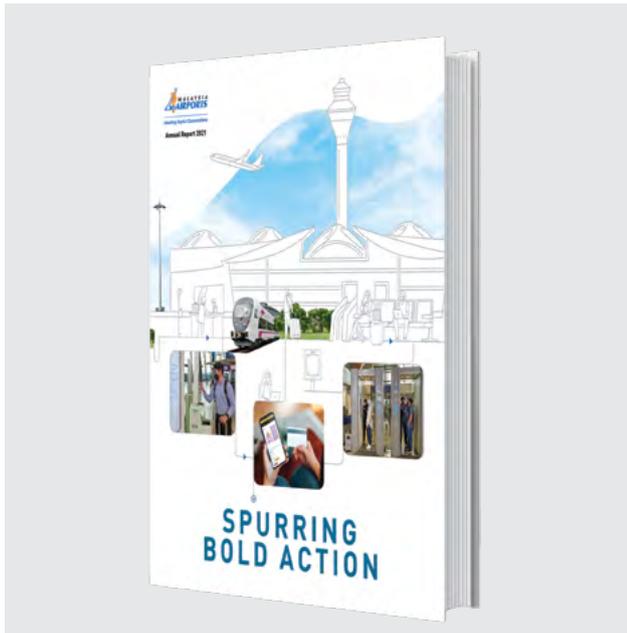




# SPURRING BOLD ACTION

# INSIDE THIS REPORT



## COVER RATIONALE

2021 was a year of dynamic change. As the world adapted itself to the 'new normal' and began the transition to endemicity, the aviation industry, particularly in the Asia Pacific region, continued to be impacted by travel restrictions.

At Malaysia Airports, our challenge was to build a sustainable business with the agility to navigate the current changes and the resilience to withstand future shocks and challenges. This called for the courage to challenge conventional wisdom and to take bold action. To put us in a prime position to capitalise on growth opportunities as borders reopen, we changed our mindset and adopted an entrepreneurial approach with the propensity to create value and unlock growth opportunities.

In this annual report, in addition to the narrative and financials, stakeholders are also given a visual description of the year's milestones and activities from the selected photographs. To better depict the vast untapped prospects within Malaysia Airports, our cover visual combines photographs and vectors, with the latter denoting the potential opportunities which are already taking shape, and with courage, conviction and imagination, will come to fruition for the benefit of stakeholders.

'**Spurring Bold Action**' encapsulates this watershed year at Malaysia Airports.

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# ABOUT THIS REPORT

## INTRODUCTION

This Integrated Report has been prepared with reference to the principles of the International Integrated Reporting Framework (<IR> framework) developed by the International Integrated Reporting Council (IIRC) and the recommendations in the Malaysian Code on Corporate Governance 2017 on integrated reporting.

This report aims to provide our stakeholders with transparent, relevant and integrated information of our business strategy, performance, and future prospects as well as environmental social and governance (ESG) considerations, leading to the creation of stakeholder value over the short, medium and long-term. We are guided by our vision to be 'A Global Airport Group that Champions Connectivity and Sustainability' and are resolute in our brand promise of 'Hosting Joyful Connections'.

## REPORTING SUITE

The Reporting Suite for 2021 is similar to previous years and comprises this Annual Report, Financial Statements, Sustainability Report and Airport Statistics.



## APPLICABLE REQUIREMENTS AND STANDARDS

They are prepared according to the following regulatory requirements and the voluntary standards for sustainability reporting:

- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- Malaysian Financial Reporting Standards
- International Financial Reporting Standards
- Companies Act 2016
- Malaysian Code on Corporate Governance 2017
- Global Reporting Initiative (GRI) Standards for Sustainability Reporting - Core Option

## ONLINE VERSION

The full reporting suite is also available online on our corporate website at [www.malaysiaairports.com.my](http://www.malaysiaairports.com.my)

## SCOPE AND BOUNDARY

This report covers our financial and non-financial performance during the period from 1 January 2021 to 31 December 2021. Information presented relates to the principle activities of the Group and all its subsidiaries, unless stated otherwise. Detailed information on investments in which Malaysia Airports has no controlling interest is not included.

## ENHANCEMENTS

We have enhanced the integrated reporting in the Annual Report for FY2021 in the Operating Environment and Outlook section to enable stakeholders to understand better how we tackled the challenges of the year, and how we position ourselves for future growth and resilience. In addition, a new section on ESG Highlights and Achievements which summarises key points from the Sustainability Report aims to provide stakeholders with a better view of our progress on integrating sustainability considerations in our business.



The full report is also available online on our corporate website at [www.malaysiaairports.com.my](http://www.malaysiaairports.com.my)

## VALUE CREATION MODEL

Our value creation model is disclosed on pages 20 to 75. It outlines our focus on value creation which is driven by championing connectivity as a global airport group and sustainability of airport communities that we serve. The strategies for mobilisation of our six capitals to create value for stakeholders and the outcomes of the value creation initiatives are also included.

## MATERIALITY

The content of our integrated report is dependent on the principle of materiality, namely we include matters that substantially affect the Group's ability to create and sustain value over the short, medium and long-term. These matters are identified, prioritised and validated through a materiality assessment process that is described in this report which includes engagement of key stakeholders to seek their input. Our strategic responses to these material matters are presented in pages 56 to 67.

## FORWARD LOOKING STATEMENT

This report contains forward looking statements, for example, Malaysia Airports' future direction, strategies, and potential opportunities for growth. These statements are based on various assumptions and are subject to a number of risks, uncertainties and contingencies, many of which are beyond the control of the Group. Unanticipated events and actual future events may differ materially from current expectations due to new business opportunities, changes in priorities by the Group and other factors.

## ASSURANCE

Malaysia Airports obtained independent third-party assurance for the following information:

Content	Assurance	Framework
Annual Financial Statements	Reasonable assurance	<ul style="list-style-type: none"> <li>Companies Act 2016</li> <li>Malaysian Financial Reporting Standards</li> <li>International Financial Reporting Standards</li> </ul>
Statement on Risk Management and Internal Control	Limited assurance	<ul style="list-style-type: none"> <li>Bursa Malaysia Securities Berhad Listing Requirements</li> </ul>
Sustainability Report	Limited assurance	<ul style="list-style-type: none"> <li>GRI Standards for Sustainability Reporting – Core Option</li> </ul>

## INFORMATION ON EXCLUSIONS

Malaysia Airports' disclosure appetite guides the limitation of information available in this report. Several requirements of the <IR> Framework have been excluded due to the unavailability of reliable information or specific legal prohibitions.

## NAVIGATION ICONS

Six Capitals		
	Financial	 Human
	Manufactured	 Social
	Intellectual	 Natural

Key Stakeholders	
	Regulators and Government
	Employees
	Airlines
	Passengers
	Tenants
	Vendors and Service Providers
	Investors
	Local Community
	Media

Material Matters	
	Airport Capacity
	Total Airport Experience
	Digitalisation
	Airport Safety and Security
	Economic Performance
	Integrity and Anti-Corruption
	Transportation and Connectivity
	Regulatory Compliance

# CHAIRMAN'S VIEWS

## 2021 WAS A PIVOTAL POINT FOR MALAYSIA AIRPORTS.

Having undergone a steep learning curve since the onset of the pandemic, we were determined to translate the lessons learnt into tangible results and a more sustainable future.

To succeed in the 'new normal', we challenged conventional wisdom, and took a more entrepreneurial approach so that we can create value and unlock growth opportunities. This puts Malaysia Airports in good stead for the future particularly as we look to capitalise on opportunities following the reopening of Malaysia's international borders on 1 April 2022.

The theme '**Spurring Bold Action**' encapsulates this year of dynamic change in Malaysia Airports.

**DATO' SERI DIRAJA DR. ZAMBRY ABD KADIR**  
Chairman



IN A  
NUTSHELL

**In the 'new normal', we are pivoting to an entrepreneurial mindset.**

**This opens up opportunities for new revenue stream and further growth.**

**We are primed for the reopening of Malaysia's borders.**

### OPERATING ENVIRONMENT CONTINUED TO BE CHALLENGING

At the start of the pandemic, aviation markets globally were impacted by varying degrees of border control and travel restrictions. In the course of 2021, we had seen continued easing of travel restrictions, but the timing and conditions for rolling back the restrictions were determined individually by governments, with vaccinations and the capacity of public health systems being the main considerations. These uncertainties dampened air traffic, particularly international passenger traffic.

In 2021 also, we had seen the economy beginning to recover from the pandemic. Under normal operating conditions, this would have been a significant growth factor for Malaysia Airports because Gross Domestic Product (GDP) growth in our home markets of Malaysia and Türkiye and in key passenger markets overseas fuels demand for business travel while the increase in disposable income results in higher demand for leisure travel.

However, as travel restrictions continued to be imposed in Malaysia and other key markets for the better part of 2021, this impeded our ability to fully capitalise on the desire and pent-up demand for travel and the improving economic environment. On the domestic front in Malaysia, we had witnessed a surge in domestic travel in Malaysia with the lifting of travel restrictions from 11 October 2021 onwards, and in December 2021, the total monthly passenger traffic for the Group had passed 5.0 million for the first time in the year. On the international front, many of our key markets continued to impose travel restrictions. Apart from initiatives such as the Langkawi International Travel Bubble, the restoration of

Passenger movements at SAW grew a promising **47.4%** YoY. SAW was the **second fastest-recovering airport** in Europe in 2021 and ended the year ranked **sixth busiest** among European airports.

Malaysia Airports' revenue of RM1,673.0 million was **10.4%** lower YoY.

Malaysia Airports reported **EBITDA** of RM220.3 million for 2021, **a significant improvement** compared to the negative RM1.2 million recorded in 2020.

Umrah travel and the Vaccinated Travel Lane between Malaysia and Singapore, international passenger traffic for airports in Malaysia was mostly subdued in 2021.

### MALAYSIA'S AIR TRAFFIC NUMBERS WERE SUBDUED, BUT A ROBUST RECOVERY WAS UNDERWAY IN TÜRKIYE

Malaysia Airports' network including Istanbul Sabiha Gökçen International Airport (IATA Code: SAW) in Türkiye recorded 36.1 million passengers in 2021, representing a contraction of 16.0% YoY. The contraction was due to passenger movements for operations in Malaysia declining by 58.3% YoY. By contrast, passenger movements at SAW grew a promising 47.4% YoY. International passenger movements totalled 10.3 million while domestic passenger movements totalled 25.8 million.

In the case of Malaysia, for most of 2021, our international borders remained closed to travellers except in limited circumstances. The National Recovery Plan to lead the country out of the pandemic placed inter-state travel and domestic tourism in Phase Four, the final stage of the plan. Inter-state domestic travel resumed on a limited basis for fully vaccinated travellers in September with the launch of the Langkawi Domestic Travel Bubble followed by the lifting of inter-state travel restrictions in October when Malaysia's vaccination target of 90% of adults fully vaccinated was reached.

International travel was restored in a pilot programme for fully vaccinated travellers with the launch of the Langkawi International Travel Bubble on 15 November while the Malaysia-Singapore Vaccinated Travel Lane began operating on 29 November.

## CHAIRMAN'S VIEWS

In Türkiye, travel restrictions were rolled back earlier in the year with the relaxation of domestic and international borders. Its successful vaccination programme and the mutual recognition of the European Union's Digital COVID-19 certificate and the Turkish national vaccination certificate restored air connectivity within the country and with international destinations in Europe, the Middle East and Africa. SAW was the second fastest-recovering airport in Europe in 2021 and ended the year ranked sixth busiest among European airports.

However, the path to recovery was not a linear progression. While we were buoyed by the rollout of vaccination programmes in Malaysia, Türkiye and other key markets, we faced setbacks with the emergence of new variants of concern such as Beta, Delta and Omicron. In the delicate balancing act between economic and public health concerns, our path to recovery required us to pause or even take a step back in order to be able to advance.

### FINANCIAL PERFORMANCE HAD IMPROVED

Malaysia Airports' revenue of RM1,673.0 million was 10.4% lower YoY. On a segmental basis, revenue from airport operations contracted by 12.8% YoY to RM1,466.6 million. Aeronautical revenue declined by 9.9% YoY to RM798.1 million while non-aeronautical revenue decreased by 16.0% YoY to RM668.5 million. Revenue from non-airport operations increased YoY by 12.3% or RM22.6 million due to higher revenue from agriculture driven by higher commodity prices, and higher demand in our project and repair maintenance and hotel businesses.

Malaysia Airports reported EBITDA of RM220.3 million for 2021, a significant improvement compared to the negative RM1.2 million recorded in 2020. This was largely due to financial discipline with core operating costs reducing by a further 11.2% or RM172.3 million in 2021 on top of the 26.1% or RM575.5 million reduction achieved in 2020. The Group also reported an operating cash flow surplus of RM271.1 million compared to a deficit of RM67.2 million in 2020.



The Group's loss before taxation (LBT) narrowed to RM1,040.9 million, an improvement as compared to LBT of RM1,763.9 million in the prior year. The Group's LBT was however mitigated by the recognition of deferred tax asset recognised arising from the current year business losses. Accordingly, the Group recorded loss after taxation of RM766.4 million.

### CHALLENGING CONVENTIONAL WISDOM

The uncertainties affecting passenger traffic had become part of the new normal in the aviation industry, and the dramatic change in operating conditions called for bold action. It was imperative for Malaysia Airports to build resilience, create sustainable pathways for revenue and growth and improve our capability to withstand future shocks and stresses.

Pre-pandemic, the conventional wisdom was that our key segments – aeronautical and non-aeronautical businesses – were the revenue engines. Aeronautical revenues

**It was imperative for Malaysia Airports to build resilience, create sustainable pathways for revenue and growth and improve our capability to withstand future shocks and stresses.**

## CHAIRMAN'S VIEWS



were a function of air traffic, primarily aircraft and passenger movements, while the non-aeronautical business which covers the commercial and retail arms would mainly be driven by passenger movements. Conventional wisdom also dictated that operating expenditure was largely fixed given that airports require a certain level of operations, services and staffing.

Challenging conventional wisdom, first, we questioned the notion of fixed levels of operating expenditure as we contained core costs, and more importantly, also demonstrated the sustainability of the lower rebased costs. Secondly, we stuck to our guns and pursued all possible options to retrain, reskill and redeploy our staff, which resulted in the Group maintaining zero retrenchments and zero salary cuts throughout the pandemic. Although these moves were unconventional, Malaysia Airports has had a solid track record in corporate governance, integrity and delivering growth to stakeholders, and as such, we had the confidence that this was the right direction for the Group to prepare for future growth. Finally, to sustain long term growth, we unlocked potential revenue streams which were previously untapped, both within the airport and beyond.

#### **Contain and sustain rebased core costs**

Although we had taken measures to contain costs throughout the pandemic, I would like to highlight the importance of our work in containing core operating costs and sustaining the rebased core costs even as air traffic began picking up in Q4 2021.

Core costs which are largely made up of staff, utilities and maintenance costs, generally increase in tandem with the scale of operations. However, in 2021, we successfully lowered core costs by 11.2% year-on-year (YoY) or RM172.3 million, on top of the 26.1% reduction already achieved in 2020. In Q4 2021, core costs continued to hold at the lowered base despite a rise in passenger traffic.

This can be attributed to the on-going effort to rethink, reconfigure and radically change our operations for greater efficiency, leveraging on partnerships and new technology. For example, in the case of utilities, our joint venture with Tenaga Nasional Berhad, TNB Engineering Corporation Sdn Bhd, went into operations in July 2021 to modernise the district cooling plant for KUL. When the transformation is completed, the modernised plant will run fully on electricity and contribute at least RM50 million in cost savings annually.

#### **Gaining an engaged and reskilled workforce**

Despite staff costs making up a substantial portion of our core costs, we had made the strategic decision in 2020 to retrain, reskill and redeploy our people wherever possible, and not retrench staff or introduce salary cuts. We maintained the policy throughout 2021, driving our average training hours from 13 to 39 hours across our operations in Malaysia, an increase of 200% YoY.

Among the employees redeployed were 354 Aviation Security personnel who had been retrained for vacancies in other divisions within Malaysia Airports. 88 of them were trained to fill Airport Fire Rescue Service vacancies in 2021, ensuring fresh opportunities for our people while maintaining requisite levels of manpower and rescue and fire fighting capabilities.

On my walkabouts to meet our staff, many of them including union representatives have expressed their appreciation for the Group standing firm on this matter, recognising the tightrope that we walked to balance competing demands for use of

## CHAIRMAN'S VIEWS

the limited financial resources during the year. In addition to maintaining an engaged workforce, keeping our staff intact also enables us to scale up rapidly as air traffic grows.

We were therefore primed for the resumption of interstate travel in Malaysia in October 2021 and for the reopening of international borders on 1 April 2022, with our people eagerly anticipating the busy days ahead and relishing the opportunity to make positive contributions towards the Group's progress.

### **A solid track record in governance and integrity fuelling our growth**

Our courage to act on our convictions and challenge the status quo stemmed from a solid track record of governance, reliability and delivering on promises.

In terms of governance, the Board of Directors has steered Malaysia Airports through a period of volatility and worked in tandem with Management to keep abreast of developments impacting our operating environment. We have scrutinised proposals from Management and deliberated them thoroughly, encouraging all board members to freely voice their opinions. It is important for us to understand one another's concerns and to address those concerns so that we know that our decisions were made with a collective voice. In this regard, the Board as a collective body and in committee had a full schedule of 50 meetings in 2021. Stakeholders can be assured that our efforts remained unchanged in upholding corporate governance and oversight in what was otherwise a year of changing conditions.

We also made progress in upholding integrity and implementing anti-corruption measures. We continued the implementation of the ISO 37001: 2016 Anti-Bribery Management Systems (ABMS) and in 2021, three subsidiaries – Malaysia Airports (Niaga) Sdn Bhd, Urusan Teknologi Wawasan Sdn Bhd and K.L. Airport Hotel Sdn Bhd – had undergone documentation readiness towards ABMS certification. This included

■ Our average training hours across our operations in Malaysia increased 200% YoY from 13 to 39 hours.

■ Among the employees redeployed were 354 Aviation Security personnel who had been retrained for vacancies in other divisions within Malaysia Airports.

workshops to assist the subsidiaries in preparing their ABMS manuals, and dissemination of the ABMS awareness video to all employees.

The Group also continued to roll out the Malaysia Airports Anti-Corruption Plan. 74 divisions and departments Group-wide were assessed for corruption risks in 2021. 61 high level risks were assessed in Q1 2021 and they were mitigated to medium and low-level risks by Q4 2021. As part of risk management, corruption risks are reviewed and registered in the Malaysia Airports Risk Scorecard System, covering all of the Group's companies in Malaysia.

Our solid track record was also acknowledged by stakeholders. The rating agencies, RAM Holdings Berhad and Moody's, maintained Malaysia Airports' credit ratings in 2021 at AAA and A3 respectively despite the challenging operating conditions. In the debt markets, our fundraising exercise through the issuance of new Senior Sukuk Wakalah raised RM800.0 million. In the course of book building, we upsized the issuance from the initial target issue size of RM500.0 million in response to investor demand. This reflects the confidence of the markets in our strong fundamentals, business direction and track record of prudent financial management and disciplined use of financial resources which pre-dated the pandemic, but had become even more critical in the past two years.

### **Unlock and realise untapped potential revenue**

Looking beyond the airport and growing non-aeronautical revenue was a focus area in 2021. With an overall target to increase non-aeronautical revenue to 60-70% from selected airports compared to 50% pre-pandemic levels, this will enable the Group to reduce its reliance on aeronautical revenues which are highly regulated.

At the doorstep of KL International Airport (IATA Code: KUL) and Sultan Abdul Aziz Shah Airport, Subang (IATA Code: SZB), there lies remarkable potential for off-terminal Aeropolis development.

## CHAIRMAN'S VIEWS

We enhanced our Aeropolis development by announcing several large investments totalling over RM600.0 million by established global logistics and aviation players including DHL Express, Asia Digital Engineering, Dassault Aviation and Collins Aerospace. Their commitments are testament to the value proposition that Malaysia Airports offers to investors by way of Aeropolis development.

We made progress on discussions with the government to finalise the Land Lease Agreement and Development Agreement for the 100 square kilometres landbank around KUL. The finalisation of the long-term lease of 99 years will enable Malaysia Airports to improve the value proposition offered to investors at the KLIA Aeropolis.

Our travel retail arm, Eraman, took a different slant on the idea of looking beyond the airport. Traditionally, it relied on passenger throughput at the airport for sales, particularly international travellers. In a bold break from the past, Eraman challenged traditional thinking by moving beyond the airport and travellers. It recognised that even though consumers could not travel, their demand for travel retail products was nonetheless unabated.

Eraman reached out to potential customers through new channels, including our own shopMYairports online retail platform and the KLIA Crazy Sale held at the landside concourse of KUL. Eraman has also ventured to set up sales events at corporate offices, and tapped sales online channels through social media and the growing group of personal shoppers on Shopee. At the airport, Eraman uses pop-ups and mobile carts to set up stalls where there is passenger demand. Its personnel also receive a sales incentive upon targets being met. These tactics have generated RM39.9 million in sales for Eraman under the most challenging operating conditions.

We left no stone unturned in maximising the lettable areas. Commercial space at the airport commands a premium, and the total lettable area forms the basis of non-aeronautical commercial revenues.

Under our Commercial Reset initiative, passenger flow at the terminal was reconfigured to optimise lettable areas. As a result, we have enlarged the commercial floor space by 14,355 square metres (sqm) on top of the existing 67,252 sqm.

**RAM Holdings Berhad and Moody's, maintained Malaysia Airports' credit ratings in 2021 at AAA and A3 respectively despite the challenging operating conditions.**



## CHAIRMAN'S VIEWS

### TEAMWORK CARRIES THE DAY

As we recount our achievements for 2021, I would like to acknowledge the contribution of all Malaysia Airports' employees. Their hard work and dedication coupled with their willingness to rethink and rework our operations to solve challenges underpin our proudest moments of the year. The achievements are also the result of our close working relationship and engagement with our stakeholders.

It was a proud moment for Malaysia Airports when KUL and Langkawi International Airport (IATA Code: LGK) were named 'Best Airports' by Airports Council International (ACI) in the global Airport Service Quality (ASQ) awards series for 2021. Competing in the above 40 mppa and 2-5 mppa categories respectively, KUL and LGK had both registered perfect scores of 5 out of 5 in the ASQ results for the year.

The success is one which we share with the airport communities of both KUL and LGK. The ASQ programme benchmarks the world's best airports in terms of overall passenger satisfaction based on 33 elements in the passenger journey through the airport. We had engaged our stakeholders on service

quality through the 'Happy Guests, Caring Hosts' cultural transformation programme since 2018, and the awards are testament to the teamwork and effort that has gone into providing guests with a truly memorable airport experience.

Alongside the Ministry of Tourism, Arts and Culture and the Ministry of Transport of Malaysia and other stakeholders, we celebrated the launch of pilot programmes to reopen the country to vaccinated travellers such as the Langkawi Domestic and International Travel Bubbles and the Malaysia-Singapore Vaccinated Travel Lane by Air (VTL-Air).

I was present that morning at KLIA1 to welcome the travellers aboard the first VTL flight. Amidst the palpable excitement and the fanfare that greeted the flight which included a water cannon salute as the aircraft approached the gate, I was also grateful for the company of our staff, members of the KUL community and representatives of our stakeholders, who had worked together tirelessly to set up the processes, facilities and passenger flow that enabled the VTL-Air to run smoothly from its onset.



## CHAIRMAN'S VIEWS

An important accomplishment for Malaysia Airports was obtaining the Airport Health Accreditation certification from Airports Council International for six airports – KUL, Kota Kinabalu International Airport (IATA Code: BKI), Kuching International Airport (IATA Code: KCH), LGK, Penang International Airport (IATA Code: PEN) and SAW. This global certification for airports is recognition that the health and safety measures which have been put in place are in accordance with the guidelines and standards for safe travel as determined by ACI and the International Civil Aviation Organization (ICAO) as well as industry best practices.

In the area of environmental protection, we received recognition from ACI, which renewed our Airport Carbon Accreditation Level 3 certification following their independent assessment under the global carbon management certification programme for airports. This is an acknowledgment of our efforts in transitioning towards a sustainable, low-carbon future.

We also received a Gold Recognition from ACI for our efforts on sustainable carbon management by utilising green energy Ground Power Units (GPUs) at KUL. The project integrates the generation of solar energy from rooftops of the terminal building with new GPUs to supply aircrafts at the apron with power, simultaneously reducing the use of diesel-powered GPUs and of the aircrafts' Auxiliary Power Units. It is estimated that the amount of 1,970 tCO<sub>2</sub> reduction from using the green energy GPUs over three years from 2018-2020 is equivalent to planting 50,520 trees to absorb CO<sub>2</sub> emissions which would have otherwise been emitted.

Our people have been at the frontlines of the pandemic, and it was important for them to be protected. We collaborated with the Malaysian Ministry of Health to set up a vaccination centre at KUL to prioritise the vaccinations for our employees and the airport community. This has also prepared the airport community for increased traffic while passengers can be more assured of their safety.

#### A CORPORATION WITH A HEART

Amidst the business challenges that we faced, I am heartened by the positive impact that Malaysia Airports is making in the community. Throughout 2021, we continued to lend a helping hand to the community, particularly to those whose lives had been impacted by the pandemic.



Through our MYAirportCARES initiative, we have provided relief and support to about 4,000 households that either belonged to the B40 group or those affected by natural disasters. The support were in the form of food aid as well as rescue services, temporary shelter and other basic necessities. The Group had distributed RM3.7 million in financial aid to 1,034 employees who were impacted by the floods to help them rebuild their lives.

My fellow board members and I are proud that Malaysia Airports employees continue to think of ways to give back to the community. During the fasting month of Ramadan, our staff pooled their contributions to provide breaking of fast meals for 3,100 frontline staff from the airport community showing our appreciation for dedication and service by the frontliners. Recently at an event in which Malaysia Airports provided back-to-school kits to children from B40 families, we could see how moved and encouraged the children and their parents were by Malaysia Airports' contribution of school uniforms, shoes, bags and stationery to equip them for the new school year.

## CHAIRMAN'S VIEWS

### THANK YOU

I would like to extend a warm welcome to our newest Board members, Puan Rohaya Mohammad Yusof, who was appointed on 1 October 2021, and Dato' Iskandar Mizal Mahmood who was appointed to the Board as Managing Director on 25 October 2021.

The Board would also like to thank our former members, Dato' Mohamad Nasir Ab Latif, Dato' Zamzuri bin Abdul Aziz and Dato' Dr. Amiruddin Muhamed, as well as our former Group Chief Executive Officer, Dato' Mohd Shukrie Mohd Salleh, who resigned in 2021. On behalf of the Board, I would like to record our appreciation for their contribution towards the Group.

In addition, the Board wishes to thank our employees who served the Group with dedication and courage throughout the year. As Malaysia Airports is categorised as a provider of essential services, many of our employees are unsung heroes who served on the frontlines throughout this pandemic. We acknowledge their many sacrifices and are grateful for their unwavering commitment.

We also express our sincere appreciation to shareholders and all other stakeholders - the various ministries, government agencies, airline partners, retail partners, vendors and all other business partners - for their support, contribution and team spirit in sharing the challenges and successes of 2021.



I would also like to make a special acknowledgement of the role of the government for continuing to advance our discussions on the renewal of our Operating Agreements, which form the basis for Malaysia Airports' licence to operate the 39 airports in Malaysia, as well as the Land Lease Agreement and Development Agreement for the KLIA Aeropolis. These agreements are being finalised with the relevant government agencies and we hope to conclude them in the course of 2022. The conclusion of these agreements will serve as a major catalyst in spurring the nation's economic growth.

We look forward to 2022, and have started the year with a new mindset and a renewed sense of purpose to create value for stakeholders. We are ready to capture opportunities for growth and development as we ramp up the preparation at all international airports to ensure a safe and seamless experience for travellers following the reopening of Malaysia's borders on 1 April 2022. As custodians of the nation's gateways, we will continue to strive to make a tangible difference and positive impact for stakeholders as we build a sustainable growth business for the future.

**DATO' SERI DIRAJA DR. ZAMBRY ABD KADIR**  
Chairman

# FY2021 KEY HIGHLIGHTS

	Scope	2021	2020	2019
<b>Group Financial Performance</b>				
Revenue (RM'million)	Group	<b>1,673.0</b>	1,866.3	5,213.1
EBITDA (RM'million)	Group	<b>220.3</b>	(1.2)	2,292.0
Profit for the Year (RM'million)	Group	<b>(766.4)</b>	(1,116.2)	537.0
Total Equity (RM'million)	Group	<b>7,252.5</b>	8,099.3	9,325.4
<b>Airport Performance</b>				
Group Passenger Movements (million)	Group	<b>36.1</b>	43.0	141.2
Group Aircraft Movements	Group	<b>515,388</b>	600,073	1,281,000
Group Cargo Movements (metric tonnes)	Group	<b>1,098,850</b>	834,718	1,003,000
KUL ASQ rank (> 40 mppa category)	KUL	<b>1</b>	10	17
KUL ASQ score	KUL	<b>5</b>	4.98	4.76
Total Direct Destinations	KUL	<b>139</b>	166	166
	SAW	<b>147</b>	130	>160
<b>Sustainability Performance</b>				
Energy Consumption (kWh/passenger)	Airports in Malaysia	<b>32.6</b>	15.9	5.1
	SAW	<b>3.0</b>	3.8	2.2
Solar Power Generated (MWh)	KUL	<b>17,399**</b>	16,949	18,763
Water Consumption (litre/passenger)	Airports in Malaysia	<b>718.1</b>	365.5	104.7
	SAW	<b>9.8</b>	12.8	10.2
Total Waste Generated (kg/passenger)	KUL	<b>0.68</b>	0.36	0.23
	SAW	<b>0.24</b>	0.27	0.14
Recycling Rate (%)	KUL	<b>6.3</b>	8.3	13.8
	SAW	<b>50.0</b>	33.3	50.5
Total Employees	Group	<b>9,837</b>	10,333	10,724
Percentage of Female Employees (%)	Group	<b>35</b>	34.2	34.6
Community Investment (RM)	Group	<b>1,279,816</b>	417,839	1,066,847

\* KUL - IATA code for KL International Airport

SAW - IATA code for Istanbul Sabiha Gökçen International Airport

\*\* Solar power generated in 2021 is for KL International Airport, Kuantan Airport, Melaka Airport and Penang International Airport

# MALAYSIA AIRPORTS AT A GLANCE

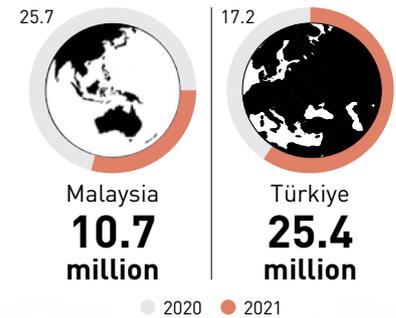
**Globally, Malaysia Airports is one of the world's largest airport operator groups, based on the total number of passengers handled, managing in total 39 airports throughout Malaysia (5 international airports, 17 domestic airports and 17 STOLports). The Group also owns and manages one international airport in Istanbul, Türkiye.**

### Airport Services

Manage, operate and maintain airports, and provide airport-related services to ensure that airports operate efficiently, safely and securely with high service levels

- Equity Invested **RM4,419.3 million**
- Total Revenue **RM1,554.9 million**
- EBITDA **RM214.3 million**

### Group Passenger Traffic Movements



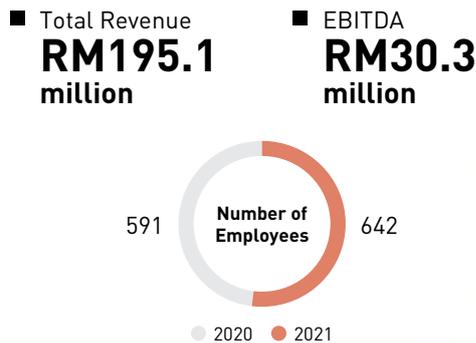
**OUR VISION** A Global Airport Group that Champions Connectivity and Sustainability



**BRAND PROMISE** Hosting Joyful Connections

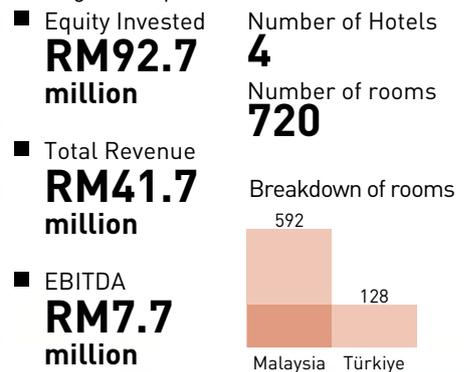
### Project and Repair Maintenance

Offer consultancy, facility management services and maintenance of information and communication technology business ventures and provision of mechanical and electrical engineering



### Hotel

Manage and operate hotels



## MALAYSIA AIRPORTS AT A GLANCE

**Duty Free and Non-Dutiable Goods**

Operate duty-free outlets and provide management services for food and beverage outlets at designated airports

■ Equity Invested  
**RM16.5**  
million

■ Total Revenue  
**RM39.9**  
million

■ EBITDA  
**RM(40.4)**  
million

Number of Retail Outlets

 2021 **42**  
2020 **51**

Retail Area

2021 **12,822 sqm**  
2020 **13,112 sqm**

Number of Employees

2021 **677** 2020 **775**

Our Malaysia operations comprises five key business activities which are airport services, duty free and non-dutiable goods, hotel, project and repair maintenance and agriculture and horticulture. For overseas operations, in addition to ownership and management of Istanbul Sabiha Gökçen International Airport (IATA Code: SAW) in Istanbul, Türkiye, we also provide services for operations and maintenance of airports and airport-related services.

Listed on the Main Market of Bursa Malaysia since November 1999, at the end of 2021, Malaysia Airports' market capitalisation stood at RM9.9 billion.

