following:

MAHB shall maintain a Debt to Equity Ratio ("D:E Ratio") not exceeding 1.25 times throughout the tenure of the Sukuk Programmes. The D:E Ratio is the ratio of indebtedness of the Group represented by:

- (i) the aggregate face value of all outstanding ICPs, and all outstanding principal amount payable under the IMTNs and the Senior Sukuk Programme; and
- (ii) all other indebtedness of the Company for borrowed monies (be it actual or contingent) for principal only, hire purchase obligations, finance lease obligations, fair value of financial derivatives in connection with borrowed monies recognised by the Company in its audited consolidated financial statements and other contingent liabilities of the Company calculated in accordance with the applicable accounting standards; but excluding any inter-company loans which are subordinated to the Sukuk, to the equity of the Group including, if any, preference equity, subordinated shareholders' advances/loans and retained earnings or accumulated losses less goodwill (if any).

The D:E Ratio shall be calculated on a yearly and half yearly basis and as and when such calculations are required to be made under the terms of the transaction documents during the tenor of the Sukuk Programmes. In the case of D:E Ratio calculated on a yearly basis, such calculations shall be based on the latest audited consolidated financial statements of the Company and in the case of D:E Ratio calculated at any other times, the calculations shall be based on the latest consolidated management accounts of the Company.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

32. Loans and borrowings (cont'd.)

(e) Senior Term Facility

ISG has signed a facility agreement on 21 December 2014 with three financial institutions which provided a total credit line of EUR 500,000,000, equivalent to RM2,125,000,000 to refinance the Project Loan, Subordinated Loan, Trigen Loan, Term Loan and all subordinated shareholder loans and payables.

ISG has utilised EUR 500,000,000, equivalent to RM2,125,000,000 of the total facility on 24 December 2014 and employed the funds for the repayment of the loans described above with the balance used for the unwinding of the IRS swap of EUR 29,073,000, equivalent to RM123,560,000, payment of bank fees of EUR 10,000,000, equivalent to RM42,500,000, Debt Service Reserve Account ("DSRA") funding for the new Senior Term Loan of EUR 1,272,000, equivalent to RM5,406,000 and injection of working capital in ISG of EUR 21,642,000 equivalent to RM91,979,000.

According to the facility agreement, the re-pricing dates for the Senior Term Loan are set semi-annually. However, the first re-pricing date has been agreed to be on a monthly basis until the Mandated Banks syndicate the Senior Project Loan in the first half of 2015.

ISG is required to fund a minimum DSRA corresponding to the interest payable in the next interest period amounting to EUR 6,585,000, equivalent to RM30,884,000 (2014: EUR 1,272,000, equivalent to RM5,406,000).

The financial covenants of the current Senior Term Loan are as follows:

Historic debt service coverage ratio	Minimum of 1.10:1
Projected debt service coverage ratio	Minimum of 1.10:1
Loan life cover ratio	Minimum of 1.15:1

ISG has, as security for fulfilment of its obligations to the financial institutions, has assigned all of its present and future receivables, rights, incomes, claims, interests and benefits in, to and under its receivables, as well as any and all kinds of receivables arising out of or in connection with other agreements that ISG has entered into, as well as ISG's VAT refunds, to the security agent of the agreement.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

32. Loans and borrowings (cont'd.)

(e) Senior Term Facility (cont'd.)

These Senior Term Facility with total face value of EUR 500,000,000, equivalent to RM2,345,000,000 are secured. Details of the Senior Term Facility are as follows:

Coupon rate	EUR'000	RM'000	Issue date	Maturity amount (RM'000)	Maturity date
Euribor + 2.75% p.a.	490,046	*2,298,315	24.12.2014	74,319	27.06.2016
				73,989	28.12.2016
				94,129	26.06.2016
				92,435	27.12.2017
				155,023	26.06.2018
				151,421	27.12.2018
				252,627	26.06.2019
				246,197	27.12.2019
				280,359	26.06.2020
				272,972	29.12.2020
				285,175	28.06.2021
319,669	24.12.2021				
				2,298,315	

* The proceeds received is after netting off the transaction cost of EUR 9,954,000, equivalent to RM46,685,000.

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

(f) Subordinated Loan

ISG had drawdown Subordinated Loan of EUR 40,000,000, equivalent to RM170,000,000 each in year 2010 and 2013 for working capital purposes. The loan was settled on 21 January 2015.

33. Perpetual Sukuk

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Nominal value	997,842	1,000,000	997,842	1,000,000
Transaction costs	-	(2,158)	-	(2,158)
	997,842	997,842	997,842	997,842

On 15 December 2014, the Group has completed the issuance of RM1,000,000,000 Perpetual Subordinated Sukuk pursuant to the Perpetual Subordinated Sukuk Programme. The Perpetual Subordinated Sukuk is structured as a Perpetual Sukuk and accounted as equity.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

33. Perpetual Sukuk (cont'd.)

The salient features of the Perpetual Sukuk are as follows:

- (a) The Perpetual Sukuk is issued under the Islamic Principle of Musharakah;
- (b) The Perpetual Sukuk is a perpetual non-call ten (10) - year with no fixed tenure and carries a fixed initial periodic distribution rate of 5.75% (per annum, payable semi-annually) up to the 10th year anniversary of the issue date, after which and for every 10 year onward the periodic distribution rate will be reset. The periodic distribution rate will be reset to the prevailing 10 – year MGS benchmark rate plus 1.867% (Initial Spread) plus 1.00% step up rate. As at 31 December 2015, a periodic distribution for Perpetual Sukuk payable was RM57,500,000 (2014: RM2,520,000);
- (c) Deferred periodic distribution, if any, will be cumulative and accrued at the prevailing periodic distribution rate;
- (d) The Perpetual Sukuk has no fixed redemption date;
- (e) MAHB has the option to redeem the Perpetual Sukuk in whole under the following circumstances:
 - i) Option of issuer – at the option of MAHB on each Call Date;
 - ii) Tax reasons – if MAHB is obliged to pay additional amount due to change in tax laws or regulations in Malaysia;
 - iii) Rating Event – if there is change in equity credit criteria, guidelines or methodology of rating agency which results in lower equity credit of the Perpetual Sukuk;
 - iv) Accounting reasons – if there is change in accounting standards which results in the Perpetual Sukuk no longer be classified as equity;
 - v) Tax deductibility – if there is change in tax laws or regulations in Malaysia which results in the periodic distribution amount no longer eligible for full tax deductibility under corporate income tax;
 - vi) Minimal outstanding amount – if the outstanding Perpetual Sukuk is less than 10% of the nominal value originally issued;
 - vii) Change of control – if the GoM cease to hold the Special Share issued by MAHB; and
 - viii) Revocation of license – if the licenses issued by Minister of Transport to MAHB Group is being revoked/terminated which results in the cessation of MAHB operations for a period more than 30 consecutive days.
- (f) Payment obligations on the Perpetual Sukuk will at all times, rank in priority to other share capital instruments for the time being outstanding, but junior to the claims of present and future creditors of MAHB (other than obligations ranking pari passu with the Perpetual Sukuk);
- (g) The Perpetual Sukuk is rated AA2 by RAM; and
- (h) The Perpetual Sukuk is unsecured.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

34. Derivative financial instruments

Two new derivative contracts have been signed between two foreign banks and ISG with starting dates of 26 June 2015 and 29 December 2015 respectively.

ISG uses interest rate derivatives to manage its exposure to interest rate fluctuations in regards to funds utilised from the project finance facility. According to the swap transactions (pay fixed, receive float), the notional amounts differ at each period, as in the borrowing agreement of ISG, until 26 December 2021, details of which are provided below:

Due date of transaction

	IRS Swap Contract - I		IRS Swap Contract - II	
	Notional amounts (RM'000)	Fixed Euribor (%)	Notional amounts (RM'000)	Fixed Euribor (%)
27 June 2016	1,172,500	0.1500	1,172,500	0.1500
28 December 2016	1,149,050	0.1500	1,149,050	0.1500
26 June 2017	1,125,600	0.1500	1,125,600	0.1500
27 December 2017	1,090,425	0.3000	1,090,425	0.3000
26 June 2018	1,055,250	0.3000	1,055,250	0.3000
27 December 2018	984,900	0.3000	984,900	0.3000
26 June 2019	914,550	0.3000	914,550	0.3000
27 December 2019	785,575	1.3025	785,575	1.2950
26 June 2020	656,600	1.3025	656,600	1.2950
29 December 2020	504,175	1.3025	504,175	1.2950
28 June 2021	351,750	1.3025	351,750	1.2950
24 December 2021	187,600	1.3025	187,600	1.2950

As of 31 December 2015, fair value of the above mentioned contracts are EUR 3,759,000, equivalent to RM17,630,000 (2014: nil). Fair value of cash outflows with respect to the derivative that fall within one year from the financial position date, amounting to EUR 662,000, equivalent to RM3,105,000 is classified under current liabilities whereas the remaining amount of EUR 3,097,000, equivalent to RM14,523,000 is classified under non-current liabilities.

The unrealised loss on interest rate swaps transferred to statement of profit or loss that is recognised in the consolidated statements of comprehensive income as at 31 December 2015 are as follows:

	Group	
	2015 RM'000	2014 RM'000
Recognised in other comprehensive income	13,491	-
Recognised in profit or loss	606	-
Foreign currency translation	6	-
	14,103	-

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

35. Trade and other payables

	Group		Company	
	2015 RM'000	2014 RM'000 Restated	2015 RM'000	2014 RM'000
Current				
Trade payables				
Third parties	339,722	346,564	-	-
Utilisation fee liability (Note 35(h))	464,514	406,198	-	-
	804,236	752,762	-	-
Other payables				
Amounts due to subsidiaries	-	-	99,533	31,523
Accruals	415,480	537,655	284,926	370,562
Provisions for liabilities	26,091	23,654	5,160	4,607
Sundry payables	303,213	1,463,969	47,983	51,112
Deferred income (Note 35(d))	114,677	73,113	-	-
Dividend payable	2,572	30,055	2,572	30,055
Deposits	89,500	84,733	13,722	14,524
Concession liabilities (Note 35(g))	28,464	26,944	-	-
	979,997	2,240,123	453,896	502,383
	1,784,233	2,992,885	453,896	502,383
Non-current				
Trade payables				
Third parties	45,282	82,148	-	-
Utilisation fee liability (Note 35(h))	3,916,919	3,605,649	-	-
	3,962,201	3,687,797	-	-
Other payables				
Third party (Note 35(e))	-	98,300	-	98,300
Sundry payables	4,304	1,519	-	-
Deferred income (Note 35(d))	63,649	64,343	-	-
Retirement benefit obligations	2,777	1,385	-	-
Concession liabilities (Note 35(g))	445,264	476,195	-	-
	515,994	641,742	-	98,300
	4,478,195	4,329,539	-	98,300
Total trade and other payables (current and non-current)	6,262,428	7,322,424	453,896	600,683
Add: Loans and borrowings (Note 32)	5,898,315	6,325,019	3,600,000	3,850,000
Less: - Provisions for liabilities	(26,091)	(23,654)	(5,160)	(4,607)
- Deferred income	(178,326)	(137,456)	-	-
Total financial liabilities carried at amortised cost	11,956,326	13,486,333	4,048,736	4,446,076

The effects of the restatement has been adjusted as disclosed in Note 43.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

35. Trade and other payables (cont'd.)

Movement of provisions for liabilities during the year is as follows:

	Short-term accumulating compensated absences RM'000	Assessment fees RM'000	Total RM'000
Group			
At 31 December 2015			
At 1 January 2015	20,316	3,338	23,654
Additional provision during the year	3,308	4,026	7,334
Writeback of provision	(514)	-	(514)
Utilised during the year	(16)	(4,367)	(4,383)
At 31 December 2015	23,094	2,997	26,091
At 31 December 2014			
At 1 January 2014	16,325	6,413	22,738
Additional provision during the year	4,036	358	4,394
Writeback of provision	(39)	-	(39)
Utilised during the year	(6)	(3,433)	(3,439)
At 31 December 2014	20,316	3,338	23,654
		Short-term accumulating compensated absences RM'000	
Company			
At 31 December 2015			
At 1 January 2015			4,607
Provision during the year			563
Utilised during the year			(10)
At 31 December 2015			5,160
At 31 December 2014			
At 1 January 2014			4,581
Provision during the year			32
Utilised during the year			(6)
At 31 December 2014			4,607

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

35. Trade and other payables (cont'd.)

Movement of retirement benefit obligations during the year is as follows:

Group	Retirement benefit obligations RM'000
At 31 December 2015	
At 1 January 2015	1,385
Recognised in statements of profit or loss	1,144
Foreign currency translation	248
At 31 December 2015	2,777
At 31 December 2014	
At 1 January 2014	-
Acquisition of subsidiaries	1,155
Recognised in statements of profit or loss	230
At 31 December 2014	1,385

The foreign subsidiary companies maintained separate unfunded retirement plans for its eligible employees in accordance with Turkish Labour Law.

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 (2014: 30 to 90) days.

(b) Amounts due to subsidiaries

Amounts due to all related parties are non-interest bearing and are repayable on demand. The amounts are unsecured and are to be settled in cash. The subsidiaries will not recall the amounts to the extent that it would adversely affect the ability of the company to meet all its obligations when they fall due.

(c) Sundry payables

Included in sundry payables in the previous year was EUR 279,232,000, equivalent to RM1,182,856,000 of amount due to Limak for the acquisition of ISG and LGM. The amount owing was fully settled on 2 January 2015.

Also included in sundry payables in the previous year were taxes and duties payable of EUR 14,997,000, equivalent to RM63,737,000 and EUR 231,000, equivalent to RM985,000 arising from ISG and LGM respectively. ISG was subjected to tax investigation on VAT and accrued EUR 10,901,000, equivalent to RM46,330,000 for the year of assessment 2013 and 2014. The amount accrued was settled on 13 January 2015.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

35. Trade and other payables (cont'd.)

(d) Deferred income

Deferred income is analysed as follows:

	Group	
	2015 RM'000	2014 RM'000
Analysed as:		
Current	114,677	73,113
Non-current:		
Later than 1 year but not later than 2 years	7,674	5,035
Later than 2 years but not later than 5 years	14,265	13,533
Later than 5 years	41,710	45,775
	63,649	64,343
	178,326	137,456

Deferred income is in respect of customer loyalty programme on airline incentives and deferred lease rental from commercial activities. Also included in the deferred income is advertising contribution invoices of LGM amounting EUR 780,000, equivalent to RM3,661,000 (2014: EUR 545,000, equivalent to RM2,316,000).

(e) Other payables

In the previous year, the non-current other payable amounting to RM98,300,000 was in respect of liabilities for the development and construction of the infrastructure in integrated complex. The amount has been fully paid during the year.

(f) Accrual

Included in accrual is RM241,562,000 (2014: RM338,079,000) amount accrued in relation to klia2 construction cost.

(g) Concession liabilities

Concession liabilities are in respect of the following:

- (i) lease rental payable to the GoM for all airports managed by the Group
- (ii) Airport Facility Agreement for Generation Plant at KLIA
- (iii) Privatisation of the Development of a Generation Plant at klia2

(ii) and (iii) above are collectively referred as Airport Facility Arrangements as disclosed in Note 2.4 (aa) where the arrangement with service providers in supplying chilled water utility contains a lease arrangement and the fulfilment of the arrangement is dependent on a specified asset pursuant to an Operating Agreement upon the adoption of IC 12.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

35. Trade and other payables (cont'd.)

(g) Concession liabilities (cont'd.)

Concession liabilities are analysed as follows:

	Group			
	Lease rental payable to GoM		Airport Facility Arrangements ("AFA")	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Analysed as:				
Current	-	-	28,464	26,944
Non-current:				
Later than 1 year but not later than 2 years	2,581	2,468	30,070	28,464
Later than 2 years but not later than 5 years	8,469	8,100	62,986	77,017
Later than 5 years	58,599	61,549	282,559	298,597
Total minimum lease payment	69,649	72,117	375,615	404,078
	69,649	72,117	404,079	431,022

	Group	
	2015 RM'000	2014 RM'000
Current	28,464	26,944
Non-current	445,264	476,195
Total concession liabilities	473,728	503,139

The AFA obligation is arrived at after discounting the future estimated finance charge of RM197,375,000 (2014: RM220,409,000).

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

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

35. Trade and other payables (cont'd.)

(h) Utilisation Fee Liability

The Utilisation Fee Liability represents the present value of amounts payable to the Administration in accordance with the Concession Agreement for the operation of the ISGIA for 20 years plus 22 months of extension period. The Utilisation Fee Liability is discounted to present value, at a rate of 10.3%.

	Group	
	2015	2014
	RM'000	RM'000
Analysed as:		
Current	464,514	406,198
Non-current:		
Later than 1 year but not later than 2 years	393,441	368,584
Later than 2 years but not later than 5 years	1,102,159	967,027
Later than 5 years	2,421,319	2,270,038
	3,916,919	3,605,649
	4,381,433	4,011,847

36. Lease arrangements

Operating lease

The Group has entered into non-cancellable operating lease agreements for the use of certain plant and equipment. These leases have an average life of between 3 and 10 years with no renewal or purchase option included in the contracts. There are no restrictions placed upon the Group by entering into these leases.

The Group also leases various plant and machinery under cancellable operating lease agreements. The Group is required to give a period of between 1 to 3 months notice for the termination of those agreements.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

36. Lease arrangements (cont'd.)

Operating lease (cont'd.)

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the reporting date but not recognised as liabilities are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Future minimum rental payments:				
Not later than 1 year	47,663	44,193	9,816	8,550
Later than 1 year and not later than 5 years	121,701	127,093	14,729	16,878
Later than 5 years	35,119	67,773	-	-
	204,483	239,059	24,545	25,428

37. Commitments

	Due	Due year	Due year	Total
	year 2016 RM'000	2017 to 2020 RM'000	2021 to 2066 RM'000	
Group				
31 December 2015				
(i) Approved and contracted for:				
Lease rental payable to GoM other than within the operating agreements ^(a)	-	-	66,063	66,063
(ii) Approved but not contracted for:				
Capital expenditure	568,632	-	-	568,632
(iii) Other investments				
Investment in ISG ^(b)	-	246,366	-	246,366
Investment in MFMA ^(c)	-	56,113	-	56,113
	-	302,479	-	302,479
	568,632	302,479	66,063	937,174

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

37. Commitments (cont'd.)

	Due year 2015 RM'000	Due year 2016 to 2019 RM'000	Due year 2020 to 2066 RM'000	Total RM'000
Group				
31 December 2014				
(i) Approved and contracted for:				
Lease rental payable to GoM other than within the operating agreements ^(a)	-	-	66,063	66,063
(ii) Approved but not contracted for:				
Capital expenditure	523,825	-	-	523,825
(iii) Other investments				
Investment in ISG ^(b)	-	133,869	-	133,869
Investment in MFMA ^(c)	-	45,734	-	45,734
	-	179,603	-	179,603
	523,825	179,603	66,063	769,491
	Due year 2016 RM'000	Due year 2017 to 2020 RM'000	Due year 2021 to 2066 RM'000	Total RM'000
Company				
31 December 2015				
(i) Approved but not contracted for:				
Capital expenditure	30,664	-	-	30,664
(ii) Other investment				
Investment in ISG ^(b)	-	49,273	-	49,273
	30,664	49,273	-	79,937

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

37. Commitments (cont'd.)

	Due year 2015 RM'000	Due year 2016 to 2019 RM'000	Due year 2020 to 2066 RM'000	Total RM'000
Company				
31 December 2014				
(i) Approved but not contracted for:				
Capital expenditure	144,054	-	-	144,054
(ii) Other investment				
Investment in ISG ^(b)	-	26,775	-	26,775
	144,054	26,775	-	170,829
	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Analysed as:				
Not later than 1 year	568,632	523,825	30,664	144,054
Later than 1 year and not later than 5 years	302,479	179,603	49,273	26,775
Later than 5 years	66,063	66,063	-	-
	937,174	769,491	79,937	170,829

(a) Lease payable to the Federal Lands Commissioner under the Lease Agreement not within the Operating Agreements.

37. Commitments (cont'd.)

- (b) Prior to the refinancing of ISG as stated in Note 32(e), a Shareholder Support Agreement dated 6 June 2008 and amended and restated on 3 October 2011 ("Agreement") was entered between the Company, together with GMR, Limak, and, amongst others, ISG to facilitate the loan financing arrangements by ISG to fund the development of ISGIA for amounts up to EUR 52,530,000, equivalent RM246,366,000 (2014: EUR 31,500,000, equivalent to RM133,870,000). Pursuant to the Agreement, each Shareholder had agreed to provide further equity funding to ISG under certain prescribed circumstances, which include additional investment as may be requested by the Authority pursuant to its Implementation Agreement and to ensure ISG has sufficient funds to meet certain loan covenants and obligations as stipulated therein. ISG's obligation to provide further equity funding is expected to be based on its proportionate shareholding and is not obliged to cover any shortfall of any other Shareholder. Upon completion of the refinancing and acquisition of ISG, MAHB Group provides full financial support to meet ISG's obligations stipulated under the new loan agreements and/or Implementation Agreement, as and when necessary. As at 31 December 2015, other than those disclosed above, there are no further approved commitments relating to the equity funding for the additional investment in ISG.
- (c) MFMA had on 10 November 2014 entered into a loan facility agreement for amounts up to USD 60,000,000, equivalent to RM257,400,000 with Sumitomo Mitsui Banking Corporation Labuan Branch and Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad (collectively known as "Lenders") to fund the development of Mitsui Outlet Park KLIA. The loan facility is structured into two facilities namely Facility A and Facility B as per MFMA shareholdings between Mitsui Fudosan Co. Ltd. ("Mitsui") (70%) and MAHB (30%), with the loan amount of USD 42,000,000, equivalent to RM180,180,000 and USD 18,000,000, equivalent to RM77,220,000, respectively for each Facility A and Facility B.

In order to facilitate the loan financing arrangement, an Equity Contribution Agreement ("ECA") dated 10 November 2014 was entered between MAHB, MA (Sepang), Mitsui, MFMA and the Lenders.

Under the ECA, Mitsui is to provide a corporate guarantee to the Lenders to repay all the outstanding aggregate principal amount of the loans under the Facility A in the event of default by MFMA. However for Facility B, MAHB and MA (Sepang) shall make to MFMA an additional capital injection or a shareholder loan (as the case may be) of an amount equal to the outstanding aggregate principal amount of the loans under the Facility B, upon Capital Acceleration Event.

On 17 November 2014, MFMA has drawdown USD 43,600,000, equivalent to RM145,428,000 out of total loan facility of USD 60,000,000, equivalent to RM257,400,000. The commitments by MAHB is in respect of the Facility B which amounted to USD 13,080,000, equivalent to RM56,113,000.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

38. Financial guarantees and contingencies

(a) Financial guarantees

- (i) As at 31 December 2015, the financial liabilities of ISG and LGM were consolidated in the Group's statement of financial position.

As of 31 December 2015, ISG has given three letters of guarantee, one amounting to EUR 91,818,000, equivalent to RM430,626,000 (2014: EUR 97,556,000, equivalent to RM414,613,000), one amounting to EUR 13,009,000, equivalent to RM61,012,000 (2014: EUR 13,009,000 equivalent to RM55,288,250), and other amounting to EUR 1,629,000, equivalent to RM6,923,250 (2014: EUR 1,629,000, equivalent to RM6,923,250) are provided to the Administration (representing 6% of total amount payable to the Administration for the right to operate the Facility as set out in the Concession Agreement). Three letters of guarantee given to the Administration amounting to EUR 204,000, equivalent to RM957,000, EUR 2,515,000, equivalent to RM11,795,000 and EUR 26,000, equivalent to RM122,000 expired in December 2015.

- (ii) As of 31 December 2015, LGM has given letter of guarantee to Havaalani Isletme Ve Havacilik Endustrileri A.S. ("HEAS") amounting to EUR 457,500, equivalent to RM2,146,000 (2014: nil) for the rental of the hangar operations.

(b) Contingent liability

- (i) ISG is involved in, and may from time to time be involved in a number of legal proceedings. There are 305 employee lawsuits filed against ISG either directly or indirectly via sub-contractors. The total amount of claims against ISG is EUR 1,260,000, equivalent to RM5,909,000 (2014: EUR 1,154,000, equivalent to RM4,905,000). ISG recognised a provision for these claims of EUR 602,000, equivalent to RM2,823,000 (2014: EUR 348,000, equivalent to RM1,479,000) in the consolidated financial statements considering that ISG cannot establish the rest of the claims and that a probable loss will occur.
- (ii) A new arbitration action has been initiated against MA Properties Sdn. Bhd. ("MAP"). On 20 August 2015, MAP received a Notice of Arbitration from Kuala Lumpur Aviation Fuelling System Sdn Bhd ("KAF") in respect of the alleged losses and damages in the sum of RM28,277,000 pertaining to among others, design changes under the Airport Facilities Agreement dated 26 September 2007. Both parties have appointed an arbitrator. The next preliminary meeting for case management has been fixed on 28 June 2016.
- (iii) The tax authority had argued on the management fees invoices for 2010 that LGM received from the shareholders should be viewed as dividend distributions since there was inadequate proof that services were provided by the shareholders. As a result of this, LGM had in 2015 paid TL 1,252,000, equivalent to EUR 399,000 or RM1,871,000 to the tax authority.

No tax investigation has been commissioned for 2012-2014 by the government and it is not known whether an investigation will be initiated before the expiry.