We are a constituent of the FTSE4Good Bursa Malaysia Index and as a signatory to the Aviation Industry Commitment to Action on Climate Change, we strive to create a pathway to carbon neutral growth and a carbon-free future. Malaysia Airports also holds memberships in the Airports Council International (ACI) and the ACI Asia Pacific Regional Environmental Committee.

**Competitive advantage**

- Malaysia is located in a strategic location – in the heart of ASEAN, surrounded by high growth markets such as China and India.
- Competitive aeronautical and passenger charges - one of the lowest in the world.
- Well-equipped airports with safety standards certified by global bodies such as ISO, British Standards Institution, and ACI.
- Our flagship, KUL, is ranked No.1 globally for >40 mppa in the 2021 ACI's Airport Service Quality rankings.
- KUL's two terminals have a combined capacity of 75 mppa.
- KUL's three independent runway system facilitates efficient flight operations.
- 100 km<sup>2</sup> land bank surrounding KUL allows for aviation-related and commercial development.
- SAW's strong hub position within the region, evidenced by its consistent ranking as one of Europe's busiest airports.

Post COVID-19 pandemic, Malaysia Airports is well-positioned to benefit from the recovery of the aviation industry through the strong hub advantage of leading low-cost carriers while also leveraging on the connectivity and network of home-based full-service carriers for both its operations in Malaysia and Türkiye.



**CORE VALUES** Integrity, Customer-Centricity, Accountability, New Ideas

**Agriculture and Horticulture**

Cultivate and manage oil palm and other agricultural products, in addition to undertaking horticulture activities, mainly landscaping services and products

■ Total Revenue  
**RM57.6**  
million

■ EBITDA  
**RM24.4**  
million



Oil Palm Planted Area

2021 **6,247.1 ha**

Fresh Fruit Bunches

2021 **54,572.9 MT**

# WHERE WE OPERATE



## AIRPORT SERVICES

### INTERNATIONAL

#### MALAYSIA

- KL International Airport (KUL)
- Kota Kinabalu International Airport (BKI)
- Kuching International Airport (KCH)
- Langkawi International Airport (LGK)
- Penang International Airport (PEN)

#### TÜRKIYE

- Istanbul Sabiha Gökçen International Airport (SAW)

#### INDIA

- Rajiv Gandhi International Airport (HYD)

### DOMESTIC

- Melaka Airport (MKZ)
- Sultan Abdul Aziz Shah Airport, Subang (SZB)
- Sultan Abdul Halim Airport, Alor Setar (AOR)
- Sultan Ahmad Shah Airport, Kuantan (KUA)
- Sultan Azlan Shah Airport, Ipoh (IPH)
- Sultan Ismail Petra Airport, Kota Bharu (KBR)

- Sultan Mahmud Airport, Kuala Terengganu (TGG)
- Bintulu Airport (BTU)
- Limbang Airport (LMN)
- Miri Airport (MYY)
- Mulu Airport (MZV)

- Sibiu Airport (SBW)
- Labuan Airport (LBU)
- Lahad Datu Airport (LDU)
- Sandakan Airport (SDK)
- Tawau Airport (TWU)
- Mukah (MKM)

### SHORT TAKE-OFF AND LANDING PORTS (STOLPORTS)

- Pulau Pangkor (PKG)
- Pulau Redang (RDN)
- Pulau Tioman (TOD)
- Bakelalan (BKM)
- Bario (BBN)
- Belaga (BLG)

- Kapit (KPI)
- Lawas (LWY)
- Long Akah (LKH)
- Long Banga (LBP)
- Long Lellang (LGL)
- Long Semado (LSM)

- Long Seridan (ODN)
- Marudi (MUR)
- Kudat (KUD)
- Long Pasia (GSA)
- Semporna (SMM)

WHERE WE OPERATE



DUTY FREE AND NON-DUTIABLE GOODS

- KL International Airport (KUL)
- Kota Kinabalu International Airport (BKI)
- Kuching International Airport (KCH)
- Langkawi International Airport (LGK)
- Penang International Airport (PEN)

AGRICULTURE AND HORTICULTURE

- KL International Airport (KUL)
- Bintulu Airport (BTU)
- Miri Airport (MYY)
- Sibu Airport (SBW)

HOTEL

- Four locations in and around KUL and SAW:
- KLIA1 landside
  - KLIA1 airside
  - klia2 airside
  - SAW landside

PROJECT AND REPAIR MAINTENANCE

AIRPORTS

- KL International Airport (KUL)
- Kota Kinabalu International Airport (BKI)
- Kuching International Airport (KCH)
- Langkawi International Airport (LGK)
- Penang International Airport (PEN)
- Sultan Abdul Aziz Shah Airport, Subang (SZB)
- Hamad International Airport (DOH)

PORT

- Port of Tg Pelepas

COMMERCIAL BUILDINGS

- Airbus Helicopters Malaysia
- Cainiao Aeropolis eWTP Hub
- Exxon Mobil
- Masjid As-Syakirin KLCC
- Maxis Tower
- Novugen Pharma (Malaysia)
- Persada PLUS
- Petronas Tower 3
- Sepang International Circuit
- SPIRIT Aerosystems Malaysia

# CORPORATE STRUCTURE

## MALAYSIA AIRPORTS HOLDINGS BERHAD

100% Malaysia Airports Sdn Bhd

100% Malaysia Airports (Sepang) Sdn Bhd

↳ 30% MFMA Development Sdn Bhd

100% Malaysia Airports Consultancy Services Sdn Bhd

↳ 100% Urusan Teknologi Wawasan Sdn Bhd

↳ 49% Malaysia Airports Consultancy Services Middle East LLC

100% Malaysia International Aerospace Centre Sdn Bhd

100% Malaysia Airports (Niaga) Sdn Bhd

↳ 100% Eraman (Malaysia) Sdn Bhd

100% Malaysia Airports (Properties) Sdn Bhd

↳ 100% K.L. Airport Hotel Sdn Bhd

↳ 100% MAB Agriculture-Horticulture Sdn Bhd

↳ 20% Kuala Lumpur Aviation Fuelling System Sdn Bhd

↳ 12.5% Gas District Cooling (KLIA) Sdn Bhd

100% Airport Ventures Sdn Bhd

↳ 100% Malaysia Airports Technologies Sdn Bhd

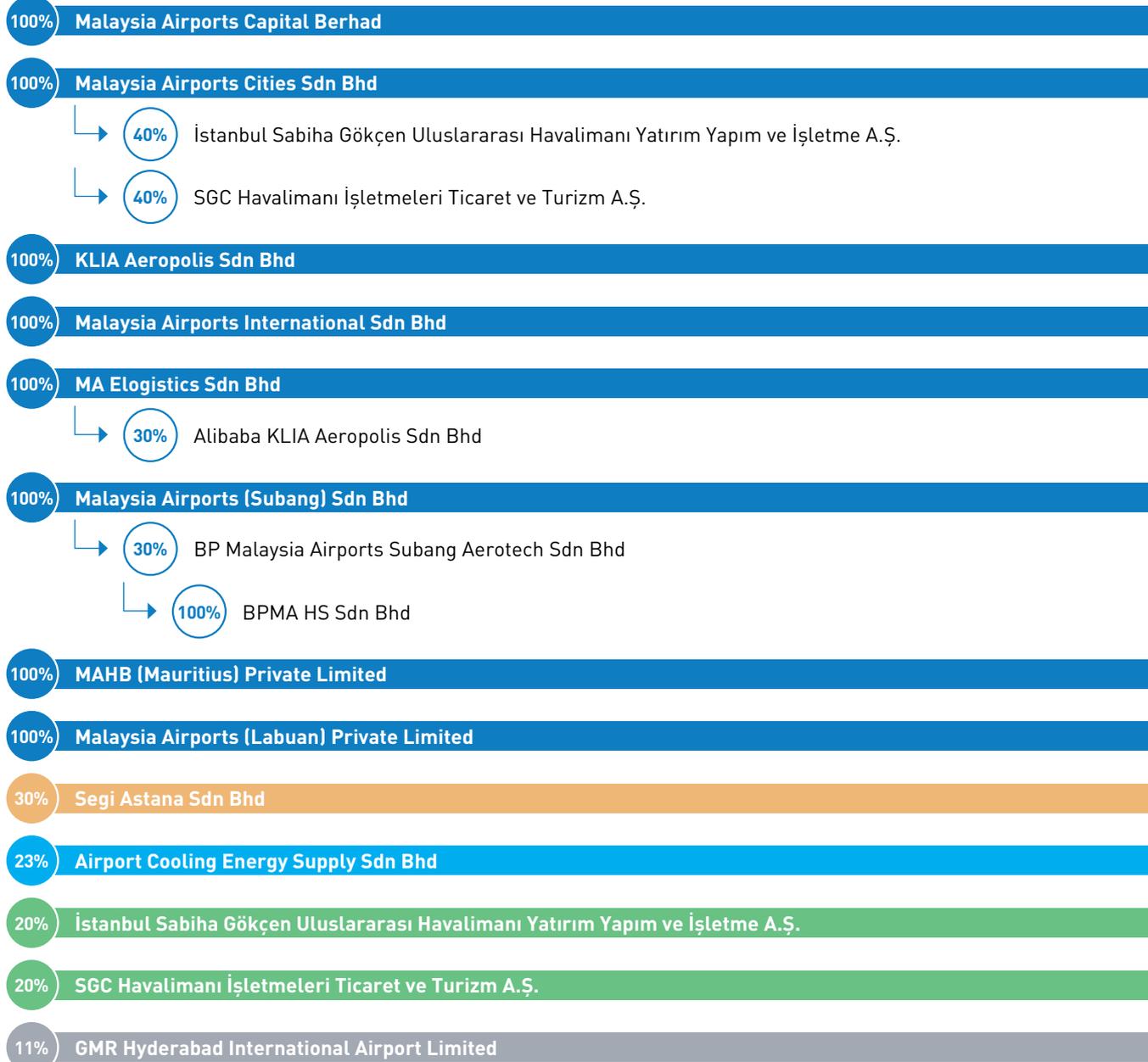
↳ 100% Malaysia Airports MSC Sdn Bhd

↳ 40% İstanbul Sabiha Gökçen Uluslararası Havalimanı Yatırım Yapım ve İşletme A.Ş.

↳ 40% SGC Havalimanı İşletmeleri Ticaret ve Turizm A.Ş.

↳ 30% Cooling Energy Supply Sdn Bhd

## CORPORATE STRUCTURE



# VALUE CREATION MODEL

## OUR POSITION IN THE AIRPORT VALUE CHAIN



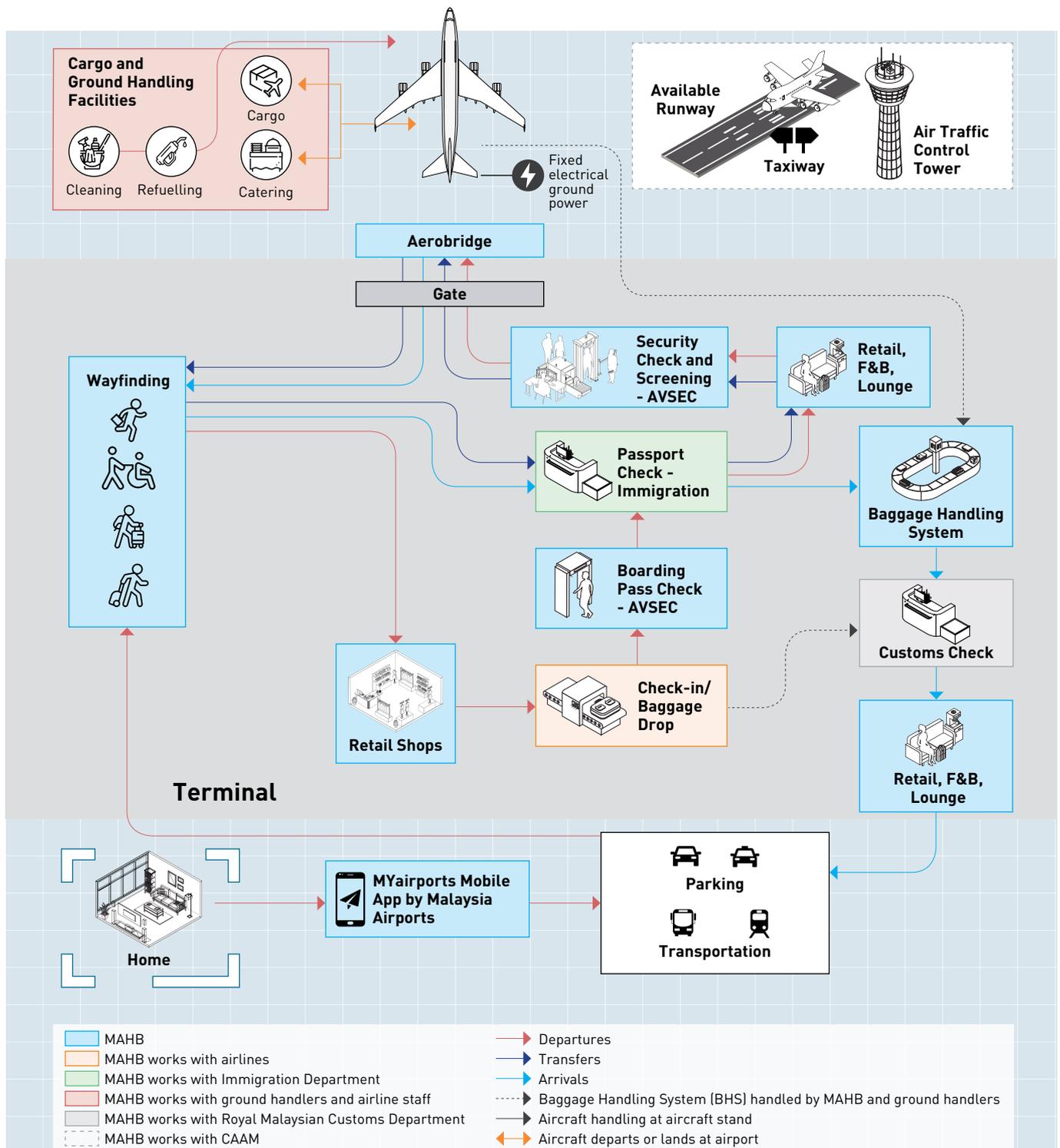
Malaysia Airports is responsible for the operational safety and security, management and maintenance of the airports. The services and facilities provided are divided into two main sections known as the landside (terminal, carpark and any other public areas on airport land) and the airside (aprons, runways, and taxiways).

Malaysia Airports works with the Civil Aviation Authority of Malaysia (CAAM) to ensure the safety and security of airport operations, particularly at the airside through regulations, oversight and monitoring of the technical and safety standards. The Air Traffic Control under CAAM coordinates aircraft navigation and is responsible for the safe movement of aircraft, including take-offs, landings, and taxiing.

In ensuring effective and efficient management of our airports, Malaysia Airports collaborates with government agencies such as the Immigration Department of Malaysia and Royal Malaysian Customs Department as well as private entities such as airlines and ground handlers. Malaysia Airports works closely with these parties in key areas and touchpoints such as check-in, immigration, customs checks, and baggage and ground handling.

We provide a seamless end-to-end journey for passengers throughout our airports from the onset of their journeys as they arrive by car, taxi, bus and train up until the boarding gates for departure. We also offer a wide range of retail and food and beverage outlets, operated by Malaysia Airports and its business partners, for passengers, meeters and greeters.

**VALUE CREATION MODEL**



Note: The illustration above reflects Malaysia Airports' operations in Malaysia only, representing the majority of the airports operated by the Group.

**VALUE CREATION MODEL**

**AT MALAYSIA AIRPORTS, OUR VISION IS TO BE A GLOBAL AIRPORT GROUP THAT CHAMPIONS CONNECTIVITY AND SUSTAINABILITY. WE SEEK TO CREATE VALUE FOR OUR KEY STAKEHOLDERS IN A POSITIVE AND SUSTAINABLE WAY.**

Our value creation model takes inputs from our capitals namely financial, manufactured, intellectual, human, social and natural capitals. We transform them through our business activities and interactions to produce outputs and outcomes that over time have the potential to create value for our business and key stakeholders.

The operating environment, risks and opportunities as well as feedback from stakeholder engagements are taken

into consideration in developing our strategies and action plans towards achieving overall long-term goals and objectives.

In embedding sustainability in our business, Malaysia Airports is guided by its Sustainability Policy and Sustainability Framework. The Framework is also aligned with relevant provisions of the United Nations Sustainable Development Goals (SDGs).



## VALUE CREATION MODEL



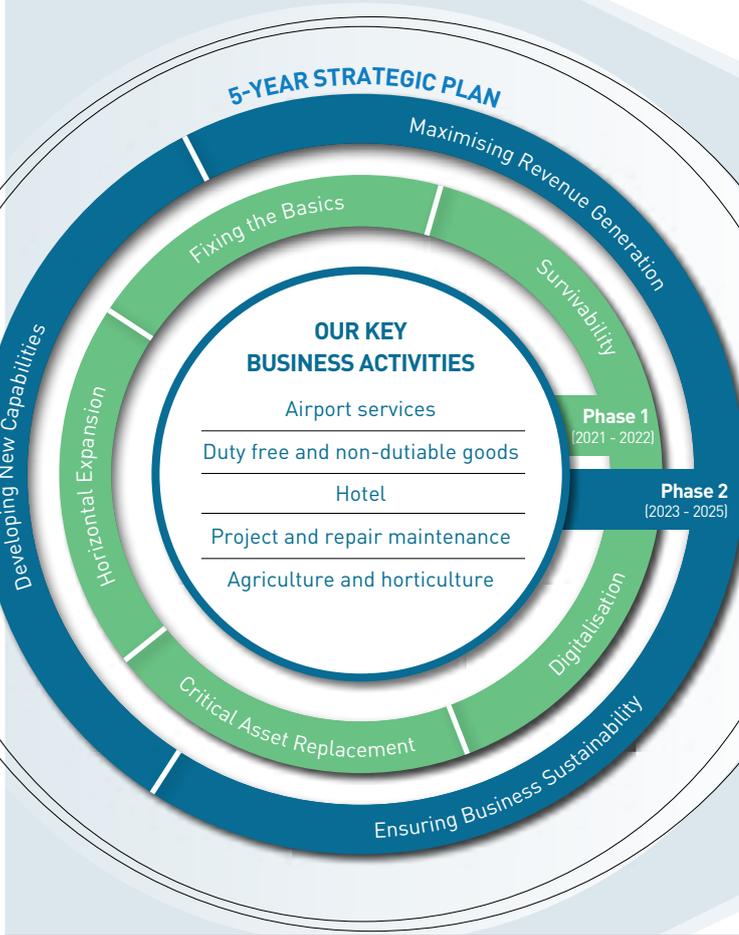
**VALUE CREATION MODEL**

**HOW WE CREATE VALUE FOR OUR KEY STAKEHOLDERS**

**OUR VISION**  
A Global Airport Group that Champions Connectivity and Sustainability

**BRAND PROMISE**  
Hosting Joyful Connections

**CAPITAL**



**SUSTAINABILITY POLICY**

**MATERIAL MATTERS**

**E**  
**Environmental**  
Improving efficiency and mitigating possible negative environmental impact brought on by our operations

**S**  
**Social**  
Creating a memorable experience for airport guests, fostering an inspiring workplace and strengthening our relationship with local communities

**G**  
**Governance**  
Promoting sound governance practices and a culture of integrity as well as transparency

**SUSTAINABILITY PILLARS**

- 1 Practising Sensible Economics
- 2 Environmental Consciousness
- 3 Creating an Inspiring Workplace
- 4 Community-Friendly Organisation
- 5 Memorable Airport Experience

**Financial**  
Financial capital is a vital input in funding our operations and growth. We obtain financial capital from three main sources, namely: equity, debt and operating cash flow generated from business activities.

**Manufactured**  
We incur capital expenditure in infrastructure investment for the maintenance and upgrade of our airports to ensure exceptional services are delivered to our passengers and customers.

**Intellectual**  
Our experience and reputation has led to our advisory capabilities being sought after by local and international airport companies to aid their development and management.

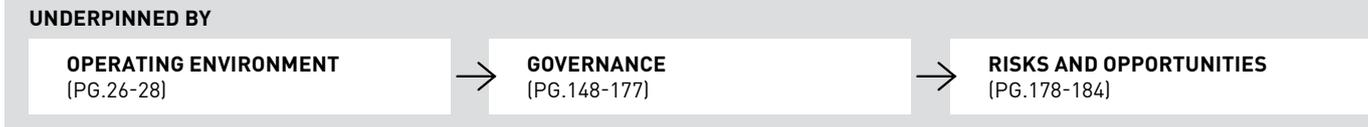
**Human**  
Our employees are the main drivers for our success. We develop a high-performing team by focusing on their development and training, employee benefits and continuous employee engagement.

**Social**  
We maintain strong relationships and trust with our stakeholders such as government, regulators, airport community and others through continuous engagement to deliver value to the economy and society surrounding us.

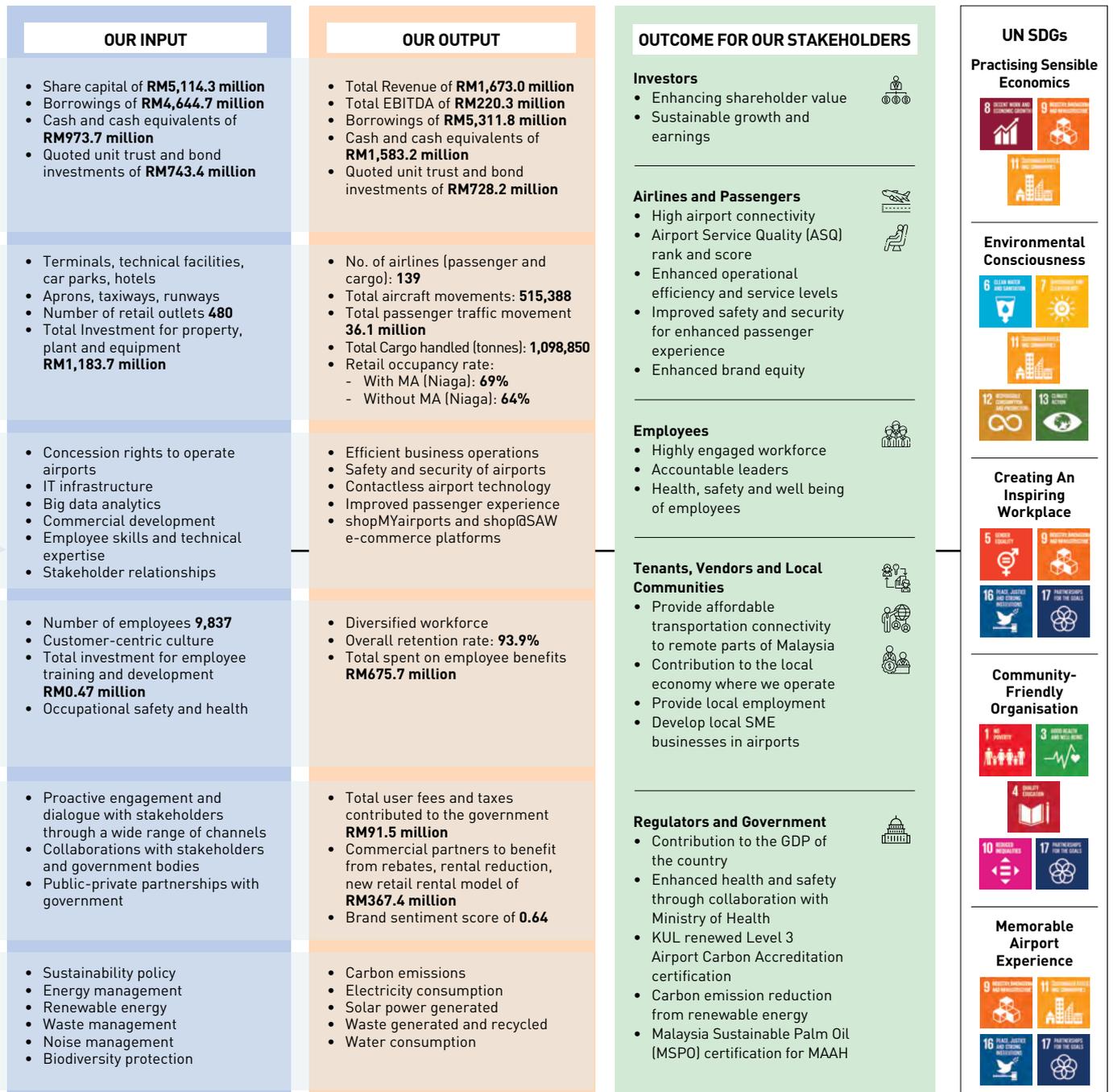
**Natural**  
We manage our environmental impact through an environmental management system which ensures compliance with environmental legislation.

- ENABLERS**
- Operational Excellence and Guest Experience
  - Governance and Process
  - Communications and Branding
  - Human Capital

- RISKS**
- Strategic
  - Financial
  - Human Capital
  - Regulatory Compliance
  - Operational



VALUE CREATION MODEL



# OPERATING ENVIRONMENT AND OUTLOOK

## UNDERSTANDING OUR OPERATING ENVIRONMENT

We continuously monitor various internal and external factors in our operating environment such as market trends, regulatory landscape and stakeholder expectations that have impacts on our business performance. This will determine our strategy on capturing new opportunities and mitigating emerging risks as well as our prioritisation of material matters.

## THE COVID-19 PANDEMIC



### Strategic Themes:



Survivability



Fixing the Basics



Digitalisation



Critical Asset Replacement

### Description

In response to the renewed waves and new variants of COVID-19, countries globally undertook various measures such as imposing lockdowns, travel restrictions and commencing vaccination programmes.

As the worldwide vaccination roll-out gained momentum in 2021, many countries have gradually relaxed border restrictions and resumed travel through reciprocal arrangements for travel bubbles and vaccinated travel lanes, subject to quarantine and COVID-19 tests requirements.

Airport operators continued to work closely with governments and relevant agencies in enhancing COVID-19 health and safety measures to boost confidence in air travel amid the relaxation of travel restrictions.

### Our Response

Our response in addressing the impact of the COVID-19 pandemic includes the following:

- Obtain the Airport Health Accreditation (AHA) by the Airports Council International (ACI) for KUL, BKI, KCH, LGK, PEN and SAW to ensure health and safety measures at the airports are aligned with industry best practices.
- Collaborate with the Ministry of Health, other relevant agencies and airlines to ensure public health and safety at our airports.
- Implement contactless technology to provide passengers with an enhanced, safe and contactless airport experience.
- Facilitate the gradual resumption of domestic and international travel through the Langkawi Travel Bubble and the Vaccinated Travel Lane (VTL) programmes respectively.
- Implement the Survival and Recovery Plan, which is part of the 5-Year Strategic Plan, to address business positioning as well as measures to strengthen financial position and manage liquidity risk.

*For more information on Our Response, please refer to the Strategy section on pages 29 to 41 of this <IR>*

### Outlook

Following the vaccination progress in 2021, the rollout of booster doses and the vaccination of children will provide further protection against COVID-19 variants and increase the vaccine coverage across the population.

In addition, many countries including Malaysia are cautiously and carefully transitioning from the COVID-19 pandemic to the endemic stage, which could expedite the return to normalcy and encourage the resumption of air travel.

## OPERATING ENVIRONMENT AND OUTLOOK

## ECONOMIC CONTEXT



## Strategic Themes:



Survivability



Fixing the Basics



Horizontal Expansion



Digitalisation



Critical Asset Replacement

## Description

The global economic growth is estimated at 5.9% in 2021, supported by accommodative policy support in large economies and global vaccine rollouts to strengthen economic activities, according to the International Monetary Fund (IMF).

However, supply disruptions have continued to weigh on activities while inflation has been higher and more broad-based than anticipated. A resurgence in COVID-19 cases also held back a broader economic recovery in 2021.

Meanwhile, the Malaysian economy grew by 3.5% in 2021. This was driven by the resumption in economic activities with the easing of COVID-19 containment measures, recovery in the labour market, continued policy support from the government and strong external demand.

## Our Response

Our response in addressing the challenging economic environment includes the following:

- Undertake operational expenses containment and cash conservation measures.
- Address liquidity risk by securing undrawn borrowing facilities consisting of revolving credit facilities (RCF) and Sukuk facilities.
- Improve non-aeronautical revenue and business performance.
- Tap new opportunities to unlock additional revenue streams.
- Adopt latest technological innovations including digital services and contactless touchpoints.
- Undertake critical maintenance CAPEX projects including runway rehabilitation and washroom refurbishments to ensure readiness.
- Provide assistance to airlines and retail partners comprising waivers, rebates, discounted rentals and Network Reconnecting Programme.

*For more information on Our Response, please refer to the Strategy section on pages 29 to 41 of this <IR>*

## Outlook

The IMF is projecting the global economy to grow moderately at 4.4% in 2022 as the emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions. In addition, elevated inflation is expected to persist, with ongoing supply chain disruptions and high energy prices continuing in 2022.

Meanwhile, Bank Negara Malaysia (BNM) is expecting the recovery of the Malaysian economy to continue in 2022, despite risks of further disruptions that could be caused by the coronavirus pandemic.

The Malaysian economy is projected to grow between 5.3% - 6.3% in 2022, supported by expansion in global demand, higher private sector expenditure given improving labour market conditions and ongoing policy support and continuation of major investment projects in private and public sectors.

The economic recovery will also likely be boosted by the reopening of international borders, with the removal of quarantine for travellers who have been fully vaccinated.

## OPERATING ENVIRONMENT AND OUTLOOK

## AIR TRANSPORT SECTOR



## Strategic Themes:



Survivability



Horizontal Expansion

**Description**

According to the International Air Transport Association (IATA), the global demand for air travel in 2021 has recovered to 41.6% of 2019 levels as countries gradually relaxed domestic restrictions and resumed international travel in certain regions.

Overall, the global demand for domestic travel has recovered at a faster pace than international travel due to more relaxed rules in the domestic sector. The demand for domestic travel in 2021 has recovered to 71.8% of 2019 levels, while demand for international travel was at 24.5% of 2019 levels.

The COVID-19 pandemic continued to impact the aviation industry throughout 2021 with renewed waves and new variants of the virus. However, the worldwide vaccination rollout has helped to mitigate the impact of the pandemic on the industry.

**Our Response**

Our response in overcoming the challenges faced in the sector:

- Ensure the continuous operations of all airports within the Group to maintain domestic and international air connectivity for travel and trade.
- Assure passengers of health and safety measures in place at airports which enable them to travel safely and comfortably to instill and restore confidence in air travel.
- Provide incentives to airlines through the Network Reconnecting Programme (NRP) for the resumption of services in Malaysia.
- Facilitate the gradual resumption of domestic and international travel through the Langkawi Travel Bubble, Vaccinated Travel Lane (VTL) programmes, and the reopening of Malaysia's borders.

*For more information on Our Response, please refer to the Strategy section on pages 29 to 41 of this <IR>*

**Outlook**

The recovery of traffic will continue to depend on the following key factors such as vaccination progress in other countries, successful containment of COVID-19, uplift of international border restrictions, less rigorous travel requirements and introduction of more Vaccinated Travel Lane programmes.

Based on the progressive relaxation or elimination of travel restrictions in many markets, IATA is expecting that global demand for air travel will reach 61% of 2019 levels in 2022. Domestic travel is expected to continue leading traffic recovery, while international travel will be driven by the pace of vaccine rollout by other countries and government policies on travel rules.

IATA maintains its forecast that overall air travel demand is expected to return to pre-COVID-19 levels by 2024.

# INTRODUCTION TO STRATEGY

## 5-YEAR STRATEGIC PLAN

**The COVID-19 pandemic continues to bring challenges to the aviation industry globally. Malaysia Airports has been working closely with its partners to navigate through the impact of the pandemic. Despite the challenges, the Group remains resilient and committed to deliver long-term value for its key stakeholders through the execution of its 5-Year Strategic Plan.**

Our strategy is developed by taking into consideration our external environment, risks and opportunities as well as matters that may affect the achievement of strategic objectives and the Group's ability to create value over time.

The COVID-19 pandemic continues to bring challenges to our business operations as the decline in air travel demand impacts our business and financial performance. We focus on being continuously proactive by working collaboratively with our partners to meet the needs of passengers and navigate through pandemic, while positioning ourselves for recovery and growth.

Our 5-Year Strategic Plan, consisting of two phases: Phase 1 (Survival and Recovery) and Phase 2 (Growth and Transformation), sets out the Group's strategic direction until 2025, that aims to capture potential growth for long-term business sustainability.

### PHASE 1 (2021 - 2022): MALAYSIA AIRPORTS SURVIVAL AND RECOVERY PLAN

Malaysia Airports continues to face a challenging operating environment as the travel and tourism sector remain weak following the COVID-19 pandemic. As a response, we have developed the Survival and Recovery Plan to help us navigate through the impact of COVID-19 on the aviation industry and our business. Malaysia Airports' Survival and Recovery Plan addresses how we plan to recover from the pandemic by focusing our efforts in bringing back international traffic and containing our costs, while continue to improve passengers' comfort and confidence.

Five main strategic themes namely Survivability, Fixing the Basics, Horizontal Expansion, Digitalisation and Critical Asset Replacement, form the basis of our strategic endeavours under Phase 1 (2021 - 2022): Malaysia Airports Survival and Recovery Plan.

### PHASE 2 (2023 - 2025): MALAYSIA AIRPORTS GROWTH AND TRANSFORMATION PLAN

While the immediate focus is to ensure the recovery of the Group from the COVID-19 pandemic, it is also important to position ourselves for future business growth and sustainability. This will be guided by our Phase 2 (2023 - 2025): Malaysia Airports Growth and Transformation Plan which is anchored on three strategic thrusts namely Maximising Revenue Generation, Developing New Capabilities and Ensuring Business Sustainability.

Our 5-Year Strategic Plan also consists of four key enablers namely Operational Excellence and Guest Experience, Governance and Process, Communications and Branding as well as Human Capital, which support the execution of our strategy.

In the following disclosures, we will discuss in detail all strategic themes and key enablers, each with its own key activities to create value in FY2021, short to medium term focus, performance indicators and link to material matters.

# OUR STRATEGY

## 5-YEAR STRATEGIC PLAN

### Phase 1 (2021 - 2022)

#### Malaysia Airports Survival and Recovery Plan

To address our business and financial positioning in light of the pandemic by focusing on:



#### Survivability

The Group focuses on operating assets efficiently and cost-effectively as possible to mitigate the risk of crisis that massively hit the global aviation industry and prepare for air traffic rebound.



#### Fixing the Basics

The Group continues to ensure that the fundamental aspects of its airports are operational and in good condition so that passengers are assured of a safe and joyful travel experience in the new normal.



#### Horizontal Expansion

The Group intends to expand its focus to more than just aviation services by exploring new opportunities and diversifying revenue streams to improve business performance.



#### Digitalisation

The Group aspires to transform its airports with the latest technological innovations to improve operations, efficiency, safety and airport experience.



#### Critical Asset Replacement

The Group continues to improve its critical assets and infrastructure for effective operations and readiness in meeting demand.

### Phase 2 (2023 - 2025)

#### Malaysia Airports Growth and Transformation Plan

To address our business growth and sustainability anchored by:



#### Maximising Revenue Generation

The Group targets to capture potential opportunities and create new revenue streams to further strengthen its financial position and enhance long-term value for shareholders.



#### Developing New Capabilities

As a leading industry player, it is important to continuously enhance our capabilities in the evolving operating landscape. In light of this, the Group aims to develop new capabilities to ensure timeliness, efficiency and successful implementation of strategies.



#### Ensuring Business Sustainability

The Group aims to ensure business growth and sustainability across its key business activities, leveraging on its abilities, expertise and track record to continuously deliver value to its stakeholders. In doing so, the Group intends to explore value accretion activities to future-proof, strengthen and solidify its presence and competitiveness in the industry.

6σ

#### Operational Excellence and Innovation

The Group pursues operational excellence and strives to elevate guest experience through a culture of continuous improvement, innovation and caring hosts



#### Governance and Process

The Group continues to strengthen the governance and procurement process through digitalisation and continuous process improvement



#### Communications and Branding

The Group strives to instil positive perception and restore confidence in air travel through effective communication and branding



#### Human Capital

The Group aspires to create a workplace that allows people to perform and develop in a safe and healthy environment, leading to enhanced organisational effectiveness

# OUR STRATEGY

## SURVIVAL AND RECOVERY (2021 - 2022)



### SURVIVABILITY

Malaysia Airports' immediate focus is to emerge from the current impact of COVID-19 on a stronger footing. The Group focuses on operating assets as efficiently and cost-effectively as possible to mitigate the impact of crisis that massively hit the global aviation industry and prepare for air traffic rebound.

#### STRATEGIC KEY FOCUS AREAS

- 1) Operational expenses containment and cash conservation
- 2) Addressing liquidity risk
- 3) Cash recovery
- 4) Drive process efficiencies across operations
- 5) Sustaining aeronautical business

#### KEY ACTIVITIES TO CREATE VALUE IN FY2021

##### **Operational expenses containment and cash conservation**

- 1) Implemented aggressive cost optimisation plan which includes measures to recalibrate operational efficiencies, rebase cost, and prioritise capital expenditure to conserve cash reserves.

##### **Addressing liquidity risk**

- 2) Secured an additional of RM225.0 million of revolving credit facilities (RCF) from two banks, bringing a combined total of RM1.3 billion in RCF as contingency lines for the Group.
- 3) Established new Sukuk Wakalah Programme of up to RM5.0 billion for the purpose of working capital requirements, capital expenditures, general corporate exercises and refinancing or repayment of existing borrowings.
- 4) Completed the issuance of RM800.0 million Senior Sukuk via three tranches offering pursuant to the Senior Sukuk Wakalah Program, comprising a 5-year, RM475.0 million tranche; a 7-year, RM225.0 million tranche and a 10-year, RM100.0 million tranche.
- 5) Secured the deferral of SAW's EUR114.8 million utilisation fee through negotiations with the Turkish government.

##### **Cash recovery**

- 6) Collected over RM1,647.0 million through a cash recovery plan on trade and other outstanding receivables by working closely with the government, airlines and commercial tenants.

##### **Drive process efficiencies across operations**

- 7) Optimised terminal operations which include partial closure of non-operational areas of terminals, alternate shutdown of Aerotrains, optimisation of bay allocations as well as optimisation of passenger flow and terminal capacity.

##### **Sustaining aeronautical business**

- 8) Continued the Network Reconnecting Programme (NRP) to incentivise airlines to resume operations into Malaysia. A total of 34 airlines benefitted from the programme.

**OUR STRATEGY****SURVIVAL AND RECOVERY (2021 - 2022)****SHORT TO MEDIUM TERM FOCUS**

- 1) Continuously optimise costs through strict cost containment, contract reviews, workflow improvements and manpower management in order to improve and strengthen financial performance and position.
- 2) Maintain credit rating with RAM and Moody's in the event further funding is required. Nevertheless, the Group still has undrawn facilities of RM6.0 billion through its existing sukuk programmes, in addition to the RM1.3 billion revolving credit facilities the Group had obtained from the banks in order to maintain the Group's liquidity going forward.
- 3) Revolutionise KUL where some initiatives include improving efficiency at touchpoints and enhancing processes for departure and arrival.
- 4) Bringing back international passengers by reestablishing lost network and rebuilding connectivity through the Network Reconnecting Programme (NRP) and launching of the Airline Incentive Programme (AIP) IV.

**PERFORMANCE INDICATORS**

	<b>FY2021</b>	<b>FY2020</b>
<b>Operating costs containment</b>	11.2% core operating costs reduction	26.1% core operating costs reduction
<b>CAPEX cash conservation</b>	Conserved cash by reducing CAPEX spend to only RM139.4 million	Conserved cash by reducing CAPEX spend to only RM189.7 million
<b>Maintain credit ratings</b>	Maintained AAA ratings with stable outlook	Maintained AAA ratings with stable outlook
<b>Mitigate liquidity risks</b>	Established new Sukuk Wakalah Programme of up to RM5.0 billion	Secured RM1.1 billion in revolving credit facilities

**Capitals Affected**

Financial



Manufactured



Intellectual



Human

**Link to Material Matters**

Economic Performance



Transportation and Connectivity



Regulatory Compliance

## OUR STRATEGY

### SURVIVAL AND RECOVERY (2021 - 2022)



## FIXING THE BASICS

Malaysia Airports continues to ensure that the fundamental aspects of our airports are operational and in good condition so that passengers are assured of a safe and joyful travel experience in the new normal.

### STRATEGIC KEY FOCUS AREAS

- 1) Ensure the fundamental aspects of the airports are operational and in good condition.
- 2) Enhance health and safety measures at all touchpoints in the airports.

### KEY ACTIVITIES TO CREATE VALUE IN FY2021

#### Ensure the fundamental aspects of the airports are operational and in good condition

- 1) Completed rehabilitation works on KUL's Runway 1 in June 2021, as part of the Second Phase of KUL Runway Sustainability Master Plan, to ensure the runway continues to meet all international safety and regulatory guidelines for flight operations.
- 2) Completed rehabilitation and resurfacing works for runways and taxiways at PEN, KBR, AOR, LGK, SDK, LDU and MYY.
- 3) Completed 100% of the Group's three-year washroom refurbishment project at KUL involving 225 washrooms with enhanced ambience and amenities to improve the passenger experience.
- 4) Completed the upgrading and refurbishment of passenger lifts and washrooms at short-term carpark blocks A, B, C and D of KLIA1.

#### Enhance health and safety at all touchpoints in the airports

- 5) Obtained the Airport Health Accreditation (AHA) by ACI for KUL, BKI, KCH, LGK, PEN and SAW to ensure health and safety measures at the airports are aligned with industry best practices.
- 6) Enhanced airport readiness and passenger flow by working with related government agencies to facilitate the gradual resumption of domestic and international travel through Langkawi Travel Bubble, Vaccinated Travel Lane (VTL) programmes, and the reopening of Malaysia's borders.
- 7) Continued publication of digital notices and communication to passengers on travel-related FAQs for greater passenger awareness and promoted social distancing by putting appropriate markers at the check-in, immigration and customs queueing areas, in lifts and at seating areas.

### SHORT TO MEDIUM TERM FOCUS

- 1) Focus on ensuring aerodrome facilities such as runways, taxiways and aprons as well as terminal facilities such as people mover systems, IT systems and washrooms are well maintained and continue to operate in good condition.
- 2) Integrate the Airfield Ground Lighting (AGL) systems between KLIA1 and klia2 in collaboration with the Civil Aviation Authority of Malaysia (CAAM) to enhance the safety of flight operations at KUL.
- 3) Complete airport optimisation at BKI which involved new parking apron with additional aircraft stands, rehabilitation of taxiways and reconfiguration of pavement markings.

**OUR STRATEGY**

## SURVIVAL AND RECOVERY (2021 - 2022)

**PERFORMANCE INDICATORS****QoS Results for KLIA1**

	2021	2020
Jan	4/4	18/20
Feb	4/4	18/20
Mar	4/4	4/4
Apr	15/15	4/4
May	4/4	4/4
Jun	4/4	4/4
Jul	4/4	15/15
Aug	4/4	15/15
Sept	4/4	15/15
Oct	4/4	4/4
Nov	15/15	4/4
Dec	TBC*	4/4

**QoS Results for klia2**

	2021	2020
Jan	4/4	18/20
Feb	4/4	18/20
Mar	4/4	4/4
Apr	15/15	4/4
May	4/4	4/4
Jun	4/4	4/4
Jul	4/4	15/15
Aug	4/4	15/15
Sept	4/4	15/15
Oct	4/4	4/4
Nov	15/15	4/4
Dec	TBC*	4/4

**ASQ Scores - Overall Satisfaction**

	2021	2020
KUL	5	4.98
LGK	5	4.71

**ACSPP Scores - Overall Satisfaction**

	2021	2020
PEN	4.61	4.42
KCH	4.77	4.42
BKI	4.74	4.34

**Capitals Affected**

Financial



Manufactured



Intellectual

**Link to Material Matters**

Total Airport Experience



Airport Safety and Security



Regulatory Compliance

\* At the time of publication, the QoS results for December 2021 were not yet made available by the Malaysian Aviation Commission (MAVCOM).



## HORIZONTAL EXPANSION

Malaysia Airports intends to expand its focus to more than just aviation services by exploring new opportunities and diversifying revenue streams to improve business performance.

### STRATEGIC KEY FOCUS AREAS

- 1) Tap new opportunities and unlock additional revenue streams.
- 2) Improve non-aeronautical revenue and business performance.

### KEY ACTIVITIES TO CREATE VALUE IN FY2021

#### Tap new opportunities and unlock additional revenue streams

- 1) Established new private health screening facilities at all international airports, offering COVID-19 screening and testing services for passengers with value-added services such as passenger escort and faster result readiness at reasonable price.
- 2) Established the Business Traveller Centre (BTC) at KLIA1, in collaboration with the government, to provide an enhanced travel experience for the business travellers arriving in Malaysia.
- 3) Organised the KLIA Crazy Sale, KKIA Beauty Sales and Eraman Friends and Family Sale as additional sales avenues for retailers while providing the opportunity for non-travellers to enjoy great deals.
- 4) Implemented the Eraman Live Ordering via digital app for retail business that enables contactless ordering and payment during Movement Control Order (MCO) periods.
- 5) Diversified K.L. Airport Hotel's revenue stream by providing property management service to external party outside of airport area.

#### Improve non-aeronautical revenue and business performance

- 6) Improved retail offerings by revitalising and optimising commercial spaces to further grow non-aeronautical business by tendering out 226 outlets under the Commercial Reset programme.
- 7) Launched Eraman's newly renovated Food Garden at KLIA1 with an open kitchen and scenic tropical garden concept, where customers can enjoy a variety of local and international cuisines.
- 8) Expanded customer outreach for Eraman's food & beverage business by offering delivery service within and beyond the airport terminals.
- 9) Achieved 80% occupancy rate at the Cainiao Aeropolis eWTP Hub with the onboarding of cargo terminal operators and 3<sup>rd</sup> party logistics providers at the 1.1 million sq ft global e-fulfilment hub.
- 10) Commenced development of Phase 3 of Mitsui Outlet Park @ KLIA Sepang, which is expected to become the largest factory outlet shopping mall in Southeast Asia upon its completion.
- 11) Secured Dassault Aviation's Asia 'Centre of Excellence' for Maintenance, Repair and Overhaul (MRO) at SZB, which is a testament of SZB as the preferred regional business aviation hub. The state-of-the-art facility to be built on 144,000 sq ft of land is valued at RM100.0 million and will be ready by 2023.

**OUR STRATEGY****SURVIVAL AND RECOVERY (2021 - 2022)****SHORT TO MEDIUM TERM FOCUS**

- 1) Strengthen e-commerce initiative through 'Click and Collect' services in order to capitalise on the expected high growth of the online shopping market.
- 2) Capitalise on strategic off-terminal, land and infrastructure development at KUL and SZB that are airport-driven, revolving around 3 themes namely KUL as Preferred Regional Distribution Centre and MRO Hub, KUL as Top-of-Mind Tourist and Business Destination and SZB as Preferred Aerospace and Business Aviation Hub.
- 3) Recapture Sama-Sama Hotel's F&B, banquets, and meeting revenue by leveraging on newly renovated hotel lobby, restaurants, meeting rooms and ballrooms.

**HORIZONTAL EXPANSION PERFORMANCE INDICATORS**

Key Performance Indicators	Data Coverage	FY2021	FY2020
Commercial Revenue (RM'million)	KLIA1	74.1	184.4
	klia2	20.3	138.7
	Other airports in Malaysia	28.6	70.2
Non-Aero Revenue (RM'million)	Group	668.5	796.2
Spend per Passenger (RM)	KLIA1	32.3	39.4
	klia2	14.3	22.3
Retail Duty Free Revenue (RM'million)	Eraman	39.9	155.0
Retail Duty Free EBITDA (RM'million)	Eraman	-40.4	-89.7

**Capitals Affected**

Financial



Manufactured



Intellectual

**Link to Material Matters**

Airport Capacity



Market Presence



Digitalisation



Economic Performance



Transportation and Connectivity

## OUR STRATEGY

### SURVIVAL AND RECOVERY (2021 - 2022)



## DIGITALISATION

Malaysia Airports aspires to transform our airports with the latest technological innovations to improve operations, efficiency, safety, and airport experience.

### STRATEGIC KEY FOCUS AREAS

- 1) Enhance efficiency through digital transformation and process automation.
- 2) Adopt latest technological innovations including digital services and contactless touchpoints.

### KEY ACTIVITIES TO CREATE VALUE IN FY2021

#### Enhancing efficiency through digital transformation and process automation

- 1) Launched and implemented the world's first Remote Control System (RCS) for Passenger Boarding Bridges (PBB) at SAW which allows the PBBs to be safely controlled from a remote position while improving the docking and undocking processes of flights.
- 2) Implemented Passenger Tracking System (PTS), a passenger flow management system at SAW which utilises 184 state-of-the-art sensors to automatically detect congestion at touchpoints and provide real time information to heighten safety and operational efficiency.

#### Adopt latest technological innovations including digital services and contactless touchpoints

- 3) Commenced the implementation of the Single Token Journey initiative with the installation of Self Boarding eGates at KUL, utilising facial recognition technology for faster and safer passenger authentication at KUL.
- 4) Rolled-out the Passenger Reconciliation System (PRS) at KUL to provide greater convenience while ensuring minimal queues for passengers.
- 5) Enhanced the Customer Real-Time Feedback Survey System (CRFSS) across all washrooms at KUL by integrating the system with the UTW Smart Asset Solution Management to improve maintenance response times.
- 6) Enhanced MYairports app to incorporate better capabilities.

### SHORT TO MEDIUM TERM FOCUS

- 1) Implement new technologies including the Airport Collaborative Decision Making (ACDM) and Self-Service Bag Drop (SSBD) to increase operational efficiency while providing convenience to passengers.
- 2) Implement state-of-the-art Airport Integrated Security and Safety System (AIS3) at KUL which includes the enhancement of existing systems and the utilisation of artificial intelligence (AI) to improve overall safety, security and surveillance capabilities.
- 3) Leverage on and utilise 5G and Smart Solution platform to accelerate e-commerce penetration, introduce on-demand delivery to gate and enhance contactless transactions via digital payment mediums.

**OUR STRATEGY**

SURVIVAL AND RECOVERY (2021 - 2022)

PERFORMANCE INDICATORS		
Key Performance Indicators	FY2021	FY2020
Total active users	MYairports - 5,992 shopMYairports - 4,764	MYairports - 9,411 shopMYairports - 2,752
% of digital sales on shopMYairports from total digital and non-digital sales	6.78%	0.09%
Amount of digital sales on shopMYairports	RM11.4 million	RM0.46 million

**Capitals Affected**



Financial



Manufactured



Intellectual



Human

**Link to Material Matters**



Airport Safety and Security



Total Airport Experience



Digitalisation



Cybersecurity



## CRITICAL ASSET REPLACEMENT

Malaysia Airports continues to improve its critical assets and infrastructure for effective operations and readiness in meeting demand.

### STRATEGIC KEY FOCUS AREAS

- 1) Ensure critical assets and infrastructure are being replaced and upgraded to adhere to regulatory requirements and are ready to meet demand.

### KEY ACTIVITIES TO CREATE VALUE IN FY2021

#### **Ensure critical assets and infrastructure are being replaced and upgraded to adhere to regulatory requirements and are ready to meet demand**

- 1) Embarked on the replacement exercise of KLIA1's Automated People Mover (APM), also known as the Aerotrain system to improve safety and comfort of passengers as well as enhance operational efficiency.
- 2) Replaced 136 units of X-ray screening machines at 22 airports nationwide to improve efficiency of security screening procedures at airports.
- 3) Embarked on the replacement of 17 fire vehicles at 13 airports nationwide, of which 8 state-of-the-art vehicles have been delivered to IPH, KBR, LMN, MKZ, MYY, SDK and TGG to enhance the efficiency of Airport Fire and Rescue Service (AFRS) in responding to emergencies.

### SHORT TO MEDIUM TERM FOCUS

- 1) Undertake replacement and upgrading works of KLIA1's Aerotrain and its track system infrastructure, which is scheduled to be completed in 2025.
- 2) Allocate CAPEX for the replacement and upgrading works of KLIA1's Baggage Handling System (BHS).
- 3) Complete the replacement programme of fire vehicles with the delivery of the remaining 9 vehicles to 7 airports namely IPH, BTU, SBW, LDU, AOR, TWU and LMN.

**OUR STRATEGY**

SURVIVAL AND RECOVERY (2021 - 2022)

**PERFORMANCE INDICATORS****BHS Availability at KUL (%)**

	KLIA1		klia2	
	2021	2020	2021	2020
Jan	N/A	99.82	N/A	100
Feb	N/A	99.94	N/A	100
Mar	N/A	N/A	N/A	N/A
Apr	N/A	N/A	N/A	N/A
May	N/A	N/A	N/A	N/A
Jun	N/A	N/A	N/A	N/A
Jul	N/A	N/A	N/A	N/A
Aug	N/A	N/A	N/A	N/A
Sept	N/A	N/A	N/A	N/A
Oct	N/A	N/A	N/A	N/A
Nov	N/A	N/A	N/A	N/A
Dec	N/A	N/A	N/A	N/A

**Aerotrain Availability at KLIA1 (%)**

	2 Trains		1 Train	
	2021	2020	2021	2020
Jan	N/A	99.30	N/A	100
Feb	N/A	99.40	N/A	100
Mar	N/A	N/A	N/A	N/A
Apr	N/A	N/A	N/A	N/A
May	N/A	N/A	N/A	N/A
Jun	N/A	N/A	N/A	N/A
Jul	N/A	N/A	N/A	N/A
Aug	N/A	N/A	N/A	N/A
Sept	N/A	N/A	N/A	N/A
Oct	N/A	N/A	N/A	N/A
Nov	N/A	N/A	N/A	N/A
Dec	N/A	N/A	N/A	N/A

**Capitals Affected**

Financial



Manufactured



Intellectual

**Link to Material Matters**

Total Airport Experience



Airport Capacity



Procurement Practices



Regulatory Compliance



Integrity and Anti-Corruption

Note: The availability of BHS and Aerotrains were marked as not applicable by the Malaysian Aviation Commission (MAVCOM) in its Quality of Service (QoS) evaluations as some equipment was inactive as part of KUL's operational optimisation initiative.

# OUR STRATEGY

## GROWTH AND TRANSFORMATION (2023 – 2025)



**PHASE 2:  
GROWTH AND  
TRANSFORMATION  
PLAN**

Phase 2 of our 5-Year Strategic Plan aims to drive transformation and position Malaysia Airports for business growth and sustainability. This will be anchored by three Strategic Thrusts, namely:

### MAXIMISING REVENUE GENERATION

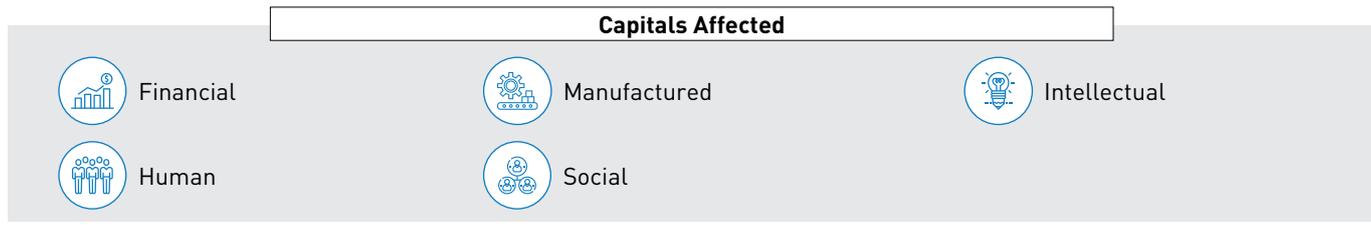
Malaysia Airports targets to capture potential opportunities and create new revenue streams to further strengthen its financial position and enhance long-term value for shareholders through coordinated passenger development programmes and mixed developments catering to passengers, meeters, greeters and visitors to create a unique travel experience with distinctive commercial offerings and added space for convenience, comfort and satisfaction.

### DEVELOPING NEW CAPABILITIES

As a leading industry player, it is important to continuously enhance our capabilities in the evolving operating landscape. In light of this, Malaysia Airports aims to develop new capabilities to ensure timeliness, efficiency and successful implementation of strategies, to meet market demands that will help strengthen Malaysia Airports’ business and position.

### ENSURING BUSINESS SUSTAINABILITY

Malaysia Airports aims to ensure business growth and sustainability across its key business activities, leveraging on its abilities, expertise and track record. In doing so, Malaysia Airports intends to explore value accretion activities in future-proofing, strengthening and solidifying its presence and competitiveness in the industry.



# KEY ENABLERS



## OPERATIONAL EXCELLENCE AND GUEST EXPERIENCE

Malaysia Airports pursues operational excellence and strives to elevate the guest experience through a culture of continuous improvement, innovation and caring hosts.

### STRATEGIC KEY FOCUS AREAS

- 1) Operational excellence (OE)
- 2) People development
- 3) Guest experience

### KEY ACTIVITIES TO CREATE VALUE IN FY2021

#### Operational excellence (OE)

- 1) Drove operational improvement projects that led to OPEX optimisation with financial impact of RM132.4 million via adoption of OE methodologies.
- 2) Rolled-out inaugural Group-wide OE League project competition to boost the adoption of OE methodologies in the areas of cost savings, service quality, efficiency, and productivity.
- 3) Rolled-out online OE training module comprising OE Awareness, Lean Six Sigma, Design Thinking and Agile practices for Malaysia Airports employees.

#### People development

- 4) Provided 579 Malaysia Airports employees with training on Lean Six Sigma, Design Thinking and Agile practices.
- 5) Developed 2,089 Host Culture Senior Specialists from Aviation Security (AVSEC) and Customer Experience Management (CEM) to enhance courtesy and helpfulness of airport employees.

#### Guest experience

- 6) Established Voice of Customer (VoC) as a data-driven reference document to provide actionable insights for continuous improvement in Airport Service Quality (ASQ) performance.
- 7) Embarked on the Automated Queue Management System (AQMS) to enhance queue monitoring and management at KUL as part of the requirements under MAVCOM's Quality of Service (QoS).
- 8) Established ASQ Squads and Guest Experience (GX) Design Labs at KUL to ideate and incubate initiatives to elevate guest experience based on Design Thinking and Agile practices.

### SHORT TO MEDIUM TERM FOCUS

- 1) Drive workflow improvement projects to optimise operating costs and increase operational efficiency.
- 2) Deliver improvements at the airports to provide exceptional guest experience and service quality as measured by ASQ and QoS.
- 3) Continuously develop subject matter experts in Lean Six Sigma, Design Thinking, Agile and Host Culture practices to drive the Group-wide institutionalisation of OE and Host Culture.

## KEY ENABLERS

## PERFORMANCE INDICATORS

	2021	2020
Total Financial Impact (RM'million)	132.4	131.7
Cost Savings (RM'million)	124.4	131.5
Cost Avoidance (RM'million)	5.8	0.03
Cost Efficiency (RM'million)	2.2	0.2
Revenue (RM'million)	0.1	0.3
Total Trained Employees on Lean Six Sigma methodology	949	595
• Yellow Belt/Lean Practitioner	301	32
• Green Belt	53	21
• Black Belt	0	25
<b>Total</b>	<b>354</b>	<b>78</b>
Total Trained Employees on Design Thinking & Agile methodologies	247	22
• Intermediate	202	0
• Practitioner	23	22
<b>Total</b>	<b>225</b>	<b>22</b>

## Capitals Affected



Financial



Manufactured



Intellectual



Human

## Link to Material Matters



Digitalisation



Total Airport Experience



Economic Performance



Airport Safety and Security

## KEY ENABLERS



### GOVERNANCE AND PROCESS

Malaysia Airports continues to strengthen the governance and procurement process through digitalisation and continuous process improvement.

#### STRATEGIC KEY FOCUS AREAS

- 1) Strengthen procurement process through automation and digitalisation initiatives as part of the procurement transformation journey to drive value creation.

#### KEY ACTIVITIES TO CREATE VALUE IN FY2021

##### **Strengthen procurement process through automation and digitalisation initiatives as part of the procurement transformation journey to drive value creation**

- 1) Continued leveraging on technology for procurement through eTender, eForm A, eBidding, Spend Analytics and Digital Interactive Group Procurement Manual to expedite the process and improve efficiency, quality and transparency.
- 2) Enhanced and empowered decision-making process as part of the procurement transformation.

#### SHORT TO MEDIUM TERM FOCUS

- 1) Focus on strategic procurement, planning and sourcing by establishing category management and centralised procurement process for cost optimisation and savings.
- 2) Embark on Robotic Process Automation for further enhancement of the procurement process.

**KEY ENABLERS**

PERFORMANCE INDICATORS		
	2021	2020
e-Tender Progress Completion	100%	80%
e-Bidding Progress Completion	100%	80%
e-RFQ Progress Completion	100%	80%
e-Catalogue Progress Completion	100%	80%

**Capitals Affected**



Financial



Manufactured



Intellectual



Social

**Link to Material Matters**



Procurement Practices



Integrity and Anti-Corruption



Digitalisation

## KEY ENABLERS



### COMMUNICATIONS AND BRANDING

Malaysia Airports strives to instil positive perception and restore confidence for air travel through effective communication and branding.

#### STRATEGIC KEY FOCUS AREAS

- 1) Instilling and restoring confidence in air travel.
- 2) Strengthening the brand identity.

#### KEY ACTIVITIES TO CREATE VALUE IN FY2021

##### **Instilling and restoring confidence in air travel**

- 1) Creating excitement about air travel and tourism to promote a positive outlook for the national aviation and tourism sector.
- 2) Communicating through multiple channels to inform passengers and the general public on the safety and public health measures implemented at the airports.
- 3) Communicating on the Airports 4.0 initiatives that showcase a safe and contactless airport experience.
- 4) Reaching out to the community in various Corporate Responsibility initiatives such as providing the necessities for students heading back to school and contribution of monetary and goods to the community affected by natural disasters and the COVID-19 pandemic.

##### **Strengthening the brand identity**

- 5) Institutionalised the brand management structure and governance as well as developed brand awareness through on-ground training and senior management engagements.

#### SHORT TO MEDIUM TERM FOCUS

- 1) Deliver joyful connections in line with our brand promise and 'Caring Hosts' culture.
- 2) Drive footfall to the airport by creating excitement and interest among the public.
- 3) Highlight new commercial brands and retail experiences at airports.
- 4) Promote airport modernisation and digitalisation initiatives such as Single Token Journey initiative, Passenger Reconciliation System (PRS), Self-Service Bag Drop (SSBD), Airport Collaborative Decision Making (ACDM) and improved MYairports mobile application.
- 5) Reinforce brand and reputation by becoming a service leader in delivering airport experience, positioning as a global hub for aviation and logistic, and value creator in airport management, connectivity and sustainability.

**KEY ENABLERS**

PERFORMANCE INDICATORS		
	2021	2020
Total PR Value (RM'million)	14,515.5	8,633.9
CSR PR Value (RM'million)	614.0	56.0
Brand Sentiment Score	0.64	0.47

**Capitals Affected**



Financial



Manufactured



Intellectual



Human



Social

**Link to Material Matters**



Market Presence



Total Airport Experience

## KEY ENABLERS



### HUMAN CAPITAL

The Group aspires to create a workplace that allows people to perform and develop in a safe and healthy environment, leading to enhanced organisational effectiveness.

#### STRATEGIC KEY FOCUS AREAS

- 1) Enhance organisational effectiveness, strengthen organisational structures and build internal leadership capabilities.
- 2) Develop capabilities and equip employees with the right competencies.

#### KEY ACTIVITIES TO CREATE VALUE IN FY2021

##### **Enhance organisational effectiveness, strengthen organisational structures and build internal leadership capabilities**

- 1) Implemented organisational structure and manpower proofing through structure repositioning and realignment, merging and consolidation of functions, process improvement and mobility of talent.

##### **Develop capabilities and equip employees with the right competencies**

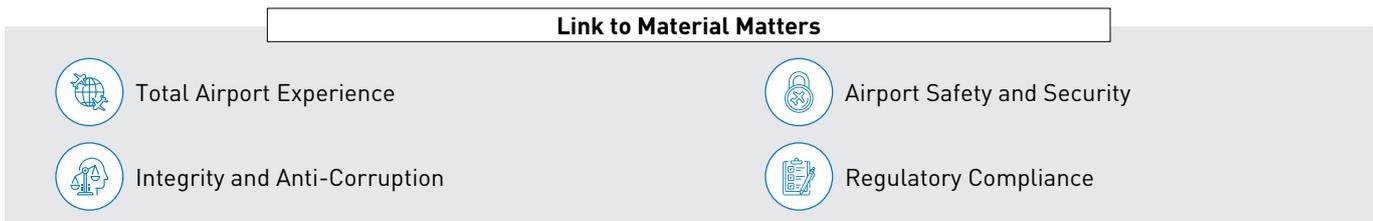
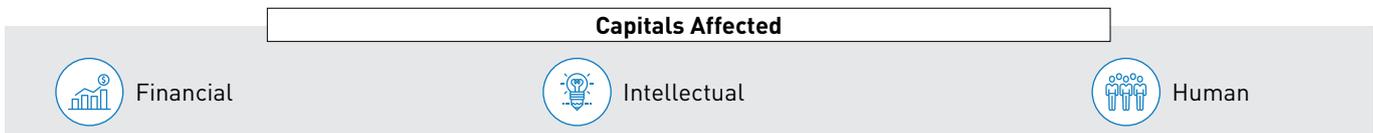
- 2) Introduced enhanced performance management approach through MyAccountability, which ensures key performance indicators (KPI) of employees are set and measured against what they are required to deliver.
- 3) Rolling out upskilling and integration programmes to support cross functional mobility, short-term and long-term assignment plan and redeployment of talent across the Group through Talent Mobility, Talent Exchange as well as Airport Fire and Rescue Service (AFRS) Integration programmes.

#### SHORT TO MEDIUM TERM FOCUS

- 1) Optimise manpower planning through a conservative hiring plan and right-sizing of workforce for post-pandemic growth.
- 2) Drive productivity through an enhanced performance management.
- 3) Promote talent growth and capability through Airport Manager Scheme, Fast Track Career Path, Dual Career Ladder, Leadership Development Catalogue, Structured Development and Mandatory programmes.
- 4) Retain a highly engaged workforce by fortifying industrial harmony and continuous engagement.
- 5) Ensure a safe work environment through constant review of COVID-19 work protocols and enforcement of newly adopted Vaccination Policy.

**KEY ENABLERS**

PERFORMANCE INDICATORS		
Average Training Hours	2021	2020
All employees	39	13
Management	38	12
Executive	44	17
Non-executive	38	13



# SUSTAINABILITY OVERVIEW

**Malaysia Airports Holdings Berhad (Malaysia Airports) has prepared a Sustainability Report for 2021 in accordance with the GRI Sustainability Reporting Standards (GRI) - Core option and the relevant GRI Airport Operators sector disclosures (AO). SIRIM QAS International Sdn Bhd has performed an independent verification and provided assurance of the accuracy and reliability of the information presented in the Sustainability Report.**

The Sustainability Report forms part of the annual reporting suite, and can be downloaded from the Malaysia Airports corporate website: [www.malaysiaairports.com.my](http://www.malaysiaairports.com.my).

This Sustainability Overview summarises the main areas of the Sustainability Report. It includes an outline of how Sustainability works within the Group, and summarises the key Environmental, Social and Governance (ESG) achievements and performance highlights. That is followed by a discussion of materiality process and how the material matters are determined and reviewed. We also outline our engagement with key stakeholders. Rounding up the discussion is a summary of the top eight material matters which has been determined to have the largest impact on Malaysia Airports and its stakeholders.