If, however, a tax audit is initiated in the future and in the event that the tax auditor disputes the management fees, the total exposure would be a tax charge of TL 5,431,000, equivalent to EUR 1,708,000 or RM8,010,000 and tax penalties of TL 10,378,000, equivalent to EUR 3,264,000 or RM15,306,000 for the three years in question. If a reconciliation were to be reached with the tax office at the same terms that was achieved in 2015 settlement, the exposure would be a tax charge of TL 3,748,000, equivalent to EUR 1,179,000 or RM5,528,000 and tax penalty of TL 415,000, equivalent to EUR 131,000 or RM612,000. The amount including interest of TL 1,219,000, equivalent to EUR 383,000 or RM1,798,000 to 31 December 2015 would have been TL 5,382,000, equivalent to EUR 1,692,000 or RM7,938,000.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

39. Related party disclosures

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2015	2014
	RM'000	RM'000
Related Party Balances:		
Amounts owing by associated companies	-	515
Amounts owing to jointly controlled entities	7,322	6,530
Amounts owing by jointly controlled entities	1,862	-
Amount owing to other related party	500	500
Related Party Transactions:		
Revenue:		
<u>Associates:</u>		
Rental		
- KL Aviation Fuelling System Sdn. Bhd.	5,954	5,954
<u>Jointly Controlled Entities:</u>		
Management fee		
- LGM*	-	6,394
Lease rental		
- Segi Astana Sdn. Bhd.	1,273	1,273
- Airport Cooling Energy Supply Sdn. Bhd.	888	888
- MFMA Development Sdn. Bhd.	1,802	-
Concession Fee		
- MFMA Development Sdn. Bhd.	568	639
Interest on outstanding payment		
- ISG*	-	533
- MFMA Development Sdn. Bhd.	-	618

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

39. Related party disclosures (cont'd.)

	Group	
	2015	2014
	RM'000	RM'000
Related Party Transactions (cont'd.):		
Expenses:		
<u>Jointly Controlled Entities:</u>		
Airport Cooling Energy Supply Sdn. Bhd.		
- Utilities (Fixed)	32,125	21,417
- Utilities (Variable)	13,701	-
- Less: Rebate	(3,203)	(5,786)
- Interest on concession payable	21,362	14,241
Segi Astana Sdn. Bhd.		
- Rental of shops and warehouse	2,654	1,725
- Water and electricity	211	204
- Car park	42	51
Other Transactions:		
<u>Jointly Controlled Entities:</u>		
Airport Cooling Energy Supply Sdn. Bhd.		
- Construction cost	-	21,395
- Payment on concession payable	10,699	7,133
<u>Other related party</u>		
Construction cost		
- UEMC-Bina Puri J.V	-	20,599

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

39. Related party disclosures (cont'd.)

	Company	
	2015 RM'000	2014 RM'000
Other Transactions: (cont'd.)		
<u>Subsidiaries:</u>		
Utilities charges		
- Malaysia Airports (Sepang) Sdn. Bhd.	1,465	1,313
Landscape services		
- MAB Agriculture-Horticulture Sdn. Bhd.	379	379
Training and consultancy services		
- Malaysia Airports Consultancy Services Sdn. Bhd.	-	38
Catering services		
- Malaysia Airports (Niaga) Sdn. Bhd.	518	624
Event Management		
- K.L Airport Hotel Sdn. Bhd.	1,116	1,918
Repair and maintenance of building		
- Urusan Teknologi Wawasan Sdn. Bhd.	773	1,549

* Before these entities became wholly owned subsidiaries as at 31 December 2014.

Compensation of key management personnel

The remuneration of other members of key management during the year was as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Short-term employee benefits	14,320	14,296	11,616	11,535
Post-employment benefit:				
Defined contribution plans	2,364	2,301	1,921	1,865
	16,684	16,597	13,537	13,400

Remuneration of directors is as disclosed in Note 8.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

40. Significant event

On 25 May 2015, the Group has disposed its entire 10% equity interest in DIAL at a Sale Consideration of USD 80,000,000, equivalent to RM290,400,000. By utilising the proceed from the disposal, the Group has fully redeemed its debentures at nominal value plus premium amounting USD 74,000,000, equivalent to RM268,600,000.

41. Financial instruments

(a) Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short-term in nature and have been mostly placed in fixed deposits.

The Group has minimal exposure to interest rate risk at the reporting date. The following table sets out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at the reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk:

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

41. Financial instruments (cont'd.)**(b) Interest rate risk (cont'd.)**

	Note	WAEIR %	Within 1 Year RM'000	1-2 Years RM'000	2-5 Years RM'000	Over 5 Years RM'000	Total RM'000
At 31 December 2015							
Group							
Fixed rate term loan	32	3.76	398,308	186,564	2,608,599	2,704,844	5,898,315
Floating rate							
Cash and cash equivalents	26	4.57	428,696	-	-	-	428,696
Company							
Fixed rate term loan	32	4.46	250,000	-	1,250,000	2,100,000	3,600,000
Floating rate							
Cash and cash equivalents	26	4.50	155,062	-	-	-	155,062
At 31 December 2014							
Group							
Fixed rate term loan	32	4.29	705,742	388,296	692,438	4,538,543	6,325,019
Floating rate							
Cash and cash equivalents	26	3.85	1,006,227	-	-	-	1,006,227
Company							
Fixed rate term loan	32	4.43	250,000	250,000	250,000	3,100,000	3,850,000
Floating rate							
Cash and cash equivalents	26	3.82	782,709	-	-	-	782,709

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 31 days (2014: 20 days). Interest on financial instruments are fixed at fixed rate until the maturity of the instrument. The other financial instruments of the Group and of the Company that are not included in the above tables are not subject to interest rate risks.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

4.1. Financial instruments (cont'd.)

(c) Foreign currency risk

Other than the Group's investments in foreign associates and foreign subsidiaries, the Group is exposed to transactional currency risk, mainly arising from the United States Dollar, Great Britain Pound, Euro, Singapore Dollar, Switzerland Swiss Franc, China RMB, Hong Kong Dollar, Qatar Riyal and Australian Dollar. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to a manageable level and short-term imbalances are addressed by buying and selling foreign currencies at spot rate.

The net unhedged financial assets and financial liabilities of the Group and the Company that are not denominated in their functional currencies are as follows:

Group	Net Financial Assets/(Liabilities) Held in Non-Functional Currencies									
	United States Dollar RM'000	Great Britain Pound RM'000	Euro RM'000	Singapore Dollar RM'000	Switzerland Swiss Franc RM'000	China RMB RM'000	Hong Kong Dollar RM'000	Qatar Riyal RM'000	Australian Dollar RM'000	Total RM'000
At 31 December 2015	71,808	(37)	1,100	5	(175)	65	(50)	19,501	(25)	92,192
Ringgit Malaysia										
At 31 December 2014										
Ringgit Malaysia	(2,536)	(183)	4,336	(665)	(2,048)	53	(137)	-	-	(1,180)
Company										
At 31 December 2015	44,915	6,994	12,240	398	-	-	(50)	-	(25)	64,472
Ringgit Malaysia										
At 31 December 2014										
Ringgit Malaysia	(459)	6,010	14,148	280	-	-	(137)	-	-	19,842

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

41. Financial instruments (cont'd.)**(c) Foreign currency risk (cont'd.)**Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD, GBP, EUR, SGD, RMB, CHF, HKD, QAR and AUD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Group 2015 RM'000 Profit net of tax	Company 2015 RM'000 Profit net of tax
USD/RM	- strengthened 5%	3,590	2,246
	- weakened 5%	(3,590)	(2,246)
GBP/RM	- strengthened 5%	(2)	350
	- weakened 5%	2	(350)
EUR/RM	- strengthened 5%	55	612
	- weakened 5%	(55)	(612)
SGD/RM	- strengthened 5%	-	20
	- weakened 5%	-	(20)
RMB/RM	- strengthened 5%	3	-
	- weakened 5%	(3)	-
CHF/RM	- strengthened 5%	(9)	-
	- weakened 5%	9	-
HKD/RM	- strengthened 5%	(3)	(3)
	- weakened 5%	3	3
QAR/RM	- strengthened 5%	975	-
	- weakened 5%	(975)	-
AUD/RM	- strengthened 5%	(1)	(1)
	- weakened 5%	1	1

(d) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

At the reporting date, the entire trade and other payables will mature on demand or within a year.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

41. Financial instruments (cont'd.)

(d) Liquidity risk (cont'd.)

Analysis of financial instrument by remaining contractual maturities

The below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date on contractual undiscounted repayment obligations.

	On demand within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
31 December 2015				
Financial liabilities:				
Trade and other payables	1,176,578	52,364	-	1,228,942
Loans and borrowings	555,875	3,454,811	2,847,176	6,857,862
Total undiscounted financial liabilities	1,732,453	3,507,175	2,847,176	8,086,804
31 December 2014				
Financial liabilities:				
Trade and other payables	2,486,630	183,352	-	2,669,982
Loans and borrowings	869,551	2,959,631	3,988,957	7,818,139
Total undiscounted financial liabilities	3,356,181	3,142,983	3,988,957	10,488,121
Company				
31 December 2015				
Financial liabilities:				
Trade and other payables	453,896	-	-	453,896
Loans and borrowings	407,567	1,909,648	2,242,332	4,559,547
Total undiscounted financial liabilities	861,463	1,909,648	2,242,332	5,013,443
31 December 2014				
Financial liabilities:				
Trade and other payables	502,383	98,300	-	600,683
Loans and borrowings	410,600	1,222,116	3,337,432	4,970,148
Total undiscounted financial liabilities	912,983	1,320,416	3,337,432	5,570,831

41. Financial instruments (cont'd.)**(e) Credit risk**

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets.

Exposure to credit risk

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. Majority of trade receivables are due from airport tenants, airline companies and representative firms. The customer portfolio of the Group is diversified, with Malaysia Airlines and Air Asia Group, being the main customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. The Group obtains bank guarantee from its major customer other than airlines.

Investments are acquired after assessing the quality of the relevant investments. Cash and cash equivalent is placed with reliable financial institution.

The credit risk of the trade and other receivables are disclosed in Note 22. The Group's other financial assets, which comprise investments and cash and cash equivalents arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets as disclosed in Notes 22 and 26.

Credit risk concentration profile

At the reporting date, approximately 51% (2014: 64%) of the Group's trade receivables were due from five (2014: four) major customers who are reputable and located in Malaysia.

In addition, the Group's concentration of risk also includes the amount receivable from the GoM as disclosed in Note 22 and the Group minimises its credit risk by regular communication with the GoM.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 22. Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 22.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

41. Financial instruments (cont'd.)

(f) Fair values

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	22
Trade and other payables	35

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

The methods and assumptions used by management to determine fair values of financial instruments other than those whose carrying amounts reasonably approximate their fair values are as follows:

(i) Other receivables (non-current), loans and borrowings and other payables (non-current)

Fair value has been determined using discounted estimated cash flows. The discount rates used are the current market incremental lending rates for similar types of lending and borrowings.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

(ii) Unit trusts, bonds and medium term notes

The fair value of unit trusts, bonds and medium notes is based on market price.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

42. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group actively manages its capital structure and makes adjustments to it in light of changes in, amongst others, its operating environment and economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2015 and 31 December 2014.

Gearing ratio is not a standardised term under the Financial Reporting Standards and its determination may vary from other companies. The gearing ratio is included in management's analysis because it is used as a financial measure of potential capacity of the Group to incur and service its debt coverage and determined as aggregate indebtedness over the equity of the Group. The Group's policy is to keep its gearing ratio manageable so as to maintain its strong credit ratings and in any event not exceeding 125% as provided in the Covenants under its Sukuk Programmes. The Group indebtedness loans, borrowings and certain financial guarantee and contingent liabilities within the aggregate indebtedness, but excludes inter-company loans which are subordinated to the Sukuk Programmes. Equity of the Group includes, if any, preference equity, subordinated shareholders' advances or loans and retained earnings or accumulated losses less goodwill.

	Note	Group 2015 RM'000	2014 RM'000 Restated
Loans and borrowings	32	5,898,315	6,325,019
Other financial liability	31	-	201,950
Aggregate indebtedness		5,898,315	6,526,969
Equity attributable to the owners of the parent		8,841,352	7,337,275
Total equity		8,841,352	7,337,275
Gearing ratio		67%	89%

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

43. Prior year adjustments and comparatives

In accordance with FRS 3 Business Combination, if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. During the measurement period, the acquirer shall also recognise additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date.

As disclosed in Note 17, the one year period for the PPA exercise ends on 31 December 2015 (one year from the date of completion of the acquisition, i.e. 31 December 2014). During the year, which is within the said period, the amounts have been revised according to the finalised valuation report.

In accordance with FRS 3 Business Combination, a prior year adjustment is effected to reflect the changes retrospectively and the effects of the adjustment are explained below:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Statement of financial position as at 31 December 2014			
Non-current assets			
Intangible assets	17,327,735	229,055	17,556,790
Trade and other receivables	452,253	1,547	453,800
Deferred tax asset	803,265	(562,536)	240,729
Non-current liabilities			
Deferred tax liabilities	(1,453,280)	474,302	(978,978)
Trade and other payables	(4,121,740)	(207,799)	(4,329,539)
Current liabilities			
Trade and other payables	(2,973,471)	(19,414)	(2,992,885)

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

43. Prior year adjustments and comparatives (cont'd.)

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Statement of financial position as at 31 December 2014 (cont'd.)			
Equity attributable to owners of the Company			
Retained earnings	(2,676,767)	84,845	(2,591,922)
Statement of profit or loss for the financial year ended 31 December 2014			
Gain arising from re-measurement of fair value of investment	502,510	(18,821)	483,689
Gain on bargain purchase	379,106	(64,181)	314,925
Impairment of goodwill	(229,429)	(1,843)	(231,272)
Profit before tax and zakat from continuing operations	834,172	(84,845)	749,327

44. Segment information**(a) Reporting format**

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

44. Segment information (cont'd.)

(b) Business segments

For management purposes, the Group is organised into business units and has the following reportable operating segments:-

Malaysia Operations

- (i) Duty free and non-dutiable goods
To operate duty free, non duty free outlets and provide management service in respect of food and beverage outlets at designated airports.
- (ii) Airport services
To manage, operate and maintain designated airports in Malaysia and to provide airport related services.
- (iii) Agriculture and horticulture
To cultivate and sell oil palm and other agricultural products and to carry out horticulture activities.
- (iv) Hotel
To manage and operate a hotel, known as Sama-Sama Hotel and Sama-Sama Express K.L. International Airport.
- (v) Project and repair maintenance
To provide consultancy, operations and maintenance of Information and Communication Technology business ventures and provision of mechanical and electrical engineering.

Other business segments include investment holding and other activities, none of which are of a sufficient size to be reported separately.

(c) Geographical segments

Overseas Operations

- (i) Airport services
To manage, operate and maintain the ISGIA in Turkey and to provide airport related services.
- (ii) Project and repair maintenance
To provide facilities maintenance services at Hamad International Airport.

(d) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transactions between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

44. Segment information (cont'd.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	Continuing operations											Total operation RM'000	
	Malaysia Operations					Overseas Operations					Total RM'000		
	← Airport operations →	← Agriculture and horticulture →	← Hotel maintenance →	← Project and repair →	← Others →	← Airport operations →	← Non-airport operations →	← Airport services →	← Project and repair →	← Consolidation adjustments →			← Notes →
Duty free and non-dutiable goods RM'000	Airport services RM'000	Agriculture and horticulture RM'000	Hotel maintenance RM'000	Project and repair RM'000	Others RM'000	Airport services RM'000	Non-airport operations RM'000	Airport services RM'000	Project and repair RM'000	Consolidation adjustments RM'000	Notes	Discontinued operation RM'000	
31 December 2015													
Revenue													
External sales													
Airport operations:													
Aeronautical	-	1,422,445	-	-	-	-	-	476,903	-	-	-	-	1,899,348
Non-aeronautical:													
Retail	672,520	-	-	-	-	-	-	-	-	-	-	-	672,520
Others	893	615,355	-	-	-	-	-	430,251	-	-	-	-	1,046,499
Non-airport operations	-	-	29,915	73,857	20,401	-	12,161	115,506	-	-	-	-	251,840
Inter-segment sales	737	247,814	5,629	1,267	58,802	-	66,479	-	-	(380,728)	A	-	-
Inter-segment dividends	-	-	-	-	-	151,667	-	-	-	(151,667)	A	-	-
Total revenue	674,150	2,285,614	35,544	75,124	79,203	151,667	985,794	115,506	(332,395)	3,870,207		-	3,870,207
Results													
Segment results	(58,546)	857,029	6,300	16,413	20,809	525,177	692,943	17,744	(398,769)	B		(9)	1,679,091
Depreciation and amortisation	(13,946)	(455,804)	(4,058)	(16,025)	(388)	(11,945)	(216,602)	(622)	(182,321)			-	(901,711)
Finance costs	-	(256,691)	12	6	(45)	(228,919)	(446,415)	-	190,201			-	(741,851)
Share of results of associates	-	(349)	-	-	-	-	-	-	-			-	(349)
Share of results of jointly controlled entities	-	-	-	-	-	10,750	-	-	-			-	10,750
(Loss)/profit before tax	(72,492)	144,185	2,254	394	20,376	295,063	29,926	17,122	(390,889)			(9)	45,930
Income tax expense	13,993	(39,735)	(1,842)	288	(3,916)	16,919	(33,739)	(2,176)	44,410	C		-	(5,818)
(Loss)/profit for the year	(58,499)	104,450	412	662	16,460	311,982	(3,813)	14,946	(346,479)			(9)	40,112

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

44. Segment information (cont'd.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment: (cont'd.)

	Continuing operations											Total operation RM'000	
	Malaysia Operations					Overseas Operations					Notes		
	Airport operations		Non-airport operations			Airport operations		Non-airport operations					
Duty free and non-dutiable goods RM'000	Airport services RM'000	Agriculture and horticulture RM'000	Hotel maintenance RM'000	Project and repair RM'000	Others RM'000	Airport services RM'000	Project and repair RM'000	Consolidation adjustments RM'000	Discontinued operation RM'000	Total operation RM'000			
31 December 2015 (cont'd.)													
Assets													
Segment assets	251,466	10,470,193	72,932	165,658	169,623	12,487,387	6,169,655	126,838	(8,341,394)	D	21,572,358	151	21,572,509
Additions to non-current assets	7,725	213,458	13,024	3,160	945	44,475	30,138	744	-	E	313,669	-	313,669
Investment in associates	-	34,485	-	-	-	-	-	-	-	-	34,485	-	34,485
Investment in jointly controlled entities	-	-	-	-	-	71,670	-	-	-	-	71,670	-	71,670
Total assets	259,191	10,718,136	85,956	168,818	170,568	12,603,532	6,199,793	127,582	(8,341,394)		21,992,182	151	21,992,333
Liabilities													
Segment liabilities representing total liabilities	239,989	6,833,164	20,214	84,215	106,004	6,301,556	7,191,554	90,046	(7,715,023)	F	13,151,719	19	13,151,738

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

44. Segment information (cont'd.)

	Continuing operations										Discontinued operation RM'000	Total operation RM'000	
	Malaysia Operations					Overseas Operations							
	← Airport operations →	← Non-airport operations →	← Airport services →	← Project and repair →	← Others →	← Airport operations →	← Non-airport operations →	← Airport services →	← Project and repair →	← Consolidation adjustments →			
Duty free and non-dutiable goods RM'000	Airport services RM'000	Agriculture and horticulture RM'000	Hotel maintenance RM'000	Project and repair RM'000	Others RM'000	Airport services RM'000	Project and repair RM'000	Consolidation adjustments RM'000	Notes	Total RM'000			
31 December 2014													
Revenue													
External sales													
Airport operations:													
Aeronautical	-	1,341,075	-	-	-	-	-	-	-	-	1,341,075	-	1,341,075
Non-aeronautical:													
Retail	614,688	-	-	-	-	-	-	-	-	-	614,688	-	614,688
Others	1,185	552,812	-	-	-	-	-	-	-	-	553,997	-	553,997
Construction	-	662,405	-	-	-	-	-	-	-	-	662,405	-	662,405
Non-airport operations	-	-	31,304	74,136	19,078	4,260	-	42,778	-	(278,310)	171,556	-	171,556
Inter-segment sales	911	222,694	4,249	2,148	48,308	-	-	-	-	(66,583)	-	-	-
Inter-segment dividends	-	-	-	-	-	66,583	-	-	-	(66,583)	-	-	-
Total revenue	616,784	2,778,986	35,553	76,284	67,386	70,843	-	42,778	(344,893)	-	3,343,721	-	3,343,721
Results													
Construction Profit	-	28,525	-	-	-	-	-	-	-	-	28,525	-	28,525
Segment results	(33,396)	773,798	6,246	9,385	14,838	228,846	-	13,122	(226,009)	B	786,830	(26)	786,804
Depreciation and amortisation	(8,806)	(359,701)	(4,084)	(18,713)	(211)	(13,771)	-	(113)	-	-	(405,399)	-	(405,399)
Finance costs	(109)	(152,769)	(26)	(24)	(59)	(122,934)	-	-	124,584	-	(151,337)	-	(151,337)
Impairment of investments	-	-	-	-	-	(24,011)	-	-	-	-	(24,011)	-	(24,011)
Gain arising from re-measurement of fair value of investment	-	-	-	-	-	-	-	-	483,689	-	483,689	-	483,689
Gain on bargain purchase	-	-	-	-	-	-	-	-	314,925	-	314,925	-	314,925
Impairment of goodwill	-	-	-	-	-	-	-	-	(231,272)	-	(231,272)	-	(231,272)
Share of results of associates	-	113	-	-	-	-	-	-	-	-	113	-	113
Share of results of jointly controlled entities	-	-	-	-	-	(52,736)	-	-	-	-	(52,736)	-	(52,736)
(Loss)/profit before tax	(42,311)	289,966	2,136	(9,352)	14,568	15,394	-	13,009	465,917	C	749,327	(26)	749,301
Income tax expense	11,083	(78,071)	(626)	4,145	(3,464)	34,379	-	(1,171)	(52,206)	C	(85,931)	(31)	(85,962)
(Loss)/profit for the year	(31,228)	211,895	1,510	(5,207)	11,104	49,773	-	11,838	413,711	-	663,396	(57)	663,339

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

44. Segment information (cont'd.)

	← Malaysia Operations →		← Non-airport operations →		← Overseas Operations →		Notes	Total RM'000	Discontinued operation RM'000	Total operation RM'000
	Airport operations RM'000	Agriculture and horticulture RM'000	Hotel maintenance RM'000	Project and repair RM'000	Others RM'000	Airport services RM'000				
Duty free and non-dutiable goods RM'000	Airport services RM'000	Agriculture and horticulture RM'000	Hotel maintenance RM'000	Project and repair RM'000	Others RM'000	Airport services RM'000	Non-airport operations RM'000	Project and repair consolidation adjustments RM'000	Discontinued operation RM'000	Total operation RM'000
31 December 2014 (cont'd.)										
Assets										
Segment assets	233,997	77,486	160,064	113,317	12,251,434	1,352,041	40,494	(13,468,296)	104	12,297,655
Additions to non-current assets	39,819	5,962	10,650	747	739,618	4,876,968	2,133	3,984,912	-	9,799,101
Investment in associates	-	-	-	-	-	-	-	-	-	39,034
Investment in jointly controlled entities	-	-	-	-	62,415	-	-	-	-	62,415
Total assets	273,816	83,448	170,714	114,064	13,053,467	6,229,009	42,627	(9,483,384)	104	22,198,101
Liabilities										
Segment liabilities representing total liabilities	196,413	15,618	86,775	31,254	8,223,007	7,091,312	25,939	(8,653,238)	26	14,860,895

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

44. Segment information (cont'd.)**Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.**

- (A) Inter-segment sales and dividends are eliminated on consolidation.
- (B) Profit before tax from continuing operations is derived after deducting mainly inter-segment dividend.
- (C) Inter-segment tax payable on dividend received are eliminated on consolidation.
- (D) The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2015 RM'000	2014 RM'000
Investment in subsidiaries	(1,886,883)	(1,886,883)
Inter-segment assets	(6,454,511)	(11,581,413)
	(8,341,394)	(13,468,296)

- (E) Additions to non-current assets consist of:

	2015 RM'000	2014 RM'000
Property, plant and equipment	71,463	75,968
Plantation development expenditure	12,995	5,960
Intangible assets	229,211	855,293
Acquisition of subsidiaries	-	8,861,880
	313,669	9,799,101

- (F) The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statements of financial position:

	2015 RM'000	2014 RM'000
Inter-segment liabilities	7,715,023	8,653,238

**NOTES TO THE
FINANCIAL STATEMENTS**
31 December 2015

45. Supplementary explanatory note on disclosure of realised and unrealised profits

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2015 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained earnings of the Company and its subsidiaries				
- Realised	4,012,317	4,324,599	118,477	80,396
- Unrealised	95,902	58,956	29,558	11,959
	4,108,219	4,383,555	148,035	92,355
Total share of retained earnings/ (accumulated losses) from associated companies:				
- Realised	69,632	72,283	-	-
- Unrealised	(3,836)	(3,000)	-	-
	65,796	69,283	-	-
Total share of retained earnings/ (accumulated losses) from jointly controlled entities:				
- Realised	14,318	(336,605)	-	-
- Unrealised	(5,622)	73,143	-	-
	8,696	(263,462)	-	-
Less: Consolidation adjustments	(1,733,220)	(1,597,454)	-	-
Total retained earnings as per financial statements	2,449,491	2,591,922	148,035	92,355

The determination of realised and unrealised profits above is solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

TOTAL MAHB GROUP TRAFFIC 2015

PASSENGER MOVEMENTS		2015	2014	+/-
MY passengers	[international]	40,044,823	40,149,537	-0.3%
	[domestic]	43,784,946	43,198,466	1.4%
	[Total]	83,829,769	83,348,003	0.6%
ISG passengers	[international]	9,703,594	8,603,626	12.8%
	[domestic]	18,581,984	15,028,257	23.6%
	[Total]	28,285,578	23,631,883	19.7%
Total MAHB Group		112,115,347	106,979,886	4.8%

AIRCRAFT MOVEMENTS		2015	2014	+/-
MY commercial aircraft	[international]	295,485	287,893	2.6%
	[domestic]	519,855	503,669	3.2%
	[Total]	815,340	791,562	3.0%
ISG commercial aircraft	[international]	76,548	66,991	14.3%
	[domestic]	129,632	105,817	22.5%
	[Total]	206,180	172,808	19.3%
Total commercial aircraft		1,021,520	964,370	5.9%
MY All other aircraft		123,373	137,171	-10.1%
ISG All other aircraft		12,446	12,569	-1.0%
Total MAHB Group		1,157,339	1,114,110	3.9%

CARGO MOVEMENTS [kg]		2015	2014	+/-
MY cargo movements	[international]	780,457,278	823,010,848	-5.2%
	[domestic]	193,872,919	184,452,041	5.1%
	[Total]	974,330,197	1,007,462,889	-3.3%
ISG cargo movements	[international]	41,773,091	37,873,360	10.3%
	[domestic]	4,905,686	4,505,520	8.9%
	[Total]	46,678,777	42,378,880	10.1%
Total MAHB Group		1,021,008,974	1,049,841,769	-2.7%

Note : MY - MAHB Airports in Malaysia
ISG - Istanbul Sabiha Gokcen International Airport

TRAFFIC 2015 MALAYSIA OPERATIONS

PASSENGER MOVEMENTS		2015	2014	+/-
Terminal passengers	[international]	39,716,390	39,780,623	-0.2%
Terminal passengers	[domestic]	43,649,823	42,981,566	1.6%
Transit passengers		463,556	585,814	-20.9%
Total passenger movements		83,829,769	83,348,003	0.6%

AIRCRAFT MOVEMENTS		2015	2014	+/-
Commercial aircraft	[international]	295,485	287,893	2.6%
Commercial aircraft	[domestic]	519,855	503,669	3.2%
Total commercial aircraft		815,340	791,562	3.0%
All other aircraft		123,373	137,171	-10.1%
Total aircraft movements		938,713	928,733	1.1%

CARGO MOVEMENTS [kg]		2015	2014	+/-
Cargo movements	[international]	765,529,987	804,733,788	-4.9%
Cargo movements	[domestic]	188,240,065	177,747,158	5.9%
Transit cargo		20,560,145	24,981,943	-17.7%
Total cargo movements		974,330,197	1,007,462,889	-3.3%

MAIL MOVEMENTS [kg]		2015	2014	+/-
Mail movements	[international]	33,407,606	32,116,806	4.0%
Mail movements	[domestic]	8,826,055	9,192,037	-4.0%
Transit mail		25,038	54,028	-53.7%
Total mail movements		42,258,699	41,362,871	2.2%

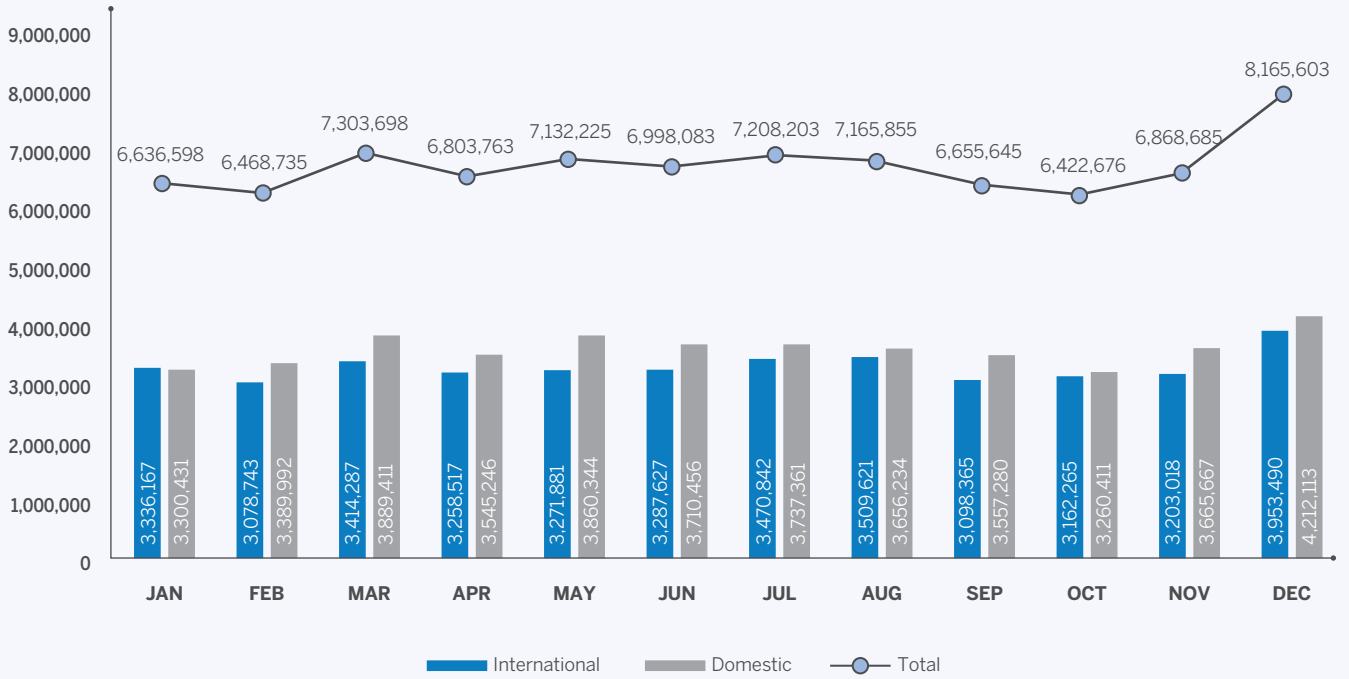
PASSENGER MOVEMENTS 2015 MALAYSIA OPERATIONS

AIRPORTS	DOMESTIC			INTERNATIONAL			TOTAL			TRANSIT		
	Arrival	Departure	Total	Arrival	Departure	Total	2015*	2014*	% + / -	Domestic	Int'l	Total
KLIA	7,130,271	7,048,726	14,178,997	17,060,630	17,377,599	34,438,229	48,938,424	48,930,409	0.02%	0	321,198	321,198
Penang	1,852,652	1,875,936	3,728,588	1,264,429	1,258,938	2,523,367	6,258,756	6,041,583	3.6%	5,719	1,082	6,801
Kota Kinabalu	2,451,182	2,457,011	4,908,193	824,879	835,299	1,660,178	6,573,461	6,792,968	-3.2%	3,068	2,022	5,090
Kuching	2,235,729	2,228,243	4,463,972	142,321	151,796	294,117	4,772,453	4,852,822	-1.7%	10,265	4,099	14,364
Langkawi	1,078,072	1,081,185	2,159,257	86,643	90,277	176,920	2,336,177	2,221,997	5.1%	0	0	0
Kota Bharu	1,027,197	1,036,548	2,063,745	0	0	0	2,063,747	1,800,836	14.6%	2	0	2
Ipoh	29,594	28,735	58,329	80,623	83,654	164,277	222,606	98,768	125.4%	0	0	0
Kuala Terengganu	424,058	429,704	853,762	1,765	1,712	3,477	857,239	842,651	1.7%	0	0	0
Alor Setar	356,669	360,135	716,804	833	1,392	2,225	719,029	660,264	8.9%	0	0	0
Melaka	23,619	24,321	47,940	11,151	10,619	21,770	69,710	14,178	391.7%	0	0	0
Subang	1,378,958	1,374,211	2,753,169	153,693	152,173	305,866	3,059,144	2,762,556	10.7%	77	32	109
Kuantan	126,729	125,761	252,490	19,742	19,877	39,619	292,109	314,130	195.8%	0	0	0
Tioman	0	0	0	0	0	0	0	9,217	-	0	0	0
Pangkor	0	0	0	0	0	0	0	205	-	0	0	0
Redang	0	0	0	0	0	0	0	11,087	-	0	0	0
Labuan	321,957	319,852	641,809	19	18	37	684,108	789,494	-13.3%	42,262	0	42,262
Lahad Datu	71,122	72,532	143,654	0	0	0	143,654	161,230	-10.9%	0	0	0
Sandakan	415,476	422,250	837,726	14	28	42	853,411	900,016	-5.2%	15,643	0	15,643
Tawau	589,808	593,090	1,182,898	9,080	11,814	20,894	1,203,792	1,218,616	-1.2%	0	0	0
Bintulu	388,622	390,791	779,413	0	0	0	800,008	832,440	-3.9%	20,595	0	20,595
Miri	1,084,637	1,091,936	2,176,573	31,416	33,924	65,340	2,249,206	2,363,080	-4.8%	7,293	0	7,293
Sibu	717,427	721,043	1,438,470	32	0	32	1,454,360	1,440,935	0.9%	15,858	0	15,858
Mulu	26,168	25,219	51,387	0	0	0	51,387	60,761	-15.4%	0	0	0
Limbang	29,280	29,020	58,300	0	0	0	58,300	63,870	-8.7%	0	0	0
STOL Sabah	2,044	1,963	4,007	0	0	0	5,309	4,590	15.7%	1,302	0	1,302
STOL Sarawak	73,080	77,260	150,340	0	0	0	163,379	159,300	2.6%	13,039	0	13,039
Peninsular Malaysia	13,427,819	13,385,262	26,813,081	18,679,509	18,996,241	37,675,750	64,816,941	63,707,881	1.7%	5,798	322,312	328,110
Sabah	3,851,589	3,866,698	7,718,287	833,992	847,159	1,681,151	9,463,735	9,866,914	-4.1%	62,275	2,022	64,297
Sarawak	4,554,943	4,563,512	9,118,455	173,769	185,720	359,489	9,549,093	9,773,208	-2.3%	67,050	4,099	71,149
Total 2015	21,834,351	21,815,472	43,649,823	19,687,270	20,029,120	39,716,390	83,829,769	83,348,003	0.6%	135,123	328,433	463,556
Total 2014	21,490,239	21,491,327	42,981,566	19,833,026	19,947,597	39,780,623	83,348,003			216,900	368,914	585,814
% change	1.6%	1.5%	1.6%	-0.7%	0.4%	-0.2%	0.6%			-37.7%	-11.0%	-20.9%

Note : * Including transit passengers

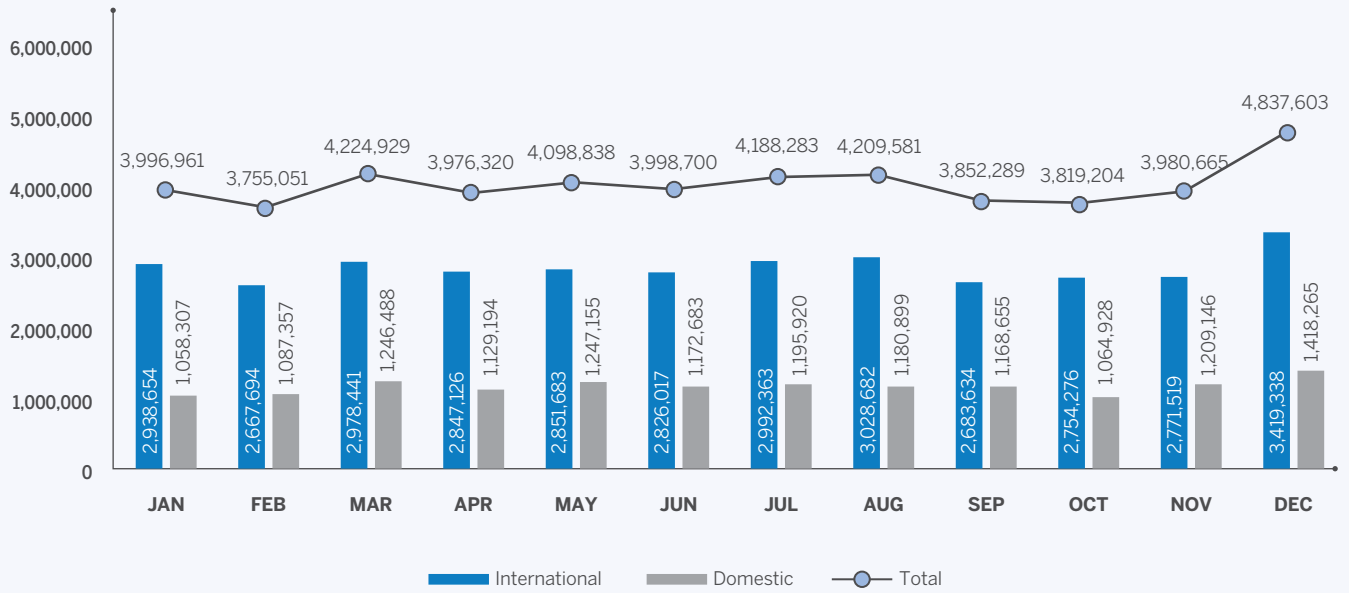
PASSENGER MOVEMENTS 2015
MALAYSIA OPERATIONS

PASSENGER MOVEMENTS AT ALL MAHB AIRPORTS IN MALAYSIA 2015



PASSENGER MOVEMENTS 2015
MALAYSIA OPERATIONS

PASSENGER MOVEMENTS AT KL INTERNATIONAL AIRPORT 2015

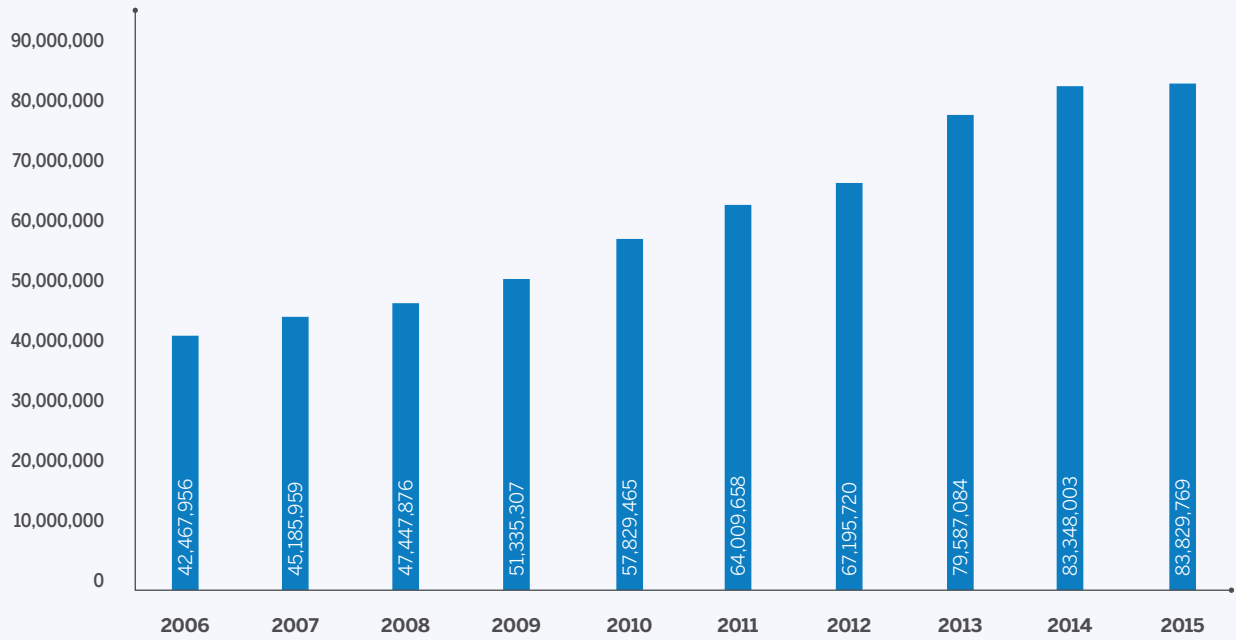


PASSENGER MOVEMENTS (2006 - 2015) MALAYSIA OPERATIONS

AIRPORTS	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	% + / -
KLIA	24,129,748	26,453,379	27,529,355	29,682,093	34,087,636	37,704,510	39,887,866	47,498,157	48,930,409	48,938,424	0.02%
Penang	3,103,772	3,173,117	3,405,762	3,325,423	4,166,969	4,600,274	4,767,815	5,487,751	6,041,583	6,258,756	3.6%
Kota Kinabalu	4,015,221	4,399,939	4,689,164	4,868,526	5,223,454	5,808,639	5,848,135	6,935,797	6,792,968	6,573,461	-3.2%
Kuching	3,196,352	3,236,468	3,238,614	3,574,632	3,684,517	4,286,722	4,186,523	4,871,036	4,852,822	4,772,453	-1.7%
Langkawi	934,024	1,122,911	1,196,956	1,359,271	1,374,729	1,504,697	1,594,106	1,946,440	2,221,997	2,336,177	5.1%
Kota Bharu	678,306	759,316	836,060	1,003,162	1,047,755	1,132,345	1,259,205	1,585,238	1,800,836	2,063,747	14.6%
Ipoh	64,711	814	5,376	21,937	48,508	71,169	73,354	74,320	98,768	222,606	125.4%
Kuala Terengganu	398,252	430,800	487,495	523,619	520,611	502,966	550,831	699,310	842,651	857,239	1.7%
Alor Setar	292,549	291,006	307,564	421,314	400,997	407,717	433,644	535,073	660,264	719,029	8.9%
Melaka	18,509	27,209	23,751	18,576	21,687	21,322	34,355	21,637	14,178	69,710	391.7%
Subang	83,502	95,583	307,747	819,840	1,118,309	1,320,227	1,442,514	1,859,020	2,762,556	3,059,144	10.7%
Kuantan	273,005	262,486	259,529	226,912	220,878	248,846	280,074	317,440	314,130	292,109	-7.0%
Tioman	57,559	46,260	48,767	49,057	54,056	62,010	60,141	56,054	9,217	0	-
Pangkor	9,866	8,906	8,132	7,617	2,588	547	4,068	5,791	205	0	-
Redang	28,928	33,738	34,957	28,246	48,610	46,159	35,960	35,982	11,087	0	-
Labuan	575,684	535,294	550,859	476,876	505,903	567,928	617,130	738,769	789,494	684,108	-13.3%
Lahad Datu	108,697	77,024	99,983	98,558	113,442	131,054	142,733	145,930	161,230	143,654	-10.9%
Sandakan	633,194	626,192	618,927	672,469	741,674	788,515	834,626	911,855	900,016	853,411	-5.2%
Tawau	660,331	736,646	768,967	866,601	897,848	922,452	982,153	1,202,344	1,218,616	1,203,792	-1.2%
Bintulu	449,673	381,158	417,918	487,060	557,459	590,253	661,553	779,774	832,440	800,008	-3.9%
Miri	1,559,379	1,454,167	1,537,840	1,620,345	1,694,915	1,856,626	2,018,415	2,223,172	2,363,080	2,249,206	-4.8%
Sibu	898,923	809,955	831,772	939,732	1,009,002	1,133,093	1,204,267	1,383,887	1,440,935	1,454,360	0.9%
Mulu	48,825	37,463	43,652	49,255	66,575	67,041	49,670	49,432	60,761	51,387	-15.4%
Limbang	89,814	50,107	49,181	45,512	50,044	56,211	57,852	61,074	63,870	58,300	-8.7%
STOL Sabah	5,933	1,942	3,741	0	793	5,046	5,970	5,174	4,590	5,309	15.7%
STOL Sarawak	153,199	134,079	145,807	148,674	170,506	173,289	162,760	156,627	159,300	163,379	2.6%
Peninsular Malaysia	30,072,731	32,705,525	34,451,451	37,487,067	43,113,333	47,622,789	50,423,933	60,122,213	63,707,881	64,816,941	1.7%
Sabah	5,999,060	6,377,037	6,731,641	6,983,030	7,483,114	8,223,634	8,430,747	9,939,869	9,866,914	9,463,735	-4.1%
Sarawak	6,396,165	6,103,397	6,264,784	6,865,210	7,233,018	8,163,235	8,341,040	9,525,002	9,773,208	9,549,093	-2.3%
Grand Total	42,467,956	45,185,959	47,447,876	51,335,307	57,829,465	64,009,658	67,195,720	79,587,084	83,348,003	83,829,769	0.6%
% change	2.2%	6.4%	5.0%	8.2%	12.7%	10.7%	5.0%	18.4%	4.7%	0.6%	

PASSENGER MOVEMENTS (2006 - 2015) MALAYSIA OPERATIONS

PASSENGER MOVEMENTS AT ALL MAHB AIRPORTS IN MALAYSIA (2006-2015)



INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
SOUTH EAST ASIA							
Balikpapan	21,978	23,434	20,834	21,673	42,812	45,107	-5.1%
Banda Aceh	52,840	48,415	52,670	49,289	105,510	97,704	8.0%
Bandar Seri Begawan	175,427	177,409	177,547	176,184	352,974	353,593	-0.2%
Bandung	176,560	171,783	175,902	168,970	352,462	340,753	3.4%
Bangkok	435,978	453,274	425,795	415,937	861,773	869,211	-0.9%
Batam	0	0	3	0	3	0	-
Cebu	20,414	12,660	19,837	13,236	40,251	25,896	55.4%
Chiang Mai	97,750	90,656	101,305	94,075	199,055	184,731	7.8%
Clark Field	25,208	4,134	24,441	5,178	49,649	9,312	433.2%
Da Nang	27,400	8,053	27,473	8,070	54,873	16,123	240.3%
Denpasar Bali	501,558	569,347	498,632	559,026	1,000,190	1,128,373	-11.4%
Don Mueang	600,231	484,594	638,318	507,889	1,238,549	992,483	24.8%
Hanoi	144,381	162,408	165,350	172,027	309,731	334,435	-7.4%
Hatyai	58,497	49,239	62,966	50,365	121,463	99,604	21.9%
Ho Chi Minh City	460,919	453,170	470,835	451,485	931,754	904,655	3.0%
Jakarta	978,679	1,021,776	1,010,194	1,045,118	1,988,873	2,066,894	-3.8%
Kalibo	43,542	20,094	42,583	20,039	86,125	40,133	114.6%
Koh Samui	38,714	35,578	35,806	34,784	74,520	70,362	5.9%
Krabi	157,989	128,335	151,626	124,970	309,615	253,305	22.2%
Kuala Namu	320,404	347,828	330,501	361,238	650,905	709,066	-8.2%
Lombok	87,003	61,831	88,568	66,778	175,571	128,609	36.5%
Manila	352,819	352,983	331,038	344,545	683,857	697,528	-2.0%
Naypyidaw	0	210	0	205	0	415	-
Padang	91,472	95,683	93,186	96,965	184,658	192,648	-4.1%
Palembang	45,820	48,397	41,411	46,186	87,231	94,583	-7.8%
Pekan Baru	55,425	65,035	56,185	63,373	111,610	128,408	-13.1%
Phnom Penh	172,183	166,846	175,799	171,804	347,982	338,650	2.8%
Phuket	345,180	349,465	346,557	346,490	691,737	695,955	-0.6%
Pontianak	17,755	0	15,591	0	33,346	0	-
Semarang	27,008	29,953	28,866	34,349	55,874	64,302	-13.1%
Siem Reap	103,484	89,433	104,119	90,345	207,603	179,778	15.5%
Singapore	1,778,154	1,709,814	1,773,576	1,669,937	3,551,730	3,379,751	5.1%
Solo City	19,228	19,370	18,741	20,994	37,969	40,364	-5.9%
Surabaya	272,089	264,543	293,556	282,474	566,645	547,017	3.4%
Surat Thani	40,433	20,796	38,044	20,287	78,477	41,083	91.0%
Ujung Pandang	25,934	27,828	28,965	30,183	54,899	58,011	-5.4%
Utapa	9,716	0	10,350	0	20,066	0	-
Vientiane	21,558	24,615	21,117	24,441	42,675	49,056	-13.0%
Yangon	177,621	181,621	181,426	174,737	359,047	356,358	0.8%
Yogyakarta	87,055	85,695	99,697	97,731	186,752	183,426	1.8%
Total	8,068,406	7,856,305	8,179,410	7,861,377	16,247,816	15,717,682	3.4%

INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
NORTH EAST ASIA							
Asahikawa	0	274	0	836	0	1,110	-
Beijing	185,996	206,619	181,607	208,616	367,603	415,235	-11.5%
Busan	46,889	59,300	49,257	63,819	96,146	123,119	-21.9%
Changsha	11,673	0	14,006	0	25,679	0	-
Changsha Huanghua	948	0	0	0	948	0	-
Chengdu	91,468	103,547	96,071	105,904	187,539	209,451	-10.5%
Chongqing	33,442	5,660	41,422	5,593	74,864	11,253	565.3%
Dalian	4,103	5,061	3,775	4,553	7,878	9,614	-18.1%
Fuzhou	25,548	16,962	26,238	16,567	51,786	33,529	54.5%
Guangzhou	346,474	321,843	350,635	322,825	697,109	644,668	8.1%
Guilin	27,346	27,270	28,277	27,294	55,623	54,564	1.9%
Hakodate	0	833	0	545	0	1,378	-
Hangzhou	58,585	92,999	58,595	94,061	117,180	187,060	-37.4%
Harbin	0	680	0	677	0	1,357	-
Hong Kong	687,303	710,491	702,923	714,457	1,390,226	1,424,948	-2.4%
Kaohsiung	9,849	0	11,162	0	21,011	0	-
Kunming	53,269	58,743	57,084	62,286	110,353	121,029	-8.8%
Lanzhou	0	0	383	0	383	0	-
Macau	113,147	115,227	115,455	119,014	228,602	234,241	-2.4%
Nagoya	2,959	40,477	3,698	43,619	6,657	84,096	-92.1%
Nanning	45,191	45,433	46,810	46,750	92,001	92,183	-0.2%
Osaka	152,733	175,835	162,183	183,365	314,916	359,200	-12.3%
Pyongyang	0	366	0	366	0	732	-
Sanya	81	0	191	0	272	0	-
Sapporo Chitose	14,062	837	16,549	559	30,611	1,396	2092.8%
Seoul	326,706	321,539	328,920	325,847	655,626	647,386	1.3%
Shanghai Pu Dong	258,654	275,564	261,015	281,024	519,669	556,588	-6.6%
Shenzhen	96,857	100,476	98,548	98,860	195,405	199,336	-2.0%
Taipei	414,619	450,131	411,981	448,154	826,600	898,285	-8.0%
Tianjin	3,668	2,867	3,949	2,607	7,617	5,474	39.1%
Tokyo Haneda	104,911	119,400	96,999	111,744	201,910	231,144	-12.6%
Tokyo Narita	230,171	186,326	242,096	188,558	472,267	374,884	26.0%
Ulaanbaatar	0	0	43	0	43	0	-
Wuhan	1,914	5,630	1,682	5,560	3,596	11,190	-67.9%
Xi An Xianyang	49,748	29,779	57,276	31,862	107,024	61,641	73.6%
Xiamen	64,333	50,852	66,083	50,570	130,416	101,422	28.6%
Yinchuan	0	0	73	0	73	0	-
Zhengzhou	2,559	729	3,151	838	5,710	1,567	264.4%
Total	3,465,206	3,531,750	3,538,137	3,567,330	7,003,343	7,099,080	-1.3%

INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

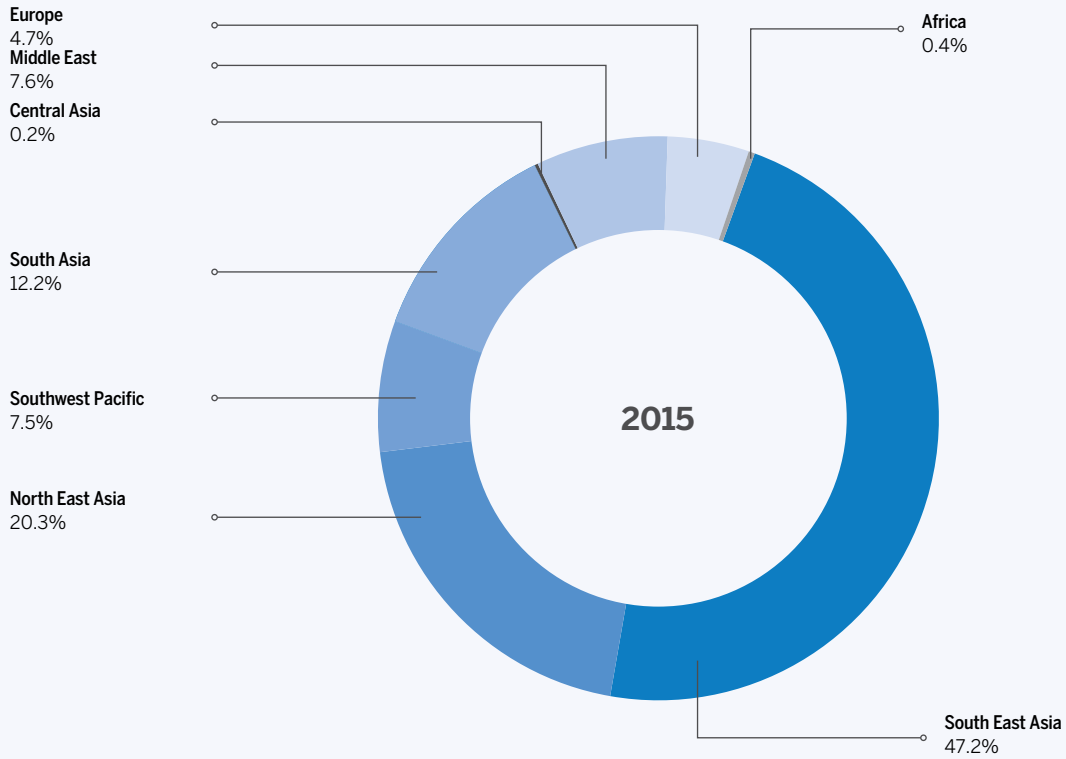
	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
SOUTHWEST PACIFIC							
Adelaide	66,413	118,725	74,904	131,416	141,317	250,141	-43.5%
Auckland	87,036	86,969	90,206	90,666	177,242	177,635	-0.2%
Brisbane	48,776	75,572	46,806	77,795	95,582	153,367	-37.7%
Christmas Island	81	233	250	70	331	303	9.2%
Darwin	15,236	14,545	14,799	14,848	30,035	29,393	2.2%
Gold Coast	78,378	105,210	85,305	108,471	163,683	213,681	-23.4%
Melbourne	400,496	450,490	428,462	466,325	828,958	916,815	-9.6%
Perth	241,107	268,513	258,651	285,792	499,758	554,305	-9.8%
Sydney	321,784	399,638	339,353	416,922	661,137	816,560	-19.0%
Total	1,259,307	1,519,895	1,338,736	1,592,305	2,598,043	3,112,200	-16.5%
SOUTH ASIA							
Ahmedabad	0	1,419	0	1,391	0	2,810	-
Amritsar	2,999	0	3,986	0	6,985	0	-
Bangalore	102,977	97,631	106,588	101,728	209,565	199,359	5.1%
Chennai	220,838	223,389	207,011	209,239	427,849	432,628	-1.1%
Chittagong	1,496	7,136	1,518	6,153	3,014	13,289	-77.3%
Colombo	222,791	211,560	230,682	225,589	453,473	437,149	3.7%
Delhi	181,691	185,967	181,292	181,404	362,983	367,371	-1.2%
Dhaka	393,734	388,490	319,763	350,446	713,497	738,936	-3.4%
Goa	5,409	0	6,765	0	12,174	0	-
Hambantota	0	0	0	2	0	2	-
Hyderabad	89,695	49,752	87,852	50,272	177,547	100,024	77.5%
Islamabad	183	0	574	0	757	0	-
Karachi	9,084	16,154	8,879	9,118	17,963	25,272	-28.9%
Kathmandu	199,346	280,468	245,960	235,641	445,306	516,109	-13.7%
Kochi	145,033	127,135	143,867	128,458	288,900	255,593	13.0%
Kolkata	49,425	49,330	54,481	52,202	103,906	101,532	2.3%
Lahore	17,174	11,955	18,122	18,453	35,296	30,408	16.1%
Male	32,370	44,522	30,354	46,988	62,724	91,510	-31.5%
Mumbai	143,869	146,663	144,813	144,718	288,682	291,381	-0.9%
Peshawar	17,434	9,983	19,053	10,196	36,487	20,179	80.8%
Thiruvananthapuram	5,504	0	7,651	0	13,155	0	-
Tiruchilapally	230,425	194,458	239,545	198,932	469,970	393,390	19.5%
Vishakhapatnam	24,809	0	30,814	0	55,623	0	-
Total	2,096,286	2,046,012	2,089,570	1,970,930	4,185,856	4,016,942	4.2%
CENTRAL ASIA							
Almaty	16,757	18,419	17,742	18,597	34,499	37,016	-6.8%
Ashgabat	630	0	593	0	1,223	0	-
Tashkent	13,828	15,510	14,909	16,496	28,737	32,006	-10.2%
Total	31,215	33,929	33,244	35,093	64,459	69,022	-6.6%

INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
MIDDLE EAST							
Aden	0	0	407	0	407	0	-
Abu Dhabi	151,749	159,260	154,927	160,920	306,676	320,180	-4.2%
Amman	15,912	18,619	16,059	22,018	31,971	40,637	-21.3%
Baghdad	8,874	9,927	9,111	9,858	17,985	19,785	-9.1%
Doha	260,558	224,736	253,726	213,045	514,284	437,781	17.5%
Dubai Al-Maktoum	2	12,239	0	14,443	2	26,682	-
Dubai	386,913	390,952	393,767	400,292	780,680	791,244	-1.3%
Jeddah	267,128	265,016	283,264	255,104	550,392	520,120	5.8%
Kuwait	10,118	8,456	13,698	11,255	23,816	19,711	20.8%
Madinah	24,600	11,877	48,808	58,433	73,408	70,310	4.4%
Muscat	47,738	57,954	46,837	53,167	94,575	111,121	-14.9%
Ras Al Khaimah	490	0	0	0	490	0	-
Riyadh	57,063	53,844	33,966	31,607	91,029	85,451	6.5%
Riyan Mukalla	0	234	0	0	0	234	-
Sanaa	1,913	7,789	1,598	8,693	3,511	16,482	-78.7%
Tehran Imam Khomeini	57,777	60,034	59,913	63,775	117,690	123,809	-4.9%
Total	1,290,835	1,280,937	1,316,081	1,302,610	2,606,916	2,583,547	0.9%
EUROPE							
Amsterdam	168,817	176,325	175,047	182,677	343,864	359,002	-4.2%
Frankfurt	66,419	87,130	75,752	90,146	142,171	177,276	-19.8%
Istanbul	111,455	109,597	113,430	115,078	224,885	224,675	0.1%
Kiev Borispol	0	71	0	130	0	201	-
London Heathrow	297,014	280,486	310,068	293,149	607,082	573,635	5.8%
Paris	142,625	179,365	149,128	182,662	291,753	362,027	-19.4%
Total	786,330	832,974	823,425	863,842	1,609,755	1,696,816	-5.1%
NORTH AMERICA							
Los Angeles	0	6,267	0	7,348	0	13,615	-
Total	0	6,267	0	7,348	0	13,615	-
AFRICA							
Addis Ababa	15,816	16,330	15,071	17,264	30,887	33,594	-8.1%
Cairo	16,855	18,805	16,786	20,304	33,641	39,109	-14.0%
Mauritius	30,374	28,720	27,139	27,347	57,513	56,067	2.6%
Tunisia	0	0	0	3	0	3	-
Total	63,045	63,855	58,996	64,918	122,041	128,773	-5.2%
Grand Total	17,060,630	17,171,924	17,377,599	17,265,753	34,438,229	34,437,677	0.002%

INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

TOTAL INTERNATIONAL MOVEMENTS : 34,438,229



INTERNATIONAL PASSENGER MOVEMENTS BY AIRLINES AT KL INTERNATIONAL AIRPORT 2015

AIRLINES WITH MORE THAN 1% INTERNATIONAL MARKET SHARE AT KLIA/klia2

Airlines	Passenger Movements 2015	Market Share
Malaysia Airlines	9,412,042	27.1%
AirAsia	9,139,701	26.3%
AirAsia X	3,598,245	10.4%
Malindo Air	1,442,703	4.2%
Indonesia AirAsia	1,263,598	3.6%
Emirates	875,057	2.5%
Cathay Pacific Airways	681,371	2.0%
Qatar Airways	514,284	1.5%
SilkAir	437,773	1.3%
Jetstar Asia	415,375	1.2%

10 HIGHEST GROWTH INTERNATIONAL PERFORMANCE AT KLIA/klia2

Airlines	Passenger Movements 2015	% Y-O-Y
Iran Aseman Airlines	19,446	499.8%
Shanghai Airlines	57,609	431.4%
Malindo Air	1,442,703	106.5%
Xiamen Airlines	159,723	59.4%
Lufthansa German Airlines	171,540	59.0%
China Southern Airlines	204,546	43.3%
National Air Services	37,374	30.1%
Garuda Indonesia	241,808	25.2%
Pakistan International Airlines	90,503	19.3%
Myanmar Airways International	45,176	18.3%

DOMESTIC TRAFFIC AT KLIA/klia2

Airlines	Passenger movements 2015	% Y-O-Y
Malaysia Airlines	5,038,032	-11.2%
AirAsia	8,353,206	6.8%
Malindo Air	783,721	22.1%
Rayani Air	3,413	-

TRAFFIC 2015

ISTANBUL SABIHA GOKCEN INTERNATIONAL AIRPORT

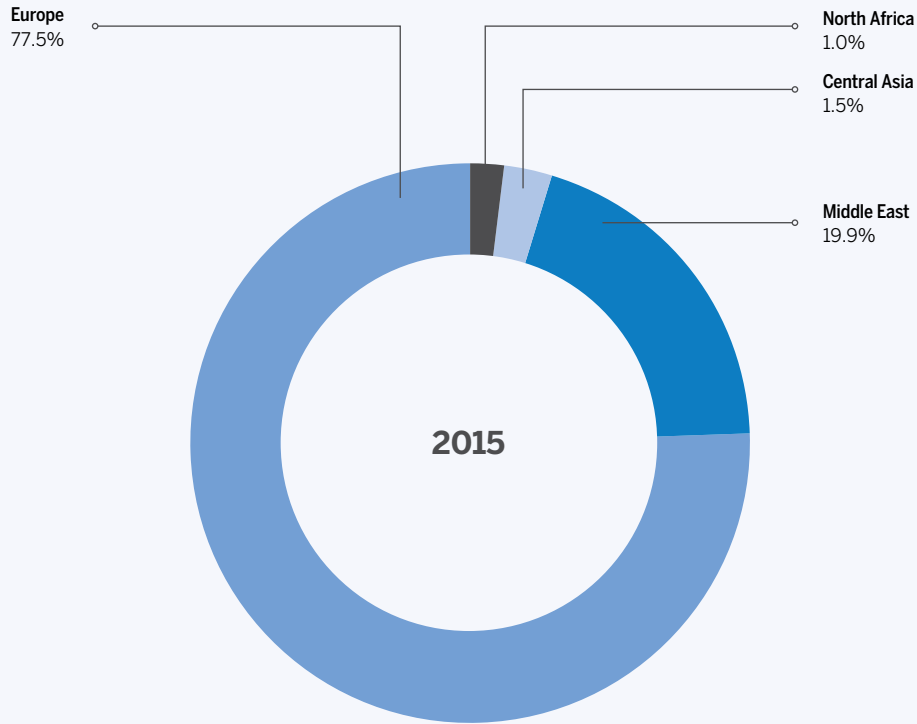
PASSENGER MOVEMENTS	2015	2014	+/-
International passengers	9,703,594	8,603,626	12.8%
Domestic passengers	18,581,984	15,028,257	23.6%
Total passenger movements	28,285,578	23,631,883	19.7%

AIRCRAFT MOVEMENTS	2015	2014	+/-
International aircraft	76,548	66,991	14.3%
Domestic aircraft	129,632	105,817	22.5%
Total commercial aircraft	206,180	172,808	19.3%
All other aircraft	12,446	12,569	-1.0%
Total aircraft movements	218,626	185,377	17.9%

CARGO MOVEMENTS [tonne]	2015	2014	+/-
International Cargo	41,773	37,873	10.3%
Domestic Cargo	4,906	4,506	8.9%
Total cargo movements	46,679	42,379	10.1%

INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT ISTANBUL SABIHA GOKCEN INTERNATIONAL AIRPORT 2015

TOTAL INTERNATIONAL MOVEMENTS : 9,703,594



Region	Total Int Pax 2015	Market Share
North Africa	98,955	1.0%
Central Asia	147,489	1.5%
Europe	7,525,104	77.5%
Middle East	1,932,046	19.9%
Total	9,703,594	100.0%

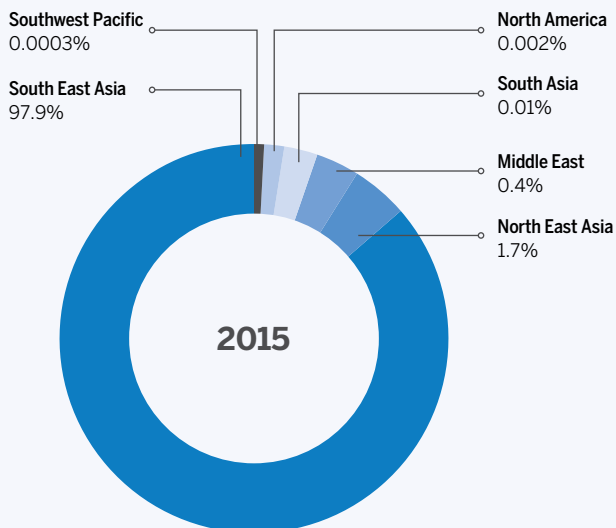
TOP 5 AIRLINES BY INTERNATIONAL PASSENGERS AT ISTANBUL SABIHA GOKCEN INTERNATIONAL AIRPORT 2015

AIRLINES	TOTAL INTERNATIONAL PASSENGER MOVEMENTS
Pegasus Airlines	6,282,925
Turkish Airlines	1,934,730
Qatar Airways	134,235
Atlasglobal	123,805
Germanwings	115,921

INTERNATIONAL PASSENGER MOVEMENTS BY SECTORS AT OTHER INTERNATIONAL AIRPORTS IN MALAYSIA 2015

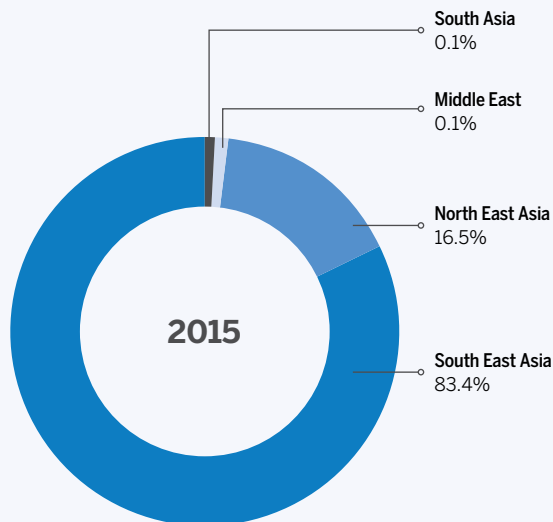
KUCHING INTERNATIONAL AIRPORT

TOTAL INTERNATIONAL MOVEMENTS: 298,216



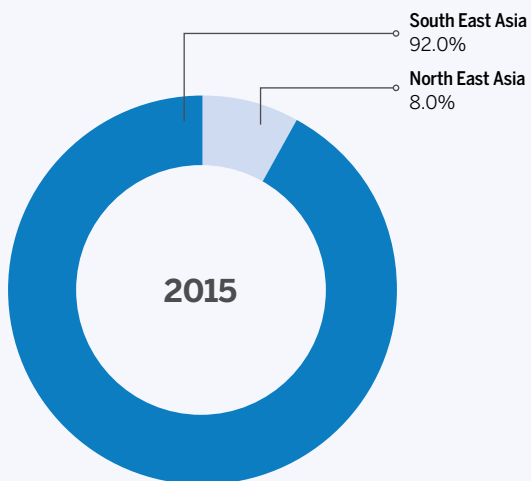
PENANG INTERNATIONAL AIRPORT

TOTAL INTERNATIONAL MOVEMENTS: 2,524,449



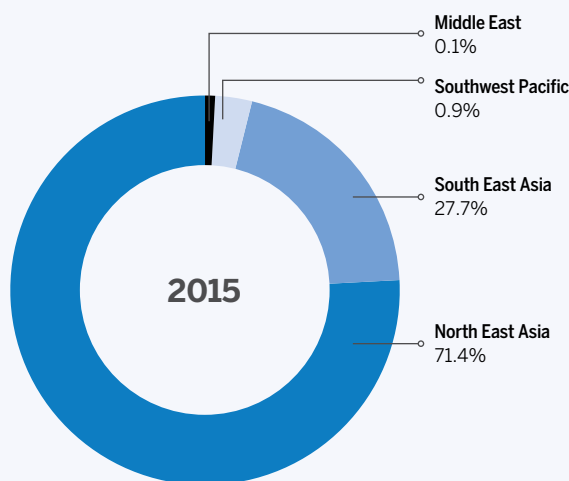
LANGKAWI INTERNATIONAL AIRPORT

TOTAL INTERNATIONAL MOVEMENTS: 176,920



KOTA KINABALU INTERNATIONAL AIRPORT

TOTAL INTERNATIONAL MOVEMENTS: 1,662,200

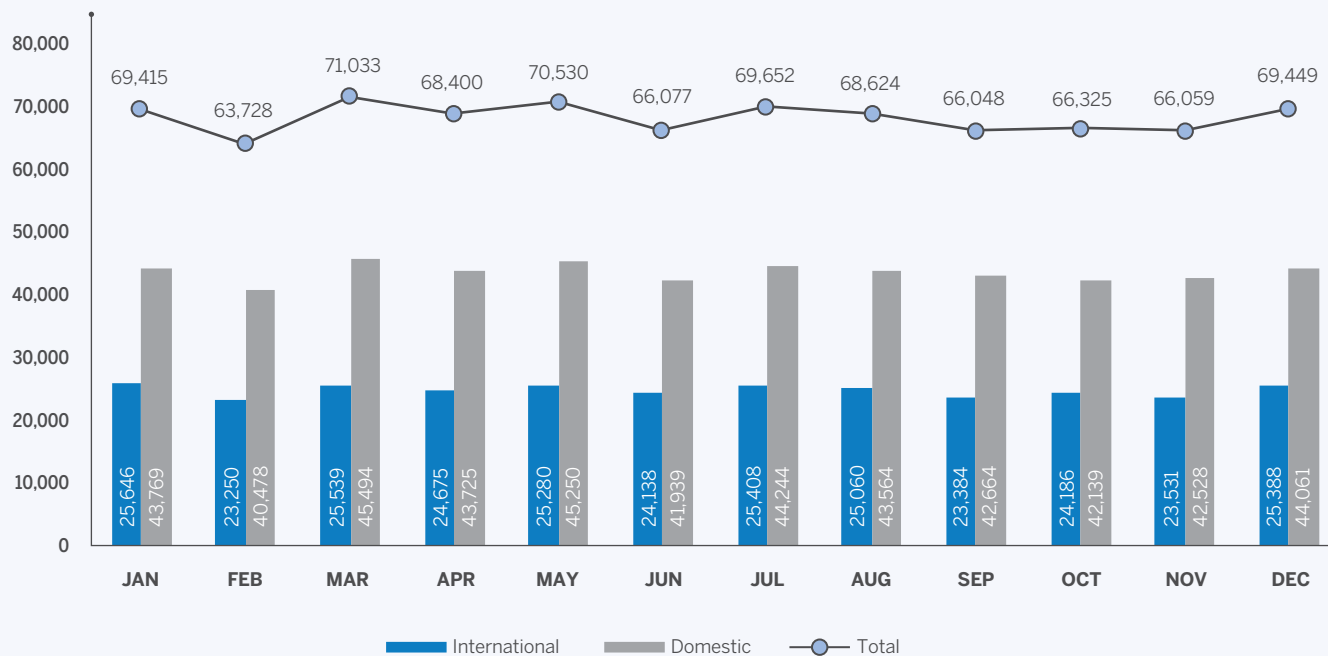


COMMERCIAL AIRCRAFT MOVEMENTS 2015 MALAYSIA OPERATIONS

AIRPORTS	DOMESTIC			INTERNATIONAL			TOTAL		
	Scheduled	Non-scheduled	Total	Scheduled	Non-scheduled	Total	2015	2014	% + / -
KLIA	113,876	1,050	114,926	236,818	1,526	238,344	353,270	339,650	4.0%
Penang	40,514	0	40,514	24,013	0	24,013	64,527	63,396	1.8%
Kota Kinabalu	49,431	3,743	53,174	13,771	0	13,771	66,945	68,776	-2.7%
Kuching	44,044	2,908	46,952	3,617	169	3,786	50,738	50,917	-0.4%
Langkawi	20,742	0	20,742	1,490	0	1,490	22,232	21,722	2.3%
Kota Bharu	25,581	2,647	28,228	0	0	0	28,228	25,028	12.8%
Ipoh	1,339	0	1,339	2,345	0	2,345	3,684	1,960	88.0%
Kuala Terengganu	10,581	0	10,581	42	2	44	10,625	9,659	10.0%
Alor Setar	9,454	0	9,454	0	18	18	9,472	8,421	12.5%
Melaka	1,036	0	1,036	500	0	500	1,536	320	380.0%
Subang	54,737	0	54,737	8,174	0	8,174	62,911	56,629	11.1%
Kuantan	3,127	0	3,127	779	0	779	3,906	3,572	9.4%
Tioman	0	0	0	0	0	0	0	272	-
Pangkor	0	0	0	0	0	0	0	8	-
Redang	0	0	0	0	0	0	0	430	-
Labuan	10,301	2,397	12,698	419	51	470	13,168	15,533	-15.2%
Lahad Datu	3,590	56	3,646	0	0	0	3,646	3,689	-1.2%
Sandakan	10,308	943	11,251	0	16	16	11,267	11,715	-3.8%
Tawau	11,566	259	11,825	569	7	576	12,401	12,832	-3.4%
Bintulu	10,923	1,264	12,187	0	10	10	12,197	12,246	-0.4%
Miri	34,318	9,574	43,892	1,147	0	1,147	45,039	46,504	-3.2%
Sibu	18,250	0	18,250	0	2	2	18,252	17,878	2.1%
Mulu	2,381	0	2,381	0	0	0	2,381	2,701	-11.8%
Limbang	2,226	0	2,226	0	0	0	2,226	2,154	3.3%
STOL Sabah	230	4	234	0	0	0	234	226	3.5%
STOL Sarawak	16,455	0	16,455	0	0	0	16,455	15,324	7.4%
Peninsular Malaysia	280,987	3,697	284,684	274,161	1,546	275,707	560,391	531,067	5.5%
Sabah	85,426	7,402	92,828	14,759	74	14,833	107,661	112,771	-4.5%
Sarawak	128,597	13,746	142,343	4,764	181	4,945	147,288	147,724	-0.3%
Total 2015	495,010	24,845	519,855	293,684	1,801	295,485	815,340	791,562	3.0%
Total 2014	473,049	30,620	503,669	285,705	2,188	287,893	791,562		
% change	4.6%	-18.9%	3.2%	2.8%	-17.7%	2.6%	3.0%		

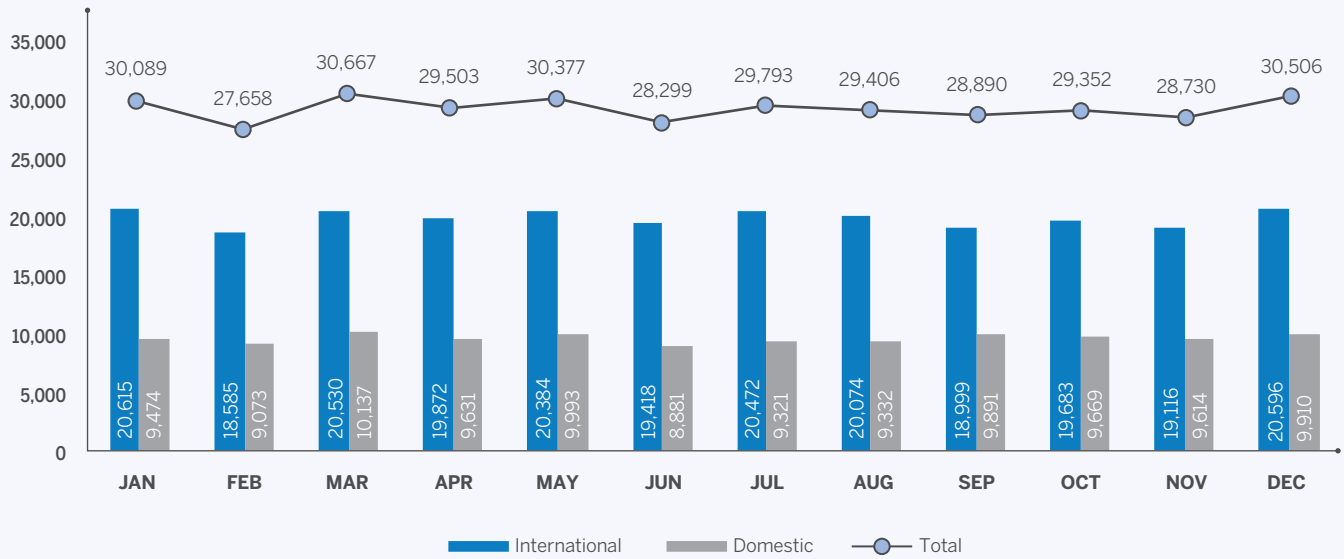
COMMERCIAL AIRCRAFT MOVEMENTS 2015
MALAYSIA OPERATIONS