## A GLOBAL AIRPORT GROUP THAT CHAMPIONS CONNECTIVITY AND SUSTAINABILITY

Malaysia Airports recognises that to achieve our corporate vision to be a 'A Global Airport Group that Champions Connectivity and Sustainability', we need to do more than just create economic value for shareholders. Rather, there is a need to balance profit-making and operational excellence with conducting our business in a manner that is transparent and responsible. In the journey to become a sustainable business for the long term, our operations must be built on the foundations of good governance while considering environmental and social factors.

Recognising the importance of ESG considerations in creating long-term sustainable value for stakeholders, we constantly work to embed these sustainability factors in the Company's value creation model and value chain.

The Board of Directors provides strategic direction with regards to Malaysia Airports' ESG model through the Company's Sustainability Policy and Framework.

The Senior General Manager, Strategy of Malaysia Airports is responsible for ensuring the ESG model is translated into actionable tangible initiatives by business and support units in line with the Sustainability Policy and Framework. The incumbent is a member of the Management Executive Committee (ExCo), chaired by the Group Managing Director, and comprises the top management of Malaysia Airports. The incumbent chairs the Sustainability Committee, a management committee, and is also responsible for highlighting and reporting on sustainability matters to the ExCo, and where relevant, to the Board of Directors.

The Sustainability Unit assists the Senior General Manager, Strategy in the day-to-day running and management of Group-wide sustainability initiatives, engages stakeholders and provides consulting services to them on all sustainability matters.

Recognising the need to have a formal management committee to oversee and streamline ESG initiatives Group-wide, the ExCo approved the establishment of a Sustainability Committee. In addition, Board and management committees also monitor sustainability targets and initiatives, and track the progress towards achieving these targets. These Board and management committees include:

- E** **Environmental matters**
  - Engineering Environment Committee
- S** **Social matters**
  - Board Nomination and Remuneration Committee
- G** **Governance matters**
  - Board Audit Committee
  - Board Finance and Investment Committee
  - Board Risk Management Committee
  - Board Procurement Committee
  - Whistleblowing Committee

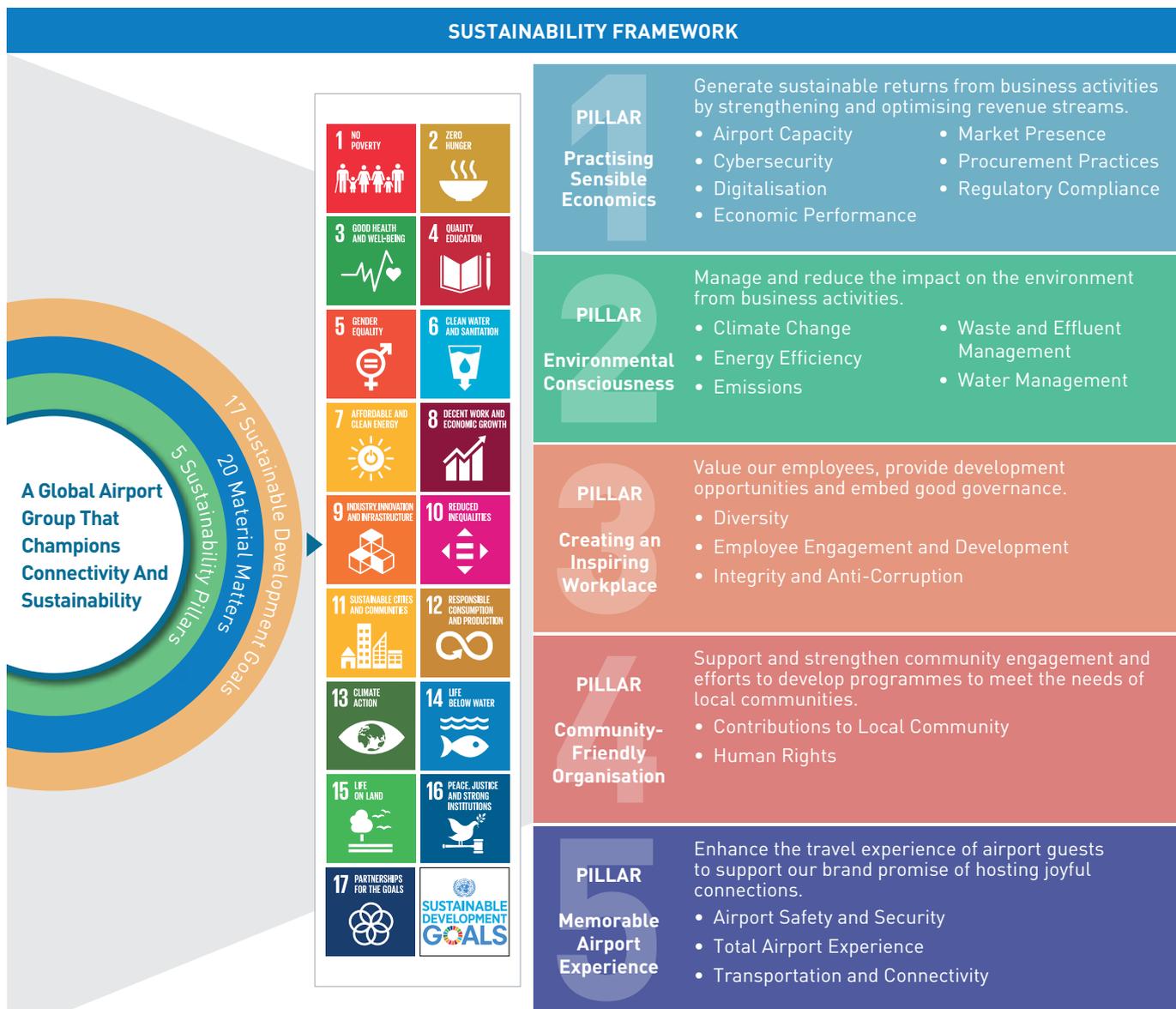
**SUSTAINABILITY OVERVIEW**

**SUSTAINABILITY POLICY AND FRAMEWORK**

Malaysia Airports has been guided by a Sustainability Policy which aligns business decisions and strategies with ESG considerations and stakeholders’ concerns, while supporting national commitments towards achieving the United Nations (UN) Sustainable Development Goals (SDGs).

The Group has also set out five Sustainability Pillars which underpin its sustainability agenda, namely Practising Sensible Economics, Environmental Consciousness, Creating an Inspiring Workplace, Community-Friendly Organisation and Memorable Airport Experience.

To amplify the Sustainability Policy, a Sustainability Framework has been established, linking the Sustainability Pillars to the Group’s material matters as well as to the SDGs. The Framework also illustrates the connection between Malaysia Airports’ ESG model and the material matters at the forefront of our business, and how our business operations can ultimately contribute towards achieving the global sustainability goals.



## SUSTAINABILITY OVERVIEW

In addition to the Sustainability Policy, the following policies, procedures and guidelines also serve to embed the ESG model in Malaysia Airports' operations and are available on our corporate website:

- Code of Ethics
- Conditions of Use
- Environmental Management Policy
- Environmental Protection Policy
- Fraud Policy
- Gift Policy
- No Pets/Guide/Service/Hearing Animal Policy
- No Smoking Policy
- Policy on Prevention and Eradication of Drug and Alcohol Abuse in the Workplace
- Privacy Notice
- Privacy Notice for Shareholders
- Procurement Policies, Procedures & Guidelines (3Ps)
- Risk Management Policy Statement
- Occupational Health and Safety Policy
- Sexual Harassment Policy
- Stop-Work Policy
- Anti-Corruption Policy Statement
- Sustainability Policy
- Whistleblowing Policy
- KUL Sustainability Charter

### KUL Sustainability Charter

The KUL Sustainability Charter was introduced in 2019, creating a leadership role for Malaysia Airports in sustainability matters within the airport community at KUL. The charter reflects new and evolving matters of concern to Malaysia Airports and its stakeholders, both internal and external namely employees,

regulators, airline companies, investors, airport tenants, vendors, passengers, the local community and the media.

Through stakeholder consultation, we identified material matters, set goals and identified key initiatives to form the basis of the charter. Each of these are aligned to the Sustainability Pillars and SDGs.

### United Nations Sustainable Development Goals

As a Government-Linked Company, Malaysia Airports supports the government's commitment to the United Nations 2030 Agenda for Sustainable Development. The UN had identified 17 SDGs, representing a call for action by all countries to promote prosperity while protecting the planet. Malaysia Airports has aligned its material matters, Sustainability Pillars and the KUL Sustainability Charter with all 17 SDGs.

### SUSTAINABILITY RATING

In March 2021, Malaysia Airports was assigned a Gold Sustainability Rating by RAM Sustainability based on an assessment conducted in 2020. The rating which is the highest among three rating levels provided by RAM Sustainability reflects Malaysia Airports' strong overall sustainability performance after taking into consideration its ESG agenda and positive impact attributes.

The Gold Sustainability Rating is driven by strong corporate governance, commitment towards sustainability efforts and contribution to the domestic economy as a national airport operator, as well as the focus on community and social contributions and forward-looking environmental policies and strategies.



**ENVIRONMENTAL, SOCIAL AND GOVERNANCE HIGHLIGHTS AND ACHIEVEMENTS**

**E ENVIRONMENTAL**

**Energy Consumption (Malaysia):**  
**KUL: 267.0 million kWh**      **Other Airports: 83.4 kWh**  
 2020: 307.5 kWh                      2020: 98.9 kWh

**Cost savings from using solar energy: RM1.2 million**

**Cost Savings from LED Transformation (SAW):**  
**2.7 million Turkish Lira**  
 2020: 1.5 million Turkish Lira

**ACA Level 3 renewal (KUL)**

**Waste Recycled (SAW): 50%**  
 2020: 33.3%

**Total Fuel Consumption (Malaysia): 261,267\* liters**  
 2020: 365,521 liters

**Total Fuel Consumption (SAW): 7.1 million m<sup>3</sup>**  
 2020: 7.5 million m<sup>3</sup>

**Carbon Emissions: 1.32 million tonnes CO<sub>2</sub>e**  
 2018: 1.38 million tonnes CO<sub>2</sub>e

**Total Water Consumption (Malaysia): 7.7# million m<sup>3</sup>**  
 2020: 9.4 million m<sup>3</sup>

**Rainwater Harvested (KUL): 41,993 m<sup>3</sup>**  
 2020: 52,695 m<sup>3</sup>

\* incomplete figures for TWU

# incomplete pending figures for four months for KBR

**ACI Asia-Pacific Green Airports Gold Recognition:** Malaysia Airports' efforts on sustainable carbon management by utilising green energy Ground Power Units (GPUs) at KUL received a Gold Recognition from Airports Council International (ACI) Asia-Pacific, an acknowledgment of our efforts in transitioning towards a sustainable, low-carbon future.

The project integrates the generation of solar energy from rooftops of the terminal with new GPUs which supply aircrafts at the apron with power, simultaneously reducing the use of diesel-powered GPUs and of the aircrafts' Auxiliary Power Units. Over three years, this reduced emissions by 1,970 tCO<sub>2</sub>, the equivalent of planting 50,520 trees to absorb CO<sub>2</sub> emissions which would have otherwise been emitted.

**Upgrading of BKL's Energy Management Systems to ISO 50001:2018:** BKL has also been recognised for its energy management capabilities.

**JV with TNB Engineering Corporation:** KUL district cooling plant is undergoing upgrading work to improve efficiency and eventually run fully on electricity. The modernised plant is expected to reduce KUL's operating cost by at least RM50.0 million annually over the entire 20-year concession which commenced on 1 July 2021.

**LED Transformation at SAW showing results:** SAW's annual cost savings from the use of LED light bulbs has increased by 75% YoY for 2021, partly caused by rising energy prices in Türkiye.

**Airport Carbon Accreditation Level 3 renewed:** The ACI has renewed Malaysia Airports' Level 3 certification under its Airport Carbon Accreditation programme.

**Installation of solar PV equipment:** In 2020, we began installing solar PV equipment at seven airports across Malaysia to increase usage of renewable energy. In 2021, we completed the works at three of the airports, KUA, MKZ and PEN with a total capacity of 3,688 kW<sub>peak</sub>. Together with klia2, the total solar energy generated was 17,399 MWh, reducing carbon emissions by 12,073 tCO<sub>2</sub>, or the equivalent of planting 309,604 trees to absorb the carbon emitted if using fossil fuels.

**Green Airport Certification:** SAW is certified as a Green Airport by the Turkish Directorate General of Civil Aviation. SAW qualifies as a Green Airport by fulfilling several requirements which include preparing a greenhouse gas management plan, a waste management plan and a dangerous goods inventory. SAW monitors its compliance with the mandatory requirements and keeps up-to-date plans for greenhouse gasses and waste annually.

## SUSTAINABILITY OVERVIEW

## S SOCIAL

## HR

**Zero retrenchments, zero salary cuts:** Malaysia Airports held steadfast to this policy throughout 2021, focusing instead on retraining and reskilling our employees.

**Training and Reskilling:** Average training hours per employee for Malaysia operations rose **200% YoY from 13 hours to 39 hours.**

**In-house training capabilities enhanced:** Leveraging on in-house subject matter experts, 90% of training programmes were conducted by internal staff.

## SUPPLY CHAIN

**Leveraging on technology for procurement:** The use of eTender, eBidding and eRFQ resulted in cost savings and faster turnaround, **improving average cycle time for the tender production process by 28%.**

Engaged a total of 879 suppliers, of which **98% are local.**

## HEALTH &amp; SAFETY

**ACI Airports Health Accreditation: 6 airports** - KUL, BKI, KCH, LGK, PEN, SAW

**Occupational Accident Rate:**

Malaysia:

	2021	2020
Incident Rate	<b>0.54</b>	0.80
Frequency Rate	<b>0.22</b>	0.32
Severity Rate	<b>1.55</b>	6.41

ISG:

	2021	2020
Incident Rate	<b>7</b>	9.00
Frequency Rate	<b>24</b>	50.73
Severity Rate	<b>2.41</b>	2.44

**Best Airports for service quality:** KUL and LGK have been named 'Best Airports' in their respective categories for 2021 in the global Airport Service Quality (ASQ) survey by Airports Council International (ACI). KUL and LGK achieved a perfect score of 5 in the airport categories serving over 40 million passengers per annum (mppa) and 2-5 mppa respectively. ASQ benchmarks the world's best airports in terms of overall passenger satisfaction based on 33 service quality indicators across passenger journey.

**Voice of the Customer recognition:** In 2021, ACI also awarded both KUL and LGK with the Voice of Customer recognition as airports that have demonstrated significant efforts to gather passenger feedback during the pandemic.

**Communitas Awards for SAW:** SAW received two Communitas awards in recognition of their achievements in Community Service and Corporate Responsibility.

**ACI Airports Health Accreditation:** Six airports - KUL, BKI, KCH, LGK, PEN, SAW - received the international accreditation from Airports Council International providing

assurance for passengers that globally recognised health and safety measures are in place in accordance with the ACI Aviation Business Restart and Recovery guidelines, ICAO Council's Aviation Recovery Task Force recommendations and industry best practices.

**Barrier-free Airport:** SAW has been certified as a barrier-free airport, the first Turkish airport to achieve this standard. This was part of its collaborative efforts with the Istanbul Mentally Handicapped Children Foundation (IZEV) to raise awareness for individuals with Down Syndrome which began in 2018. Past campaigns have included a photography exhibition 'Hayat ve Biz' ('Animals and Us') in which striking photographs of individuals with Down Syndrome were captured alongside animals. Another campaign featured Pink Floyd's hit song 'The Wall' with Turkish lyrics recorded by Turkish artists with Turkish lyrics, with a compelling video featuring those with Down Syndrome. The video has close to seven million views to date. The opening of the IZEV store at SAW in 2021 marks yet another milestone achieved in this collaboration.

## SUSTAINABILITY OVERVIEW

## G GOVERNANCE

## MALAYSIA AIRPORTS BOARD DIVERSITY

Gender	Headcount	%
Female	5	45.5
Male	6	54.5
Total	11	100

## CORRUPTION RISK ASSESSMENT

**74 divisions and departments Group-wide were assessed** for corruption risks in 2021.

61 high level risks were assessed in Q1 2021 and they were mitigated to medium and low level risks by Q4 2021.

## ANTI-CORRUPTION

The implementation of the ISO 37001: 2016 **Anti-Bribery Management Systems (ABMS)** is **rolled out** in stages to cover the Group. In 2021, **three subsidiaries** – Malaysia Airports (Niaga) Sdn Bhd, Urusan Teknologi Wawasan Sdn Bhd and K.L. Airport Hotel Sdn Bhd

**100% employees have received Anti-Corruption communications and training** - Malaysia

	Employees	
	Headcount	%
General Managers, C-suite and above	33	0.4
Managers, Senior Managers	348	3.9
Executives, Senior Executives	1,041	11.6
Non-executive	7,521	84.1
Total	8,943	100.0

**No breaches of Procurement Code of Ethics**

**Established a Cybersecurity Five Year Plan:** Improves cybersecurity processes and procedures, risk assessment, analysis, monitoring and investigation, as well as education and training of employees.

**Received 'The Cybersecurity Project of the Year 2021' award:** Our Cybersecurity Acceleration Programme was recognised in the annual Malaysia Cyber Security Awards 2021 by CyberSecurity Malaysia, an agency of the Ministry of Communications and Multimedia Malaysia.

**Compliance with new public health measures:** In line with prevailing government Standard Operating Procedures (SOPs), Malaysia Airports made the necessary changes

to its operations to comply with the SOPs. In addition, to remind airport users of the new regulations, an extensive communications programme was conducted within the airport premises as well as through mainstream and social media to inform the public of the relevant SOPs.

**Compliance with new directives and guidance material:** Malaysia Airports made the necessary amendments to its safety management procedures in line with CAAM's new directives and guidance material issued in 2021.

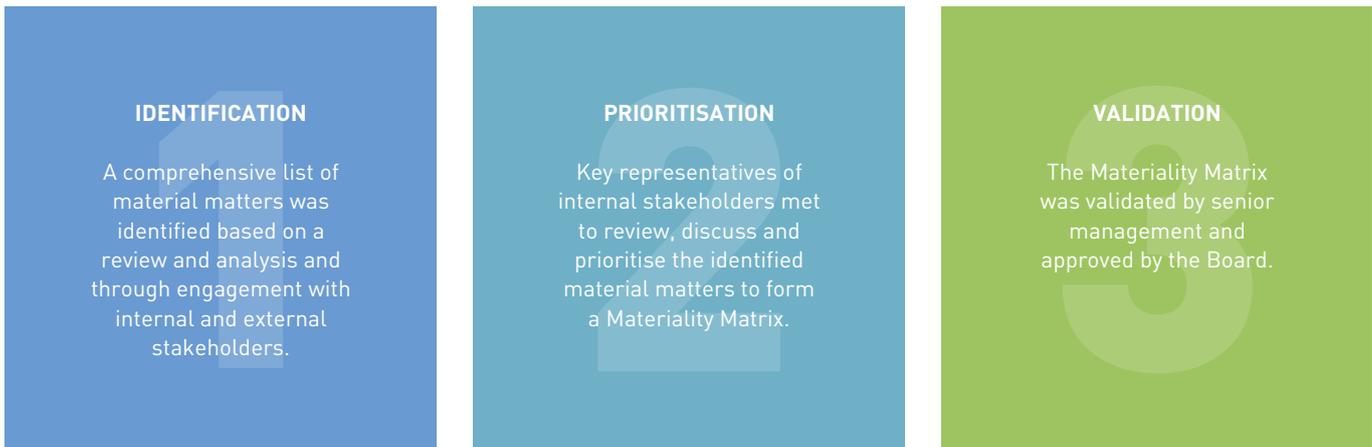
**Compliance with anti-competition laws:** No legal action was taken against Malaysia Airports of anti-competitive behaviour, anti-trust or monopoly practices in 2021.

# MATERIAL MATTERS

Material Matters identified as relevant to Malaysia Airports and its stakeholders are continuously monitored and managed as they form the basis of our value creation model and influence our business strategy and targets.

## MATERIALITY ASSESSMENT PROCESS

The material matters were initially identified and prioritised in 2018 following a materiality assessment process as described below.



## MATERIALITY MATRIX

The Materiality Matrix plots material matters in two dimensions – first, impact to Malaysia Airports and secondly, significance to key stakeholders – and maps them to the Sustainability Pillars. This guides Malaysia Airports in addressing and managing matters of utmost importance for the business as well as stakeholders.

## REVIEW OF MATERIAL MATTERS IN 2021

In reviewing the material matters for 2021, the Group conducted a validation exercise which encompassed a review of business data and strategic plan for 2021 in the light of global mega trends as well as best practice and current developments in sustainability reporting. It also included a comparative analysis of Malaysia Airports' materiality matrix in relation to comparable industry peers.

In addition, the Group also considered that there were several factors that remained unchanged when compared with the previous year. In particular, the value creation model, key business areas, operating context and environment, and principal risks faced by the Group were largely unchanged.

As a result, the Group concluded that there were no material matters identified for 2021, and as such, the materiality matrix remains unchanged from 2020. We envisage a more comprehensive review of the material matters in 2022 as Malaysia reopens its international borders as there will likely be new considerations both on the part of the Group as well as that of stakeholders.

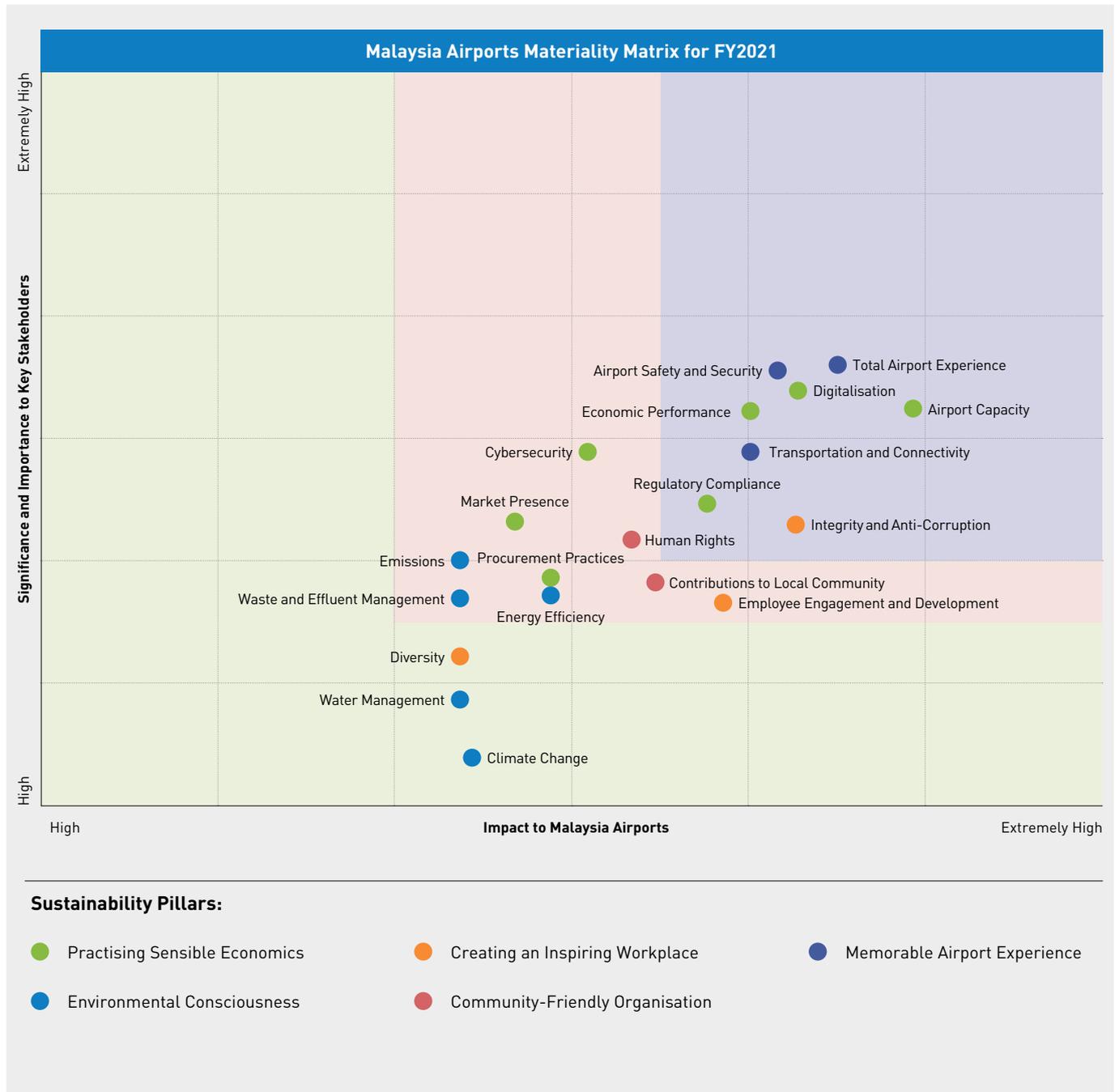
Airport Capacity continues to be a top priority for Malaysia Airports as passenger movement in 2021 had shown that there was strong demand for air travel when the public was allowed to travel.

Airport Safety and Security also remains in the 'Extremely High' category as COVID-19 concerns continued to impact air travel, and a key consideration for passengers' willingness to travel is the safety of the airport. It is also an important consideration for our staff and the airport community who are at the frontlines of the pandemic.

Total Airport Experience also remains an extremely high consideration and is reflective of our continued efforts to improve service quality at our airports.

**MATERIAL MATTERS**

We would also like to highlight that the Group’s Annual Report includes a discussion on the top eight material matters, linking the material matters with strategic themes and enablers, key stakeholders and capitals affected to demonstrate the dynamics of value creation by the Group.



**MATERIAL MATTERS**



**AIRPORT CAPACITY**

Airport Capacity refers to the airports’ ability to cater for increasing passenger traffic and to manage capacity constraints through space optimisation and airport expansion. Airport capacity is an important factor in ensuring operational safety and efficiency, service standards as well as passenger comfort. It is also one of the factors airlines take into consideration when deciding on route development which impacts our earnings and growth.

<p><b>Stakeholders Involved:</b></p> <ul style="list-style-type: none"> <li> Regulators and Government</li> <li> Employees</li> <li> Airlines</li> <li> Passengers</li> <li> Tenants</li> <li> Investors</li> <li> Media</li> </ul>	<p><b>Our strategic response:</b></p> <ul style="list-style-type: none"> <li> Survivability</li> <li> Fixing the Basics</li> <li> Critical Asset Replacement</li> </ul> <hr/> <p><b>Capitals Affected and Trade-offs:</b></p> <ul style="list-style-type: none"> <li> Financial <span style="font-size: 2em;">+</span></li> <li> Intellectual <span style="font-size: 2em;">+</span></li> <li> Social <span style="font-size: 2em;">+</span></li> <li> Financial <span style="font-size: 2em;">-</span></li> </ul> <hr/> <p><b>Link to UN SDGs:</b></p> <div style="display: flex; justify-content: space-around;"> <div style="background-color: #800000; color: white; padding: 5px; text-align: center;"> <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> </div> <div style="background-color: #FF8C00; color: white; padding: 5px; text-align: center;"> <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> </div> <div style="background-color: #FFD700; color: white; padding: 5px; text-align: center;"> <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p> </div> </div>
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**INITIATIVES/ACTIVITIES**

**Replacement of Aerotrains:** Following a tender exercise, the contract to replace the Aerotrains (Automated People Mover/Track Transit System) was awarded end-2021 and work is scheduled to commence in Q1 2022. By deploying the latest technology, the new Aerotrains will deliver a better experience in many areas for example safety, comfort, appearance, energy consumption and diagnostics.

**Runway Rehabilitation:** In line with the KUL Runway Sustainability Plan, the rehabilitation of Runway 1 at KUL was completed on schedule in June 2021. With the rehabilitation of Runways 1 and 3 completed, KUL can handle up to 108 flight movements per hour.

**Airport Optimisation Plans:** The Airport Optimisation Plans were completed for BKI, KCH and TWU while the conceptual design for PEN has been completed.

**Key Performance Indicators and Targets**

The current capacity of all airports under the Group is shown in the section ‘Where We Operate’ on pages 16 to 17.



## TOTAL AIRPORT EXPERIENCE

Total Airport Experience refers to the quality of services delivered to our guests to enhance their airport experience. The positive experience of guests at the airport is shaped by operational excellence and exceptional service by our employees and other members of the airport community. Reporting on these matters enables Malaysia Airports to consider feedback from guests, identify and rectify problems and continuously improve on service quality.

<p><b>Stakeholders Involved:</b></p> <ul style="list-style-type: none"> <li> Regulators and Government</li> <li> Employees</li> <li> Airlines</li> <li> Passengers</li> <li> Tenants</li> <li> Investors</li> <li> Media</li> </ul>	<p><b>Our strategic response:</b></p> <ul style="list-style-type: none"> <li> Survivability</li> <li> Fixing the Basics</li> <li> Horizontal Expansion</li> <li> Critical Asset Replacement</li> </ul> <hr/> <p><b>Capitals Affected and Trade-offs:</b></p> <ul style="list-style-type: none"> <li> Financial <span style="font-size: 2em;">+</span></li> <li> Intellectual <span style="font-size: 2em;">+</span></li> <li> Social <span style="font-size: 2em;">+</span></li> <li> Financial <span style="font-size: 2em;">-</span></li> </ul> <hr/> <p><b>Link to UN SDGs:</b></p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"></div> <div style="text-align: center;"></div> <div style="text-align: center;"></div> </div>
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### INITIATIVES/ACTIVITIES

**KUL and LGK are ‘Best Airports’ for service quality:** KUL and LGK have been named ‘Best Airports’ in their respective categories for 2021 in the global Airport Service Quality (ASQ) survey by Airports Council International (ACI). KUL and LGK achieved a perfect score of 5.00 in the airport categories serving over 40 million passengers per annum (mppa) and 2-5 mppa respectively. ASQ benchmarks the world’s best airports in terms of overall passenger satisfaction based on 33 service quality indicators across passenger journey.

**Voice of the Customer recognition:** In 2021, ACI also awarded both KUL and LGK with the Voice of Customer recognition as airports that have demonstrated significant efforts to gather passenger feedback during the pandemic.

**Vaccination of airport community:** To ensure the safety of the airport community as well as guests, Malaysia Airports obtained the assistance of the Ministry of Health to set up a vaccination centre at KUL. Through this initiative, close to 15,000 Malaysia Airports staff and members of the KUL airport community completed their vaccinations.

**Private health screening centres:** To provide guests with a wider range of options for health screenings, Malaysia Airports has appointed a private operator to establish and operate health screening centres at the Group’s international airports. This is in addition to government-run health screening facilities at the terminals. The private health screening centres have also enabled the smooth operation of the Vaccinated Travel Lane by Air between Malaysia and Singapore.

**Completion of washroom refurbishment at KUL:** The final phase of the multi-year washroom refurbishment project was largely completed in 2021 with the handover of 90 sets of washrooms with the remaining four sets completed in early 2022. The washrooms sport a new image, fresh ambiance and a modern contemporary outlook, and have been well received by the public and MAVCOM in its Quality of Service inspections.

**Passenger flow management systems at KUL and SAW:** Passenger flow management systems were introduced at both KUL and SAW as part of the Group-wide Airports 4.0 digitalisation initiatives. The new systems improve the travelling experience at the airports amidst new travel norms as they automatically detect congestion at touchpoints and provide real time information to the airport’s main command centre so that quick action can be taken to manage and resolve the situation.

## MATERIAL MATTERS

### TOTAL AIRPORT EXPERIENCE



**Newly renovated Food Garden at KUL:** The food court at KLIA1, Food Garden, reopened its doors in November after renovation works. Food Garden now features an open kitchen and a tropical garden concept and will offer a new variety of food and beverage brands once all tenants begin operations.

**Culture and entertainment at airports:** Guests at KUL and LGK may catch the cultural and entertainment performances designed to enhance the ambiance at the airports and put the joy back into travel amidst the new travel norms. Live buskers at LGK added to the holiday spirit of the travellers who are mainly holiday makers. At KUL, airport users were entertained by live buskers, traditional and contemporary dance performances as well as exhibitions of traditional games.

**Replacement of Automated People Mover:** At the end of 2021, Malaysia Airports awarded the contract for the replacement of its Automated People Mover at KUL which is also known as the Aerotrain. The works are expected to take three years to complete. The current Aerotrains which have been in service since KUL opened in 1998, have transported more than 300 million passengers and are approaching their end-of-life stage.

#### Key Performance Indicators and Targets

##### KUL ASQ Scores Improved In 2021

ASQ Score	2021	2020	2019
Courtesy & helpfulness of staff	<b>4.99</b>	4.90	4.62
Comfort of waiting/gate areas	<b>4.98</b>	4.86	4.51
Speed of baggage delivery	<b>4.97</b>	4.71	4.51
Waiting time to check-in	<b>4.94</b>	4.87	4.37
Waiting time at Passport check	<b>4.98</b>	4.85	4.48
Ambience of the airport	<b>4.98</b>	4.91	4.67

#### Type of Feedback Received

Type of feedback	2021	2020
Enquiries	<b>12,782</b>	13,884
Lost and Found	<b>412</b>	1,083
Complaints	<b>227</b>	357
Compliments	<b>265</b>	476
Suggestions	<b>50</b>	116
<b>Total</b>	<b>13,736</b>	<b>15,916</b>

## MATERIAL MATTERS

## DIGITALISATION



Digitalisation refers to the digital framework encompassing enhancement, capacity development and digital innovations that aim at terminal optimisation, operational efficiency, revenue generation, regulatory compliance and health protection. Digitalisation is important to Malaysia Airports in the face of the Industrial Revolution 4.0 to ensure up-to-date technologies are used to improve efficiency, reduce human error and to redirect resources to more crucial areas of our operations.

<b>Stakeholders Involved:</b> <ul style="list-style-type: none"> <li> Regulators and Government</li> <li> Employees</li> <li> Airlines</li> <li> Passengers</li> <li> Tenants</li> <li> Vendors and Service Providers</li> <li> Investors</li> <li> Media</li> </ul>	<b>Our strategic response:</b> <ul style="list-style-type: none"> <li> Digitalisation</li> </ul> <hr/> <b>Capitals Affected and Trade-offs:</b> <ul style="list-style-type: none"> <li> Financial <span style="margin-left: 10px;">+</span></li> <li> Intellectual <span style="margin-left: 10px;">+</span></li> <li> Human <span style="margin-left: 10px;">+</span></li> <li> Social <span style="margin-left: 10px;">+</span></li> <li> Financial <span style="margin-left: 10px;">-</span></li> </ul> <hr/> <b>Link to UN SDGs:</b> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> <div style="text-align: center;"> <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> </div> <div style="text-align: center;"> <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> </div> </div>
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## INITIATIVES/ACTIVITIES

**Airport Collaborative Decision Making project was awarded:** The project will enable airport stakeholders to access and share real time information on aircraft turnaround and collaborate to improve operational efficiency.

**Single Token Journey and Self Boarding eGates expanded:** Following the successful pilot programme which ran in 2020, Single Token Facial Biometric implementation started and Self Boarding eGates were installed at KUL at the boarding gates. This simplifies and speeds up the passengers' journey through the airport.

**MYairports app enhanced:** The app was enhanced to incorporate better capabilities.

**Passenger Reconciliation System launched:** Enhances security when passengers enter the terminal's security area as verification of travel documents by Aviation Security personnel is validated in real-time, enabling incidents such as no-shows to be identified and their baggage offloaded efficiently.

**Established programmes for learning and development and career progression for IT Division (ITD) professionals within the Group:** ITD Learning and Development Framework and ITD Dual Career Ladder Plan for Technical Track launched in 2021.

**Inculcate learning culture across ITD:** 215 IT certification courses completed by staff in 2021.

**Completed IT document scanning programme:** 74% reduction in A4 paper usage.

## Key Performance Indicators and Targets

Key Performance Indicators	FY2021	FY2020
Total active users	MYairports - 5,992 shopMYairports - 4,764	MYairports - 9,411 shopMYairports - 2,752
% of digital sales on shopMYairports from total digital and non-digital sales	6.78%	0.09%
Amount of digital sales on shopMYairports	RM11.4 million	RM0.46 million

**MATERIAL MATTERS**

**AIRPORT SAFETY AND SECURITY** 

Airport Safety and Security refers to the anticipation, recognition, evaluation and control of hazards or threats arising in or from the airport. Safety and security are a major concern because the timely and safe passage of our passengers and the well-being of the airport community rely on stringent safety and security measures being in place.

<p><b>Stakeholders Involved:</b></p> <ul style="list-style-type: none"> <li> Regulators and Government</li> <li> Employees</li> <li> Airlines</li> <li> Passengers</li> <li> Tenants</li> <li> Investors</li> <li> Local Community</li> <li> Media</li> </ul>	<p><b>Our strategic response:</b></p> <ul style="list-style-type: none"> <li> Fixing the Basics</li> <li> Horizontal Expansion</li> </ul> <hr/> <p><b>Capitals Affected and Trade-offs:</b></p> <ul style="list-style-type: none"> <li> Manufactured <span style="margin-left: 20px;">+</span></li> <li> Intellectual <span style="margin-left: 20px;">+</span></li> <li> Social <span style="margin-left: 20px;">+</span></li> <li> Human <span style="margin-left: 20px;">+</span></li> <li> Financial <span style="margin-left: 20px;">-</span></li> </ul> <hr/> <p><b>Link to UN SDGs:</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: #28a745; color: white; padding: 5px; text-align: center; width: 100px;"> <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>  </div> <div style="background-color: #fd7e14; color: white; padding: 5px; text-align: center; width: 100px;"> <p><b>9</b> INDUSTRY INNOVATION AND INFRASTRUCTURE</p>  </div> <div style="background-color: #ffc107; color: white; padding: 5px; text-align: center; width: 100px;"> <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>  </div> <div style="background-color: #17a2b8; color: white; padding: 5px; text-align: center; width: 100px;"> <p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p>  </div> <div style="background-color: #34495e; color: white; padding: 5px; text-align: center; width: 100px;"> <p><b>17</b> PARTNERSHIPS FOR THE GOALS</p>  </div> </div>
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**INITIATIVES/ACTIVITIES**

**Compliance with new directives and guidance material:** Malaysia Airports made the necessary amendments to its safety management procedures in line with CAAM’s new directives and guidance material issued in 2021.

**ACI Airports Health Accreditation:** Six airports - KUL, BKI, KCH, LGK, PEN, SAW - received the international accreditation from Airports Council International providing assurance for passengers that globally recognised health and safety measures are in place in accordance with the ACI Aviation Business Restart and Recovery guidelines, ICAO Council’s Aviation Recovery Task Force recommendations and industry best practices.

**Rehabilitation of Runway 1 completed:** The rehabilitation of Runway 1 was completed on schedule in line with the KLIA Runway Sustainability Master Plan that contains a full-fledged framework for the continuous safety of flight operations at the airport.

**Foreign Object Debris Detection System (FODDS) Phase 2:** The installation of high precision FODDS radars was completed in 2021. This enhances the accuracy and efficiency of runway safety

surveillance as the smallest FOD items such as rice grains, pebbles and wildlife can be swiftly detected. Phase 1 of the project in 2019 in which the radars were installed at two towers at KUL was ground-breaking as KUL was the first airport in the world to use these high precision radars after the prototype at Narita Airport. The project is a tripartite collaboration between Malaysia Airports, Hitachi Kokusai Electric Co., Ltd. and Universiti Teknologi Malaysia.

**Aerodrome Emergency Exercises implemented:** A full-scale exercise was implemented at KUL, while there were 20 other sessions in the form of virtual tabletop exercises. All relevant external stakeholders were included in the exercises.

**ORAT at Mukah Airport:** The Operational Readiness, Activation and Transition (ORAT) exercise for the opening of the new Mukah Airport in 2021 was completed.

**Replacement of AFRS vehicles:** Malaysia Airports initiated a three-year programme to replace 17 aging Airport Fire Rescue Service (AFRS) fire vehicles at 13 airports as the vehicles were reaching their maximum lifespan. In 2021, eight fire vehicles were replaced at IPH, KBR (2), LMN, MKZ, MYY, SDK and TGG.

## AIRPORT SAFETY AND SECURITY



**Redeployment of AVSEC personnel:** Upon completion of retraining, 354 Aviation Security (AVSEC) personnel were redeployed to other divisions within Malaysia Airports. This included 88 personnel to fill AFRS vacancies at the beginning of 2021. This ensures that Malaysia Airports maintains requisite levels of AFRS manpower and Rescue and Fire Fighting capabilities.

**Measures to reduce oil spillage:** These include the introduction of a mobile fuel kiosk at klia2 for all airside ground handlers to refuel their vehicles at the airside area and a joint effort between Airside Services Department and Motor Transport Workshop to identify aging equipment which are at higher risk of causing oil leakage and spillage.

### On-going Airport Safety and Security Initiatives

**Audits and Assessments:** SMS Assessments and Security Audits were conducted regularly at airports to assess compliance with Standards and Recommended Practices (SARPs) and to identify areas for potential improvement.

**KUL Airside Safety Committee meetings:** The committee meets quarterly to discuss safety issues at the airside including oil spillage.

**Runway inspections:** On-site inspections were conducted regularly by the Runway Safety Teams to ensure compliance with runway safety SARPs.

**Wildlife strikes:** Existing mitigation measures to reduce bird strikes continued to be practised to ensure the incidence rate remain within acceptable level of safety performance.

### Key Performance Indicators and Targets

	2021	2020	2019
Number of Aerodrome Emergency Exercises conducted	21	11	77
Percentage of targeted safety exercises completed (%)	100	12	100
Number of Safety Management System Certified Airports	16	16	16
Occupational Disease Rate	0	0	0
Incident Rate	0.54	0.80	1.31
Frequency Rate	0.22	0.32	0.45
Severity Rate	1.55	6.41	423.65





## INTEGRITY AND ANTI-CORRUPTION

Integrity and Anti-Corruption refer to upholding ethics in our everyday conduct in the workplace. It includes advocating anti-corruption across all levels of dealings. Corruption in any form has a negative effect on our business and ability to generate revenue, and also compromises the trust we enjoy in our relationship with stakeholders.

<p><b>Stakeholders Involved:</b></p> <ul style="list-style-type: none"> <li> Regulators and Government</li> <li> Employees</li> <li> Vendors and Service Providers</li> <li> Investors</li> </ul>	<p><b>Our strategic response:</b></p> <p> Governance and Practices</p> <hr/> <p><b>Capitals Affected and Trade-offs:</b></p> <p>  Intellectual <span style="margin-left: 100px;"> Human</span> <span style="margin-left: 100px;"> Financial</span> </p> <p style="text-align: center;"> <span style="margin-right: 100px;">+</span> <span style="margin-right: 100px;">+</span> <span>-</span> </p> <hr/> <p><b>Link to UN SDGs:</b></p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"></div> <div style="text-align: center;"></div> <div style="text-align: center;"></div> <div style="text-align: center;"></div> </div>
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### INITIATIVES/ACTIVITIES

**Anti-Bribery Management Systems rollout:** The implementation of the ISO 37001: 2016 Anti-Bribery Management Systems (ABMS) is rolled out in stages to cover the Group. In 2021, three subsidiaries – Malaysia Airports (Niaga) Sdn Bhd, Urusan Teknologi Wawasan Sdn Bhd and K.L. Airport Hotel Sdn Bhd – had undergone documentation readiness towards ABMS certification. This included workshops to assist the subsidiaries in preparing their ABMS manuals, and dissemination of the ABMS awareness video to all employees.

**Corruption Risk Assessment:** The Malaysia Airports Anti-Corruption Plan involves the implementation of several initiatives which at the end of 2021 were 74% completed. 74 divisions and departments Group-wide were assessed for corruption risks in 2021. 61 high level risks were assessed in Q1 2021 and they were mitigated to medium and low level risks by Q4 2021. As part of risk

management, corruption risks are reviewed and registered in the Malaysia Airports Risk Scorecard System, covering all the Group’s companies in Malaysia.

**Communications and Training on Anti-Bribery and Corruption:** E-learning modules to raise awareness on Anti-Bribery and Corruption policies and Whistleblowing were rolled out to all employees.

**Vendor Integrity:** We extended training on procurement integrity to our vendors via webinars. A total of 248 representatives from our vendors attended the on-line sessions, covering approximately 30% of registered vendors in our procurement system.

**Alignment of SAW policies:** SAW has aligned with Group-wide anti-corruption and integrity policies, taking into consideration the cultural differences and legal obligations mandated by Turkish law. Its Anti-Corruption Policy came into effect in June 2021.

### Key Performance Indicators and Targets

	2021	2020	2019
Employees briefed on anti-corruption policies*	<b>8,943</b>	9,313	1,613
Number of confirmed incidents of corruption	<b>0</b>	0	0
Number of concerns raised through Whistleblowing Programme	<b>1</b>	20	10

\* Management, Executives and Non-Executives

## MATERIAL MATTERS

### TRANSPORTATION AND CONNECTIVITY



Transportation and Connectivity refer to ground transportation and connectivity for passengers, employees, visitors and suppliers within, to and from the airport. As the airport experience begins before guests even set foot at the airport premises, the ease of getting to the airport is an important factor. The more convenient their journey to the airport, the more likely they will use it.

<b>Stakeholders Involved:</b> Regulators and Government Employees Airlines Passengers Tenants Investors Local Community Media	<b>Our strategic response:</b> Fixing the Basics       Horizontal Expansion <hr/> <b>Capitals Affected and Trade-offs:</b> Financial       Manufactured       Financial <hr/> <b>Link to UN SDGs:</b> 
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### INITIATIVES/ACTIVITIES

**Maintained existing ground network:** Despite the drop in passenger movements in 2021 at our airports in Malaysia, the Group maintained its existing transportation and connectivity network. For our main hub at KUL, this includes the Express Rail Link, Light Rail Transit and bus services, as well as road connectivity through multiple highway links. Our airport in Türkiye, SAW, is well connected to downtown Istanbul via highways and is serviced by public transportation including taxis, rental cars, buses and private shuttle buses.

#### Key Performance Indicators and Targets

Passenger Movements (Malaysia Operations)	2021	2020	2019
Terminal passengers (international)	1,295,547	9,450,661	53,195,236
Terminal passengers (domestic)	9,348,971	16,250,556	51,962,942
Transit passengers	90,030	59,945	104,338
<b>Total passenger movements</b>	<b>10,734,548</b>	25,761,162	105,262,566

Aircraft Movements (Malaysia Operations)	2021	2020	2019
Commercial aircraft (international)	57,111	99,357	351,038
Commercial aircraft (domestic)	177,860	249,430	542,405
Total commercial aircraft	234,971	348,787	893,443
All other aircraft	88,550	124,898	152,780
<b>Total aircraft movements</b>	<b>323,521</b>	473,685	1,046,223



## REGULATORY COMPLIANCE

Integrity and Anti-Corruption refer to upholding ethics in our everyday conduct in the workplace. It includes advocating anti-corruption across all levels of dealings. Corruption in any form has a negative effect on our business and ability to generate revenue, and also compromises the trust we enjoy in our relationship with stakeholders.

<p><b>Stakeholders Involved:</b></p> <ul style="list-style-type: none"> <li> Regulators and Government</li> <li> Employees</li> <li> Airlines</li> <li> Tenants</li> </ul>	<p><b>Our strategic response:</b></p> <ul style="list-style-type: none"> <li> Fixing the Basics</li> <li> Critical Asset Replacement</li> </ul> <hr/> <p><b>Capitals Affected and Trade-offs:</b></p> <ul style="list-style-type: none"> <li> Manufactured <span style="margin-left: 20px;">+</span></li> <li> Intellectual <span style="margin-left: 20px;">+</span></li> <li> Financial <span style="margin-left: 20px;">-</span></li> </ul> <hr/> <p><b>Link to UN SDGs:</b></p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"></div> <div style="text-align: center;"></div> <div style="text-align: center;"></div> <div style="text-align: center;"></div> </div>
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### INITIATIVES/ACTIVITIES

**Compliance with all applicable laws and regulations:** Malaysia Airports operates within a highly regulated industry. It is imperative that we adhere to and comply fully with international and national laws and regulations, including environmental, social and operational regulations, to ensure we can continue operations and to maintain our good reputation.

**Compliance with new public health measures:** In line with prevailing government Standard Operating Procedures (SOPs), Malaysia Airports made the necessary changes to its operations to comply with the SOPs. In addition, to remind airport users of the new regulations, an extensive communications programme was conducted within the airport premises as well as through mainstream and social media to inform the public of the relevant SOPs.

**Compliance with anti-competition laws:** Malaysia Airports is governed under the provisions of the Malaysian Aviation Commission Act 2015, specifically Part VII of the Act which deals with competition. As the Malaysian Aviation Commission Act 2015 is excluded from the application of the Competition Act 2010, Malaysia Airports is therefore subject to the guidelines issued by MAVCOM relating to Part VII (Competition) of the Malaysian Aviation Commission Act 2015. No legal action was taken against Malaysia Airports of anti-competitive behaviour, anti-trust or monopoly practices in 2021.

### Key Performance Indicators and Targets

	2021	2020
Number of non-compliance with applicable laws or regulations	<b>None</b>	None
Amount of fines or non-monetary sanctions in relation to non-compliance	<b>None</b>	None

# SUSTAINABILITY SUMMARY

This table summarises the way our business considerations, which are represented by material matters; and sustainability matters represented by the Sustainability Pillars; relevant SDGs, KUL Sustainability Charter Goals and our Key Stakeholders are intrinsically linked in Malaysia Airports' strategy.

Sustainability Pillars	UN SDGs	KUL Sustainability Charter Goals	Material Matters	Key Stakeholders
<b>PILLAR 1</b> <b>Practising Sensible Economics</b> Generate sustainable returns from business activities by strengthening and optimising revenue streams	SDG 8: Decent Work and Economic Growth SDG 9: Industry, Innovation and Infrastructure SDG11: Sustainable Cities and Communities	Goal 1: Optimising Economic Performance	Airport Capacity Cybersecurity Digitalisation Economic Performance Market Presence Procurement Practices Regulatory Compliance	Regulators and Government Employees Airlines Passengers Tenants Vendors and Service Providers Investors Media
<b>PILLAR 2</b> <b>Environmental Consciousness</b> Manage and reduce the impact on the environment from business activities	SDG 6: Clean Water and Sanitation SDG 7: Affordable and Clean Energy SDG 11: Sustainable Cities and Communities SDG 12: Responsible Consumption and Production SDG 13: Climate Action	Goal 2: Improving Energy Efficiency Goal 3: Reducing Overall Carbon Footprint Goal 4: Enhancing Water and Waste Management	Climate Change Energy Efficiency Emissions Waste and Effluent Management Water Management	Regulators and Government Employees Airlines Passengers Tenants Vendors and Service Providers Investors Media
<b>PILLAR 3</b> <b>Creating an Inspiring Workplace</b> Value our employees, provide development opportunities and embed good governance	SDG 5: Gender Equality SDG 9: Industry, Innovation and Infrastructure SDG 16: Peace, Justice and Strong Institutions SDG 17: Partnerships for the Goals	Goal 5: Being a Responsible Service Provider Goal 6: Promoting Diversity and Inclusivity	Diversity Employee Engagement and Development Integrity and Anticorruption	Regulators and Government Employees
<b>PILLAR 4</b> <b>Community-Friendly Organisation</b> Support and strengthen community engagement and efforts to develop programmes to meet the needs of local communities	SDG 1: No Poverty SDG 3: Good Health and Well-Being SDG 4: Quality Education SDG 10: Reduced Inequalities SDG 17: Partnerships for the Goals	Goal 7: KUL Community Development Through Partnerships	Contributions to Local Community Human Rights	Regulators and Government Employees Local Community Media
<b>PILLAR 5</b> <b>Memorable Airport Experience</b> Enhance the travel experience of airport guests to support our brand promise of hosting joyful connections	SDG 9: Industry, Innovation and Infrastructure SDG 11: Sustainable Cities and Communities SDG 16: Peace, Justice and Strong Institutions SDG 17: Partnerships for the Goals	Goal 8: Providing Exceptional Customer Experience Goal 9: Optimisation through Technological Advancement Goal 10: Strengthening Safety and Security at KUL	Airport Safety and Security Total Airport Experience Transportation and Connectivity	Regulators and Government Employees Airlines Passengers Tenants Investors Media

# STAKEHOLDER ENGAGEMENT

## KEY STAKEHOLDERS

Our material matters are prioritised based on the interests and expectations of our stakeholders. We have identified nine key stakeholder categories that are most affected by our business operations.

 Regulators and Government	 Employees	 Airlines
 Passengers	 Tenants	 Vendors and Service Providers
 Investors	 Local Community	 Media

## KEY STAKEHOLDER ENGAGEMENT

(GRI 102-42, 102-43, 102-44)

Several factors make key stakeholder engagement an integral part of our business and embedded in the way we operate. First, the aviation industry is highly regulated on both domestic and international fronts.

Secondly, we are listed on Bursa Malaysia and our shareholders cover a wide range of institutional investors such as government-linked investment companies, investment funds, pension funds as well as retail investors, both domestic and overseas.

Thirdly, our business requires discussion, coordination and collaboration with many parties to ensure that complex processes are executed successfully, and with little margin for error.

Also, as a large employer of choice, we constantly engage our employees to understand their concerns. We also engage with the community around our airports to understand the impact of our business on them and to assist those in need.

Therefore, through regular and close engagement with our key stakeholders, we are able to understand their concerns and work closely with them for our business to succeed for the long term.

As key stakeholder engagement this year continues to be centred around our response to the COVID-19 pandemic, the table below focuses mainly on those concerns.

## STAKEHOLDER ENGAGEMENT

Key Stakeholders	Methods of Engagement	Areas of Interest	Our Response	Sustainability Pillars and Material Matters
<b>Regulators and Government</b> 	<ul style="list-style-type: none"> <li>◆ Engagement sessions, face-to-face and meetings, and dialogue sessions</li> <li>◆ Consultation sessions on regulatory matters</li> </ul>	Regulatory compliance	<p>Conducted regular audits, inspections and consultations on the Quality of Service framework.</p> <p>Carried out engagements and discussions with regulators on the finalisation and direction of the Operating Agreements, KLIA Development Agreement and Land Lease Agreement.</p> <p>Adhered to industry standards and obtained certifications.</p> <p>Adhered to international and national laws, regulations, and best practices.</p> <p>Worked closely with government agencies to implement the Malaysian National Security Council's SOPs.</p> <p>Worked closely with government agencies to facilitate the Langkawi Travel Bubble (domestic and international), Vaccinated Travel Lane by Air.</p> <p>Worked closely with the National Disaster Management Agency and Ministry of Health in managing the screening of passengers at KUL as the international gateway.</p>	<p><b>Pillar 1</b></p> <ul style="list-style-type: none"> <li>Airport Capacity</li> <li>Market Presence</li> <li>Regulatory Compliance</li> </ul> <p><b>Pillar 2</b></p> <ul style="list-style-type: none"> <li>Climate Change</li> <li>Energy Efficiency Emissions</li> <li>Waste and Effluent</li> <li>Water Management</li> </ul> <p><b>Pillar 5</b></p> <ul style="list-style-type: none"> <li>Airport Safety and Security</li> <li>Transportation and Connectivity</li> </ul>
		Airport competitiveness	<p>Assessed opportunities and potential for collaboration with key stakeholders.</p> <p>Leveraged on government training programmes for staff learning and development.</p>	
		Infrastructure development	<p>Maximised land bank through landside off-terminal development initiatives around KUL and SZB.</p> <p>Leveraged technology for airport operations.</p>	

**Frequency of Engagement**

- ◆ Regular
- ◆ Daily
- ◆ Annual
- ◆ Ad-hoc

**STAKEHOLDER ENGAGEMENT**

Key Stakeholders	Methods of Engagement	Areas of Interest	Our Response	Sustainability Pillars and Material Matters
<b>Regulators and Government (con't)</b> 		Environmental and Climate Change	Engaged in environmental monitoring. Adhered to local and national environmental regulations on energy, noise, water and effluent, air quality and waste management. Conducted noise contour and impact surveys. Obtained the renewal of KUL's Level 3 Airport Carbon Accreditation. Continued to support Malaysia's renewable energy agenda through the production of solar power at klia2, KUA, MKZ and PEN. Encouraged guests and the airport community to Recycle, Reduce and Reuse waste.	
		Licensing	Obtained Aerodrome Operator Licenses from the Malaysian Aviation Commission (MAVCOM) and Aerodrome Certification from the Civil Aviation Authority of Malaysia (CAAM).	
<b>Employees</b> 	<ul style="list-style-type: none"> <li>◆ Town halls, engagement sessions</li> <li>◆ Focused group discussions on targeted issues</li> <li>◆ Employee performance review</li> </ul>	Employee health and safety and wellbeing during and post COVID	Established a Vaccination Centre at KUL to facilitate COVID-19 vaccination and booster shots for employees and airport community. PCR testing for staff in collaboration with the Ministry of Health and Social Security Organisation. Implemented the use and provided supplies of masks, faceguards, and goggles where necessary. Have in place a work-from-home rotation schedule. Engaged with employees on COVID-19 matters through the COVID-19 portal. Provided awareness and updates on COVID-19 to employees. Provided fitness and childcare facilities at HQ.	<b>Pillar 1</b> Digitalisation Regulatory Compliance  <b>Pillar 3</b> Diversity Employee Engagement and Development Integrity and Anti-Corruption  <b>Pillar 4</b> Human Rights  <b>Pillar 5</b> Airport Safety and Security
		Workplace safety during and post COVID	MySejahtera COVID-19 check-ins at Malaysia Airports' premises to facilitate contact tracing. Revised Occupational Health and Safety Policy and Procedures to reflect COVID-19 safety measures implemented. Certified under ISO 45001 Occupational Health and Safety Management System: Corporate Office and MA (Sepang). Decontamination and sanitisation of work and common areas. Supplied alcohol-based sanitisers.	

<b>Frequency of Engagement</b>	◆ Regular	◆ Daily	◆ Annual	◆ Ad-hoc
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**STAKEHOLDER ENGAGEMENT**

Key Stakeholders	Methods of Engagement	Areas of Interest	Our Response	Sustainability Pillars and Material Matters
<b>Employees (con't)</b> 		Job security	There were zero retrenchments and zero salary cuts.	
		Corporate integrity	Committed to the Malaysian Government initiated Integrity Pact.  Have in place a Code of Ethics and Conduct, a Whistleblowing Policy, the Malaysia Airports Integrity Plan and our Corruption Risk Management System and Policies.  Conducted a Corporate Integrity System Assessment.  Conducted Integrity Perception Surveys.	
		Employee engagement	Conducted townhalls, walkabouts, 'Let's Connect Session' engagements, internal communications and union engagements.	
		Training and career development	Accelerated Learning and Development via online learning programmes.  Reskilled and retrained employees for redeployment to other divisions including 88 Aviation Security personnel to take on Airport Fire and Rescue Services duties.	
<b>Airlines</b> 	<ul style="list-style-type: none"> <li>◆ Regular meetings and face-to-face discussions</li> <li>◆ Airline operating committees</li> <li>◆ Local carrier airlines meeting</li> <li>◆ Foreign carrier airlines meeting</li> <li>◆ Security facilitation meeting</li> <li>◆ Feedback surveys</li> </ul>	Innovation and technology advancement	Implemented Network Reconnecting Programme to encourage carriers to resume flying into Malaysia and re-establish network connectivity.  Engaged airlines and communicated 'Airports 4.0' initiatives.  Leveraged on technology: single-token travel, self-baggage-drop facilities, self-check-in kiosks, Passenger Reconciliation System, biometrics for improved efficiency and passenger and airline crew safety.	<b>Pillar 1</b> Airport Capacity Regulatory Compliance  <b>Pillar 5</b> Transportation and Connectivity
		Airport safety	Continued to engage airlines and airport community via the KUL COVID-19 Committee.  Carry out frequent Runway Safety inspections and Runway Safety Team meetings.  Put in place the Safety Management System and obtained Aerodrome certification.  Carry out regular safety and emergency simulation exercises by Airport Fire and Rescue Service.  Conduct Foreign Object Debris walkabouts.  Completed the refurbishment of Runway 1 in line with the KUL Runway Sustainability Master Plan.	

**Frequency of Engagement**

- ◆ Regular
- ◆ Daily
- ◆ Annual
- ◆ Ad-hoc

**STAKEHOLDER ENGAGEMENT**

Key Stakeholders	Methods of Engagement	Areas of Interest	Our Response	Sustainability Pillars and Material Matters
<b>Airlines (con't)</b> 		Terminal and building infrastructure	<p>Continued critical upgrading works such as the replacement of the Aerotrain.</p> <p>Optimised terminal operations through partial closure of underutilised areas of the terminals.</p>	
<b>Passengers</b> 	<ul style="list-style-type: none"> <li>◆ Airport Service Quality surveys</li> <li>◆ MAVCOM Quality of Service audits</li> <li>◆ Social media</li> <li>◆ Customer Feedback Management</li> </ul>	<p>Airport service quality and experience</p> <hr/> <p>Customer service</p> <hr/> <p>Cleanliness</p>	<p>Enhanced e-commerce platforms, #shopMYairports and shopQSAW in Malaysia and Türkiye respectively, to provide a seamless and contactless shopping experience and enable tenants to reach non-travellers.</p> <p>Establish private health screening facilities at the airports to provide more screening options to passengers.</p> <p>Use the Airport Service Quality Benchmarking Programme to measure airport service quality at selected airports.</p> <p>Comply with the MAVCOM's Quality of Service framework.</p> <p>Improved digital processes which include single-token travel, self-baggage-drop facilities, self-check-in kiosks, Passenger Reconciliation System, use of biometrics for improved efficiency and passenger experience.</p> <p>Provide the public with updates via social media and the MYairports app.</p> <p>Engagement with passengers by Airport CARE Ambassadors.</p> <p>Continued the Customer Affairs and Resolution Excellence Feedback Management System to manage and respond to feedbacks and queries.</p> <p>Implemented cashless payment services for increased customer convenience.</p> <p>Completed washroom refurbishments and renovations at KUL.</p> <p>Introduced 'Adopt A Washroom' programme that in which management personnel volunteer to oversee certain washrooms to ensure their cleanliness.</p>	<p><b>Pillar 1</b> Airport Capacity Regulatory Compliance</p> <p><b>Pillar 5</b> Transportation and Connectivity</p>

<b>Frequency of Engagement</b>	◆ Regular	◆ Daily	◆ Annual	◆ Ad-hoc
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## STAKEHOLDER ENGAGEMENT

Key Stakeholders	Methods of Engagement	Areas of Interest	Our Response	Sustainability Pillars and Material Matters
<b>Passengers (con't)</b> 		Communication and announcements	Provide the public with updates via social media. Provide guests with help and guidance via the Airport CARE InfoCentre at KUL. Produce online 'Convergence' magazine. Use #MYairportsupdates to provide the public with a convenient way to access our updates on travel restrictions and SOPs. Improved wayfinding signages.	
		Airport security and safety	Piloted single token initiative driven by facial recognition and other technology to improve passengers' journey throughout the airport. Obtained Airports Council International's Airport Health Accreditation for 6 airports – KUL, BKI, KCH, LGK, PEN and SAW - to ensure compliance with global best practices as well as ACI and ICAO guidance on airport health safety measures.	
<b>Tenants</b> 	<ul style="list-style-type: none"> <li>◆ Standard consulting procedure</li> <li>◆ Engagements, briefings, one-one communication</li> <li>◆ Communication plans and projections</li> </ul>	Airport operator	Practice standard contracting procedure. Provided rebates on rental for premises at the airports. Introduced a new rental model for retail tenants as part of an ongoing effort to retain and attract business partners.	<b>Pillar 1</b> Cybersecurity Digitalisation Economic Performance Procurement Practices
		Customer satisfaction	Enhanced the Commercial Reset strategy. Implemented a cashless payment ecosystem for increased customer convenience. Enhanced #shopMYairports, an e-commerce platform that enhances passengers' retail experiences, allows the non-travelling public to purchase duty absorbed goods and supports the recovery of airport retail tenants. Departing international passengers can pre-purchase and pick up their duty-free goods at the airport through this platform as well. Held 3 'KLIA Crazy Sale' events which enabled the non-travelling public to purchase duty-absorbed goods.	

## Frequency of Engagement

◆ Regular

◆ Daily

◆ Annual

◆ Ad-hoc

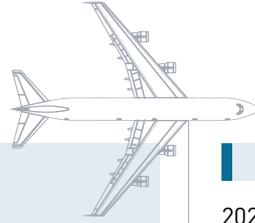
## STAKEHOLDER ENGAGEMENT

Key Stakeholders	Methods of Engagement	Areas of Interest	Our Response	Sustainability Pillars and Material Matters
<b>Vendors and Service Providers</b> 	<ul style="list-style-type: none"> <li>◆ Tenders and request for proposals</li> <li>◆ Briefing on processes and updates on projects</li> </ul>	Procurement process	<p>Regular review and adhered to procurement policies, procedures, and guidelines.</p> <p>Implemented e-Procure and automated procurement process to improve efficiency and digitalisation.</p> <p>Briefed vendors on procurement anti-bribery and anti-corruption measures as part of Vendor Integrity programme.</p>	<b>Pillar 1</b> Digitalisation Economic Performance Procurement Practices  <b>Pillar 3</b> Integrity and Anti-Corruption
		Prompt payments	Implemented the Vendor Management System to keep track of procurements and payments.	
<b>Investors</b> 	<ul style="list-style-type: none"> <li>◆ Analyst briefing sessions</li> <li>◆ One-on-one engagements</li> </ul>	Financial returns	Regular review of business and investment plans to match the current and predicted social-eco climate.	<b>Pillar 1</b> Economic Performance Market Presence Regulatory Compliance  <b>Pillar 3</b> Integrity and Anti-Corruption
		Communication of strategic plan	<p>Implemented a 5-year strategic plan to see the business survive and recover from the pandemic.</p> <p>Put in place measures to improve cost structure and reduce operating cost.</p>	
		Governance and transparency	Adhere to the Malaysian Code on Corporate Governance.	
		Company reputation	Regularly publish literature and press releases that highlight our activities, awards, and accolades.	
		Regulatory compliance	<p>Adhere to Bursa Malaysia's listing requirements.</p> <p>Became a constituent of the FTSE4 Good Bursa Malaysia Index.</p> <p>Incorporated Sustainability Reporting into our annual disclosures.</p>	
Local Community	<ul style="list-style-type: none"> <li>◆ Community engagement</li> <li>◆ Strategic partnerships</li> <li>◆ News media</li> <li>◆ Social media</li> <li>◆ Website</li> </ul>	Corporate citizenship	<p>Continue to give back to the local communities through our Corporate Responsibility Framework which focuses on: Education and Youth Leadership; Community Enrichment and Malaysia Branding.</p> <p>Provided food aid to 2,500 families impacted by COVID-19 measures.</p> <p>Provided flood relief assistance to 1,500 families affected by the year-end floods.</p>	<b>Pillar 4</b> Contributions to the Local Community Human Rights
<b>Media</b> 	<ul style="list-style-type: none"> <li>◆ Media briefings/interviews</li> <li>◆ Website and events</li> <li>◆ Social media</li> <li>◆ Press conferences</li> </ul>	Environmental, social and governance issues	<p>Issue press releases and conduct press briefings regularly.</p> <p>Practise sound and transparent decision making.</p>	<b>Pillar 1</b> Economic Performance Market Presence
		Media relations	Grant media interviews when appropriate and visit media occasionally.	

## Frequency of Engagement

◆ Regular      ◆ Daily      ◆ Annual      ◆ Ad-hoc

# MANAGEMENT DISCUSSION AND ANALYSIS



## AMIDST THE SEA CHANGE CAUSED BY THE PANDEMIC,

it became clear that the ingredients of Malaysia Airports' past success are not necessarily the recipe for future growth. That has spurred us to take bold action. With a propensity to generate revenue, we adopted an entrepreneurial mindset and unlocked previously untapped opportunities to prime Malaysia Airports to capture future growth.