COMMERCIAL AIRCRAFT MOVEMENTS AT ALL MAHB AIRPORTS IN MALAYSIA 2015



COMMERCIAL AIRCRAFT MOVEMENTS 2015
MALAYSIA OPERATIONS

COMMERCIAL AIRCRAFT MOVEMENTS AT KL INTERNATIONAL AIRPORT 2015

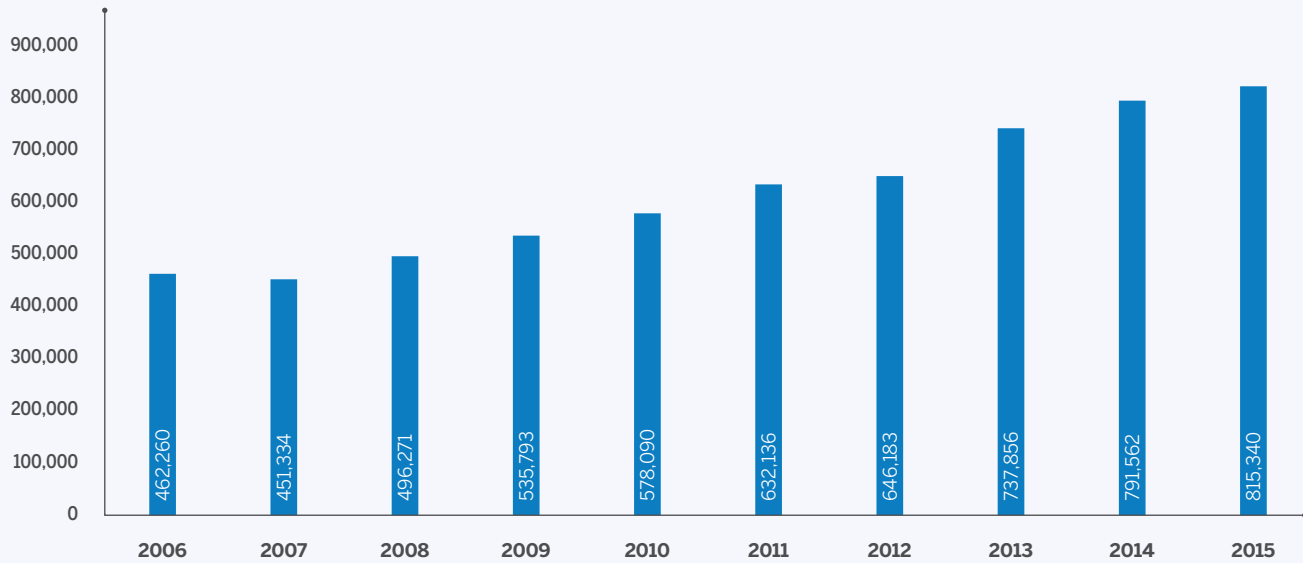


COMMERCIAL AIRCRAFT MOVEMENTS (2006 - 2015)

AIRPORTS	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	% + / -
KLIA	182,548	192,304	209,681	225,251	244,179	268,265	282,290	325,537	339,650	353,270	4.0%
Penang	31,448	34,508	38,335	38,343	44,753	50,610	49,966	56,760	63,396	64,527	1.8%
Kota Kinabalu	50,594	49,881	52,463	52,677	55,089	59,638	58,366	67,601	68,776	66,945	-2.7%
Kuching	37,167	34,192	36,087	41,437	42,940	49,613	43,981	53,095	50,917	50,738	-0.4%
Pulau Langkawi	8,287	10,828	12,242	12,638	13,274	14,510	15,162	17,675	21,722	22,232	2.3%
Kota Bharu	10,368	13,074	14,083	13,709	13,180	15,304	17,112	20,527	25,028	28,228	12.8%
Ipoh	954	12	183	384	844	1,536	1,515	1,464	1,960	3,684	88.0%
Kuala Terengganu	3,792	4,533	6,038	6,006	5,959	6,006	6,506	7,365	9,659	10,625	10.0%
Alor Setar	2,820	2,668	2,934	4,578	4,513	4,841	5,274	5,795	8,421	9,472	12.5%
Melaka	596	714	700	616	584	466	1,053	580	320	1,536	380.0%
Subang	9,158	7,234	11,448	19,897	24,509	30,779	33,224	41,707	56,629	62,911	11.1%
Kuantan	2,748	3,253	3,334	2,947	2,628	3,178	3,395	3,289	3,572	3,906	9.4%
Tioman	1,836	1,597	1,603	1,591	1,662	1,766	1,682	1,538	272	0	-
Pangkor	514	517	503	502	174	32	324	258	8	0	-
Redang	934	1,053	1,083	862	1,356	1,319	877	955	430	0	-
Labuan	9,332	10,127	11,212	10,868	11,988	12,645	13,448	15,072	15,533	13,168	-15.2%
Lahad Datu	3,203	2,195	2,922	2,922	2,860	2,941	3,058	3,321	3,689	3,646	-1.2%
Sandakan	10,034	7,719	8,991	10,214	12,095	10,757	12,177	11,536	11,715	11,267	-3.8%
Tawau	8,005	6,863	7,334	8,885	9,723	9,328	9,689	11,784	12,832	12,401	-3.4%
Bintulu	11,388	6,542	8,933	10,948	10,994	11,270	11,444	12,428	12,246	12,197	-0.4%
Miri	39,462	33,022	35,178	38,836	39,509	40,931	42,351	44,875	46,504	45,039	-3.2%
Sibu	15,092	11,765	14,307	16,275	17,899	18,211	15,923	17,196	17,878	18,252	2.1%
Mulu	2,220	1,638	1,642	1,570	1,726	1,912	1,760	2,306	2,701	2,381	-11.8%
Limbang	4,242	2,300	1,860	1,697	1,947	1,896	1,880	2,075	2,154	2,226	3.3%
STOL Sabah	800	338	459	0	167	264	192	231	226	234	3.5%
STOL Sarawak	14,718	12,457	12,716	12,140	13,538	14,118	13,534	12,886	15,324	16,455	7.4%
Peninsular Malaysia	256,003	272,295	302,167	327,324	357,615	398,612	418,380	483,450	531,067	560,391	5.5%
Sabah	81,968	77,123	83,381	85,566	91,922	95,573	96,930	109,545	112,771	107,661	-4.5%
Sarawak	124,289	101,916	110,723	122,903	128,553	137,951	130,873	144,861	147,724	147,288	-0.3%
Total	462,260	451,334	496,271	535,793	578,090	632,136	646,183	737,856	791,562	815,340	3.0%
% change	-1.6%	-2.4%	10.0%	8.0%	7.9%	9.3%	2.2%	14.2%	7.3%	3.0%	

COMMERCIAL AIRCRAFT MOVEMENTS (2006 - 2015) MALAYSIA OPERATIONS

COMMERCIAL AIRCRAFT MOVEMENTS AT ALL MAHB AIRPORTS IN MALAYSIA (2006 - 2015)



ALL AIRCRAFT MOVEMENTS (2006 - 2015) MALAYSIA OPERATIONS

AIRPORTS	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	% + / -
KLIA	183,869	193,710	211,228	226,751	245,650	269,509	283,352	326,678	340,821	354,519	4.0%
Penang	36,259	39,265	43,796	43,621	50,205	54,713	53,766	60,020	65,734	66,670	1.4%
Kota Kinabalu	52,055	52,047	54,317	53,554	55,241	59,638	58,366	67,601	73,074	71,209	-2.6%
Kuching	40,292	37,348	39,188	44,761	46,382	53,154	46,727	56,085	53,490	53,303	-0.3%
Pulau Langkawi	27,622	43,234	41,837	39,815	33,064	31,482	33,056	29,309	28,694	30,853	7.5%
Kota Bharu	38,352	58,996	57,102	74,863	75,906	64,114	50,991	50,406	44,628	42,810	-4.1%
Ipoh	30,626	32,462	2,183	40,883	41,069	29,074	23,999	1,464	17,682	19,956	12.9%
Kuala Terengganu	3,792	8,781	10,045	9,875	10,959	14,296	12,809	11,402	14,057	12,587	-10.5%
Alor Setar	18,495	20,277	17,705	24,031	22,187	19,621	18,006	15,752	17,365	18,368	5.8%
Melaka	74,888	64,936	60,512	54,160	60,811	53,702	48,881	36,978	23,747	19,800	-16.6%
Subang	36,626	44,302	46,989	55,148	63,616	68,135	74,008	80,047	91,529	95,845	4.7%
Kuantan	2,973	3,487	3,551	3,110	2,802	3,452	3,613	3,663	3,911	4,174	6.7%
Tioman	2,256	1,989	2,141	2,180	2,167	2,222	2,205	2,089	1,019	993	-2.6%
Pangkor	541	589	545	502	174	32	324	258	8	72	800.0%
Redang	934	1,053	1,083	862	1,356	1,319	877	955	430	0	-
Labuan	9,554	10,349	11,328	11,045	12,093	12,762	13,589	15,139	15,596	13,249	-15.0%
Lahad Datu	3,376	2,336	3,012	3,077	2,960	3,024	3,147	4,215	4,055	3,929	-3.1%
Sandakan	10,776	8,410	9,622	12,915	13,517	11,715	13,153	12,856	12,696	12,705	0.1%
Tawau	9,215	7,992	8,546	9,876	10,845	10,186	10,983	13,896	14,396	14,007	-2.7%
Bintulu	11,804	7,093	16,787	51,009	24,246	17,122	12,294	13,661	12,968	12,638	-2.5%
Miri	42,680	35,502	38,172	41,996	41,682	43,707	45,127	47,585	49,204	47,733	-3.0%
Sibu	15,638	12,536	14,672	17,449	18,985	19,169	15,923	17,196	22,508	21,172	-5.9%
Mulu	2,220	1,660	1,664	1,592	1,444	1,920	1,780	2,306	2,739	2,385	-12.9%
Limbang	4,366	2,552	2,112	1,949	2,171	1,968	1,880	2,075	2,660	2,849	7.1%
STOL Sabah	800	338	459	0	559	278	212	305	298	318	6.7%
STOL Sarawak	14,854	12,719	12,978	12,140	13,538	14,262	14,027	12,936	15,424	16,569	7.4%
Peninsular Malaysia	457,233	513,081	498,717	575,801	609,966	611,671	605,887	619,021	649,625	666,647	2.6%
Sabah	85,776	81,472	87,284	90,467	95,215	97,603	99,450	114,012	120,115	115,417	-3.9%
Sarawak	131,854	109,410	125,573	170,896	148,448	151,302	137,758	151,844	158,993	156,649	-1.5%
Total	674,863	703,963	711,574	837,164	853,629	860,576	843,095	884,877	928,733	938,713	1.1%
% change	7.4%	4.3%	1.1%	17.6%	2.0%	0.8%	-2.0%	5.0%	5.0%	1.1%	

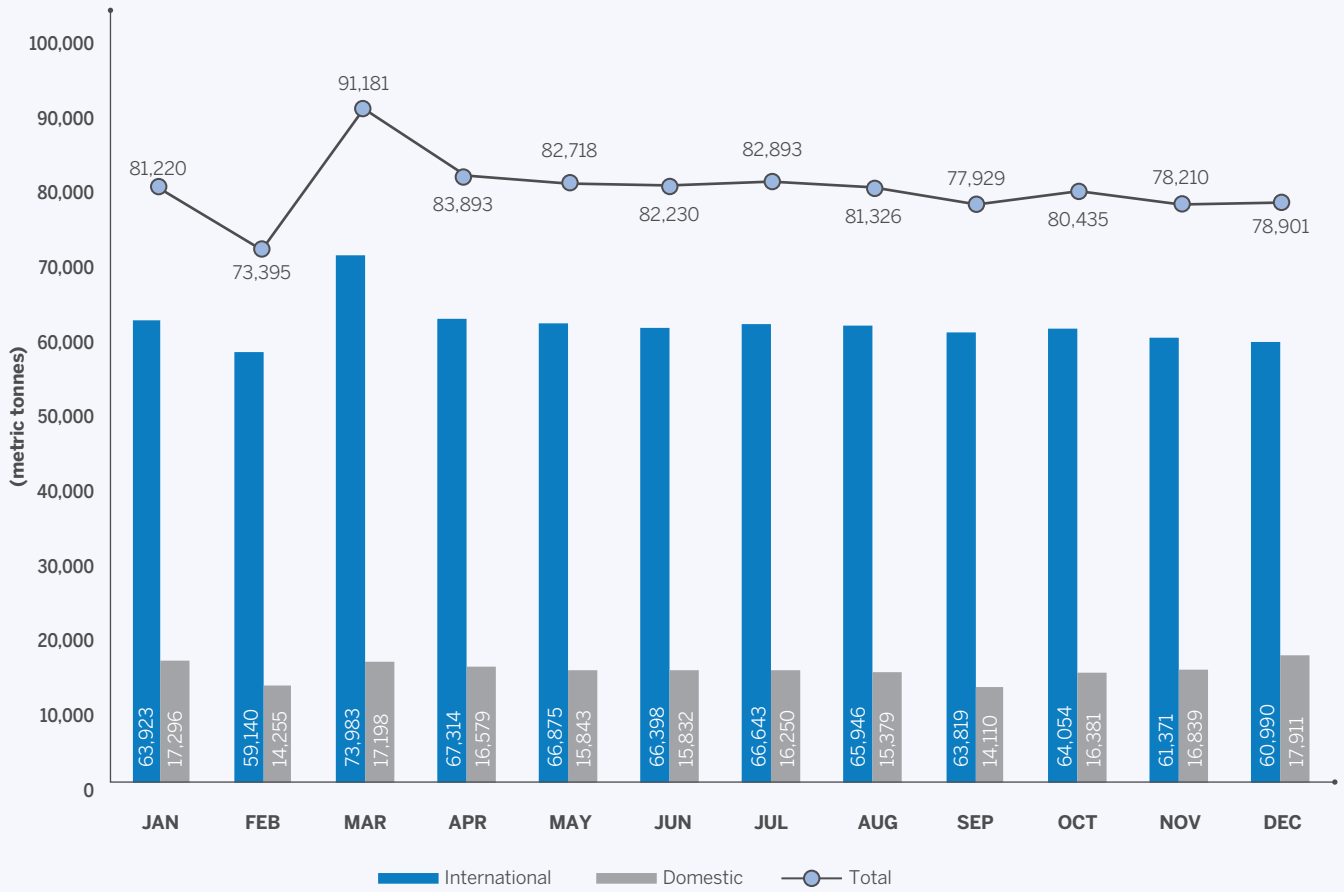
CARGO MOVEMENTS 2015 MALAYSIA OPERATIONS

AIRPORTS (kg)	DOMESTIC			INTERNATIONAL			TOTAL			Transit		
	Arrival	Departure	Total	Arrival	Departure	Total	2015 *	2014 *	% + / -	Domestic	Int.	Total
KLIA	30,474,545	55,847,075	86,321,620	328,501,362	311,407,088	639,908,450	726,230,070	753,899,054	-3.7%	0	0	0
Penang	8,824,289	5,945,149	14,769,438	49,171,958	48,806,644	97,978,602	130,392,357	141,213,494	-7.7%	4,020,381	13,623,936	17,644,317
Kota Kinabalu	13,701,887	9,279,145	22,981,032	570,793	1,149,112	1,719,905	24,768,044	23,768,530	4.2%	29,226	37,881	67,107
Kuching	18,377,684	9,127,035	27,504,719	452,950	1,035,542	1,488,492	29,361,845	28,040,378	4.7%	213,204	155,430	368,634
Langkawi	488,143	112,950	601,093	45,595	38	45,633	646,726	566,602	14.1%	0	0	0
Kota Bharu	603,973	398,889	1,002,862	0	0	0	1,002,862	397,221	152.5%	0	0	0
Kuala Terengganu	195,515	133,169	328,684	0	0	0	328,684	148,094	121.9%	0	0	0
Alor Setar	172,316	216,578	388,894	0	0	0	388,894	230,169	69.0%	0	0	0
Melaka	0	0	0	0	0	0	0	0	-	0	0	0
Subang	4,491,431	6,512,887	11,004,318	10,972,727	9,380,235	20,352,962	31,357,280	28,127,610	11.5%	0	0	0
Kuantan	16,252	1,118	17,370	1,500	1,900	3,400	20,770	46,365	-55.2%	0	0	0
Ipoh	42,321	45,286	87,607	112,822	117,199	230,021	317,628	296,159	7.2%	0	0	0
Tioman	0	0	0	0	0	0	0	14,510	-	0	0	0
Pangkor	0	0	0	0	0	0	0	286	-	0	0	0
Redang	0	0	0	0	0	0	0	17,417	-	0	0	0
Labuan	2,508,483	1,303,888	3,812,371	2,369,445	1,357,587	3,727,032	9,833,846	11,590,854	-15.2%	1,184,399	1,110,044	2,294,443
Lahad Datu	124,004	33,907	157,911	0	0	0	157,911	178,932	-11.7%	0	0	0
Sandakan	672,894	2,469,706	3,142,600	0	0	0	3,146,908	2,497,161	26.0%	4,308	0	4,308
Tawau	982,258	2,927,821	3,910,079	0	0	0	3,910,079	3,264,527	19.8%	0	0	0
Bintulu	1,435,732	942,170	2,377,902	0	0	0	2,382,939	2,317,558	2.8%	5,037	0	5,037
Miri	5,377,403	1,839,510	7,216,913	70,277	5,213	75,490	7,292,403	8,029,229	-9.2%	0	0	0
Sibu	928,834	371,251	1,300,085	0	0	0	1,303,501	1,460,001	-10.7%	3,416	0	3,416
Mulu	231,608	0	231,608	0	0	0	231,608	318,556	-27.3%	0	0	0
Limbang	234,310	330,969	565,279	0	0	0	565,279	595,831	-5.1%	0	0	0
STOL Sabah	0	0	0	0	0	0	0	0	-	0	0	0
STOL Sarawak	133,139	384,541	517,680	0	0	0	690,563	444,351	55.4%	172,883	0	172,883
Peninsular Malaysia	45,308,785	69,213,101	114,521,886	388,805,964	369,713,104	758,519,068	890,685,271	924,956,981	-3.7%	4,020,381	13,623,936	17,644,317
Sabah	17,989,526	16,014,467	34,003,993	2,940,238	2,506,699	5,446,937	41,816,788	41,300,004	1.3%	1,217,933	1,147,925	2,365,858
Sarawak	26,718,710	12,995,476	39,714,186	523,227	1,040,755	1,563,982	41,828,138	41,205,904	1.5%	394,540	155,430	549,970
Total 2015	90,017,021	98,223,044	188,240,065	392,269,429	373,260,558	765,529,987	974,330,197	1,007,462,889	-3.3%	5,632,854	14,927,291	20,560,145
Total 2014	80,178,975	97,568,183	177,747,158	413,385,296	391,348,492	804,733,788	1,007,462,889			6,704,883	18,277,060	24,981,943
% change	12.3%	0.7%	5.9%	-5.1%	-4.6%	-4.9%	-3.3%			-16.0%	-18.3%	-17.7%

* Including transit cargo

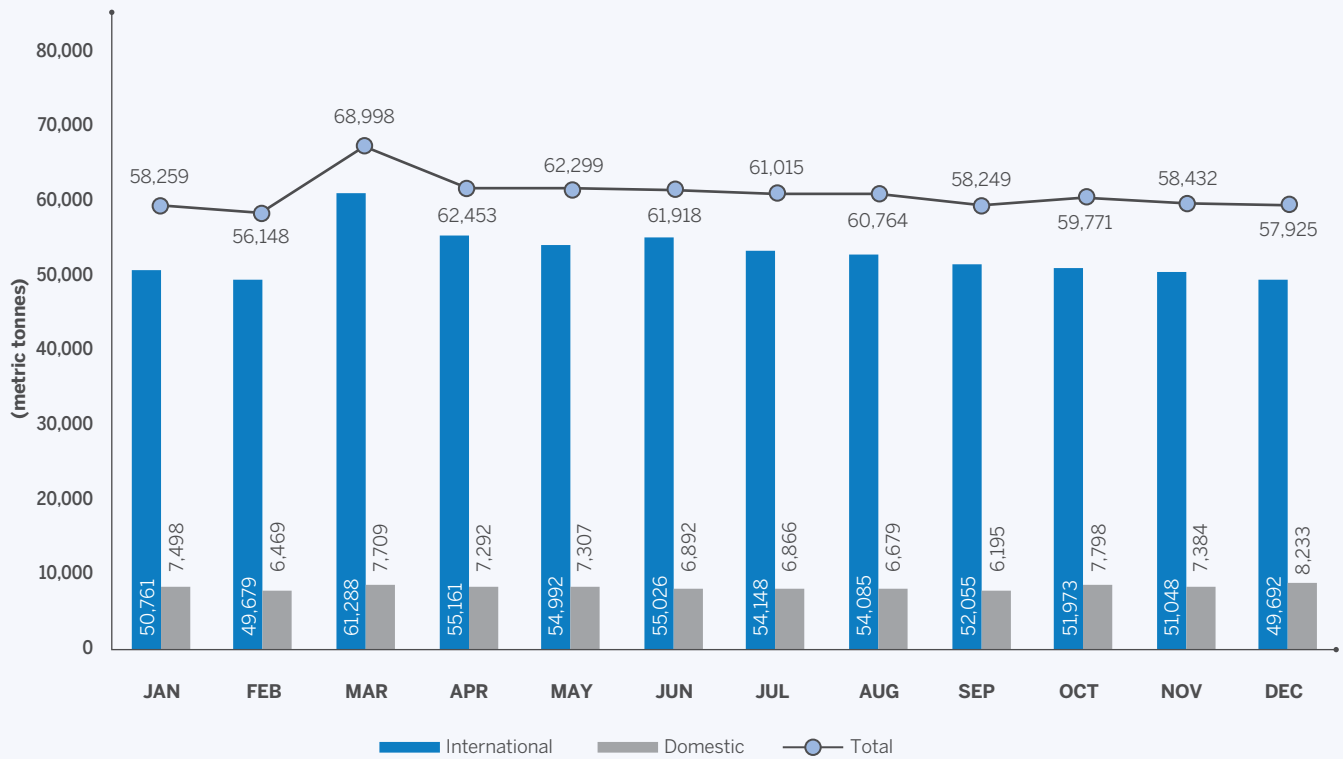
CARGO MOVEMENTS 2015
MALAYSIA OPERATIONS