**DATO' ISKANDAR MIZAL MAHMOOD**  
Managing Director

### OVERVIEW

2021 was a watershed year for Malaysia Airports. It was a year that straddled the onset of the pandemic and the reopening of Malaysia's international borders. And 2021 was also a year in which the Group had undergone a distinct change in our approach, adopting a propensity to generate and grow revenues in order to capture opportunities as air traffic grows.

Traditionally, Malaysia Airports' business growth is correlated with the economic growth and consumer demand for travel in key markets. However, in the course of this pandemic, with border control measures and travel restrictions in place for most of 2021, we were not able to reap the benefits of the improving economic conditions in key markets and the evident pent-up demand for travel.

The writing was on the wall – it was time to rethink and future-proof our business. With the future of the Group in our hands, that spurred us to take bold action.

#### **Pivot towards a propensity to generate and grow revenues**

Malaysia Airports today and pre-pandemic are fundamentally different. Our approach today has pivoted towards a propensity for growth, aggressively seeking out revenue generation and actively unlocking untapped opportunities.

With passenger traffic in Malaysia declining by 58.3% year-on-year (YoY) in 2021, we had to look beyond our traditional revenue engine – the aeronautical operations – for growth opportunities. We therefore accelerated our off-terminal development business

## MANAGEMENT DISCUSSION AND ANALYSIS

to secure investors on mid to long term leases to generate a stable and predictable income stream at both KL International Airport (IATA Code: KUL) and around Sultan Abdul Aziz Shah Airport in Subang (IATA Code: SZB). The investment commitments valued at more than RM600.0 million by established global logistics and aviation industry players including DHL Express, Asia Digital Engineering, Dassault Aviation and Collins Aerospace are testament to the unique value proposition at both of these prioritised development areas to serve as the preferred hubs for the region.

Similarly in our on-going Commercial Reset, we were not content to merely refresh the existing commercial spaces at the airports. Instead, we went the extra mile to optimise the current floor space through better passenger footprint and rejuvenating cold zones with essential offerings to increase value. We further expanded the existing space to unlock 14,355 square metres of new commercial space with the potential to increase further as the Group rolls out its pipeline of airport expansion projects.

#### Entrepreneurial mindset

The mindset of our people is also changing – today, our people are thinking like entrepreneurs; they are nimble and agile, and look for novel solutions in overcoming business challenges.

As they are encouraged to think out of the box, our people have put forward entrepreneurial solutions. When Eraman, our travel retail arm, could no longer rely on its traditional customer base nor its traditional retail space – travellers in particular international passengers, and its shops at airports – it reimagined its business. Today, at the airport, Eraman deploys kiosks and mobile carts that enable it to get right to where passengers congregate. It has also diversified its distribution channels beyond the airport and passengers; for example, it brings its Eraman Friends and Family Sales to clients' premises, sells online through its website and the shopMYairports platform, engages with personal shoppers, and leverages social media and shopping platforms such as Facebook, Instagram and Shopee to expand its reach. In 2021, Eraman recorded revenue of RM39.9 million on the back of these sales tactics, which was remarkable given the long periods that domestic and international travel restrictions remained in place.

Our hotel business which traditionally derives a large part of revenue on aircrew business and events, began offering premium quarantine packages to travellers, citing the fact that it was only a covered walkway away from KLIA1. Our airside transit hotels catered to passengers who needed accommodation due to connectivity or documentation issues. These measures enabled our hotel business to enjoy occupancy rates above the industry average with a higher average daily rate than the previous year. It also diversified its income streams by securing a four-year contract to manage student residential property at an educational institution with a total contract value up to RM5.4 million depending on occupancy rate.

#### A leaner financial profile with rebased core costs

Another way in which we are fundamentally different from the pre-pandemic era is that Malaysia Airports now operates on a leaner cost structure. During the pandemic, we relooked at our entire operational costs and streamlined our processes for greater efficiency. We focused on core costs being namely staff costs, utilities and maintenance, and successfully rebased the core costs lower in 2021 by 11.2% YoY or RM172.3 million, on top of the 26.1% reduction we achieved in 2020. We report the core costs publicly on a quarterly basis and have demonstrated sustainable core cost containment through periods of rising passenger volumes and business activity.

Our concrete efforts to contain costs, together with our wider financial discipline, have enabled Malaysia Airports to retain its credit ratings – AAA by RAM Holdings Berhad (RAM) and A3 for Moody's – through 2021 which represented the most challenging operating environment of the Group's history. The strong credit profile also enabled Malaysia Airports to tap debt markets at the end of 2021 by issuing RM800.0 million from the new Senior Sukuk Wakalah programme and increase its contingency credit lines with additional RM225.0 million in new revolving credit facilities. This puts Malaysia Airports in a strong position to fund investments for future growth and to retire debt as it falls due.

**Malaysia Airports today and pre-pandemic are fundamentally different. Our approach today has pivoted towards a propensity for growth, aggressively seeking out revenue generation and actively unlocking untapped opportunities.**

## MANAGEMENT DISCUSSION AND ANALYSIS

### Technology and data driven to enhance airport experience, capacity and security

We leveraged our Airports 4.0 digital transformation initiative to enhance the airport experience, improve capacity and efficiency and boost security as these are building blocks for future growth. The use of technology has enabled the Group to rethink and redesign its operations particularly in the light of the new travel norms. For example, as new travel SOPs require the checking of additional documents and hence longer passenger processing time, at KUL we deployed an Automated Queue Management System to manage and reduce queue wait times to under 10 minutes.

A data-driven approach was one of the key success factors behind 2021's biggest wins - KUL and Langkawi International Airport (IATA Code: LGK) being named as 'Best Airports' in the Asia Pacific region for their size categories by ACI World in the annual Airport Service Quality (ASQ) awards. In improving service quality and understanding what drives guest satisfaction, in 2021 our people combed through and analysed feedback provided by airport users and regularly disseminated the data to relevant airport stakeholders to enable them to focus their time and resources accordingly.

For example, among the major contributing factors to guest satisfaction as we have gathered from their feedback is their confidence in the health and safety standards at the airports and the cleanliness and availability of washrooms. This comes on the back of the completion of our refurbishment of washrooms at KUL and obtaining ACI Airport Health Accreditation for KUL and LGK, together with four other international airports.

■ **Among 2021's biggest wins are KUL and LGK being named as 'Best Airports' for service quality by ACI World in the annual Airport Service Quality awards.**

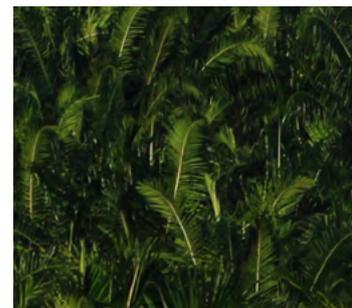
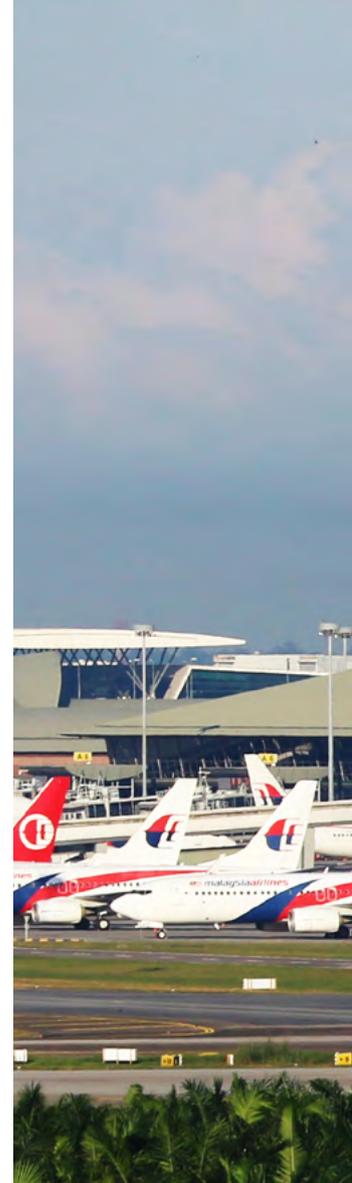
### Stepping up to challenges

In my meetings with our people on the ground, it is clear that they are ready for any challenges that lie ahead. Despite the challenging operating conditions, we have maintained a 'zero retrenchment' policy, choosing instead to retain, reskill and redeploy our people. Average training hours per employee for operations in Malaysia rose 200% YoY from 13 hours to 39 hours. As a result, we are ready to scale up our operations immediately as our staff force has remained intact and with improved capabilities.

Certainly, our people have stepped up to the plate. They were critical in executing and coordinating the many moving parts that needed to come together to win KUL and LGK their Best Airports awards in ACI's ASQ 2021 Awards. Their efforts also resulted in Malaysia Airports obtaining ACI's Airport Health Accreditation certification for six international airports – KUL, Kota Kinabalu International Airport (IATA Code: BKI), Kuching International Airport (IATA Code: KCH), LGK, Penang International Airport (IATA Code: PEN) and Istanbul Sabiha Gökçen International Airport (IATA Code: SAW). Our airport staff have played a major part in the government initiatives to revive the aviation and travel industry, for example the Langkawi Travel Bubble and the Vaccinated Travel Lane by Air. They have worked closely with other members of the airport community and government agencies to ensure the success of these initiatives as the precursor to the reopening of Malaysia's borders.

### Our values remain constant

In a period of constant change, it is important that we hold fast to our values that underpin Malaysia Airports. Giving back to the community around us is part of Malaysia Airports' DNA and in the course of 2021, we helped those in need through our MYAirportCARES programme. Over 4,000 families in need who live in the vicinity of our airports benefited from our food aid and flood relief initiatives. Our employees also pooled their



## MANAGEMENT DISCUSSION AND ANALYSIS



resources to show their appreciation to 3,100 frontliners and passengers during Ramadan by providing them with breaking of fast meals.

We also took advantage of our online learning platform to reinforce corporate integrity and our Anti-Bribery and Anti-Corruption stand to all employees. By moving our communications and training materials online, we reached out to all staff and ensured that the Anti-Bribery, Anti-Corruption and Whistleblowing training modules were completed by 100% of our employees at all levels of the Group.

In addition, recognising that our industry operates as an eco-system, we continued to provide support to airline partners and tenants to keep the eco-system intact and functioning. In the course of the year, we implemented the Network Reconnecting Programme, New Rental Model and provided rental assistance to help cushion the impact of the pandemic on them.

### Striding boldly ahead

In tackling the challenges posed by the pandemic, Malaysia Airports has become an organisation that is lean, focused and resolute. Our people are resilient and ready to take on challenges. Against this backdrop that has spurred Malaysia Airports to take bold action in 2021, we are pleased to present this Management Discussion and Analysis that provides stakeholders with a holistic explanation of the highlights of the year, and our plans moving forward.

■  
**Our people on the ground are ready for any challenges that lie ahead.**

## MANAGEMENT DISCUSSION AND ANALYSIS



### A WATERSHED YEAR IN REVIEW

#### KEY AIRPORT STATISTICS

Group	MY	SAW
<b>Passenger Movements (million)</b>		
36.1	10.7	25.4
-16.0%	-58.3%	47.4%
<b>Commercial Aircraft Movements</b>		
412,505	235,351	177,154
-12.5%	-32.5%	44.3%
<b>Cargo Movements (metric tonnes)</b>		
1,098,850	1,047,769	51,081
31.6%	31.9%	26.4%

#### Group-wide

Malaysia Airports' network including SAW in Türkiye recorded 36.1 million passengers in 2021, representing a contraction of 16.0% YoY. The contraction was due to passenger movements for operations in Malaysia declining by 58.3% YoY. By contrast, passenger movements at SAW grew a promising 47.4% YoY, reaching 70.5% of 2019's pre-pandemic volumes.

International passenger movements totalled 10.3 million while domestic passenger movements totalled 25.8 million.

A notable point with regards the YoY comparison of 2020 and 2021 is that the period of January till mid March 2020 was largely unaffected by the pandemic, and the traffic numbers for January and February 2020 were higher than that for our record-breaking year of 2019. In fact, there has been consistent growth month-on-month (MoM) over 2020 since March 2021, and a comparison from April to December 2021 over the same corresponding period in 2020 shows that traffic grew by 73.0% or an additional 12.7 million passenger movements recorded.



## MANAGEMENT DISCUSSION AND ANALYSIS

By December 2021, Group-wide monthly passenger movements had crossed the five million mark for the first time in the year. The Group registered a total of 5.3 million passenger movements of which passenger movements in Malaysia contributed 3.1 million or 58.4%, and SAW contributed 2.2 million or 41.6%. Overall, the traffic in December 2021 stood at 41.7% of pre COVID-19 levels.

Commercial aircraft movements declined by 12.5% YoY. In this regard, although SAW registered an increase of 44.3% with regards aircraft movements, this was insufficient to off-set the 32.5% YoY decline across our airports in Malaysia. International aircraft movements Group-wide had declined 10.9% while the decline in domestic aircraft movements was 13.2% YoY.

Cargo movements of 1.1 million metric tonnes represented a double-digit growth of 31.6% YoY. This was the highest annual volume of cargo handled by our network of airports, which was only the second time that the volume had surpassed a million metric tonnes.

### Airports in Malaysia

For much of the first three quarters of 2021, Malaysia was subject to Movement Control Orders which restricted domestic inter-state and inter-district travel and allowed entry by non-Malaysians into the country only with prior approval of the government and in limited circumstances.

In June 2021, the Malaysian government announced the National Recovery Plan which was designed to lead the country out of the COVID-19 pandemic. The plan envisaged transitioning through four planned phases based on a trio of public health indicators – the level of COVID-19 transmissions in the community, the capacity of the public healthcare system and the vaccination rate of Malaysia's population. Restoring inter-state travel and domestic tourism formed part of Phase Four of the National Recovery Plan and was dependent largely on the nation hitting the vaccination threshold of 90% of the adult population being fully vaccinated.

### EASING COVID-19 TRAVEL RESTRICTIONS IN MALAYSIA – 2021 MILESTONES

#### 15 June

Malaysia's National Recovery Plan unveiled.

#### 16 September

Langkawi welcomes fully vaccinated domestic travellers.

#### 11 October

With 90% of Malaysia's adult population fully vaccinated, travel restrictions for fully vaccinated individuals in the country were lifted, enabling them to travel freely within Malaysia, and also overseas.

#### 18 October

Umrah pilgrimage travel resumes for fully vaccinated Malaysians.

#### 15 November

Langkawi International Travel Bubble launched, enabling fully vaccinated international travellers to travel to Langkawi, and subject to fulfilling public health requirements, to the rest of Malaysia after the stipulated period.

#### 29 November

Malaysia-Singapore Vaccinated Travel Lane (VTL) launched, beginning with six return flights daily operating between SIN-KUL.

As travel restrictions eased in Malaysia, the corresponding rise in passenger traffic continued to demonstrate that demand for travel among Malaysians remained strong. On a monthly basis, for the single month of October 2021, airports in Malaysia registered 1.3 million passenger movements, which was higher than the total traffic registered for the whole of 3Q21. In November, airports in Malaysia saw 2.3 million passenger movements, passing the two million mark for the first time since the pandemic and by December, passenger movements in Malaysia had climbed to 3.1 million.

## MANAGEMENT DISCUSSION AND ANALYSIS



By December 2021, Group-wide monthly passenger movements had crossed the five million mark for the first time in the year. The Group registered a total of 5.3 million passenger movements of which passenger movements in Malaysia contributed 3.1 million or 58.4%, and SAW contributed 2.2 million or 41.6%.

For the full year, passenger movements in Malaysia totalled 10.7 million, which is 58.3% lower YoY. If the period from January till March is excluded, a comparison from April to December 2021 over the same corresponding period in 2020 shows that traffic grew by 23.5%.

International passengers accounted for 1.3 million passenger movements while domestic passengers accounted for the bulk of passenger traffic with 9.4 million passenger movements, which were 85.7% and 43.0% lower YoY.

Commercial aircraft movements declined by 32.5% YoY with international aircraft movements 42.3% lower YoY and domestic aircraft movements 28.6% lower YoY.

Cargo movements for Malaysia fared much better than passenger traffic increasing by 31.9% YoY with 1,047,769 metric tonnes in

total. Domestic cargo movements grew 46.9% YoY while international cargo movements grew 27.3%. The air cargo growth in Malaysia was mainly driven by the urgent need to meet demands for transporting medical supplies in response to COVID-19. In addition, rapid expansion in e-commerce was also a contributing factor to this growth.

#### KUL

KUL recorded 4.0 million passenger movements in 2021, a decline of 69.5% YoY. International passenger movements totalled 1.3 million and domestic passenger movements stood at 2.7 million, contracting 83.9% and 45.4% YoY respectively. Comparing the two KUL terminals, passenger movements at the Main Terminal contracted by 64.2% YoY while passenger movements at klia2 contracted by 74.0% YoY.

Commercial aircraft movements totalled 73,673, a decrease of 40.8% YoY.

Cargo movement at KUL amounted to 660,039.6 metric tonnes, 30.7% higher than 2020.

**MANAGEMENT DISCUSSION AND ANALYSIS****Airports in Malaysia ex KUL**

Passenger movements for the other airports in Malaysia excluding KUL registered a decline of 46.6% YoY with a total of 6.7 million passenger movements. This comprised 35,435 international passenger movements, a 97.2% decline YoY, and 6.7 million domestic passenger movements, a 41.0% decline YoY.

Commercial aircraft movements for the airports collectively totalled 161,678, a decline of 27.9% YoY.

**SAW**

Air traffic for SAW was encouraging, showing a rebound much earlier than in Malaysia. The relaxation of border controls and inter-city travel in Türkiye, the lifting of national curfew, a successful vaccination roll out together with the acceptance of the European Union's (EU) Digital COVID-19 Certificate and EU recognition of Türkiye's national vaccination certificate facilitated and encouraged travel to and from Europe and within Türkiye.

From March 2021 onwards, traffic at SAW was recording relatively stable growth MoM compared to the corresponding period in 2020. For FY21, passenger movements for SAW grew by 47.4% to reach 25.4 million, which was 70.5% of 2019's pre-pandemic volume. The rapid recovery enabled the airport to rank 4th in the European passenger traffic YoY expansion and become the second fastest-recovering airport in Europe for 2021.

The airport also consistently ranked within Europe's Top 10 busiest airports (as ranked monthly by ACI), reaching a high of 4<sup>th</sup> place in August during the peak of the summer travel period in which passenger traffic reached 90.6% of pre-pandemic levels. Overall, SAW was the sixth busiest in Europe for 2021, ahead of traditional bellwether airports such as Frankfurt, Madrid and Heathrow.

In terms of passenger mix, SAW has also gained a higher proportion of international traffic. In 4Q21, international passengers accounted for 43.3% of its traffic which was higher than the pre-pandemic 40.9% in 4Q19. This is due to improved demand for international flights from passengers.

Commercial aircraft movements at SAW increased by 44.3% YoY to 177,154 movements. In this regard, international aircraft movements grew 65% YoY to 67,942 while domestic aircraft movements grew by 33.8% YoY to 109,212.

Cargo numbers were also up by 26.4% YoY with 51,081 metric tonnes recorded.

**REVIEW OF FINANCIAL PERFORMANCE AND MEASURES****Financial Performance**

Lower revenues but significant improvement in EBITDA and narrower losses

**Revenues**

Malaysia Airports recorded revenue of RM1,673.0 million, 10.4% lower YoY. This was due to a 16.0% contraction in passenger movements largely as a result of continued interstate and international travel restrictions that has impacted operations in Malaysia since March 2020.

On a segmental basis, revenue from airport operations contracted by 12.8% YoY to RM1,466.6 million. Aeronautical segment revenue declined by 9.9% YoY to RM798.1 million, impacted by passenger traffic contraction of 16.0%. Non-aeronautical segment revenue decreased by 16.0% YoY to RM668.5 million due to lower commercial rental revenue for Malaysia operations.

Revenue from non-airport operations increased YoY by 12.3% or RM22.6 million due to higher revenue from agriculture driven by higher commodity prices, and higher demand in our project and repair maintenance and hotel businesses.

On a geographical basis, Malaysia operations had recorded a decrease in revenue by 45.4% YoY to RM673.8 million. Operations in both Türkiye and Qatar recorded YoY increases in revenue by 65.6% to RM910.1 million and 7.7% to RM89.1 million respectively.

## MANAGEMENT DISCUSSION AND ANALYSIS



### Cost contraction

For FY2021, Malaysia Airports' total cost contracted by 18.4% YoY or RM378.5 million due to several key drivers. First, lower user fees were payable to the government in tandem with revenue contraction in Malaysia. Secondly, lower direct costs have been incurred due to the reduction of retail sales and project maintenance segments in Malaysia. Thirdly, due to the Group's cost containment initiatives, staff costs, utilities and maintenance costs have also reduced. Finally, with the collection of receivables, there has been a corresponding writeback of provisions for doubtful debts.

The cost containment in Malaysia has also helped to offset the increase in core operations costs at SAW due to rising energy prices and inflation.

### EBITDA

Malaysia Airports reported EBITDA of RM220.3 million for FY2021, a significant improvement compared to the negative RM1.2 million recorded in FY2020. The significant improvement in Group EBITDA was largely due to financial discipline with core operating costs reducing by a further 11.2% or RM172.3 million in FY2021 on top of the 26.1% or RM575.5 million reduction achieved in FY2020.

Commendable air traffic recovery at SAW contributed towards reducing the impact of the pandemic on the Group's earnings. EBITDA for Türkiye operations reported a YoY increase of 110.3% to RM662.9 million, while the Malaysia and Qatar operations recorded an EBITDA of negative RM450.6 million and positive RM8.0 million, respectively. The Group also reported an operating cash flow surplus of RM271.1 million compared to a deficit of RM67.2 million in FY2020.

### Bottom-line

The Group's loss before taxation (LBT) narrowed to RM1,040.9 million, an improvement as compared to LBT of RM1,763.9 million in the prior year due to the impairment of RM500.4 million



in ISG's concession rights recognised in the prior year, further reduction in core operational expenses by 11.2% as compared to the prior year and increase in other income.

Malaysia operations recorded a LBT of RM777.5 million, whilst Türkiye operations recorded a LBT of RM270.0 million, both lower than the LBT in the prior year of RM787.1 million and RM978.3 million respectively. Qatar operations recorded a higher PBT of RM6.6 million as compared to RM1.5 million recorded in the prior year.

The Group's LBT was however mitigated by the recognition of deferred tax asset recognised arising from the current year business losses. Accordingly, the Group recorded loss after taxation (LAT) of RM766.4 million.

**Malaysia Airports reported EBITDA of RM220.3 million for FY2021, a significant improvement compared to the negative RM1.2 million recorded in FY2020.**

**MANAGEMENT DISCUSSION AND ANALYSIS****Financial measures**

## Setting a strong foundation for future growth and better earnings

In line with its pivot in 2021 towards a propensity for growth, Malaysia Airports' financial measures set a strong foundation to enable the Group to pursue two main objectives – first, enable the Group to aggressively pursue future growth and secondly, enhance earnings and returns to shareholders. This was achieved on the back of its success in securing funding both in Malaysia and abroad as well as a Group-wide effort to rebase core costs.

**Accessing funding**

For FY2021, Malaysia Airports' credit ratings remained unchanged – AAA by RAM Holdings Berhad (RAM) and A3 for Moody's. Our ability to maintain the ratings despite the unfavourable operating environment reflects the confidence of the financial markets in Malaysia Airports' strong fundamentals, business direction, track record of prudent financial management and the strategic importance of its role as the sole operator of all 39 government-owned airports in Malaysia.

The confidence of funders also enabled Malaysia Airports to tap debt markets at the end of 2021 by issuing RM800.0 million Senior Sukuk Wakalah pursuant to its new RM5.0 billion Sukuk Wakalah Programme. The Senior Sukuk Wakalah received overwhelming demand from investors, chalking up a final bid-to-cover ratio of more than five times the final issue size. On the back of this, the Group had also successfully tightened the final price substantially from the initial price guidance and subsequently upsized the debt issuance from an initial target issue size of RM500.0 million to RM800.0 million.

The Sukuk offering comprised three tranches – 5-year RM475.0 million, 7-year RM225.0 million and 10-year RM100.0 million. The offering yield was tightened to a final profit rate of 3.87% p.a., 4.14% p.a. and 4.25% p.a. for the 5, 7 and 10-year tranches respectively.

The Senior Sukuk Wakalah was rated AAA by RAM Holdings Berhad while the Perpetual Sukuk Wakalah was rated AA2 with stable outlook reinforcing the favourable view of investors on Malaysia Airports' strategic business direction and financial management throughout the pandemic and beyond.

The Sukuk funding is a key enabler for the Group's business growth plans and strategies moving forward. It will also be applied towards retiring existing sukuk falling due, to take advantage of longer tenors under the current programme.

In addition, for contingency credit lines, Malaysia Airports secured an increase of RM225.0 million in new revolving credit facilities bringing the total to RM1.3 billion compared to RM1.1 billion in FY2020.

As at end-2021, undrawn credit lines amounted to RM7.3 billion.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Rebase Core Costs

Lowering core operating costs to a lower sustainable base continued to be a focus this year, with the view that a leaner cost structure will enable the Group to return to profitability quicker and sustain profits at a higher rate. Core operating costs are staff costs, utilities, maintenance and other administrative expenses.

In 2021, our continued efforts to innovate, rethink and reimagine our operations and cost structures showed encouraging results. Core operating costs contracted by a further 11.2% YoY or RM172.3 million, representing sustainable cost containment above and beyond the reduction of the 26.1% reduction we achieved in FY2020. In FY2021, these were achieved primarily through reduction of utilities and staff costs.

A prime example of the reduction of core operating costs is the Group's new utilities joint venture (JV) with TNB Engineering Corporation, a subsidiary of Tenaga Nasional Berhad which commenced operations on 1 July 2021. The JV which has been awarded the concession to modernise and manage one of KUL's district cooling plants will lead to a reduction of at least RM50.0 million in annual utilities costs throughout the 20-year concession period.

### Cash Position

At end-2021, Malaysia Airports' cash balances and money market investments stood at RM2,311.4 million compared to RM1,717.0 million at end-2020. Cash balances were bolstered by improvement in net cash from operating activities particularly with the improvement in revenues in Türkiye and the lowered costs in Malaysia. Cash on hand for Malaysia operations stood at RM1,167.1 million while for operations in Türkiye and Qatar, cash on hand amounted to RM1,144.3 million.

■ Core operating costs contracted by a further **11.2% YoY** or **RM172.3 million**

■ At end-2021, Malaysia Airports' cash balances and money market investments stood at **RM2,311.4 million** compared to **RM1,717.0 million** at end-2020

■ The Group collected over **RM1,647 million** in trade and other receivables despite the challenging backdrop, an **increase over the RM1,400 million** collected in 2020

■ Malaysia Airports closed the year with a **strong balance sheet with low gearing** which will allow the Group to gear up further if required

Our cash position was also boosted by more efficient management of receivables as we continued to adopt the proactive approach which we initiated in 2020. By working closely with key airlines, government agencies and other stakeholders, the Group collected over RM1,647 million in trade and other receivables despite the challenging backdrop, an increase over the RM1,400 million collected in 2020.

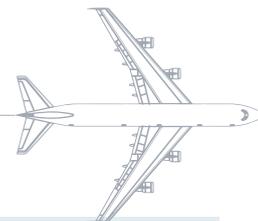
We were granted an extension for repayment of SAW's term loan by two years to 2025. The lenders had agreed to grant Malaysia Airports a payment holiday for the repayment of tranches due in December 2020 and June 2021, while only requiring a payment of EUR10.0 million in December 2021. At the end of 2021, the term loan had an outstanding principal amount of EUR375 million.

Malaysia Airports also engaged closely with the Turkish government in securing the indefinite deferment for the annual SAW utilisation fee of EUR114.8 million that was due in January 2021 and January 2022.

### Capital Strength

As a result of prudent financial management and proactive measures, Malaysia Airports closed the year with a strong balance sheet with low gearing which will allow the Group to gear up further if required. By exercising strict financial discipline in maintaining undrawn lines, there is ample liquidity available to fund future growth with total undrawn facilities at end-2021 standing at RM7.3 billion.

## MANAGEMENT DISCUSSION AND ANALYSIS



# OPERATIONS REVIEW

## AIRPORT OPERATIONS

### AERONAUTICAL BUSINESS

#### Primed to Reconnect

The highlight of our aeronautical business was KUL and LGK winning Best Airports awards in the Asia Pacific in Airports Council International's rankings for service quality. Our aeronautical business activities focused on increasing capacity and to ensure that our airports are primed for the resumption of travel.



Malaysia Airports' business operations comprises airport as well as non-airport operations. Airport operations cover the two major revenue streams derived from aeronautical business and non-aeronautical business. These two revenue streams form the bulk of the Group's revenues. Non-airport businesses comprise the hotel, agriculture and horticulture as well as project and repair maintenance businesses. Beyond that, there are landside development activities relating to the use of our landbank around the airports which we operate primarily around KUL, SZB and PEN.

The aeronautical business derives its revenues from airlines and passengers who use our airports, as well as cargo which is transported through our airports. The main categories of revenues are passenger service charges, aircraft landing and parking charges and charges for use of airport facilities.

These aeronautical revenues are strongly correlated with the volume of airlines, passenger numbers (in particular, a higher proportion of international passengers) and cargo handled using our facilities.

In 2021, while travel restrictions on international and domestic travel affected airport operations in Malaysia causing a decline in passenger numbers by 58.3% YoY, the operating environment in Türkiye enabled SAW to make a commendable recovery with passenger movements growing 47.4% YoY. As a result, passenger movements for the Group declined by 16.0% YoY.

Aeronautical revenues amounted to RM798.1 million, a YoY decline of 9.9%. Operations in Malaysia contributed RM239.5 million, a YoY decline of 53.9% while aeronautical revenues from Türkiye operations contributed RM558.6 million, a YoY increase of 52.1%.

## MANAGEMENT DISCUSSION AND ANALYSIS

### AIRPORT OPERATIONS

#### KEY PRIORITIES FOR AERONAUTICAL BUSINESS

**01** Work with airlines to boost network connectivity

Maintain public confidence in the safety of air travel **02**

**03** Leverage technology to enhance safety and security and airport experience

Enhancing readiness and capacity **04**

#### Work with airlines to ramp up network connectivity

As aeronautical revenues are correlated with the volume of passengers, it was imperative to regain lost network and attract airlines to return to Malaysia.

In 2021, the Network Reconnecting Programme facilitated and assisted airlines in resuming their services to and from Malaysia, with the aim of recovering the network that had been disrupted by the pandemic. The programme sought the commitment of airlines to resume international flights into Malaysia as soon as it was practically possible, positioning Malaysia as a top-of-mind destination.

Foreign carriers were incentivised by rebates in landing charges while local carriers enjoyed a volume premium for every passenger carried into Malaysia. As a result, a total of 34 airlines had resumed operations into Malaysia as at end-2021, serving 33 international routes around the globe. With the reopening of Malaysia's borders in April 2022, several more airlines have resumed operations.

In 2021, for operations in Malaysia, two new passenger services were introduced – Myanmar Airways International (Yangon-KUL) and Starlux (Taipei-KUL). Three freighter services – Kargo Xpress (KUL-KCH, KUL-BKI), Central Airlines (Shenzhen-KUL) and Longhao Airline (Shenzhen-KUL) – also commenced services to Malaysia. YTO Cargo Airlines added a new route (Nanning-KUL) in 2021. With the Langkawi International Travel Bubble in place, Scoot resumed its Singapore-LGK route in December 2021.

In Türkiye, SAW has 44 airlines operating out of the airport, serving 107 international and 37 domestic routes. Pegasus has launched eight new international routes while AnadoluJet, a regional brand of Turkish Airlines, added 11 new international routes. The new routes service primarily destinations in Europe and the Middle East.

#### Maintain public confidence in the safety of air travel

While the threat of COVID-19 remained in 2021, we recognise a global move towards an endemic phase when we have to adapt to living with the virus. As the health and safety of airport users continues to Malaysia Airports' top concern in 2021, it was essential that we continuously and consistently uphold stringent health and safety standards at our airports to maintain public confidence in the safety of air travel, and to support Malaysia's implementation of the National Recovery Plan.

We are proud that the health and safety measures at six international airports – KUL, BKI, KCH, LGK, PEN and SAW – have been accredited by Airports Council International under its Airport Health Accreditation programme. This global accreditation recognises that the SOPs and practices of our airport operations adhere to global industry best practices as set out in the ACI Airport Operations and COVID-19: Business Recovery guidelines and ICAO Council's Aviation



**MANAGEMENT DISCUSSION AND ANALYSIS**

Restart Task Force recommendations. It also places our international gateways on a solid footing to facilitate the sustainable recovery of the aviation industry and heightens the preparedness of the airport community for a surge in passenger movements in the coming months.

As a successful rollout of a national vaccination programme has been a key factor in reopening economic sectors safely, Malaysia Airports holds the view that a high vaccination rate among our employees and the airport community will also lend weight to assuring safety at the airport. We achieved a 100% vaccination rate for all eligible employees nationwide by encouraging them to get vaccinated. In the case of KUL as the nation's gateway, we worked alongside the Ministry of Health to enable a vaccination centre to be set up at the airport to facilitate the vaccination of our employees and members of the airport community.

#### **Leverage technology to enhance airport experience, capacity and security**

We leveraged our Airports 4.0 digital transformation initiative to enhance the airport experience, improve capacity and efficiency and boost security as these are building blocks for future growth. The use of technology has enabled the Group to rethink and redesign its operations particularly in the light of the new travel norms.

**We continuously and consistently uphold stringent health and safety standards at our airports to maintain public confidence in the safety of air travel**

For example, as new travel SOPs require the checking of additional documents and hence longer passenger processing time, at KUL we deployed an Automated Queue Management System (AQMS) to manage and reduce queue wait times to under

## MANAGEMENT DISCUSSION AND ANALYSIS

### AIRPORT OPERATIONS

10 minutes. The AQMS leverages on Internet of Things (IoT) technology and uses 3D sensors to accurately ascertain the number of people in a certain area and proactively monitor congestion and overcrowding. It also alerts ground staff on necessary intervention to reinforce service level standards and comply with SOPs. A similar passenger flow management system was also deployed at SAW.

Another Airports 4.0 initiative, the Passenger Reconciliation System (PRS), was also rolled out at KUL to speed up, strengthen and simplify the security screening process. The enhanced efficiency will help to reduce queues at security checkpoints, and thus enable strict physical distancing. The PRS has been key to an elevated e-boarding experience – an ‘open gate’ concept at selected boarding gates which creates more space for passengers to sit and wait comfortably before boarding their flights. As the PRS is also able to scan and match information on passenger travel documents to the airlines’ passenger database in real time, ‘no shows’ among passengers can be quickly detected and acted upon, and hence lower security risks.

Technology also featured prominently in the exercise to replace the Aerotrain, the automated people mover at KUL. By deploying the latest technology, the new Aerotrains will deliver a better experience in many areas for example safety, comfort, appearance, energy consumption and diagnostics. It will also offer flexibility for seamless connections for new terminals in the future. The project saw the award of the tender in 2021 and is expected to have the new Aerotrains shuttling passengers in 2025.

#### Enhancing readiness and capacity

Our focus on airport readiness and capacity was also evident in the intense preparation for increased passenger volumes. For example,



new private COVID-19 health screening facilities were established at all international airports. By engaging private health service providers, the airports were able to offer express on-site COVID-19 tests as an additional service to travellers. This also facilitated the implementation of the Vaccinated Travel Lane by Air which required travellers to undergo a PCR test upon arrival at KUL in its initial stages.

In 2021 a full-scale Aerodrome Emergency Exercise was implemented at KUL, while 20 other sessions in the form of virtual tabletop exercises were undertaken at other airports. All relevant external stakeholders were included in the exercises.

As part of mission critical investments, the Group completed the rehabilitation of Runway 1 on schedule in line with the KLIA Runway Sustainability Master Plan that contains a full-fledged framework for the continuous safety of flight operations at the airport. Prior to Runway 1, Runway 3 at KUL underwent the same exercise last year. Currently, at full capacity, KUL can handle up to 108 flight movements per hour. SAW also accelerated the construction of its Runway 2 which is expected to be operational in 2022.

Also on mission critical investments, Malaysia Airports initiated a three-year programme to replace 17 aging Airport Fire Rescue Service (AFRS) fire vehicles at 13 airports as the vehicles were reaching their maximum lifespan. In 2021, eight fire vehicles were replaced at Ipoh, Kota Bahru, Limbang, Melaka, Miri, Sandakan and Terenggaru airports.

**NON-AERONAUTICAL BUSINESS**

**Reimagining Airport Retail**

Reimagining our non-aeronautical business has refreshed our approach to enhance our propensity to generate revenue and growth. This includes expanding retail space, new retail brands, exciting campaigns, omni-channels and even extending our reach beyond the airport retail space. The New Rental Model also helps sustain and retain existing partners to ensure the prime readiness of our airport retail spaces as passenger traffic expands.

The two main components of the Group’s non-aeronautical business are first, rental and royalties derived from leasing out airport space and secondly, retail sales of duty free and non-dutiable goods by our subsidiary, Malaysia Airports (Niaga) which is better known by its brand name, Eraman.

This year, in line with passenger numbers, non-aeronautical revenues declined by 16.0% YoY to RM668.5 million. Revenues from rental and royalties stood at RM629.2 million, a YoY decline of 2.2%. Retail sales of duty free and non-dutiable goods by Eraman contributed revenues of RM39.9 million, a YoY decline of 74.3%.

Notably, rental and royalties at SAW grew 104.3% YoY with a total revenue contribution of RM343.8 million. A key driving factor was the entry of Dufry, the world’s largest duty free airport operator, which had taken over as the travel retail operator at SAW from November 2020 onwards. In 2021, Dufry had upgraded the eight existing shops at SAW and introduced an uplift in the retail offerings and product diversity featuring renowned international and local brands as well as a state-of-the-art shopping experience incorporating digital technology at the outlets.

Eraman’s revenues of RM39.9 million were also remarkable given the long periods during which domestic and international travel restrictions remained in place. The revenues were the result of continued and focused efforts to sell products through diverse online and offline channels, which were novel given Eraman’s traditional profile as an airport-based travel retailer.

**Rentals and Royalties**

**Accelerate and expand the Commercial Reset for future growth**

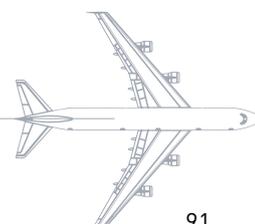
The Commercial Reset initiative had begun in 2018 to refresh the commercial spaces at the airports and future-proof our airports by combining infrastructure improvement with a new retail layout and retail mix to maximise footfall and revenues. This includes everything within the commercial spaces from full digital adoption, rethinking the end-to-end customer journey and offering seamless online-offline experiences.

Through the Commercial Reset, our airports, particularly international airports, will enjoy an enhanced profile and position themselves as premier travel retail and lifestyle destinations in their own right as opposed to being merely a conduit for air travel. A pilot commercial reset programme was implemented in LGK and its new and exciting lifestyle offerings are a showcase of a successful commercial reset, earning enthusiastic feedback from travellers and other airport users. The airport also enjoys the distinction of housing the island’s first Burger King, Ya Kun Kaya Toast and Costa Coffee outlets.

The Group has optimised the current floor space and expanded the commercial areas to unlock a further 14,355 square metres (sqm) of new commercial spaces on top of the existing 67,252 sqm, with more potential commercial spaces to be identified as the Group rolls out the airport expansion projects in its pipeline. The retail spaces will also be optimised to increase their value for example through better passenger footprint and rejuvenating cold zones with essential offerings. With the optimisation, the increase in retail and

**KEY PRIORITIES FOR NON-AERONAUTICAL BUSINESS**

- 01** Accelerate and expand the Commercial Reset for future growth
- 02** Sustain and retain existing partners
- 03** Expand omni-channel capabilities
- 04** Increase retail spend per pax via Eraman realignment and new channels



## MANAGEMENT DISCUSSION AND ANALYSIS

### NON-AERONAUTICAL BUSINESS

F&B space is expected to generate an additional RM50 million in revenues annually.

Since the beginning of the Reset journey in 2018, 808 outlets across Malaysia had been earmarked for the Commercial Reset, with 70% already tendered out. At the end of 2021, an open tender exercise was conducted for 226 outlets, resulting in 96% of the outlets already being tendered out while the remaining 4% will be reserved for future development as passenger numbers grow.

Approximately half the outlets which were the subject of earlier tenders had been awarded, with new brands opening their doors in 2021 despite the pandemic. These include Sweet Food Convenience Store at KCH and McDonald's at KLIA1's Anjung Tinjau that offers customers a unique dining experience - a panoramic view of the apron. The new Food Garden at KUL combines modern design with a great ambience and a wide selection of local and western F&B offerings by O'Briens, Starbucks Coffee, Pastamania and more.

Once the Commercial Reset is complete, passengers can look forward to more than 70 exciting brands across our airports offered under five main retail formats – Duty Free, F&B, Designer Fashion, Retail-tainment and Sense of Malaysia – displaying a good mix of renowned local and international brands, and a blend of old and new. Exciting new brands that will be first-in-airport are Serai, Hard Rock Café, Taco Bell, Be Relax and more.

#### Sustain and retain existing partners

In 2021, the commercial occupancy was approximately 69%, compared to the pre-pandemic level of 81% in 2019. To retain and attract tenants in a period of low passenger traffic, we introduced the New Rental Model for Malaysia that came into effect in 2021.

Rental rebates and deferment of rental payments had been granted to 325 retailers which had amounted to a total of RM367 million in 2021, including deferments of rental payments in 2020 to 2021 which had been granted to ease the cash performance of the retailers that had been impacted by the closures imposed due to



At the end of 2021, an open tender exercise was conducted for **226 outlets**, resulting in **96%** of the outlets already being tendered out while the remaining **4%** will be reserved for future development as passenger numbers grow

Once the Commercial Reset is complete, passengers can look forward to more than **70 exciting brands** across our airports

the pandemic, and to ensure business continuity with Malaysia Airports. The retention of tenants is important to ensure the prime readiness of our commercial offerings as Malaysia's borders reopen fully to international travellers.

In addition, Malaysia Airports organised its immensely popular KLIA Crazy Sale three times in 2021 with sales of RM4.9 million transacted in the year. The Sale events enabled airport retailers to move stocks by offering for sale to the general public exclusive duty-absorbed travel retail products ranging from perfumes and cosmetics, chocolates and confectionery, fashion apparels and accessories, and lifestyle products such as electronic gadgets.

#### Expand omni-channel capabilities

Malaysia Airports' Airports 4.0 digital transformation initiative has seen the introduction of online e-commerce platforms in Malaysia and Türkiye – shopMYairports and shop@saw - which aim to enhance customers' experience on the retail front. By providing the online platforms to airport retailers, they are able to expand their reach beyond their bricks and mortar shops at

## MANAGEMENT DISCUSSION AND ANALYSIS



## Retail Sales Of Duty-Free And Non-Dutiable Goods

**Increase retail spend per pax via Eraman realignment and new channels**

With the goal to increase retail spend per pax, Eraman continued to pursue revenue generation initiatives which had proven effective in 2020 such as Eraman Friends and Family Sales events, Eraman Duty Absorbed Sales and online sales via shopMYairports.

It also introduced new distribution channels to reach new customers such as engaging personal shoppers through a new Personal Shopper Programme to build a network and created brand loyalty. A Reseller Programme was introduced to drive sales via social media platforms such as Shopee, Facebook and Instagram. Eraman Live Ordering was also introduced featuring the use of QR codes to facilitate contactless ordering and payment. Food delivery and catering services to areas in the vicinity of KUL were introduced, together with the introduction of food buggies and kiosks to increase flexibility and agility to position its services and products to suit demand.

A new Sales Incentive Plan for sales staff was introduced to inculcate a high performance sales culture and drive customer service excellence. Since its inception in April 2021, this has contributed to sales of RM19.5 million in 2021.

Eraman's new F&B outlet at KUL, Food Garden KLIA, reopened in November 2021. The outlet had undergone a major uplift and facility upgrade, and is set to provide an 'instaworthy' dining experience at KUL's Main Terminal. Emulating the concept of the successful Food Garden at LGK. The Food Garden at KLIA1 features an open kitchen and scenic tropical garden concept as well as elevated services such as e-wallet payment system among others. One of its unique features is an electronic 'ceiling visualisation' with scenes of nature as an added attraction.

Eraman also began the realignment of its business in 2021. With a strategic focus towards higher yield product categories, it exited from direct investments in the lifestyle business and shifted the operating model towards consignment sales, concessions and partnerships. This is part of a larger realignment, revamp and expansion of its physical outlets namely duty free emporiums, arrival emporium, perfume and cosmetics outlets and F&B outlets located at KUL and PEN. This is to ensure that it is well positioned to capitalise on growth opportunities as passenger traffic returns to airports.



the airport to sell to access non-passengers. This also enables airport tenants to remain agile and capture future growth through online shopping which has seen explosive growth during the pandemic.

Passengers and non-passengers alike are able to purchase travel-exclusive and duty-absorbed products online wherever they are, be it at home or at the airport. In addition, shopMYairports also provides international delivery to global shoppers. During the KLIA Crazy Sale events, shoppers who prefer to shop from home could do so on the shopMYairports platform during the sale period.

The online platforms also offer click and collect options, enabling passengers to be serviced efficiently without them having to be physically present at the outlet, freeing up commercial space for products which are best sold in-person.

Malaysia Airports celebrated the first anniversary of shopMYairports with the 'Goldenaire' campaign which ran from September 2021 till February 2022 which gives shoppers a chance to a grand prize of a 200-gram gold bar and monthly prizes of 2.5 gram gold wafers worth up to RM100,000.

## MANAGEMENT DISCUSSION AND ANALYSIS

### NON-AIRPORT OPERATIONS



Malaysia Airports' non-airport operations comprises three business divisions – Hotel, Project and Repair Maintenance Operations, and Agriculture and Horticulture. In 2021, revenues for non-airport operations as a whole increased 12.3% YoY to RM206.4 million.

#### Hotel

##### Gearing up for increased demand

Proactive measures kept occupancy in Malaysia steady while increasing the average daily rate, while revenues in Türkiye grew by 40%. Malaysia hotel operations have geared up to secure longer term business such as aircrew contracts while also expanding its services beyond the vicinity of KUL.

Malaysia Airports operates hotels in both Malaysia and Türkiye. In Malaysia, the hotels are operated by Malaysia Airports' wholly owned subsidiary, KL Airport Hotel Sdn Bhd, under the brand 'Sama-Sama Hotel'. There are three Sama-Sama Hotels – the five-star Sama-Sama Hotel KL International Airport (Sama-Sama Hotel KLIA) and two airside transit hotels – Sama-Sama Express KLIA and Sama-Sama Express klia2. In Türkiye, the hotel is known as 'Airport Hotel' and is located landside at SAW. KL Airport Hotel Sdn Bhd also operates the Airport Fast Track service at KUL's Main Terminal, a premium kerbside-to-gate service that offers guests fast track lanes for check-in, customs and immigration, transportation services and buggy and concierge services.

The performance of the hotel segment is dependent on several factors. Traditionally, passenger traffic at KUL and airline routes are key drivers of occupancy rates as transit passengers and airline crew layovers are key customer segments. In addition, the demand for meeting and event facilities is another key factor. As such, the fall in passenger numbers as well as public health restrictions on large meetings, conferences, events and gatherings have impacted the hotel business.

In 2021, revenues for the hotel business as a whole grew marginally by 2.4% YoY to RM49.4 million. Revenues for operations in Malaysia declined slightly by 2.5% YoY RM41.7 million, while Türkiye revenues grew 40% to RM7.7 million.

#### Hotel operations in Malaysia

For operations in Malaysia, the average occupancy rate held relatively steady at 52% in 2021 compared to 53% in 2020. This is notable because in 2020, the hotel business had a busy period in 1Q20 unimpeded by the pandemic till mid-March, unlike 2021 which bore the full impact of the pandemic. The average daily rate for 2021 however was 4.2% higher at RM331 compared to RM318 in 2020.

While the operating environment in 2021 remained challenging, we continue to implement strict management of cash flow and cost optimisation measures to reduce costs by RM8.4 million (23.2% YoY), enabling us to retain all Malaysian staff and maintain an overall occupancy rate that was higher than the industry average. We also registered a positive EBITDA in FY2021, which was also higher than FY2020. Sama-Sama Hotel KLIA also achieved a high guest satisfaction rate of 92.3%. In addition, our hotels also won several travel industry awards, as well as an award for occupational safety and health.

**MANAGEMENT DISCUSSION AND ANALYSIS****2021 HOTEL AWARDS****Haute Grandeur Awards****Sama-Sama Hotel KL International Airport**

Best Airport Hotel on Global Level  
 Best Culinary Experience in Asia  
 Best Business Hotel in Malaysia  
 Best Luxury Hotel in Malaysia

**World Luxury Hotel Awards****Sama-Sama Hotel KL International Airport**

Best Luxury Airport Hotel – Continent Win

**Sama-Sama Express KLIA**

Air Transit Hotel – Continent Win

**Sama-Sama Express klia2**

Luxury Contemporary – Regional Win

In the course of 2021, we ramped up our marketing and service quality to target higher-yield business not only for the current year, but to reconnect with our clients to secure recurring stays for the longer term.

To target higher-yield business, we sold premium quarantine packages for which the hotel can charge a higher daily rate. Premium quarantine packages vary from RM350 to RM750 per night as compared to the government-gazetted rate of RM150 per night. Sama-Sama Hotel KLIA sold 29,861 premium quarantine package room nights with a revenue of RM9.5 million, leveraging on the hotel's close proximity and direct walkway connection to KLIA1. Quarantine passengers do not need to travel the long distance to downtown hotels and our hotel staff stationed at KUL can provide worry-free, plane-to-room service for quarantine passengers.

Nevertheless, we also continued to provide quarantine packages at the government-gazetted rate of RM150 per night for the convenience of travellers. Our airside transit hotels also stepped up to provide accommodation for guests who encounter travel issues such as connectivity, incomplete

documents, and medical issues which may have delayed their onward connections. The availability of quarantine options further enhances KUL's ability to provide the best service and value to passengers.

In looking at generating revenues over the longer term, we secured contracts for aircrew for the next three years as well as for employees of oil and gas corporate clients. Thinking out of the box, we also sought revenue generating opportunities beyond the vicinity of KUL and secured a four-year contract to manage student residential property in a prestigious educational institution with a total contract value up to RM5.4 million depending on occupancy rate.

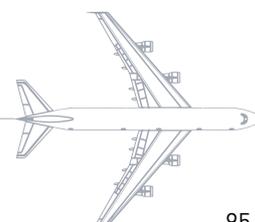
We also diversified our business and secured other revenue streams with the MIDA Business Traveller Centre, BP Healthcare Lounge, MyEG online bookings as well as Airport Fast Track Meet and Greet for quarantine passengers and international agencies and organisations.

Looking ahead, we are gearing up as the renovation of the ballrooms, meeting rooms, restaurants, and kitchen renovation is due for completion in Q2 2022. With the reopening of international borders and the transition to endemicity in Malaysia, we are cautiously optimistic on recovery from Q3 2022 onwards for increased demand of F&B, events and functions.

### **Project and Repair Maintenance Operations Delivering Operational Excellence**

*A profitable year with facilities management contracts at DOH and gaining new facilities management clients in Malaysia are the highlights of this segment.*

This business segment comprises operations in Malaysia and Qatar. In Malaysia, we operate through Malaysia Airports' wholly owned subsidiary, Urusan Teknologi Wawasan Sdn Bhd (UTW). In Qatar, we operate through Malaysia Airports Consultancy Services Middle East LLC (MACS ME), in which we own a 49% stake.



## MANAGEMENT DISCUSSION AND ANALYSIS

### NON-AIRPORT OPERATIONS

MACS ME has provided facilities management at Hamad International Airport (IATA Code: DOH) in Doha, Qatar since 2013. Among the services provided by MACS ME are comprehensive facilities management services, interim security services, custodial and janitorial services, RFID system to track suspicious baggage as well as equipment supply and maintenance support for the RFID system.

UTW is a leading Total Facilities Management services provider in Malaysia with over 20 years of experience. Certified with ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health and Safety Management Systems, UTW delivers the highest standards of performance in Facilities Management Services for prestigious facilities and clients ranging from our own airports to the offices and facilities of established Malaysian institutions and multinational companies operating in Malaysia.

In total, revenue for project and repair maintenance operations segment grew 4.3% YoY to RM105.6 million in 2021.

#### MACS ME

In 2021, MACS ME's revenue increased by 8.0% YoY to RM89.1 million, on the back of delivery of services under airport management contracts at DOH, namely for IT maintenance support and facilities management as well as forex gains in FY2021. As a result, this segment recorded a PBT of RM8.2 million for FY2021 compared to RM0.99 million in FY2020.

MACS ME has successfully navigated the changes necessary to continue to provide the services despite the challenges posed by the pandemic. This includes overcoming staff shortages arrangement of staff accommodation, quarantine facilities, ensuring sufficient supply of PPE, changes to working hours, staff transportation and digitalisation of certain processes as part of the new business norms.

These changes were necessary to ensure that it is able to continue to execute both projects till completion. The total contract value of the IT maintenance support project

is QAR388.7 million for the contractual period of five years from December 2019 to December 2024. For the facilities maintenance project MACS ME secured the extension of the project for another 15 months from February 2021 until April 2022. The value of the extended project is QAR4.6 million.

#### UTW

For 2021, revenues for UTW, excluding inter-company revenues, stood at RM17.0 million, a decrease of 1.0% YoY.

UTW's client list include an impressive list of internal customers as well as the offices and facilities of established local and international companies and organisations. These include airports – KUL, LGK, PEN and SZB, the Malaysia Airports Corporate Office – as well as Petronas Twin Towers and Petronas Tower 3, Petronas Digital Collaboration Centre, KLCC Common Estate and Common Facilities Masjid Asy-Syakirin, Menara Exxon Mobil Tower, Menara Permata Sapura, Mitsui Outlet Park KLIA, Airbus Helicopters Malaysia, Persada PLUS, Sepang International Circuit, SPIRIT AeroSystems Malaysia, Cainiao Aeropolis eWTP Hub and Novugen Pharma (Malaysia).

In 2021, UTW secured several new contracts from clients who are household names including Sime Darby Plantation's Plantation Tower in Ara Damansara, Bank Negara Malaysia's Automated Cash Centre and its Asia School of Business campus and the Lazada Warehouse at the Cainiao Aeropolis eWTP Hub.

UTW's maintenance activities are supported by technology. The use of Smart Asset Management System apps and radio-frequency identification (RFID) ensure that clients have real time information and data on their facilities for ease of analysis, monitoring and reporting. For example, the installation of the Customer Real Time Feedback Survey System at all washrooms at KUL had provided valuable data for improving service delivery to airport stakeholders and passengers. This was one of the factors that led to a perfect ASQ score at KUL, underscoring the added value that UTW brings to clients.

**MACS ME's revenue increased by 8.0% YoY to RM89.1 million, on the back of delivery of services under airport management contracts at DOH**

**MANAGEMENT DISCUSSION AND ANALYSIS**

In addition, UTW had completed 41 Lean Six Sigma initiatives which achieved cost containment of RM1.0 million for Malaysia Airports. In addition, these initiatives also bring intangible benefits such as improved service quality, improved efficiency, optimised operational costs and prolonged asset life spans.

UTW also received a 5-star SCORE rating the Construction Industry Development Board (CIDB) for Exemplary Leadership, Excellent Management & Technical Capabilities and Excellent Integrated ICT & Project Management. This is a recognition of UTW as a leader in Facilities Management industry.



### Agriculture and Horticulture A profitable year

MAAH ran full operations in 2021 and capitalised on rising commodity prices.

Malaysia Airports' agriculture and horticulture business segment is conducted by its wholly owned subsidiary, MAB Agriculture-Horticulture Sdn Bhd (MAAH). MAAH is focused primarily on the cultivation and management of mature oil palm and coconut plantations as well as landscaping at KUL. Its oil palm plantation is certified under the national Malaysian Sustainable Palm Oil (MSPO) certification while the company adheres to ISO9001 standards. Its new crops are pineapple and banana.

In 2021, MAAH's revenues increased 48.9% YoY to RM51.7 million. This was due to the increase of crude palm oil prices in 2021. The average price of crude palm oil rose from RM2,685.5 per tonne in 2020 to close the 2021 30.0% higher at RM4,407.0 per tonne in 2021, 64.1% higher YoY.

In 2021, MAAH ran full operations despite challenges posed by the pandemic. It has also expanded its pineapple crop and started the cultivation of banana over 150 acres in 2021.

## MANAGEMENT DISCUSSION AND ANALYSIS

# AEROPOLIS DEVELOPMENT



### Unlocking revenue potential with global anchor tenants making long term commitments

The off-terminal development by Malaysia Airports focuses on three core clusters aligned to national blueprints, namely Air Cargo and Logistics, Aerospace and Aviation, and MICE and Leisure. These are synergistic to the Malaysia Airports' core business in driving passenger growth and cargo volumes. The Aeropolis provides a strong source of income for Malaysia Airports via lease rentals, concession fees, cargo throughput charges and land-related profits.

At present, at KUL, the Aeronautical Support Zone 1 which serves the airport support ecosystem is 98% developed and hosts global anchors such as Alibaba's Cainiao Aeropolis eWTP Hub and Airbus' Asia Pacific Customer Service Centre and facilitates more than 200 logistics players. In SZB, we have attracted global aviation market leaders such as Spirit Aerosystem and Senior Aerospace into an established aerospace and business aviation ecosystem. Approximately 60 companies employing over 4,000 high-skilled workers are located in SZB, spurring the development of both the breadth and depth of the local value chain. These achievements

## MANAGEMENT DISCUSSION AND ANALYSIS

underscore our capabilities in airport synergistic development strategies and our commitment to formulate and execute a comprehensive masterplan at both KUL and SZB.

The development of integrated industrial precincts by Malaysia Airports have the potential to become engines of growth beyond the airport boundaries which attract substantial foreign and domestic direct investments in the e-commerce logistics and maintenance, repair and overhaul (MRO) sectors.

For 2021, with accelerating the unlocking of the potential of the landside real estate as an overarching priority, three major themes dominated as discussed below.

#### **Enhancing Aeropolis development around KUL and SZB**

In 2021, an overarching priority was for us to unlock the potential of the landside and capture off-terminal development opportunities. Several major initiatives were announced in this respect.

The Aeropolis development plan facilitates future-ready physical and digital infrastructure at both airside and landside zones, customises real estate solutions to meet the requirements of operators and develops commercial spaces to cater to the needs of the workforce and local community. At maturity, the development plan is expected unlock additional Gross Floor Area of over 8 million square feet (sq ft) of prime real estate and achieve the government's vision in creating high technology-driven IR4.0 industries and generating high skilled capabilities within Malaysia.

Dassault Aviation announced that it was setting up its Asia Centre of Excellence for MRO at SZB. As the first in the country, this integrated one-stop maintenance facility will elevate Malaysia's position as the preferred regional business aviation hub. Dassault has over 2,000 business aircraft under its maintenance globally, and the strategic collaboration will see Dassault Aviation investing up to RM100 million for the facility.

Collins Aerospace expanded the footprint of its MRO operations in Malaysia by relocating to a new 160,000 sq ft facility at Subang Aerotech Park. This is a key addition to the list of global single source providers for aircraft components and subassemblies operating out of SZB today. The RM16 million facility will serve as one of its regional hubs for aircraft component maintenance.

At KUL, the Cainiao Aeropolis eWTP Hub is a joint venture between Malaysia Airports and e-commerce titan, Alibaba and forms part of Alibaba's global network of distribution centres. Covering over 100,000 sqm at the KLIA Aeropolis and enjoying the distinction as Alibaba's first hub outside of China, the hub is operated by Alibaba's logistics unit, Cainiao Smart Logistics Network. The facility houses a cargo terminal, fulfilment centre, warehouse and sorting centre for e-commerce and has an 80% occupancy rate as at end-2021. Its integrated operations has increased the efficiency of the logistics chain, for example improving the time for customs clearance to just 90 minutes from 24-48 hours previously. This catalytic development is set to elevate KUL's air cargo status as one of the leading distribution gateways within the ASEAN region which targets a 72-hour delivery in the global e-commerce marketplace.

In 2021 also, DHL Express commenced development of its first fully auto-sort air cargo gateway in Malaysia located at KLIA Air Cargo Terminal 1. The RM200.0 million facility is DHL's largest investment in Malaysia to date and the 13,422 sqm gateway will triple the size of DHL Express' current facility and increase its shipment processing capacity by more than 400%. The facility will have the enhanced capability to handle 10,000 packages per hour, 24 hours a day, compared to the current 2,400 packages per hour.

■  
**In 2021, an overarching priority was for us to unlock the potential of the landside and capture off-terminal development opportunities**

## MANAGEMENT DISCUSSION AND ANALYSIS

# NON-FINANCIAL PERFORMANCE REVIEW



I am also pleased to share with stakeholders the salient information about Malaysia Airports' progress in several key areas that had an impact on our ability to create value for stakeholders. Among these key areas are the material matters that have been identified by stakeholders as being critical for the long-term sustainability of Malaysia Airports' business. They also form part of the environmental, social and governance (ESG) considerations that are embedded into our business and value-creation process.

For stakeholders seeking further information about ESG matters, I would like to highlight that Malaysia Airports produces an annual Sustainability Report that is prepared in accordance with the requirements of the GRI Sustainability Reporting Standards (Core Option). This year's Sustainability Report is available online at our corporate website: [www.malaysiaairports.com.my](http://www.malaysiaairports.com.my).

### Stakeholder Engagement

Stakeholder engagement is a cornerstone of Malaysia Airports' business. The aviation industry is complex, highly regulated and requires the input of different stakeholders while leaving little room and tolerance for error. Therefore our 'business as usual' activities already require frequent and extensive engagement with stakeholders.

Our proudest moments in 2021 were made possible with the close rapport and working relationships with stakeholders that we have built over the years.

For example, KUL and LGK's standing as 'Best Airports' in ACI's Airport Service Quality (ASQ) survey and the perfect scores of 5 out of a possible 5 are based on 33 service quality indicators in the passengers' journey through the airport. Given that only about a third of the indicators are fully within Malaysia Airports' control, while the majority of the indicators are either shared responsibilities with other stakeholders or wholly within the control of other stakeholders, the 'Best Airport' awards and perfect score are testament to the wholehearted and concerted effort of the entire airport community.

We were also proud of our contributions to the launch of the Langkawi International Travel Bubble and Vaccinated Travel Lane by Air in November 2021. Our people at LGK and KUL were part of multi-stakeholder teams led by the Ministry of Tourism and Culture and the Ministry of Transport. Behind the scenes, Malaysia Airports was at the centre of pre-launch preparations as our people worked together with government agencies, airlines, ground handlers, tenants and other members of the airport community to refine the SOPs and processes and to ready the terminals for an increase of international passengers.

Through the KUL COVID-19 Committee and the LGK airport community working groups which had already been running since the start of the pandemic, all stakeholders coordinated and synchronised their action plans and were kept abreast of developments. We also communicated extensively through the media, airlines partners and our own media channels to keep passengers posted on travel requirements as well as procedures and processes upon arrival at the airport.

**In 2021, Malaysia Airports was not only spurring bold action, but we were also making big strides forward together with other stakeholders**

**MANAGEMENT DISCUSSION AND ANALYSIS****ESG highlights**

In line with our vision – ‘A Global Airport Group that Champions Connectivity and Sustainability’, I am pleased to share with stakeholders some Environment, Social and Governance highlights. A more comprehensive account is contained in our Sustainability Report which is available online at [www.malaysiaairports.com.my](http://www.malaysiaairports.com.my)

**Environment**

Several initiatives to improve energy efficiency and to harness renewable energy were the highlights of 2021. Our Airport Carbon Accreditation Level 3 certification was also affirmed by ACI.

**ACI’s acknowledgment of our efforts in transitioning towards a sustainable, low-carbon future**

The ACI has renewed Malaysia Airports’ Level 3 certification under its Airport Carbon Accreditation programme. The renewal follows an independent assessment by ACI under its carbon management certification standard for airports globally.

In addition, Malaysia Airports’ efforts on sustainable carbon management by utilising green energy Ground Power Units (GPUs) at KUL received a Gold Recognition from Airports Council International (ACI) Asia-Pacific, an acknowledgment of our efforts in transitioning towards a sustainable, low-carbon future.

The project integrates the generation of solar energy from rooftops of the terminal with new GPUs which supply aircrafts at the apron with power, simultaneously reducing the use of diesel-powered GPUs and of the aircrafts’ Auxiliary Power Units. It is estimated that the amount of 1,970 tCO<sub>2</sub> reduction from using the green energy GPUs over three years from 2018-2020 is equivalent to planting 50,520 trees to absorb CO<sub>2</sub> emissions which would have otherwise been emitted. The project also reduces diesel spillage from GPUs which is a source of environmental contamination.

**Improving energy efficiency**

In a joint venture with TNB Engineering Corporation, the district cooling plant at KUL is undergoing upgrading work to improve efficiency and eventually run fully on electricity. The modernised plant is expected to reduce KUL’s operating cost by at least RM50.0 million annually over the entire 20-year concession which commenced on 1 July 2021. At SAW, annual cost savings from the use of LED light bulbs has increased by 75% YoY for 2021, partly caused by rising energy prices in Türkiye.

**Increase in use of solar energy**

In 2020, we began installing solar PV equipment at seven airports across Malaysia to increase usage of renewable energy. In 2021, we completed the works at three of the airports, KUA, MKZ and PEN, with a total capacity of 3,688 kW<sub>peak</sub>. Together with the existing solar energy capabilities at klia2, the total solar energy generated was 17,399 MWh which has led to a reduction in carbon emissions by 12,073 tCO<sub>2</sub>. This is equivalent to planting 309,604 trees to absorb the carbon emitted if fossil fuels had been used to generate the power. The Group gained cost savings of RM1.2 million from the use of solar energy in 2021.

**Upgrading of BKI’s Energy Management Systems to ISO 50001:2018**

BKI has also been recognised for its energy management capabilities. Following a recent audit under its ISO 50001:2011 for Energy Management Systems, the auditors have recommended an upgrade for the airport to ISO 50001:2018. It was also notable that the airport completed its certification with an outstanding track record of zero nonconformity reports.

**Alternative water supply at KUL**

Following a feasibility study, the project to install an alternative water supply plant at KUL proceeded with the award of the contract in September 2021, targeting completion in 2023. Following a feasibility study, the project to install an alternative water supply plant at KUL proceeded with the award of the contract in September 2021, with targeting completion in 2023. The Water Recycling Programme is one of the initiatives for the Group to optimise water usage at the airport through recycled water from its Southern Balancing Pond.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Social

In this sphere, the highlights include our employee retention, retraining and reskilling programme which has resulted in no retrenchments throughout the 2020 and 2021. In addition, a strong employee value proposition are our family-friendly policies, as well as our contribution to the community which draws enthusiastic volunteers from among our employees.

#### Zero retrenchments, focus instead on retraining and reskilling

Malaysia Airports held steadfast to our 'zero retrenchments' policy throughout 2021, focusing instead on retraining and reskilling our employees. This ensures our readiness to accelerate our operations quickly upon the reopening of Malaysian borders. Learning and Development programmes were heavily promoted to our employees to retrain, reskill and upgrade their capabilities as we prepare for the recovery of air travel. Average training hours per employee for Malaysia operations rose 200% YoY from 13 hours to 39 hours.

#### Family-Friendly Organisation

All employees of Malaysia Airports are entitled to parental leave with maternity and paternity leave offered to those who become parents. In 2021, 673 employees availed themselves of parental leave with 255 female employees taking maternity leave, while 428 male employees took paternal leave. As testimony to our family-friendly policies, the vast majority of employees who took parental leave returned to work after the leave ended and continued to remain in employment 12 months later. In addition to the above, in Malaysia, 130 employees (37 female and 93 male) became proud grandparents in 2021 and utilised their grandparental leave benefit.