CARGO MOVEMENTS AT ALL MAHB AIRPORTS IN MALAYSIA 2015



CARGO MOVEMENTS 2015
MALAYSIA OPERATIONS

CARGO MOVEMENTS AT KL INTERNATIONAL AIRPORT 2015



CARGO MOVEMENTS (2006 - 2015) MALAYSIA OPERATIONS

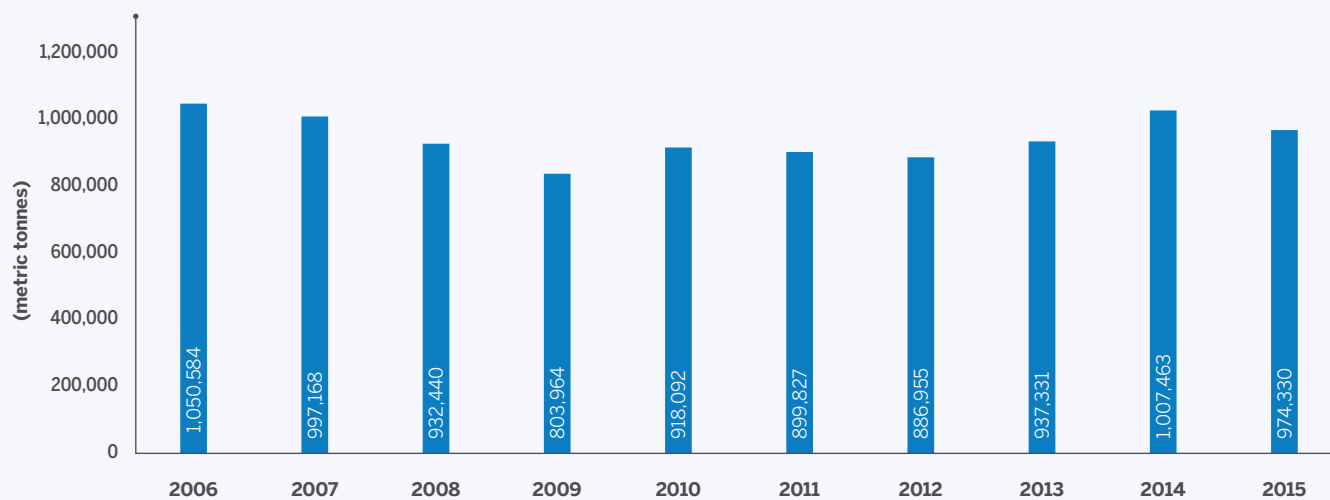
AIRPORTS

(Metric tonnes)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	% + / -
KLIA	672,888	644,100	649,077	584,559	674,902	669,849	673,107	680,983	753,899	726,230	-3.7%
Penang	225,952	208,582	192,936	137,775	147,057	131,846	123,246	153,703	141,213	130,392	-7.7%
Kota Kinabalu	28,356	35,638	34,532	25,079	26,733	28,534	23,563	21,922	23,769	24,768	4.2%
Kuching	29,716	23,818	19,166	20,830	26,977	24,787	15,811	21,993	28,040	29,362	4.7%
Langkawi	487	524	589	572	434	646	754	630	567	647	14.1%
Kota Bharu	210	163	181	185	177	164	147	179	397	1,003	152.5%
Kuala Terengganu	70	47	24	24	50	103	147	103	148	329	121.9%
Alor Setar	111	55	41	34	34	46	123	126	230	389	69.0%
Melaka	146	219	179	127	144	139	195	0	0	0	-
Subang	71,953	63,382	18,473	18,536	19,988	19,928	22,680	26,443	28,128	31,357	11.5%
Kuantan	109	103	70	70	49	38	57	86	46	21	-55.2%
Ipoh	357	10	0	0	0	0	34	403	296	318	7.2%
Tioman	0	0	0	0	0	0	73	30	15	0	-
Pangkor	0	0	0	0	0	0	5	21	0	0	-
Redang	0	0	0	0	0	0	27	27	17	0	-
Labuan	3,207	3,985	4,566	4,165	4,592	5,294	6,072	9,329	11,591	9,834	-15.2%
Lahad Datu	170	0	0	0	0	42	185	200	179	158	-11.7%
Sandakan	5,475	6,224	3,055	2,099	2,806	2,300	2,479	2,894	2,497	3,147	26.0%
Tawau	3,030	2,134	1,262	1,951	3,045	3,198	2,489	2,844	3,265	3,910	19.8%
Bintulu	2,205	2,252	1,978	1,903	1,703	2,071	2,574	2,553	2,318	2,383	2.8%
Miri	4,080	3,564	4,146	3,921	6,770	8,198	9,879	9,800	8,029	7,292	-9.2%
Sibu	1,040	892	735	856	1,133	1,153	1,612	1,413	1,460	1,304	-10.7%
Mulu	240	191	262	346	396	370	322	354	319	232	-27.3%
Limbang	379	440	475	530	560	498	744	742	596	565	-5.1%
STOL Sabah	1	0.4	0	0	0	0.01	0.003	0	0	0	-
STOL Sarawak	403	845	692	402	543	622	630	552	444	691	55.4%
Peninsular Malaysia	972,283	917,186	861,570	741,881	842,836	822,759	820,596	862,734	924,957	890,685	-3.7%
Sabah	40,238	47,982	43,415	33,294	37,175	39,369	34,787	37,190	41,300	41,817	1.3%
Sarawak	38,062	32,001	27,454	28,789	38,081	37,699	31,572	37,407	41,206	41,828	1.5%
Grand Total	1,050,584	997,168	932,440	803,964	918,092	899,827	886,955	937,331	1,007,463	974,330	-3.3%
% change	5.1%	-5.1%	-6.5%	-13.8%	14.2%	-2.0%	-1.4%	5.7%	7.5%	-3.3%	

CARGO MOVEMENTS (2006 - 2015) MALAYSIA OPERATIONS

CARGO MOVEMENTS AT ALL MAHB AIRPORTS IN MALAYSIA (2006-2015)



INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

Sector (kg)	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
SOUTH EAST ASIA							
Balikpapan	517,668	354,651	4,387	14,849	522,055	369,500	41.3%
Banda Aceh	7,740	0	53	320	7,793	320	2335.3%
Bandar Seri Begawan	116,790	82,061	1,376,885	1,416,553	1,493,675	1,498,614	-0.3%
Bandung	84,938	110,427	114,461	22,455	199,399	132,882	50.1%
Bangkok	9,512,048	10,269,584	8,275,791	11,367,495	17,787,839	21,637,079	-17.8%
Batam	0	0	63,005	9,846	63,005	9,846	539.9%
Cebu	0	0	234	0	234	0	-
Chiang Mai	0	0	22,439	59,447	22,439	59,447	-62.3%
Da Nang	6,489	900	188,971	0	195,460	900	21617.8%
Denpasar Bali	1,513,379	1,470,831	455,912	575,256	1,969,291	2,046,087	-3.8%
Don Mueang	1,073,445	1,172,124	260,727	173,032	1,334,172	1,345,156	-0.8%
General Santos	0	0	50,985	0	50,985	0	-
Hanoi	8,597,870	5,167,849	3,688,680	2,339,632	12,286,550	7,507,481	63.7%
Ho Chi Minh City	5,324,131	4,898,958	3,756,747	4,538,505	9,080,878	9,437,463	-3.8%
Jakarta	11,172,974	15,883,090	7,507,087	7,393,266	18,680,061	23,276,356	-19.7%
Krabi	296	0	262,305	1,174	262,601	1,174	22268.1%
Kuala Namu	1,190,798	1,099,685	950,805	751,667	2,141,603	1,851,352	15.7%
Lombok	442	11,848	21,766	2,195	22,208	14,043	58.1%
Luzon Island Clark Field	0	0	86,283	11,004	86,283	11,004	684.1%
Manila	1,571,220	1,581,043	3,642,806	3,804,820	5,214,026	5,385,863	-3.2%
Padang	418,880	279,479	26,130	85	445,010	279,564	59.2%
Palembang	17,349	19,348	260,478	171,666	277,827	191,014	45.4%
Pekanbaru	1,511	1,338	1,658	1,749	3,169	3,087	2.7%
Phnom Penh	1,710,597	2,017,636	2,634,837	1,722,102	4,345,434	3,739,738	16.2%
Phuket	15,083	17,627	52,396	307,135	67,479	324,762	-79.2%
Semarang	388,555	340,564	224,593	137,972	613,148	478,536	28.1%
Siem Reap	20,213	15,299	60,697	14,070	80,910	29,369	175.5%
Singapore	11,996,955	11,153,084	12,750,520	12,235,294	24,747,475	23,388,378	5.8%
Solo City	164,285	99,800	22,496	5,205	186,781	105,005	77.9%
Surabaya	714,178	887,496	418,110	266,927	1,132,288	1,154,423	-1.9%
Ujung Pandang	700,047	664,976	26,015	5,712	726,062	670,688	8.3%
Vientiane	9,389	7,719	142,903	124,117	152,292	131,836	15.5%
Yangon	537,755	446,326	1,306,301	1,158,462	1,844,056	1,604,788	14.9%
Yogyakarta	706,515	911,014	22,148	16,575	728,663	927,589	-21.4%
Total	58,091,540	58,964,757	48,679,611	48,648,587	106,771,151	107,613,344	-0.8%

INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

Sector (kg)	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
NORTH EAST ASIA							
Beijing	7,293,714	8,452,546	2,300,896	4,462,805	9,594,610	12,915,351	-25.7%
Busan	94,911	194,179	42,597	45,550	137,508	239,729	-42.6%
Changsa	1,268	0	300	0	1,568	0	-
Changsa Huanghua	207	0	0	0	207	0	-
Chengdu	489,571	666,889	1,134,191	589,748	1,623,762	1,256,637	29.2%
Chongqing	17,571	0	443	0	18,014	0	-
Dalian	1,702	1,587	662	14	2,364	1,601	47.7%
Fuzhou	72,881	62,892	13,371	5,028	86,252	67,920	27.0%
Guangzhou	17,361,919	18,715,570	6,881,191	4,561,262	24,243,110	23,276,832	4.2%
Guilin	435	3,930	46,872	20	47,307	3,950	1097.6%
Hangzhou	1,220,407	2,497,091	26,116	21,539	1,246,523	2,518,630	-50.5%
Hong Kong	37,629,649	41,287,454	25,020,031	28,371,301	62,649,680	69,658,755	-10.1%
Kunming	436,823	554,386	34,791	91,424	471,614	645,810	-27.0%
Macau	964,262	957,003	225,176	74,253	1,189,438	1,031,256	15.3%
Nagoya	985,006	196,921	1,297,962	751,722	2,282,968	948,643	140.7%
Nanning	0	0	0	1,172	0	1,172	-
Osaka	3,458,392	4,417,274	6,043,325	6,442,601	9,501,717	10,859,875	-12.5%
Sapporo Chitose	0	0	3,158	0	3,158	0	-
Seoul	16,924,079	18,712,325	13,884,868	13,043,760	30,808,947	31,756,085	-3.0%
Shanghai Pu Dong	17,483,212	20,410,369	15,693,324	16,046,975	33,176,536	36,457,344	-9.0%
Shenzhen	7,301,174	7,065,130	1,384,524	1,626,530	8,685,698	8,691,660	-0.1%
Taipei	11,221,570	13,694,433	10,135,421	11,167,627	21,356,991	24,862,060	-14.1%
Tianjin	27,853	21,104	106,748	1,488	134,601	22,592	495.8%
Tokyo Haneda	243,704	1,899,420	994,859	1,040,695	1,238,563	2,940,115	-57.9%
Tokyo Narita	8,492,455	7,160,998	10,427,247	10,707,410	18,919,702	17,868,408	5.9%
Xi An Xianyang	86,275	64,960	9,204	109	95,479	65,069	46.7%
Xiamen	827,626	934,768	546,501	300,767	1,374,127	1,235,535	11.2%
Zhengzhou	262,393	647,414	65,889	95,771	328,282	743,185	-55.8%
Total	132,899,059	148,618,642	96,319,667	99,449,571	229,218,726	248,068,213	-7.6%

INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

Sector (kg)	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
SOUTHWEST PACIFIC							
Adelaide	3,558,663	3,259,959	1,898,255	2,097,905	5,456,918	5,357,864	1.8%
Auckland	2,636,108	2,870,130	2,471,129	3,024,324	5,107,237	5,894,454	-13.4%
Avalon	523,656	304,915	46,944	35,042	570,600	339,957	67.8%
Brisbane	2,274,592	3,217,170	2,067,272	3,399,259	4,341,864	6,616,429	-34.4%
Christmas Island	300	0	2,352	6,044	2,652	6,044	-56.1%
Darwin	628	474	35,478	28,075	36,106	28,549	26.5%
Gold Coast	449,989	22,369	432,070	505,713	882,059	528,082	67.0%
Melbourne	13,335,748	10,993,660	11,712,920	12,647,623	25,048,668	23,641,283	6.0%
Perth	4,051,155	2,798,686	5,335,460	5,945,666	9,386,615	8,744,352	7.3%
Sydney	7,261,822	7,274,764	20,755,062	21,198,619	28,016,884	28,473,383	-1.6%
Total	34,092,661	30,742,127	44,756,942	48,888,270	78,849,603	79,630,397	-1.0%
SOUTH ASIA							
Amritsar	1,204	0	0	0	1,204	0	-
Bangalore	2,177,283	1,412,758	1,719,891	1,282,884	3,897,174	2,695,642	44.6%
Chennai	5,664,989	5,550,632	4,545,020	3,810,123	10,210,009	9,360,755	9.1%
Chittagong	1,366	7,082	38,114	72,467	39,480	79,549	-50.4%
Colombo	2,333,200	2,747,124	2,194,198	2,439,512	4,527,398	5,186,636	-12.7%
Delhi	5,424,317	5,849,610	4,963,670	5,430,483	10,387,987	11,280,093	-7.9%
Dhaka	10,437,247	7,707,556	4,870,780	8,549,794	15,308,027	16,257,350	-5.8%
Hambantota	0	0	0	5,554	0	5,554	-
Hyderabad	564,543	710,092	556,965	658,454	1,121,508	1,368,546	-18.1%
Islamabad	0	0	5,626	0	5,626	0	-
Karachi	156,799	343,884	133,052	149,032	289,851	492,916	-41.2%
Kathmandu	1,447,125	1,119,041	2,047,780	1,218,173	3,494,905	2,337,214	49.5%
Kochi	644,545	694,480	117,622	612,871	762,167	1,307,351	-41.7%
Kolkata	618,435	696,415	416,451	277,835	1,034,886	974,250	6.2%
Lahore	387,811	292,667	246,327	128,498	634,138	421,165	50.6%
Male	23,519	65,325	360,961	587,411	384,480	652,736	-41.1%
Mumbai	3,728,901	5,105,024	3,344,780	4,509,620	7,073,681	9,614,644	-26.4%
Peshawar	123,704	99,977	28,852	26,057	152,556	126,034	21.0%
Thiruvananthapuram	2,248	0	0	0	2,248	0	-
Tiruchirapally	2,897,308	1,916,626	72,887	12,594	2,970,195	1,929,220	54.0%
Vishakhapatnam	2,706	0	0	0	2,706	0	-
Total	36,637,250	34,318,293	25,662,976	29,771,362	62,300,226	64,089,655	-2.8%

INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

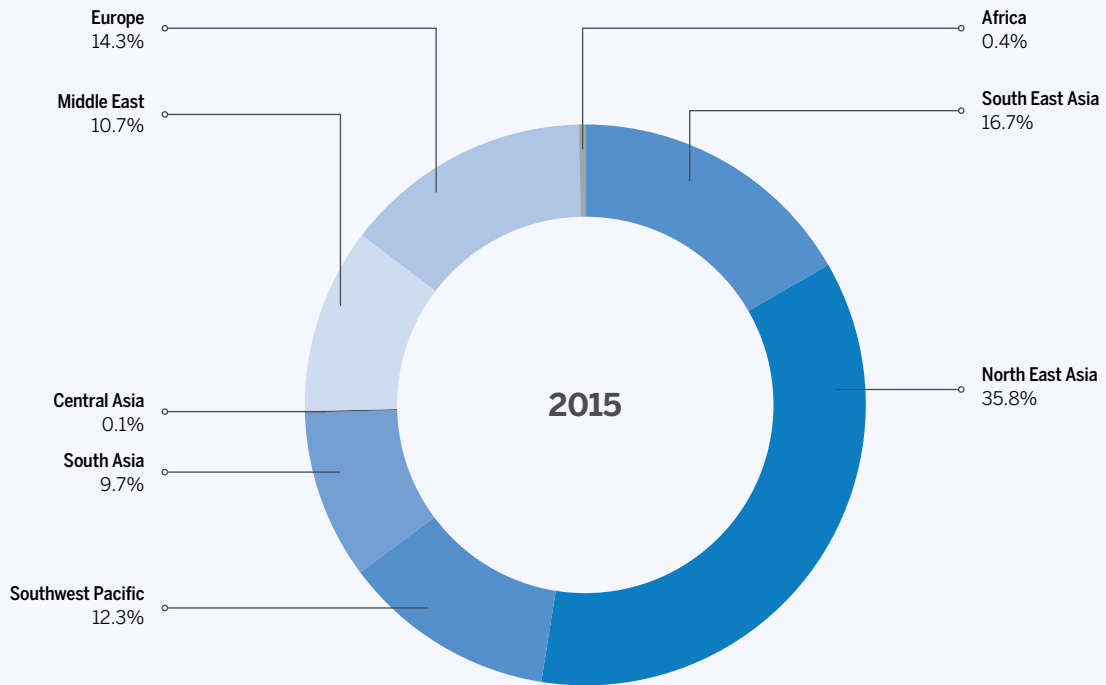
Sector (kg)	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
CENTRAL ASIA							
Almaty	7,223	20,691	172,757	182,662	179,980	203,353	-11.5%
Ashgabat	0	0	2,759	0	2,759	0	-
Baku Heydar Alivev	0	208,411	1,862	210,341	1,862	418,752	-99.6%
Tashkent	125,576	102,784	245,031	412,934	370,607	515,718	-28.1%
Total	132,799	331,886	422,409	805,937	555,208	1,137,823	-51.2%
MIDDLE EAST							
Abu Dhabi	5,096,061	5,323,449	7,082,712	6,798,268	12,178,773	12,121,717	0.5%
Amman	67,042	82,516	261,347	187,238	328,389	269,754	21.7%
Baghdad	0	1,140	47,929	32,559	47,929	33,699	42.2%
Bahrain	0	0	0	407,139	0	407,139	-
Dammam	0	0	206,003	0	206,003	0	-
Doha	8,206,887	4,121,092	11,340,221	12,178,056	19,547,108	16,299,148	19.9%
Dubai	7,180,539	7,832,229	16,053,675	14,066,027	23,234,214	21,898,256	6.1%
Dubai Al-Maktoum	338,456	290,242	287,555	1,228,432	626,011	1,518,674	-58.8%
Jeddah	528,733	950,780	5,088,693	4,582,516	5,617,426	5,533,296	1.5%
Kuwait	17,123	51,447	448,996	636,846	466,119	688,293	-32.3%
Madinah	204	261	78,205	673	78,409	934	8295.0%
Muscat	1,819,349	2,638,234	1,914,451	1,904,827	3,733,800	4,543,061	-17.8%
Ras Al Khaimah	0	0	650	0	650	0	-
Riyadh	254,634	296,321	1,181,232	1,462,227	1,435,866	1,758,548	-18.3%
Riyan Mukalla	0	780	0	0	0	780	-
Sanaa	22,468	104,908	16,019	69,207	38,487	174,115	-77.9%
Sharjah	0	96,783	0	54,458	0	151,241	-
Tehran Imam Khomeini	270,319	171,545	628,784	1,072,734	899,103	1,244,279	-27.7%
Total	23,801,815	21,961,727	44,636,472	44,681,207	68,438,287	66,642,934	2.7%

INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

Sector (kg)	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
EUROPE							
Amsterdam	18,435,045	16,630,935	19,302,368	16,088,047	37,737,413	32,718,982	15.3%
Frankfurt	6,367,787	12,531,070	6,675,343	15,390,208	13,043,130	27,921,278	-53.3%
Istanbul	2,681,106	3,602,442	3,066,132	3,389,482	5,747,238	6,991,924	-17.8%
Kiev Borispol	0	0	0	5,030	0	5,030	-
London Heathrow	6,652,036	5,418,135	9,803,966	8,017,321	16,456,002	13,435,456	22.5%
Luxembourg	3,323,488	2,575,303	5,795,816	6,295,223	9,119,304	8,870,526	2.8%
Madrid Barajas	0	0	1,022	0	1,022	0	-
Paris	4,738,401	6,156,618	4,593,203	5,906,886	9,331,604	12,063,504	-22.6%
Valencia	0	0	70,905	107,498	70,905	107,498	-34.0%
Total	42,197,863	46,914,503	49,308,755	55,199,695	91,506,618	102,114,198	-10.4%
NORTH AMERICA							
Los Angeles	0	198,507	0	559,750	0	758,257	-
Total	0	198,507	0	559,750	0	758,257	-
AFRICA							
Addis Ababa	4,055	8,234	230,086	138,681	234,141	146,915	59.4%
Cairo	581,938	434,609	265,605	231,868	847,543	666,477	27.2%
Entebbe/Kampala	0	0	0	82,278	0	82,278	-
Lilongwe	0	0	0	64,924	0	64,924	-
Mauritius	62,382	68,053	1,124,565	1,211,613	1,186,947	1,279,666	-7.2%
Total	648,375	510,896	1,620,256	1,729,364	2,268,631	2,240,260	1.3%
Grand Total	328,501,362	342,561,337	311,407,088	329,733,743	639,908,450	672,295,080	-4.7%

**INTERNATIONAL CARGO MOVEMENTS
BY SECTORS AT KL INTERNATIONAL AIRPORT 2015**

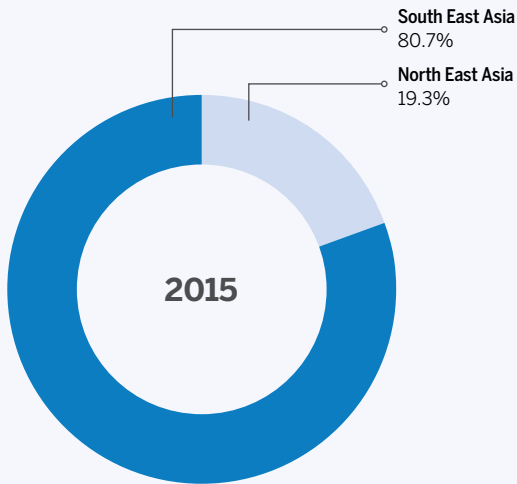
**TOTAL INTERNATIONAL CARGO MOVEMENTS:
639,908 METRIC TONNES**



INTERNATIONAL CARGO MOVEMENTS BY SECTORS AT OTHER INTERNATIONAL AIRPORTS IN MALAYSIA 2015

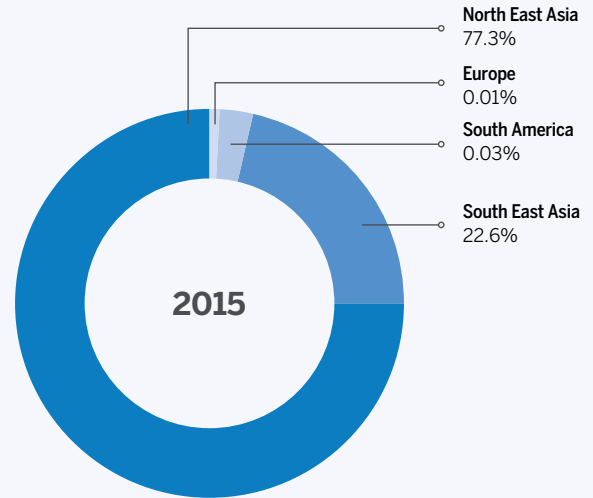
KUCHING INTERNATIONAL AIRPORT

TOTAL INTERNATIONAL CARGO MOVEMENTS:
1,644 METRIC TONNES



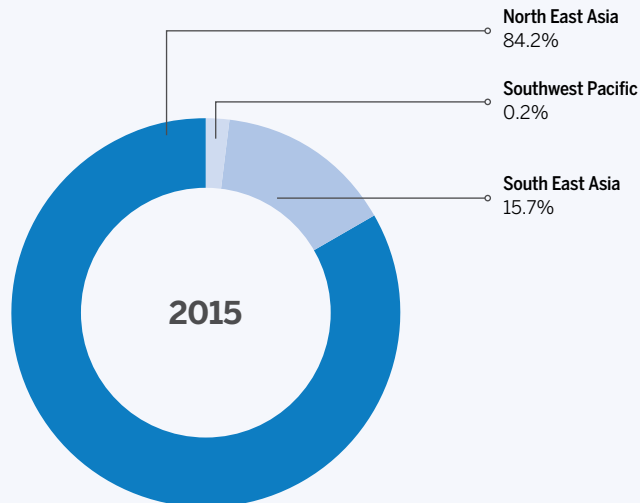
PENANG INTERNATIONAL AIRPORT

TOTAL INTERNATIONAL CARGO MOVEMENTS:
111,603 METRIC TONNES



KOTA KINABALU INTERNATIONAL AIRPORT

TOTAL INTERNATIONAL CARGO MOVEMENTS:
1,758 METRIC TONNES



INTERNATIONAL CARGO MOVEMENTS BY AIRLINES AT KL INTERNATIONAL AIRPORT 2015

AIRLINES WITH MORE THAN 1% INTERNATIONAL MARKET SHARE AT KLIA/klia2

AIRLINES	CARGO MOVEMENTS 2015 (kg)	MARKET SHARE
Malaysia Airlines	325,589,311	50.9%
AirAsia X	37,401,414	5.8%
AirAsia	35,366,690	5.5%
Cathay Pacific Airways	32,868,051	5.1%
Qatar Airways	19,458,405	3.0%
Emirates	17,503,975	2.7%
Singapore Airlines	17,146,333	2.7%
Korean Air	17,034,302	2.7%
Thai Airways International	12,344,408	1.9%
Etihad Airways	12,178,773	1.9%

10 HIGHEST GROWTH INTERNATIONAL PERFORMANCE AT KLIA/klia2

AIRLINES	*CARGO MOVEMENTS 2015 (kg)	MARKET SHARE
Malindo Air	1,594,791	636.1%
Biman Bangladesh Airlines	4,822,639	448.3%
Lufthansa German Airlines	6,221,201	30.1%
Qatar Airways	19,458,405	18.6%
Egyptair	1,289,739	16.0%
AirAsia	35,366,690	15.8%
Garuda Indonesia	1,692,244	13.3%
Cargolux Airlines International	9,119,304	12.1%
Singapore Airlines	17,146,333	8.6%
Turkish Airlines	3,910,964	5.7%

Note : * 1,000,000 kg and above

MAIL MOVEMENTS 2015 MALAYSIA OPERATIONS

AIRPORTS (kg)	DOMESTIC			INTERNATIONAL			TOTAL			Transit		
	Arrival	Departure	Total	Arrival	Departure	Total	2015 *	2014 *	% + / -	Domestic	Int.	Total
KLIA	945,768	1,415,301	2,361,069	14,691,167	18,215,879	32,907,046	35,268,115	33,942,494	3.9%	0	0	0
Penang	3,800	969	4,769	13	27	40	26,673	52,551	-49.2%	6,613	15,251	21,864
Kota Kinabalu	364,342	591,330	955,672	424,208	75,269	499,477	1,455,149	1,389,206	4.7%	0	0	0
Kuching	118,903	423,403	542,306	0	0	0	542,863	714,529	-24.0%	557	0	557
Langkawi	197,860	87,706	285,566	0	0	0	285,566	279,337	2.2%	0	0	0
Kota Bharu	132,565	46,904	179,469	0	0	0	179,469	280,556	-36.0%	0	0	0
Ipoh	0	0	0	0	665	665	665	0	-	0	0	0
Kuala Terengganu	38,610	80	38,690	0	0	0	38,690	36,402	6.3%	0	0	0
Alor Setar	52,421	377,244	429,665	0	0	0	429,665	343,891	24.9%	0	0	0
Melaka	0	0	0	0	0	0	0	0	-	0	0	0
Subang	1	5,364	5,365	0	0	0	5,365	44	12093.2%	0	0	0
Kuantan	0	0	0	0	0	0	0	407	-	0	0	0
Tioman	0	0	0	0	0	0	0	0	-	0	0	0
Pangkor	0	0	0	0	0	0	0	0	-	0	0	0
Labuan	351,973	74,456	426,429	0	0	0	426,721	522,929	-18.4%	292	0	292
Lahad Datu	148	3	151	0	0	0	151	3,100	-95.1%	0	0	0
Sandakan	66,282	4,341	70,623	0	0	0	70,623	35,950	96.4%	0	0	0
Tawau	251,494	15,849	267,343	0	0	0	267,343	196,984	35.7%	0	0	0
Bintulu	44,441	9,361	53,802	0	0	0	54,403	56,917	-4.4%	601	0	601
Miri	1,968,984	687,456	2,656,440	378	0	378	2,656,818	2,823,981	-5.9%	0	0	0
Sibu	454,952	17,471	472,423	0	0	0	472,573	604,111	-21.8%	150	0	150
Mulu	0	0	0	0	0	0	0	0	-	0	0	0
Limbang	2,416	42,079	44,495	0	0	0	44,495	42,322	5.1%	0	0	0
STOL Sabah	0	0	0	0	0	0	0	0	-	0	0	0
STOL Sarawak	16,096	15,682	31,778	0	0	0	33,352	37,160	-10.2%	1,574	0	1,574
Peninsular Malaysia	1,371,025	1,933,568	3,304,593	14,691,180	18,216,571	32,907,751	36,234,208	34,935,682	3.7%	6,613	15,251	21,864
Sabah	1,034,239	685,979	1,720,218	424,208	75,269	499,477	2,219,987	2,148,169	3.3%	292	0	292
Sarawak	2,605,792	1,195,452	3,801,244	378	0	378	3,804,504	4,279,020	-11.1%	2,882	0	2,882
Total 2015	5,011,056	3,814,999	8,826,055	15,115,766	18,291,840	33,407,606	42,258,699	41,362,871	2.2%	9,787	15,251	25,038
Total 2014	5,141,360	4,050,677	9,192,037	16,208,934	15,907,872	32,116,806	41,362,871			10,622	43,406	54,028
% change	-2.5%	-5.8%	-4.0%	-6.7%	15.0%	4.0%	2.2%			-7.9%	-64.9%	-53.7%

* Including transit mail

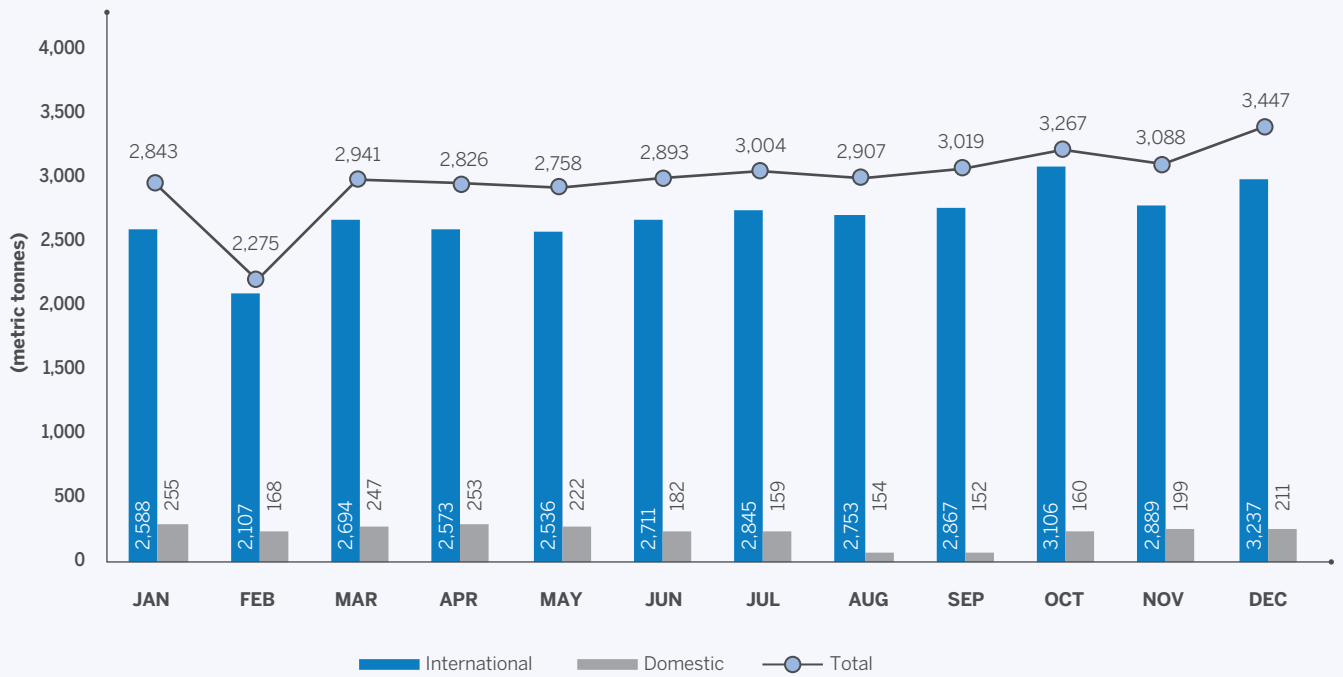
MAIL MOVEMENTS 2015
MALAYSIA OPERATIONS

MAIL MOVEMENTS AT ALL MAHB AIRPORTS IN MALAYSIA 2015



MAIL MOVEMENTS 2015
MALAYSIA OPERATIONS

MAIL MOVEMENTS AT KL INTERNATIONAL AIRPORT 2015

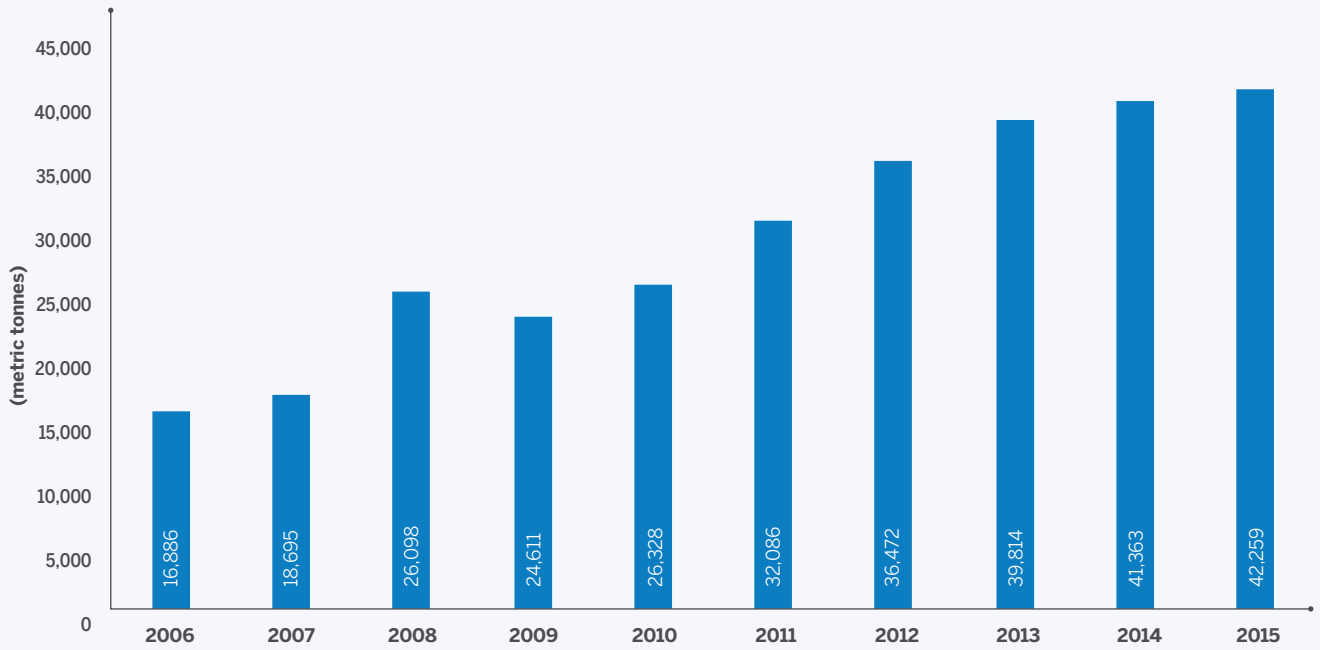


MAIL MOVEMENTS (2006 - 2015) MALAYSIA OPERATIONS

AIRPORTS (Metric tonnes)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	%+/-
KLIA	4,558	8,794	18,418	17,061	19,394	25,463	29,119	32,271	33,942	35,268	3.9%
Penang	2	1.4	0.4	7	4	12	2	3	53	27	-49.2%
Kota Kinabalu	3,787	4,044	3,149	1,744	2,158	1,810	2,246	1,751	1,389	1,455	4.7%
Kuching	3,467	3,137	999	821	642	479	497	727	715	543	-24.0%
Langkawi	58	58	83	73	90	131	227	263	279	286	2.2%
Kota Bharu	171	175	236	322	322	330	214	244	281	179	-36.0%
Ipoh	0	0	0	0	0	0	0	0	0	1	-
Kuala Terengganu	10	4	8	5	12	16	48	38	36	39	6.3%
Alor Setar	0	0	2	55	47	58	185	224	344	430	24.9%
Melaka	0	0	0	0	0	0	0	0	0	0	-
Subang	1,656	0	0	0	0	0	0	7	0.04	5	12,093.2%
Kuantan	0	0	0	0	2	0	0	0	0	0	-
Tioman	0	0	0	0	0	0	1	0	0	0	-
Pangkor	0	0	0	0	0	0	0	0	0	0	-
Labuan	291	334	399	360	378	414	496	511	523	427	-18.4%
Lahad Datu	212	157	193	212	207	213	275	165	3	0.2	-95.1%
Sandakan	90	9	233	254	476	465	440	301	36	71	96.4%
Tawau	102	27	281	242	439	457	497	471	197	267	35.7%
Bintulu	240	83	339	382	264	218	41	53	57	54	-4.4%
Miri	1,439	1,806	1,665	2,171	1,564	1,608	1,903	2,124	2,824	2,657	-5.9%
Sibu	698	59	0	849	287	371	237	611	604	473	-21.8%
Mulu	0	0	0	0	0	0	0	0	0	0	-
Limbang	0.1	0	0	0	28	25	38	37	42	44	5.1%
STOL Sabah	0	0	0	0	0	0	0	0	0	0	-
STOL Sarawak	106	6	94	53	13	15	7	13	37	33	-10.2%
Peninsular Malaysia	6,455	9,033	18,747	17,523	19,870	26,010	29,795	33,049	34,936	36,234	3.7%
Sabah	4,481	4,572	4,254	2,812	3,659	3,360	3,954	3,199	2,148	2,220	3.3%
Sarawak	5,950	5,090	3,097	4,276	2,798	2,716	2,722	3,565	4,279	3,805	-11.1%
Grand Total	16,886	18,695	26,098	24,611	26,328	32,086	36,472	39,814	41,363	42,259	2.2%
% change	-30.3%	10.7%	39.6%	-5.7%	7.0%	21.9%	13.7%	9.2%	3.9%	2.8%	

MAIL MOVEMENTS (2006 - 2015)
MALAYSIA OPERATIONS

MAIL MOVEMENTS AT ALL MAHB AIRPORTS IN MALAYSIA (2006-2015)



INTERNATIONAL MAIL MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

Sector (kg)	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
SOUTH EAST ASIA							
Bandar Seri Begawan	7,936	5,852	370,060	264,810	377,996	270,662	39.7%
Bangkok	379,303	327,000	219,550	261,470	598,853	588,470	1.8%
Denpasar Bali	20	25,981	1,007	4,656	1,027	30,637	-96.6%
Don Mueang	2,770	4,044	43	0	2,813	4,044	-30.4%
Hanoi	43,589	100,494	52,872	27,033	96,461	127,527	-24.4%
Ho Chi Minh City	4,450	3,326	79,953	128,690	84,403	132,016	-36.1%
Jakarta	294,241	302,690	383,925	405,404	678,166	708,094	-4.2%
Koh Samui	3	0	0	0	3	0	-
Krabi	119	214	0	0	119	214	-44.4%
Kuala Namu	1,255	470	16,637	28,482	17,892	28,952	-38.2%
Manila	43,020	49,838	237,134	239,064	280,154	288,902	-3.0%
Phnom Penh	21,203	23,618	284,213	256,502	305,416	280,120	9.0%
Phuket	338	495	72,878	594	73,216	1,089	6623.2%
Siem Reap	80	660	0	0	80	660	-87.9%
Singapore	639,714	998,813	687,956	195,609	1,327,670	1,194,422	11.2%
Yangon	107	0	117,130	111,460	117,237	111,460	5.2%
Total	1,438,148	1,843,495	2,523,358	1,923,774	3,961,506	3,767,269	5.2%
NORTH EAST ASIA							
Beijing	72,068	223,284	951,556	777,990	1,023,624	1,001,274	2.2%
Fuzhou	2,450	1,823	0	0	2,450	1,823	34.4%
Guangzhou	969,374	873,933	275,062	381,578	1,244,436	1,255,511	-0.9%
Hong Kong	792,997	944,080	552,207	533,624	1,345,204	1,477,704	-9.0%
Osaka	170,171	157,493	4,356	7,924	174,527	165,417	5.5%
Seoul	1,103,408	1,019,418	403,755	372,254	1,507,163	1,391,672	8.3%
Shanghai Pu Dong	359,302	336,739	541,441	797,950	900,743	1,134,689	-20.6%
Shenzhen	2,806,189	2,929,726	1,268,511	1,348,853	4,074,700	4,278,579	-4.8%
Taipei	191,769	315,895	844,481	558,105	1,036,250	874,000	18.6%
Tokyo Narita	482,535	328,465	584,528	275,387	1,067,063	603,852	76.7%
Xiamen	131,125	85,691	0	0	131,125	85,691	53.0%
Total	7,081,388	7,216,547	5,425,897	5,053,665	12,507,285	12,270,212	1.9%

INTERNATIONAL MAIL MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

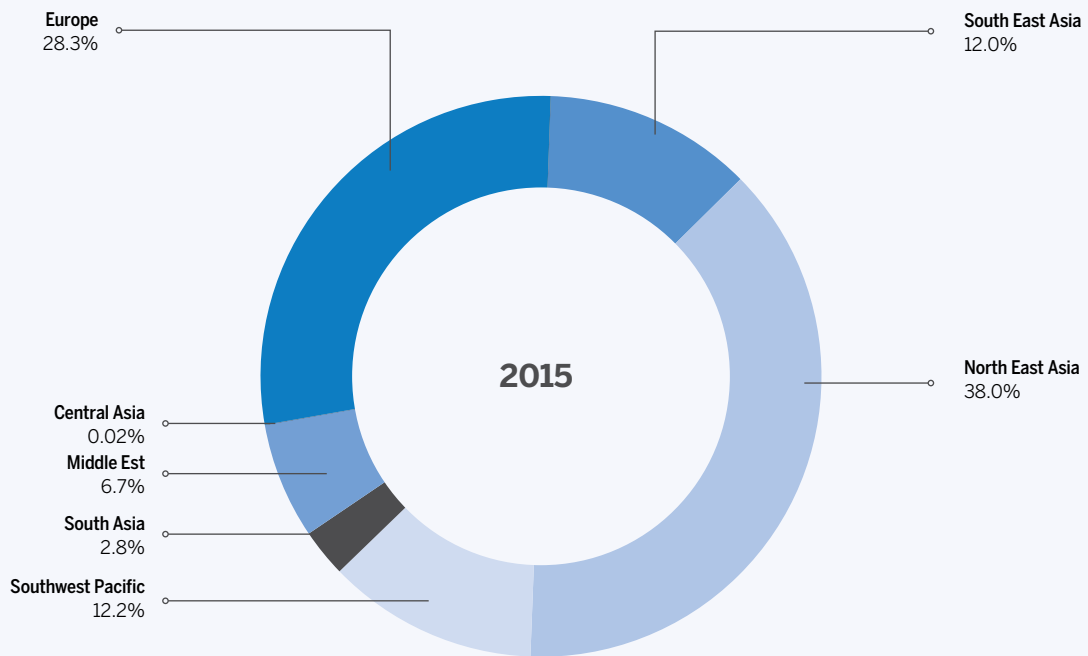
Sector (kg)	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
SOUTHWEST PACIFIC							
Adelaide	0	265	8,506	23,135	8,506	23,400	-63.6%
Auckland	3,643	2,756	761,337	684,019	764,980	686,775	11.4%
Brisbane	177	805	105,799	293,244	105,976	294,049	-64.0%
Darwin	1	0	0	0	1	0	-
Melbourne	217	876	865,825	1,068,537	866,042	1,069,413	-19.0%
Perth	67	80	424,444	407,452	424,511	407,532	4.2%
Sydney	55,052	46,732	1,776,517	2,066,418	1,831,569	2,113,150	-13.3%
Total	59,157	51,514	3,942,428	4,542,805	4,001,585	4,594,319	-12.9%
SOUTH ASIA							
Bangalore	5	0	100	0	105	0	-
Chennai	1,783	2,396	37,977	54,186	39,760	56,582	-29.7%
Colombo	44,643	13,827	275,579	109,390	320,222	123,217	159.9%
Delhi	31	0	80,930	47,956	80,961	47,956	68.8%
Dhaka	146,551	46,685	106,241	107,181	252,792	153,866	64.3%
Karachi	1,394	1,940	0	166	1,394	2,106	-33.8%
Kathmandu	37	16	52,293	54,139	52,330	54,155	-3.4%
Kochi	0	2	0	9	0	11	-
Lahore	0	186	8	0	8	186	-95.7%
Male	263	488	29,454	36,384	29,717	36,872	-19.4%
Mumbai	92	7,199	132,470	62,522	132,562	69,721	90.1%
Peshawar	0	0	130	0	130	0	-
Total	194,799	72,739	715,182	471,933	909,981	544,672	67.1%
MIDDLE EAST							
Abu Dhabi	22,318	10,224	180,309	290,734	202,627	300,958	-32.7%
Amman	24,397	35,803	109	179	24,506	35,982	-31.9%
Doha	18,963	24,921	224,777	79,506	243,740	104,427	133.4%
Dubai	10,947	7,157	1,583,725	32,867	1,594,672	40,024	3884.3%
Jeddah	8,770	7,998	75,080	18,212	83,850	26,210	219.9%
Kuwait	32,297	19,480	237	361	32,534	19,841	64.0%
Medinah	198	0	0	0	198	0	-
Muscat	600	575	5,605	19	6,205	594	944.6%
Riyadh	10,738	10,612	454	561	11,192	11,173	0.2%
Sanaa	365	1,578	5	6	370	1,584	-76.6%
Tehran	2,004	91,217	362	222	2,366	91,439	-97.4%
Total	131,597	209,565	2,070,663	422,667	2,202,260	632,232	248.3%

INTERNATIONAL MAIL MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

Sector (kg)	Arrival		Departure		Total		%+/-
	2015	2014	2015	2014	2015	2014	
CENTRAL ASIA							
Almaty	0	74	0	0	0	74	-
Tashkent	3,807	2,251	1,258	499	5,065	2,750	84.2%
Total	3,807	2,325	1,258	499	5,065	2,824	79.4%
EUROPE							
Amsterdam	537,934	483,375	309,669	232,279	847,603	715,654	18.4%
Frankfurt	152,908	339,570	75,367	191,514	228,275	531,084	-57.0%
Istanbul	26,702	2,900	16,092	12,767	42,794	15,667	173.1%
London	5,039,851	5,494,581	1,880,432	1,913,304	6,920,283	7,407,885	-6.6%
Paris	23,775	130,700	1,253,730	1,031,139	1,277,505	1,161,839	10.0%
Total	5,781,170	6,451,126	3,535,290	3,381,003	9,316,460	9,832,129	-5.2%
AFRICA							
Addis Ababa	6	724	370	119	376	843	-55.4%
Cairo	539	1,651	18	49	557	1,700	-67.2%
Mauritius	556	411	1,415	102	1,971	513	284.2%
Total	1,101	2,786	1,803	270	2,904	3,056	-5.0%
Grand Total	14,691,167	15,850,097	18,215,879	15,796,616	32,907,046	31,646,713	4.0%

INTERNATIONAL MAIL MOVEMENTS BY SECTORS AT KL INTERNATIONAL AIRPORT 2015

**TOTAL INTERNATIONAL MAIL MOVEMENTS:
32,907 METRIC TONNES**



MOVEMENTS AT MAHB STOLPORTS IN SABAH & SARAWAK 2015/2014

STOLports	Aircraft Movements	% Chg	Passengers	% Chg	Cargo & Mail (kg)	% Chg
SARAWAK REGION						
Ba'kelalan	328	1.2%	3,435	6.1%	-	-
Bario	2,228	26.4%	22,084	19.7%	79,513	-22.7%
Lawas	4,192	3.3%	50,191	-0.9%	252,349	361.7%
Long Akah	299	-7.1%	1,215	-20.3%	-	-
Long Banga	226	3.7%	2,571	5.2%	-	-
Long Lellang	320	17.6%	2,564	8.4%	-	-
Long Seridan	228	7.5%	1,695	4.1%	2,913	-17.4%
Marudi	5,376	12.4%	43,689	6.4%	389,140	21.4%
Mukah	3,258	-3.3%	35,935	-5.4%	-	-
Belaga	-	-	-	-	-	-
Long Semado	-	-	-	-	-	-
Kapit	-	-	-	-	-	-
Total	16,455	7.4%	163,379	2.6%	723,915	50.3%
SABAH REGION						
Kudat	230	1.8%	5,309	15.7%	0	-
Long Pasia	-	-	-	-	-	-
Semporna	-	-	-	-	-	-
Total	230	1.8%	5,309	15.7%	0	-
Grand Total	16,685	7.3%	168,688	2.9%	723,915	50.3%

AIRLINES OPERATING AT KL INTERNATIONAL AIRPORT 2015

		WEEKLY FLIGHT FREQUENCY
1	Air Astana	3
2	Air China	4
3	Air France	4
4	Air India Express	3
5	Air Mauritius	5
6	AirAsia	684 int/539 dom
7	AirAsia X	139
8	AirAsia Zest	7
9	All Nippon Airways	7
10	Bangkok Airways	11
11	Biman Bangladesh Airlines	11
12	British Airways	7
13	Cargolux Airlines International (Cargo)	5
14	Cathay Pacific Airways	28
15	Cebu Pacific Air	12
16	China Airlines	7 (3 C)
17	China Eastern Airlines	1
18	China Southern Airlines	14
19	Egyptair	3
20	Emirates	35
21	Ethiopian Airlines	4
22	Etihad Airways	14
23	Eva Airways	7
24	Federal Express Corp (Cargo)	6
25	Gading Sari (Cargo) - Domestic	14
26	Garuda Indonesia	29
27	Hong Kong Airlines (Cargo)	1
28	Indonesia AirAsia	73
29	Indonesia AirAsia X	35
30	Iran Air	2
31	Iran Aseman Airlines	2
32	Iraqi Airways	1
33	Japan Airlines International	7
34	Jetstar Asia	31
35	KLM- Royal Dutch Airlines	14
36	Korean Air	7(3C)

		WEEKLY FLIGHT FREQUENCY
37	Kuwait Airways	6
38	Lion Air	21
39	Lufthansa German Airlines	4
40	Mahan Air	3
41	Malaysia Airlines	563+ 23 (C) int/ 486 dom
42	Malindo Air	155 int/60 dom
43	Mega Maldives Air	2
44	Myanmar Airways International	3
45	National Air Seviles	5
46	Nepal Airlines	6
47	Oman Air	14
48	Pakistan International Airlines	6
49	Qatar Airways	21
50	Rayani Air (Domestic)	9
51	Regent Airways	5
52	Royal Brunei Airlines	14
53	Royal Jordanian	4
54	Saudi Arabian Airlines	12
55	Shanghai Airlines	7
56	Silkair	49
57	Singapore Airlines	16
58	Srilankan Airlines	14
59	Thai AirAsia	28
60	Thai AirAsia X	1
61	Thai Airways International	14
62	Tiger Airways	23
63	Turkish Airlines	10
64	Turkmenistan Airlines	2
65	Ukraine Air Alliance (Cargo)	5
66	United Airways Bangladesh	2
67	United Parcel Services (Cargo)	9
68	Uzbekistan Airways	2
69	Vietnam Airlines	21
70	Xiamen Airlines	14
71	Yemenia Yemen Airways	1

DEFINITIONS

1. FLIGHT, INTERNATIONAL

A flight operated with one or both terminals in the territory of a State, other than the State in which the airline is registered. The term State includes all territories subject to the sovereignty, protection or mandate of such State.

2. FLIGHT, DOMESTIC

A flight operated between points within the domestic boundaries of a State by an airline registered in that State. A flight between a State and territories belonging to it, as well as a flight between two such territories, should be classified as domestic. This applies even though the flight may cross international waters or over the territory subject to the sovereignty, suzerainty, protection or mandate of such State.

3. COMMERCIAL AIR TRANSPORT OPERATION

An aircraft operation involving the transport of passengers, baggage, cargo or mail for remuneration or hire.

4. AIR SERVICES, SCHEDULED

Air services provided by flights scheduled and performed for remuneration according to a published timetable, or so regular or frequent as to constitute a recognisably systematic series which are open for use by public including empty flights related thereto and preliminary revenue flights on planned new air services.

5. NON SCHEDULED FLIGHT

Commercial flights not listed in the time table of an airline including General Aviation aircraft carrying passenger or cargo for remuneration or hire.

6. PASSENGER

Any person, except members of the crew, carried or to be carried in an aircraft with the consent of the carrier.

7. TRANSFER PASSENGER (CARGO, MAIL)

A passenger making a direct connection between two flights. i.e using different aircraft and flight numbers, operated by the same or another airline. Synonymous with connecting passenger.

8. TRANSIT PASSENGER (CARGO, MAIL)

A passenger arriving and departing on one and the same aircraft.

9. CARGO

Anything carried or to be carried in an aircraft, except mail, or baggage carried under a passenger ticket and baggage check, but includes baggage moving under an airway bill or shipment record.

10. MAIL, SERVICE

- Dispatches of correspondence and other objects tendered by and intended for delivery to postal administration.
- Goods carried under the terms of an international Postal Convention.

11. DEPARTURE

The boarding of an aircraft for the purpose of commencing a flight, except by such crew or passengers as have embarked on a previous stage of the same through-flight.

12. ARRIVAL

The leaving of an aircraft after a landing except by crew or passenger continuing to the next stage of the same through-flight.

13. STOLPORT

An airport designed to serve short take-off and landing (STOL) aircraft.

STATEMENT OF SHAREHOLDINGS

as at 1 March 2016

Share Capital

Authorised Share Capital	: RM2,000,000,001/-
Issued and Fully Paid-Up Capital	: RM1,659,191,828/-
Class of Equity Securities	: 1,659,191,828 Ordinary Shares of RM1/- each and One Special Rights Redeemable Preference Share of RM1/-
Voting Rights	: One vote per ordinary share The Special Share has no voting right other than that referred to in Note 27 of the Audited Financial Statements.

ANALYSIS OF SHAREHOLDINGS AS AT 1 MARCH 2016

A. DISTRIBUTION OF SHAREHOLDINGS (MALAYSIAN & FOREIGN)

Size of Holding	No. of Holders		No. of Holdings		Percentage	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
1-99	366	6	5,613	218	0.00	0.00
100-1,000	3,323	30	2,867,812	16,761	0.17	0.00
1,001 – 10,000	5,137	82	13,871,370	334,080	0.84	0.02
10,001 – 100,000	436	178	11,008,752	7,503,581	0.66	0.45
100,001 – 82,959,590 (*)	133	205	308,925,333	311,541,241	18.62	18.78
82,959,591 and above (**)	3	0	1,003,117,067	0	60.46	0.00
Total	9,398	501	1,339,795,947	319,395,881	80.75	19.25
Grand Total	9,899		1,659,191,828		100.00	

Remark : * Less than 5% of Issued Holdings
 ** 5% and above of Issued Holdings

Note(s) : The above information is based on records as provided by Bursa Malaysia Depository Sdn Bhd and number of holders reflected is in reference to CDS account numbers.

STATEMENT OF SHAREHOLDINGS

B. LIST OF TOP 30 SECURITIES ACCOUNT HOLDERS AS AT 1 MARCH 2016

(without aggregating securities from different securities accounts belonging to the same person)

	Name of Shareholders	No. of Holdings	Percentage
1.	KHAZANAH NASIONAL BERHAD	609,105,141	36.71
2.	AMANAHRAYA TRUSTEES BERHAD <i>AMANAH SAHAM BUMIPUTERA</i>	197,514,900	11.90
3.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD</i>	196,497,026	11.84
4.	AMANAHRAYA TRUSTEES BERHAD <i>AMANAH SAHAM WAWASAN 2020</i>	36,308,741	2.19
5.	AMANAHRAYA TRUSTEES BERHAD <i>AS IMALAYSIA</i>	34,808,300	2.10
6.	PERMODALAN NASIONAL BERHAD	31,823,539	1.92
7.	HSBC NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (JPMTSTCOJER AIF)</i>	31,413,451	1.89
8.	AMANAHRAYA TRUSTEES BERHAD <i>AMANAH SAHAM MALAYSIA</i>	24,258,311	1.46
9.	CARTABAN NOMINEES (ASING) SDN BHD <i>GIC PRIVATE LIMITED FOR GOVERNMENT OF SINGAPORE (C)</i>	17,029,617	1.03
10.	LEMBAGA TABUNG ANGKATAN TENTERA	16,879,560	1.02
11.	CARTABAN NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)</i>	16,869,600	1.02
12.	HSBC NOMINEES (ASING) SDN BHD <i>BBH AND CO BOSTON FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND</i>	13,931,300	0.84
13.	CARTABAN NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR RBC INVESTOR SERVICES TRUST (CLIENTS ACCOUNT)</i>	11,862,763	0.71
14.	HSBC NOMINEES (ASING) SDN BHD <i>TNTC FOR NEW ZEALAND SUPERANNUATION FUND</i>	10,623,391	0.64
15.	HSBC NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.S.A.)</i>	10,012,678	0.60
16.	CITIGROUP NOMINEES (ASING) SDN BHD <i>CBHK FOR HOSTPLUS POOLED SUPERANNUATION TRUST (NORTHCAPE CAP)</i>	9,728,212	0.59

STATEMENT OF SHAREHOLDINGS

	Name of Shareholders	No. of Holdings	Percentage
17.	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N 14011940100)</i>	9,498,573	0.57
18.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD <i>BNYM LUX FOR INVESCO FUNDS</i>	8,900,080	0.54
19.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD (AFFIN-HWG)</i>	8,524,614	0.51
20.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD <i>STATE STREET AUSTRALIA FUND REMI FOR RETAIL EMPLOYEES SUPERANNUATION TRUST</i>	8,484,101	0.51
21.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD (AMUNDI)</i>	7,520,487	0.45
22.	CITIGROUP NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)</i>	7,299,400	0.44
23.	HSBC NOMINEES (ASING) SDN BHD <i>TNTC FOR THE HIGHCLERE INTERNATIONAL INVESTORS EMERGING MARKETS SMID</i>	7,109,400	0.43
24.	HSBC NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (BVI)</i>	6,394,236	0.39
25.	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>SETIAUSAHA KERAJAAN PULAU PINANG</i>	5,940,000	0.36
26.	HSBC NOMINEES (ASING) SDN BHD <i>TNTC FOR COMMONWEALTH SUPERANNUATION CORPORATION</i>	5,742,228	0.35
27.	HSBC NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR BNP PARIBAS SECURITIES SERVICES (CLIENT ASSETS)</i>	5,423,282	0.33
28.	CIMB COMMERCE TRUSTEE BERHAD <i>PUBLIC FOCUS SELECT FUND</i>	4,857,672	0.29
29.	HSBC NOMINEES (ASING) SDN BHD <i>TNTC FOR THE HIGHCLERE INTERNATIONAL INVESTORS SMALLER COMPANIES FUND</i>	4,818,400	0.29
30.	AMANAHRAYA TRUSTEES BERHAD <i>PB GROWTH FUN</i>	4,648,576	0.28

STATEMENT OF SHAREHOLDINGS

C. LIST OF SECURITIES ACCOUNT HOLDERS OF SPECIAL RIGHTS REDEEMABLE PREFERENCE SHARE AS AT 1 MARCH 2016

- The Minister of Finance (Incorporated)

D. SUBSTANTIAL SHAREHOLDERS AS AT 1 MARCH 2016

(as shown in the register of substantial shareholders)

Name of Substantial Shareholders	No. of Shares held		Percentage
	Direct	Indirect	
Khazanah Nasional Berhad	609,105,141	-	36.71
Employees Provident Fund Board	218,817,653	-	13.19
AmanahRaya Trustees Berhad – Skim Amanah Saham Bumiputera	197,514,900	-	11.90

E. DIRECTORS' SHAREHOLDINGS AS AT 1 MARCH 2016

(as shown in the register of directors' shareholdings)

Name of Directors	No. of Shares		Percentage
	Direct	Indirect	
1. Tan Sri Dato' Sri Dr Wan Abdul Aziz bin Wan Abdullah	-	-	-
2. Datuk Mohd Badlisham bin Ghazali	-	-	-
3. Dato' Sri Dr Mohmad Isa bin Hussain	-	-	-
4. Datuk Seri Yam Kong Choy	-	-	-
5. Datuk Zalekha binti Hassan	-	-	-
6. Jeremy bin Nasrulhaq	-	-	-
7. Rosli bin Abdullah	-	-	-
8. Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin	-	-	-
9. Dato' Mohd Izani bin Ghani	-	-	-
10. Norazura binti Takzim <i>(Alternate Director to Dato' Sri Dr Mohmad Isa bin Hussain)</i>	-	-	-

SHAREHOLDERS AND INVESTORS INFORMATION

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel : 603-2084 9000
Fax : 603-2094 9940/2095 0292

LISTING

The Company's shares are listed on the Main Market of Bursa Malaysia Securities Berhad in Malaysia.

MALAYSIAN TAXES ON DIVIDEND

The change in the tax structure from imputation to single tier system is the most significant change in Malaysia's tax laws. The company has now moved to the single tier system. Therefore, dividend received by the shareholders will be exempted from tax in Malaysia.

ANNUAL REPORT

The Annual Report is available to the public who are not shareholders of the Company, by writing to:

The Company Secretary
Malaysia Airports Holdings Berhad
Malaysia Airports Corporate Office
Persiaran Korporat KLIA
64000 KLIA, Sepang
Selangor Darul Ehsan
Tel : 603-8777 7011
Fax : 603-8777 7512

LIST OF PROPERTIES

Registered Owner and Location	Description and Existing Use	Tenure	Land Area	Built-up Area (sqm)	Net Book Value as at 31 Dec 2015 (RM'000)
LEASED PROPERTIES					
MALAYSIA AIRPORTS (SEPANG) SDN. BHD. FEDERAL LAND COMMISSIONER* Location: District of Sepang, Selangor Malaysia	KLIA	A total right of occupation of 25 years (Expiry date of 11 February 2034)	22,165 acres	-	-
MALAYSIA AIRPORTS HOLDINGS BHD. FEDERAL LAND COMMISSIONER** Location: District of Petaling, Selangor Malaysia	Sultan Abdul Aziz Shah Airport	A total right of occupation of 60 years (Expiry date of 31 December 2066)	1,122 acres	-	-
LANDED PROPERTIES OWNED BY THE GROUP					
MALAYSIA AIRPORTS (NIAGA) SDN. BHD. Location: Desa Cempaka, Bandar Baru Nilai Mukim Nilai, District of Seremban Negeri Sembilan, Malaysia	48 units of apartments	Freehold	-	3,791	2,130
MALAYSIA AIRPORTS (PROPERTIES) SDN. BHD. Location: Genting Permai Park & Resort District of Bentong, Pahang Malaysia	4 units of apartments	Freehold	-	342	697

Note:

* Pursuant to the KLIA Land Lease Agreement dated 18 October 1999 entered into between Malaysia Airports (Sepang) Sdn. Bhd. and the Federal Land Commissioner, Malaysia Airports (Sepang) Sdn. Bhd. has been granted the right of use of the KLIA land for a period of 50 years.

However, following a restructuring exercise for MAHB, the Land Lease Agreement was replaced by a new Land Lease Agreement dated 12 February 2009. Malaysia Airports (Sepang) Sdn. Bhd. has been granted the right of use of the KLIA land for a period of 25 years.

** Pursuant to the Land Lease Agreement dated 26 October 2007 entered into between Malaysia Airports Holdings Bhd and the Federal Land Commissioner, Malaysia Airports has been granted a lease of land of Sultan Abdul Aziz Shah (SAAS) Airport for a period of 60 years.

LIST OF PROPERTIES

Registered Owner and Location	Description and Existing Use	Tenure	Land Area	Built-up Area (sqm)	Net Book Value as at 31 Dec 2015 (RM'000)
LANDED PROPERTIES OWNED BY THE GROUP (CONT'D.)					
MALAYSIA AIRPORTS (PROPERTIES) SDN. BHD.					
Location: Teluk Dalam, Pulau Pangkor District of Manjung, Perak Malaysia	10 units of apartments	Freehold	-	744	812
MALAYSIA AIRPORTS SDN. BHD.					
Location: CL 205357688 Sierra Estates Condominium Jalan Ranca-Ranca Federal Territory of Labuan Malaysia	32 units of apartments	Leasehold of 99 years (Expiry date of 31 December 2089)	-	3,175	-
MALAYSIA AIRPORTS SDN. BHD.					
Location: CL 205359593 Kg. Nagalang Federal Territory of Labuan Malaysia	Land (Residential)	Leasehold of 99 years (Expiry date of 31 December 2090)	1.10 acres	-	255
MALAYSIA AIRPORTS (PROPERTIES) SDN. BHD.					
Location: CL 205317951 Kg. Nagalang Federal Territory of Labuan Malaysia	Land (Agriculture)	Leasehold of 99 years (Expiry date of 31 December 2077)	1.22 acres	-	210

GROUP CORPORATE DIRECTORY

MALAYSIA AIRPORTS HOLDINGS BERHAD AND GROUP

Registered Address:
Malaysia Airports Corporate Office
Persiaran Korporat KLIA
64000 KLIA, Sepang,
Selangor Darul Ehsan
Tel : 603-8777 7000
Fax : 603-8777 7778/603-8777 7512

MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)

MALAYSIA AIRPORTS SDN. BHD. (230646-U)

MALAYSIA AIRPORTS CONSULTANCY SERVICES SDN. BHD. (375245-X)

MALAYSIA AIRPORTS CITIES SDN. BHD. (1114062-X)

Business Address:
Malaysia Airports Corporate Office
Persiaran Korporat KLIA
64000 KLIA, Sepang,
Selangor Darul Ehsan
Tel : 603-8777 7000
Fax : 603-8777 7778/603-8777 7512

MALAYSIA AIRPORTS (SEPANG) SDN. BHD. (320480-D)

Business Address:
4th Floor, Airport Management Centre
Kuala Lumpur International Airport
64000 KLIA, Sepang,
Selangor Darul Ehsan
Tel : 603-8776 2000/603-8777 8888
Fax : 603-8926 5510/603-8926 5209

MALAYSIA AIRPORTS (NIAGA) SDN. BHD. (281310-V)

Business Address:
3rd Floor, Airport Management Centre
Kuala Lumpur International Airport
64000 KLIA, Sepang,
Selangor Darul Ehsan
Tel : 603-8776 8600
Fax : 603-8787 3747

MALAYSIA AIRPORTS (PROPERTIES) SDN. BHD. (484656-H)

Business Address:
Block C, Ground Floor,
Short Term Car Park
Kuala Lumpur International Airport
64000 KLIA, Sepang,
Selangor Darul Ehsan
Tel : 603-8776 8401
Fax : 603-8776 8181

K.L. AIRPORT HOTEL SDN. BHD.

(330863-D)

SAMA-SAMA HOSPITALITY MANAGEMENT SDN. BHD. (1029991-A)

Business Address:
Sama-Sama Hotel
Kuala Lumpur International Airport
Jalan CTA 4B, 64000 KLIA
Sepang, Selangor Darul Ehsan
Tel : 603-8787 3333
Fax : 603-8787 5855

MAB AGRICULTURE-HORTICULTURE SDN. BHD. (467902-D)

Business Address:
4th Floor, Airport Management Centre
Kuala Lumpur International Airport
64000 KLIA, Sepang,
Selangor Darul Ehsan
Tel : 019-2824 362
Fax : 019-2163 025

MALAYSIA INTERNATIONAL AEROSPACE CENTRE SDN. BHD.

(438244-H)
Business Address:
Unit M8 & M9, Skypark Terminal
Sultan Abdul Aziz Shah Airport
47200 Subang, Selangor Darul Ehsan
Tel : 603-7846 3870
Fax : 603-7846 3300

MALAYSIA AIRPORTS TECHNOLOGIES SDN. BHD. (512262-H)

Business Address:
3rd Floor, Airport Management Centre
Kuala Lumpur International Airport
64000 KLIA, Sepang,
Selangor Darul Ehsan
Tel : 603-8776 8341
Fax : 603-8786 8680

URUSAN TEKNOLOGI WAWASAN SDN. BHD. (459878-D)

Business Address:
1st Floor, Civil Engineering Building
Engineering Complex
Kuala Lumpur International Airport
64000 Sepang, Selangor Darul Ehsan
Tel : 603-8776 7002
Fax : 603-8787 2455

AIRPORT DIRECTORY

INTERNATIONAL AIRPORTS

KL INTERNATIONAL AIRPORT

64000 KLIA Sepang
Selangor Darul Ehsan, Malaysia
T : 603-8777 8888
F : 603-8926 5510

PENANG INTERNATIONAL AIRPORT

11900 Bayan Lepas
Pulau Pinang, Malaysia
T : 604-252 0252
F : 604-643 5339

LANGKAWI INTERNATIONAL AIRPORT

07100 Padang Mat Sirat, Langkawi
Kedah Darul Aman, Malaysia
T : 604-955 1311
F : 604-955 1314

KOTA KINABALU INTERNATIONAL AIRPORT

Beg Berkunci No. 134
Aras 5, Bangunan Terminal
88740 Kota Kinabalu Sabah, Malaysia
T : 6088-325 555
F : 6088-325 511
(Under the supervision of Kota Kinabalu International Airport: STOL Port Kudat & Long Pasia)

KUCHING INTERNATIONAL AIRPORT

Peti Surat 1070
93722 Kuching, Sarawak, Malaysia
T : 6082-454 242
F : 6082-458 587

DOMESTIC AIRPORTS

SKYPARK TERMINAL

SULTAN ABDUL AZIZ SHAH AIRPORT

47200 Subang
Selangor Darul Ehsan, Malaysia
T : 603-7845 3245
F : 603-7846 3679

SULTAN AHMAD SHAH AIRPORT

26070 Kuantan
Pahang Darul Makmur, Malaysia
T : 609-531 2123/2100
F : 609-538 4017
(Under the supervision of Sultan Ahmad Shah Airport: STOL Port Tioman)

LABUAN AIRPORT

Jalan Tun Mustafa
Peti Surat 80569
87015 W.P. Labuan
Sabah, Malaysia
T : 6087-416 007/415 015
F : 6087-410 129

SULTAN AZLAN SHAH AIRPORT

31350 Ipoh
Perak Darul Ridzuan, Malaysia
T : 605-318 8202
F : 605-312 2295
(Under the supervision of Sultan Azlan Shah Airport: STOL Port Pangkor)

SULTAN ABDUL HALIM AIRPORT

06200 Alor Setar
Kedah Darul Aman, Malaysia
T : 604-714 6876
F : 604-714 5345

SIBU AIRPORT

Peti Surat 645
96000 Sibu, Sarawak, Malaysia
T : 6084-307 770
F : 6084-307 709
(Under the supervision of Sibu Airport: STOL Port Mukah & Kapit)

SULTAN ISMAIL PETRA AIRPORT

Pengkalan Chepa
16100 Kota Bharu, Kelantan Darul Naim, Malaysia
T : 609-773 7400
F : 609-773 3852

SULTAN MAHMUD AIRPORT

21300 Kuala Terengganu
Terengganu Darul Iman, Malaysia
T : 609-667 3666
F : 609-662 6670

BINTULU AIRPORT

97000 Bintulu, Sarawak, Malaysia
T : 6086-339 163
F : 6086-337 011
(Under the supervision of Bintulu Airport: STOL Port Belaga)

MELAKA AIRPORT

75350 Melaka, Malaysia
T : 606-317 5860
F : 606-317 5214

SANDAKAN AIRPORT

P.O. Box 1719
90719 Sandakan, Sabah, Malaysia
T : 6089-667 782/786
F : 6089-667 778

LIMBANG AIRPORT

98700 Limbang
Sarawak, Malaysia
T : 6085-212 090
F : 6085-214 979

MULU AIRPORT

Peti Surat 851
98008 Miri, Sarawak, Malaysia
T : 6085-615 204/205
F : 6085-614 537

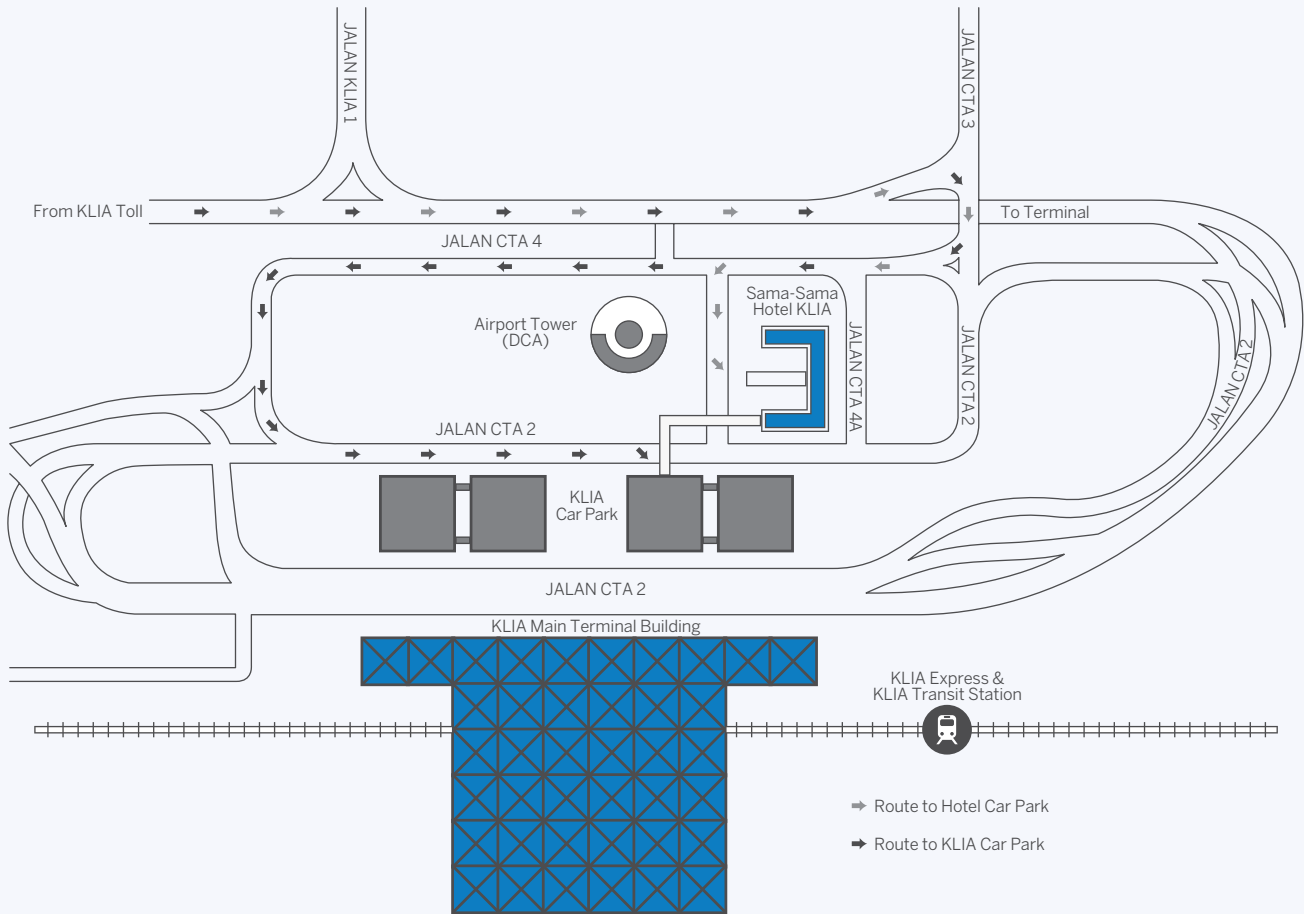
LAHAD DATU AIRPORT

P.O. Box 213
91108 Lahad Datu, Sabah, Malaysia
T : 6089-881 033
F : 6089-881 618

TAWAU AIRPORT

P.O. Box 60132
91011 Tawau, Sabah, Malaysia
T : 6089-950 777
F : 6089-950 781
(Under the supervision of Tawau Airport: STOL Port Semporna)

MAP TO THE AGM VENUE



PROXY FORM

Malaysia Airports Holdings Berhad (487092-W)
Incorporated in Malaysia



CDS Account No.	
No. of Shares Held	

I/We _____ NRIC No./Passport No./Company No. _____
[FULL NAME IN CAPITAL LETTERS]

of _____
[FULL ADDRESS]

_____ being a Member(s) of

MALAYSIA AIRPORTS HOLDINGS BERHAD, hereby appoint _____
[FULL NAME IN CAPITAL LETTERS]

_____ NRIC No./Passport No. _____

of _____
[FULL ADDRESS]

or failing him/her _____ NRIC No./Passport No. _____
[FULL NAME IN CAPITAL LETTERS]

of _____
[FULL ADDRESS]

or failing him/her the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held at Gateway Ballroom, Level 1, Sama-Sama Hotel, Kuala Lumpur International Airport, Jalan CTA 4B, 64000 KLIA, Sepang, Selangor Darul Ehsan on Wednesday, 27 April 2016 at 11.00 a.m. for the following purposes:-

Please indicate with an 'X' in the space provided below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

NO.	RESOLUTIONS	FOR	AGAINST
1.	ORDINARY RESOLUTION 1 To declare and approve the payment of a final single-tier dividend of 4.50 sen per ordinary share in respect of the financial year ended 31 December 2015 as recommended by the Directors.		
2.	ORDINARY RESOLUTION 2 To approve the payment of Directors' fees for the financial year ended 31 December 2015.		
3.	ORDINARY RESOLUTION 3 To re-elect Dato' Sri Dr Mohmad Isa bin Hussain who shall retire in accordance with Article 129 of the Company's Articles of Association and being eligible, offers himself for re-election.		
4.	ORDINARY RESOLUTION 4 To re-elect Datuk Seri Yam Kong Choy who shall retire in accordance with Article 131 of the Company's Articles of Association and being eligible, offers himself for re-election.		
5.	ORDINARY RESOLUTION 5 To re-elect Datuk Zalekha binti Hassan who shall retire in accordance with Article 131 of the Company's Articles of Association and being eligible, offers herself for re-election.		
6.	ORDINARY RESOLUTION 6 To re-elect Rosli bin Abdullah who shall retire in accordance with Article 131 of the Company's Articles of Association and being eligible, offers himself for re-election		
7.	ORDINARY RESOLUTION 7 To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		

As witness my/our hands this _____ day of _____, 2016.

Signature of Member/Common Seal

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation and the provisions of Section 149(a), (b) and (c) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
2. The instrument appointing a proxy shall be in print or writing under the hand of the appointer or his/her duly constituted attorney, or if such appointer is a corporation, under its common seal or the hand and seal of its attorney.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Malaysia Airports Corporate Office, Persiaran Korporat KLIA, 64000 KLIA, Sepang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the Meeting or at any adjournment thereof.
4. Shareholders' attention is hereby drawn to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which allows a member of the Company which is an exempt authorised nominee, as defined under the Securities Industry (Central Depositories) Act, 1991, who holds ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus Account) to appoint multiple proxies in respect of each Omnibus Account it holds.

STAMP

The Company Secretary
Malaysia Airports Holdings Berhad (487092-W)
Malaysia Airports Corporate Office
Persiaran Korporat KLIA
64000 KLIA, Sepang
Selangor Darul Ehsan