#### Occupational Safety and Health

For operations in Malaysia, five cases of high-consequence work related injuries were recorded with no fatalities. 10 cases of work-related injuries were recorded. The data below is calculated against 23,247,744 hours worked in 2021. For SAW, there were 6 occupational accidents in 2021 and the rate of occupational accidents decreased by 15% compared to the previous year.

#### Occupational Accident Rate – Malaysia

	Occupational Accident Rate		
	2019	2020	2021
Incident Rate	1.31	0.80	0.54
Frequency Rate	0.45	0.32	0.22
Severity Rate	423.65	6.41	1.55

#### Occupational Accident Rate – SAW

	Occupational Accident Rate		
	2019	2020	2021
Incident Rate	16.00	9.00	7
Frequency Rate	76.10	50.73	24
Severity Rate	1.71	2.44	2.41

### Management of STOLports

As part of nation building and inclusive development, Malaysia Airports manages 17 Short Take Off and Landing (STOL) ports in Malaysia. Located primarily in rural areas, the STOLports connect the rural communities to the rest of the nation and are key for the delivery of essential supplies like medicine, food and other basic necessities. STOLports also provide employment and economic opportunities for the rural communities and are important socio-economic contributors. Malaysia Airports' management of the STOLport in remote locations is a corporate responsibility initiative, and no passenger service charges are collected from guests. In 2021, Malaysia Airports recorded close to 80,000 passenger movements in total at the STOLports. The STOLports also handled over 440,000 kg of cargo and mail.

#### MYAirportCARES

In 2021, we intensified our efforts under our corporate responsibility initiative MYAirportCARES to lend a helping hand to members of the community who were in need of assistance. 2,500 families in the vicinity of our airports who were impacted by the pandemic, received aid in the form of food and other essential items. Breaking of fast meals were provided for over 3,100 frontline staff and passengers during Ramadan to show our appreciation for their dedication and service. The meals were funded by staff donations.

Flood relief was an important programme benefitting over 1,500 households in flood-hit areas near our airports in Malaysia, the majority of whom were our own employees who live near the airports. Malaysia Airports and our local airport volunteers provided aid and support to those badly hit by floods, particularly around KUL, SZB and Kuantan Airport. This included rescue services, temporary shelter, food items and basic necessities during the floods, and house cleaning assistance in the immediate aftermath. The Group also disbursed RM3.7 million in financial aid to a total of 1,034 employees to assist them in rebuilding their lives post-floods.

#### Engagement of local suppliers

In 2021, we engaged a total of 879 suppliers, of which 98% are local.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Governance

A comprehensive account of our corporate governance policies and activities are contained in the Statement on Corporate Governance. In this management discussion and analysis, I would like to highlight our unyielding stance against bribery and corruption.

#### Anti-Bribery Management Systems rollout

Malaysia Airports has begun implementing ISO 37001: 2016 Anti-Bribery Management Systems (ABMS) in stages to cover the Group's entities. At present, the ABMS covers all processes at the holding company, Malaysia Airports Holdings Berhad, and Malaysia Airports (Sepang). In 2021, three subsidiaries – Malaysia Airports (Niaga) Sdn Bhd, Urusan Teknologi Wawasan Sdn Bhd and K.L. Airport Hotel Sdn Bhd – had undergone documentation readiness towards ABMS certification. This included workshops to assist the subsidiaries in preparing their ABMS manuals, and dissemination of the ABMS awareness video to all employees.

#### Communications and Training on Anti-Bribery and Anti-Corruption

E-learning modules to raise awareness on Anti-Bribery and Anti-Corruption policies and whistleblowing were rolled out to all employees. In terms of employees, all employees in Malaysia (except for those employed by K.L. Airport Hotel Sdn Bhd) have received communications and training on the subject matter as shown in the table below.

#### Employees by employee category who have received Anti-Corruption communications and training - Malaysia

	Employees	
	Headcount	%
General Managers, C-suite and above	33	0.4
Managers, Senior Managers	348	3.9
Executives, Senior Executives	1,041	11.6
Non-executive	7,521	84.1
<b>Total</b>	<b>8,943</b>	<b>100.0</b>

#### Corruption Risk Assessment

The Malaysia Airports Anti-Corruption Plan involves the implementation of several initiatives which at the end of 2021 were 74% completed. 74 divisions and departments Group-wide were assessed for corruption risks in 2021. 61 high level risks were assessed in Q1 2021 and they were mitigated to medium and low level risks by Q4 2021. As part of risk management, corruption risks were reviewed and registered in the Malaysia Airports Risk Scorecard System, covering all of the Group's companies in Malaysia.

**Vendor Integrity:** We extended training on procurement integrity to our vendors via webinars. A total of 248 representatives from our vendors attended the on-line sessions, covering approximately 30% of registered vendors in our procurement system.

### Communications and Engagement

Communications continue to play an important function as we strive to instil a positive perception on airport safety in the minds of the travelling public and restore confidence in air travel

Malaysia Airports communicates with the public through multiple channels. They include traditional mainstream print media such as newspapers and broadcast media such as radio and television as well as online media. In addition, we have various online social media platforms such as Facebook, Twitter and Instagram as well as the MYairports app.

These were utilised to inform passengers and the general public on safety and public health measures implemented at the airports such as the various Airports 4.0 digitalisation initiatives that facilitate a contactless journey through the airport. It was also important to keep the public updated on applicable SOPs as new norms for travel took shape during the year.

In addition, we also communicated with the public on the latest developments on air travel and tourism, particularly on social media where we have approximately 3.5 million followers across several platforms. These snippets kept the public engaged and helped sustain their interest for travel through periods when travel was restricted.

In terms of customer satisfaction, throughout our entire network of airports in Malaysia, the Malaysian Aviation Commission (MAVCOM) had received only a total of three complaints from consumers up to end-June 2021 forming 1.9% of all complaints received by MAVCOM, based on the latest available data. The number of complaints was unchanged compared to the same period in 2020, a testament to the consistent high quality of service at our airports.

## MANAGEMENT DISCUSSION AND ANALYSIS



## MOVING FORWARD

### OUTLOOK

#### Economic outlook

The economy in 2022 is looking to perform better than in 2021. The International Monetary Fund has forecasted the global economy to grow by 4.4% in 2022, moderating from growth of 5.9% in 2021. Meanwhile Bank Negara Malaysia has forecasted GDP growth for Malaysia of between 5.3% to 6.3% in 2022. For Türkiye, the World Bank has forecast GDP growth of 2% for 2022 following unexpectedly strong growth performance in 2021 of approximately 10%.

#### Passenger forecasts

As noted by the International Air Transport Association (IATA), the aviation industry is noted for its resilience and its ability to overcome crises that appeared to have crippled its players. Noting that while the global demand for domestic air travel has reached 71.8% of 2019 levels, the recovery of international travel is very much dependent on the pace of vaccine rollout by other countries and government policies on travel rules. As such, its forecast for 2022 globally is for passenger volumes to reach 61% of pre-pandemic levels.

For Malaysia, the Malaysian Aviation Commission (MAVCOM) has forecasted passenger traffic in 2022 to increase between 316-525% YoY, with total passenger movements of between 32.6 million and 49.0 million. This represents 30-45% of pre-pandemic air passenger traffic levels in 2019. It also predicts that easing of border restrictions for international travellers together with pent-up travel demand and accrued savings will drive passenger traffic growth in 2022.

The Malaysian government has reopened its international borders to all travellers as of 1 April 2022, officially transitioning to endemicity. At present, travellers who are fully vaccinated are exempt from quarantine when entering Malaysia and need only to provide proof of a negative RT-PCR test within 48 hours of departure and a professionally administered RTK-Ag test within 24 hours of arrival. Malaysians with valid travel documents can now enter and exit the country as usual and are entitled to travel to any country that has also opened its borders to foreign travellers. Public health measures such as the use of the MySejahtera public health app and masking in public settings have been maintained.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Positive demand for air travel

Demand for air travel remains positive among Malaysians as evidenced by the surge in air traffic as domestic travel restrictions were rolled back from September 2021 onwards with the introduction of the Langkawi Domestic Travel Bubble, the lifting of interstate travel restrictions, reinstatement of Umrah travel and the KUL-SIN VTL-Air. Similarly, in Türkiye, SAW's air traffic for 2021 was already at 71.5% of 2019's levels and reached 90% during the peak in August 2021.

We remain cautiously optimistic and are mindful not to declare premature victory over the COVID-19 virus which has sprung many surprises in its short history. Nevertheless, COVID-19 vaccination rates have proven to be the primary drivers for safe and sustainably reopening of borders. It is therefore a boost that KUL's top 10 market segments in the Asia Pacific are either already above the 70% fully vaccinated threshold or are set to surpass that by mid-2022. Both Malaysia and Türkiye also enjoy high vaccination rates among its population with Malaysia 79.2% and Türkiye 85.4% of its population fully vaccinated.

### STRATEGIES FOR 2022

In 2022, the Group will focus largely on three key strategies to continue its positive momentum. They are first, bringing back international passengers in tandem with the reopening of Malaysia's borders; secondly, enhance our propensity to generate and grow revenues; and thirdly, improve cost containment. These three key strategies will form the backbone for growing revenues and returning to profitability.

#### Bringing back international passengers

As previously noted, aeronautical business is the major revenue contributor for Malaysia Airports, and the key driver of aeronautical revenues is passenger service charges, particularly for international passengers. On route and market development, we are engaging with local and foreign airlines and other travel industry stakeholders to rebuild connectivity to Malaysian airports. The recovery of our network and interconnectivity between airports is also another focus area.

The role of KUL as a key international gateway will also be prioritised as we look to the recovery of connectivity with key markets in Asia Pacific as we increase routes with both ASEAN and non-ASEAN destinations. In this regard, the Network Reconnecting Programme is expected to play an important role in facilitating the network recovery. The network recovery for other airports in Malaysia are also being looked at as our efforts are individually customised for each airport to accelerate the recovery.

At SAW, the increase in international passengers was already seen in 2021, and we will work with the airlines to increase their international routes. The completion of the second runway in 2022 will also provide a boost in that direction. We will however keep a close watch as events unfold in Ukraine.

#### Propensity to generate and grow revenues

As regards to our existing businesses and assets, we will continue to identify and unlock potential revenue streams to diversify away from our current reliance on passenger movements to drive revenues. We will continue to make progress on our off-terminal real estate development around KUL and SZB while rolling out the Commercial Reset. Our travel retail arm, Eraman, which has made progress on several diversification initiatives will also be a focus area as it continues to leverage further on existing and new digital enablers.

#### Containing costs

In terms of cost containment, we will be keeping a tight lid on costs as traffic increases in 2022. Cost efficiency will continue to be a focus as we work to sustain the in-roads we had made on core cost containment in 2020 and 2021. As we had demonstrated, the key to cost efficiency is a review of workflow to gain efficiency improvements in key airport activities which impact operating expenditure, and we will be examining more areas for efficiency gains.

We will also explore monetisation opportunities on our range of digital assets to offset against operating expenditure and to recoup investment costs.

## MANAGEMENT DISCUSSION AND ANALYSIS

### UPCOMING MILESTONES

The next game changer for Malaysia Airports will be the finalisation of the 99-year land lease with the government for the KLIA Aeropolis development. This will unlock further value and attract high quality foreign and domestic direct investment, propelling further our aspirations for Malaysia. We also expect to conclude the Operating Agreements with the government with regards the 39 airports we manage in Malaysia. The conclusion of the respective agreements will serve as a major catalyst in spurring the nation's economic growth.

### WE ARE READY

At Malaysia Airports, we are ready and are well-prepared for the transition to endemicity. In terms of airport readiness, the ACI Airport Health Accreditation for six international airports is recognition and acknowledgment that our health standards and practices meet industry recommendations and global benchmarks. The improvements to airport facilities, infrastructure and service quality and our ASQ rankings ensure that we enter this new phase at the peak of our ability to deliver a memorable airport experience to passengers. The digitalisation initiatives which have been rolled out in the past year have also ensured we have achieved the capabilities and efficiency that the new travel norms require, and that our airports are ready to deal with surges in passenger traffic.

The readiness of the Group to take on the next phase of its growth is also due to our people - the many unsung heroes who worked on the frontlines of the pandemic to further the Group's vision. We had made a strategic decision not to retrench any staff despite the challenging operating conditions of the past two years, but instead to retrain, reskill and redeploy as needed. As such, our workforce is ready and primed for action.

Similarly, our strategic decision to extend a helping hand to our tenants has helped sustain them through the darkest days of the pandemic. This will also ensure that there is no interruption to the services and facilities that passengers expect at the airport as traffic recovers.

The Group's financial discipline particularly with regards to containment of operating costs, rebasing core costs, maintaining undrawn lines and sustaining its cash position has also strengthened the Group's ability to pursue growth in the coming year and beyond.

Finally, the pandemic and the challenges it posed has hardened the Group's resolve to succeed. There has been a growing realisation that we need to be nimble and agile and adopt an entrepreneurial approach, and take bold steps to do things

differently. We also constantly challenged ourselves to look for untapped opportunities within the Group, and to unlock the value in those opportunities.

On 1 April 2022, after two years of border closure since March 2020, Malaysia reopened its international borders. Our airports nationwide were ready to ensure a safe and seamless experience for all airport users upon the reopening of borders with the airport community and government authorities working closely to make sure that health protocols and procedures at the airport were simplified for the passengers' convenience.

I am pleased that our commitment in making sure that standards at the airport are consistently high ensured that the reopening got off to a smooth start at the airports. Our daily engagements with airport stakeholders to iron out even the smallest details paid off as the airport operations ran like clockwork, ensuring a smooth journey for passengers and also compliance with all aviation regulations.

## HEARTFELT THANKS AND GRATITUDE

In a year akin to a rollercoaster, Malaysia Airports has remained united and steadfast in its mission. I would like to thank my colleagues for their commitment, dedication and courage, and for their many sacrifices. I would also like to thank our Board of Directors for their guidance and stewardship in helming Malaysia Airports through its most challenging times.

I wish to express my sincere gratitude to all our stakeholders - the various ministries, government agencies, airline partners, retail partners, vendors and other business partners as well as our shareholders for their support.

I am confident that the mutual cooperation and support between Malaysia Airports and its stakeholders will spur us to take bold action together, and chart a path together towards a brighter future. I look forward to working closely with all of you in 2022.

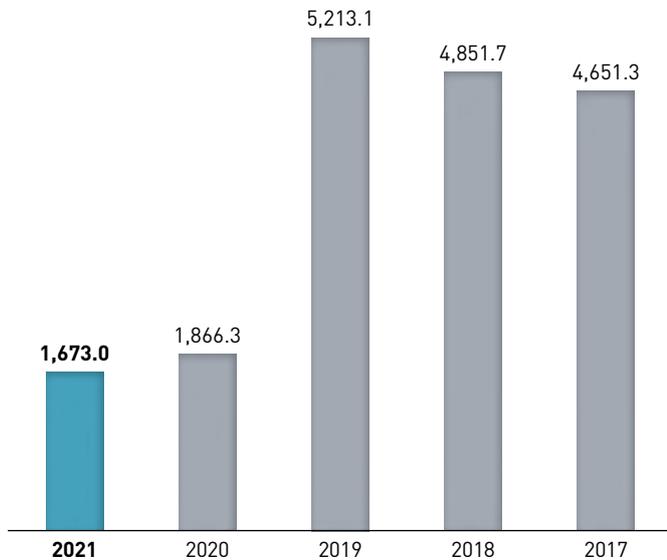
### DATO' ISKANDAR MIZAL MAHMOOD

Managing Director

# FIVE-YEAR FINANCIAL SUMMARY

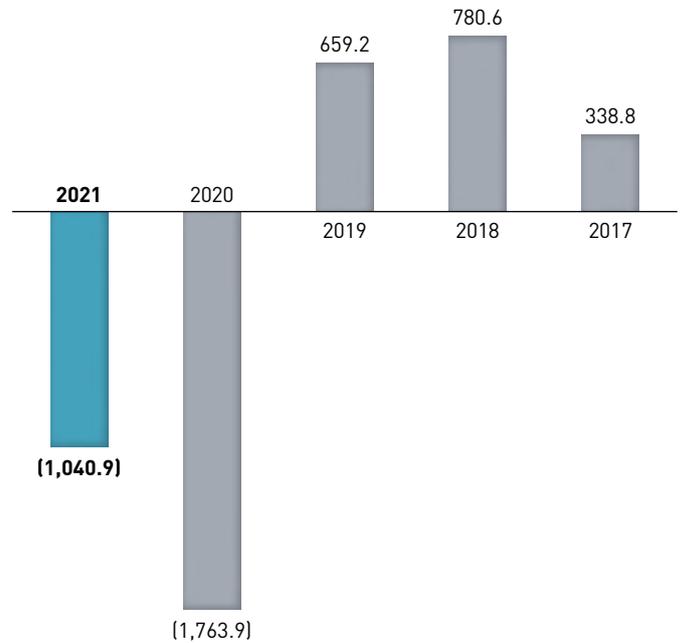
## REVENUE

In RM Million



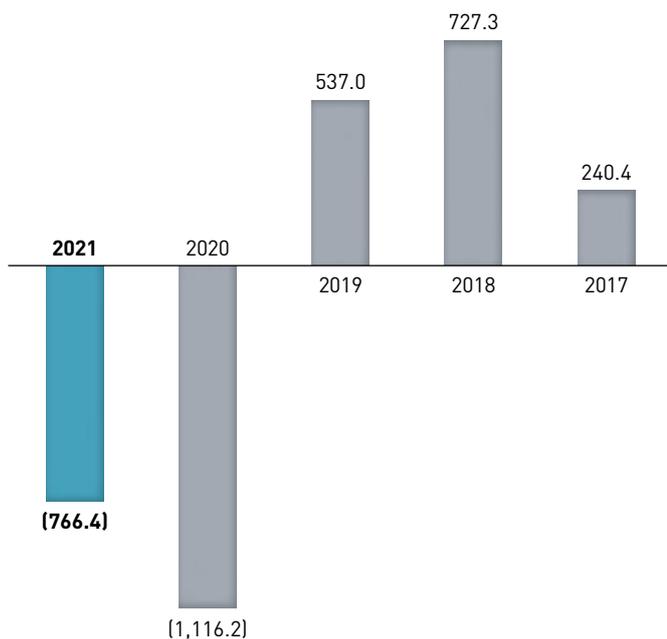
## PROFIT BEFORE TAXATION

In RM Million



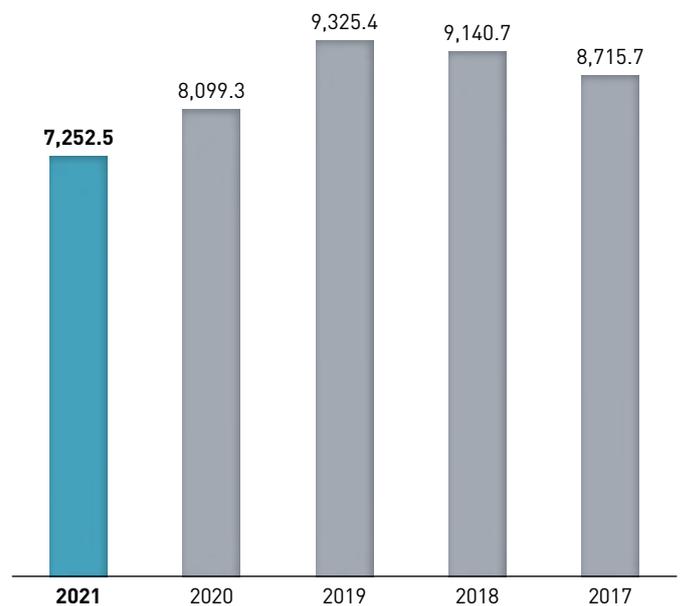
## PROFIT FOR THE YEAR

In RM Million



## TOTAL EQUITY

In RM Million



# GROUP FIVE-YEAR SUMMARY

<b>CONSOLIDATED STATEMENT OF PROFIT OR LOSS</b>					
<b>FOR THE FINANCIAL YEARS ENDED 31 DECEMBER</b>					
<b>In RM Million</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Revenue	1,673.0	1,866.3	5,213.1	4,851.7	4,651.3
(Loss)/Profit before tax and zakat	(1,040.9)	(1,763.9)	659.2	780.6	338.8
Taxation and zakat	274.5	647.7	(122.1)	(53.3)	(98.4)
<b>(Loss)/Profit for the year</b>	<b>(766.4)</b>	<b>(1,116.2)</b>	<b>537.0</b>	<b>727.3</b>	<b>240.4</b>
<b>(Loss)/Profit attributable to:</b>					
Owners of the Company	(766.4)	(1,116.2)	537.0	727.3	239.8
Non-controlling interest	-	-	-	-	0.6
<b>(Loss)/Profit for the year</b>	<b>(766.4)</b>	<b>(1,116.2)</b>	<b>537.0</b>	<b>727.3</b>	<b>240.4</b>
<b>Earnings per share attributable to equity holders of the Company (sen)</b>					
Basic, for (loss)/profit for the year	(49.66)	(70.75)	28.90	40.37	10.98

## GROUP FIVE-YEAR SUMMARY

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>					
<b>FOR THE FINANCIAL YEARS ENDED 31 DECEMBER</b>					
<b>In RM Million</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>					
Non-current assets	17,348.0	17,856.5	17,781.7	18,010.2	18,832.0
Current assets	2,814.6	2,422.4	4,401.0	4,262.9	3,372.8
<b>Total assets</b>	<b>20,162.6</b>	<b>20,278.9</b>	<b>22,182.7</b>	<b>22,273.1</b>	<b>22,204.8</b>
<b>EQUITY</b>					
Share capital	5,114.3	5,114.3	5,114.3	5,114.3	5,114.3
Perpetual sukuk	997.8	997.8	997.8	997.8	997.8
Retained earnings	1,121.0	1,944.9	3,284.7	3,037.4	2,583.3
Hedging reserve	(19.7)	(36.2)	(18.0)	(24.9)	(28.6)
Foreign exchange reserve	30.9	74.4	(54.2)	12.0	42.0
Other reserves	8.2	4.1	0.8	4.0	6.9
<b>Total equity</b>	<b>7,252.5</b>	<b>8,099.3</b>	<b>9,325.4</b>	<b>9,140.7</b>	<b>8,715.7</b>
Non-current liabilities	9,770.8	10,701.8	9,568.2	10,999.7	11,262.7
Current liabilities	3,139.2	1,477.7	3,289.1	2,132.6	2,226.4
<b>Total liabilities</b>	<b>12,910.0</b>	<b>12,179.6</b>	<b>12,857.3</b>	<b>13,132.4</b>	<b>13,489.1</b>
<b>Total equity and liabilities</b>	<b>20,162.6</b>	<b>20,278.9</b>	<b>22,182.7</b>	<b>22,273.1</b>	<b>22,204.8</b>
<b>Net asset per share (RM)</b>	4.37	4.88	5.62	5.51	5.25

# GROUP QUARTERLY PERFORMANCE

Year 2021 In RM Million	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2021
<b>Financial Performance</b>					
Revenue	336.9	323.4	461.4	551.3	1,673.0
Loss before tax and zakat	(280.5)	(290.5)	(254.9)	(215.0)	(1,040.9)
Loss net of tax	(221.3)	(226.1)	(182.3)	(136.7)	(766.4)
Earnings per share (sen)	(14.19)	(14.49)	(11.86)	(9.11)	(49.66)

Year 2020 In RM Million	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2020
<b>Financial Performance</b>					
Revenue	933.8	272.2	396.7	263.6	1,866.3
Loss before tax and zakat	(35.5)	(268.3)	(384.9)	(1,075.1)	(1,763.9)
Loss net of tax	(20.4)	(91.1)	(319.7)	(685.0)	(1,116.2)
Earnings per share (sen)	(2.09)	(6.35)	(20.14)	(42.16)	(70.75)

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

In RM Million	2021	2020
<b>Revenue</b>	<b>1,673.0</b>	<b>1,866.3</b>
Cost of inventories sold	(33.9)	(90.9)
Other income	222.5	186.2
Operating expenditure	(1,641.3)	(1,962.8)
Depreciation, amortisation and impairment	(614.6)	(1,110.1)
Operating loss	(394.3)	(1,111.3)
Finance costs	(634.1)	(641.0)
Share of results of associates	(5.2)	(16.0)
Share of results of joint ventures	(7.3)	4.4
<b>Loss before tax and zakat</b>	<b>(1,040.9)</b>	<b>(1,763.9)</b>
Taxation and zakat	274.5	647.7
<b>Loss net of tax</b>	<b>(766.4)</b>	<b>(1,116.2)</b>
<b>Loss attributable to:</b>		
Owners of the Company	<b>(766.4)</b>	<b>(1,116.2)</b>
<b>Earnings per share attributable to equity holders of the Company (sen)</b>		
- Basic, for loss for the year	<b>(49.66)</b>	<b>(70.75)</b>

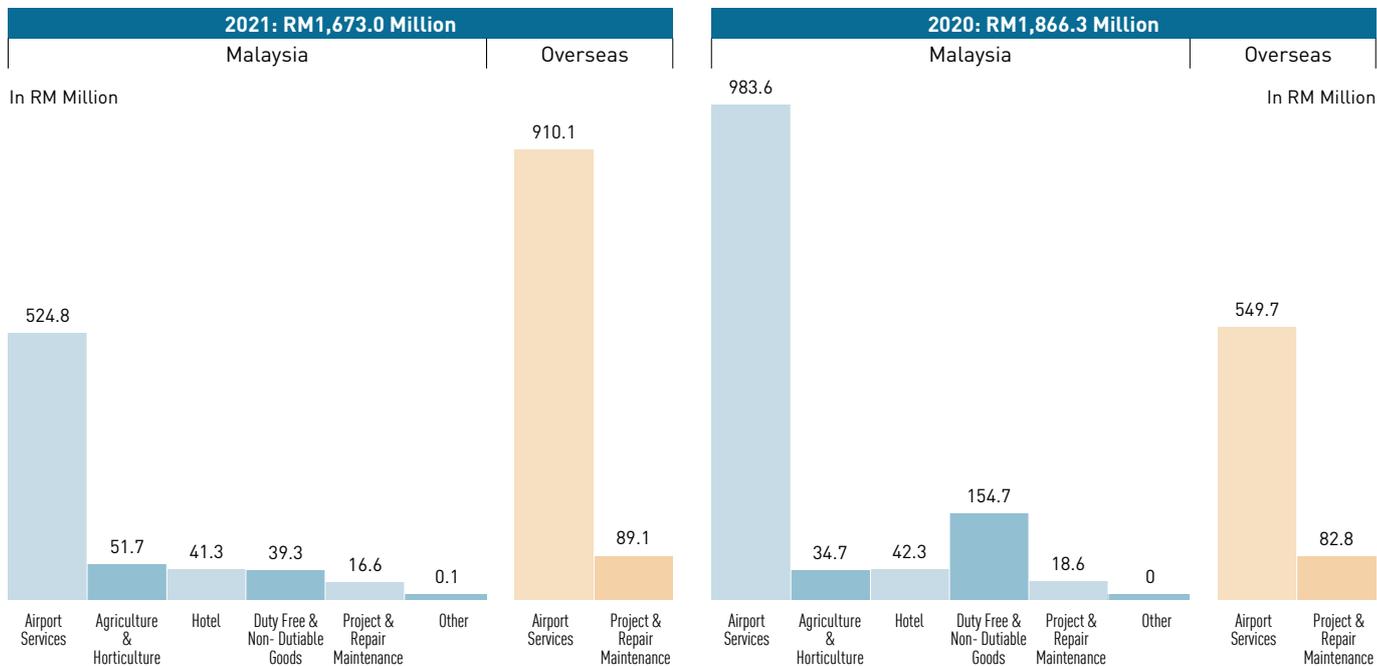
# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

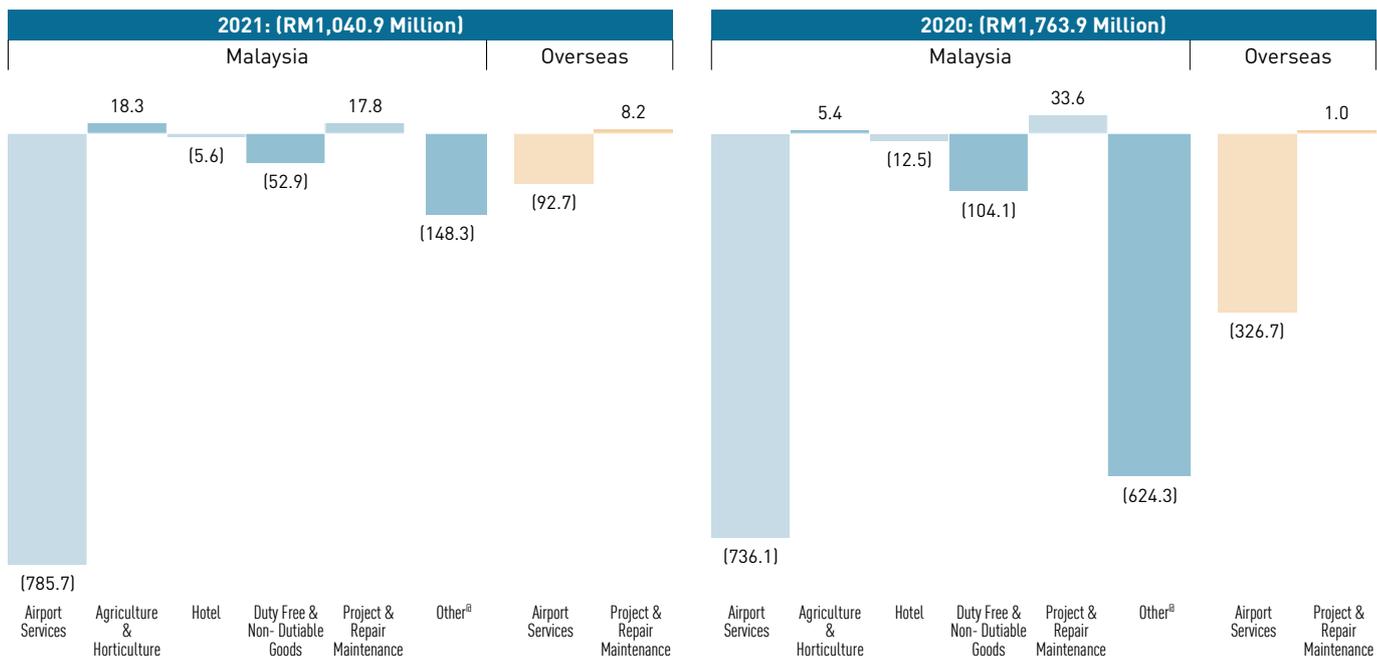
In RM Million	2021	2020
<b>Assets</b>		
Property, plant and equipment	432.5	436.5
Right-of-use assets	61.8	93.9
Intangible assets	15,215.4	15,891.3
Investments and financial assets	561.6	543.6
Other non-current assets	1,076.7	891.2
Current assets	2,814.6	2,422.4
<b>Total assets</b>	<b>20,162.6</b>	<b>20,278.9</b>
<b>Equity and liabilities</b>		
Share capital	5,114.3	5,114.3
Perpetual sukuk	997.8	997.8
Retained earnings	1,121.0	1,944.9
Hedging reserve	(19.7)	(36.2)
Foreign exchange reserve	30.9	74.4
Other reserves	8.2	4.1
<b>Total equity</b>	<b>7,252.5</b>	<b>8,099.3</b>
Non-current liabilities	9,770.8	10,701.8
Current liabilities	3,139.2	1,477.7
<b>Total liabilities</b>	<b>12,910.0</b>	<b>12,179.6</b>
<b>Total equity and liabilities</b>	<b>20,162.6</b>	<b>20,278.9</b>
<b>Net asset per share (RM)</b>	<b>4.37</b>	<b>4.88</b>
<b>Return on assets</b>	<b>-3.8%</b>	<b>-5.5%</b>

# GROUP SEGMENTAL ANALYSIS

## REVENUE



## (LOSS)/ PROFIT BEFORE TAXATION



Note: The group revenue segmental analysis excludes inter-segment transactions and consolidated adjustments

<sup>a</sup> Other segmental profit before taxation includes inter-segment eliminations and consolidation entries

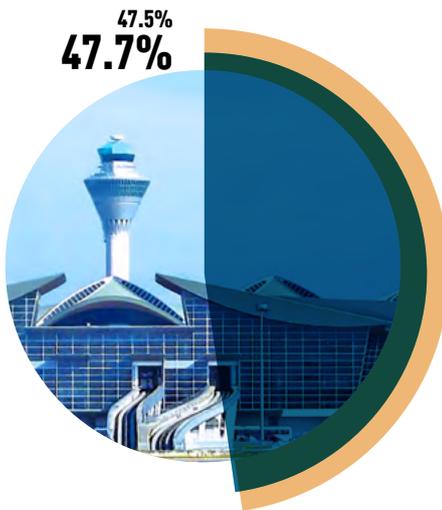
## GROUP SEGMENTAL ANALYSIS

### REVENUE

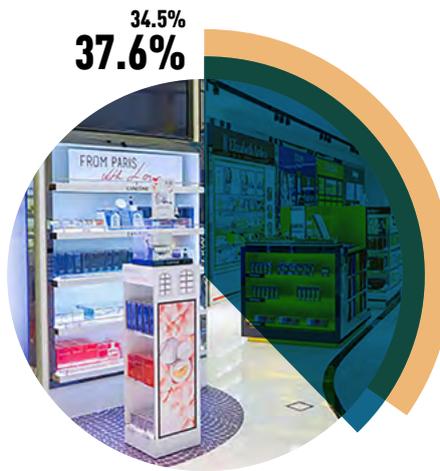
● 2021

● 2020

#### AERONAUTICAL



#### NON-AERONAUTICAL (RENTAL & OTHERS)



#### DUTY FREE AND NON-DUTIABLE GOODS



#### PROJECT AND REPAIR MAINTENANCE



#### AGRICULTURE AND HORTICULTURE



#### HOTEL



# STATEMENT OF INCOME DISTRIBUTION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

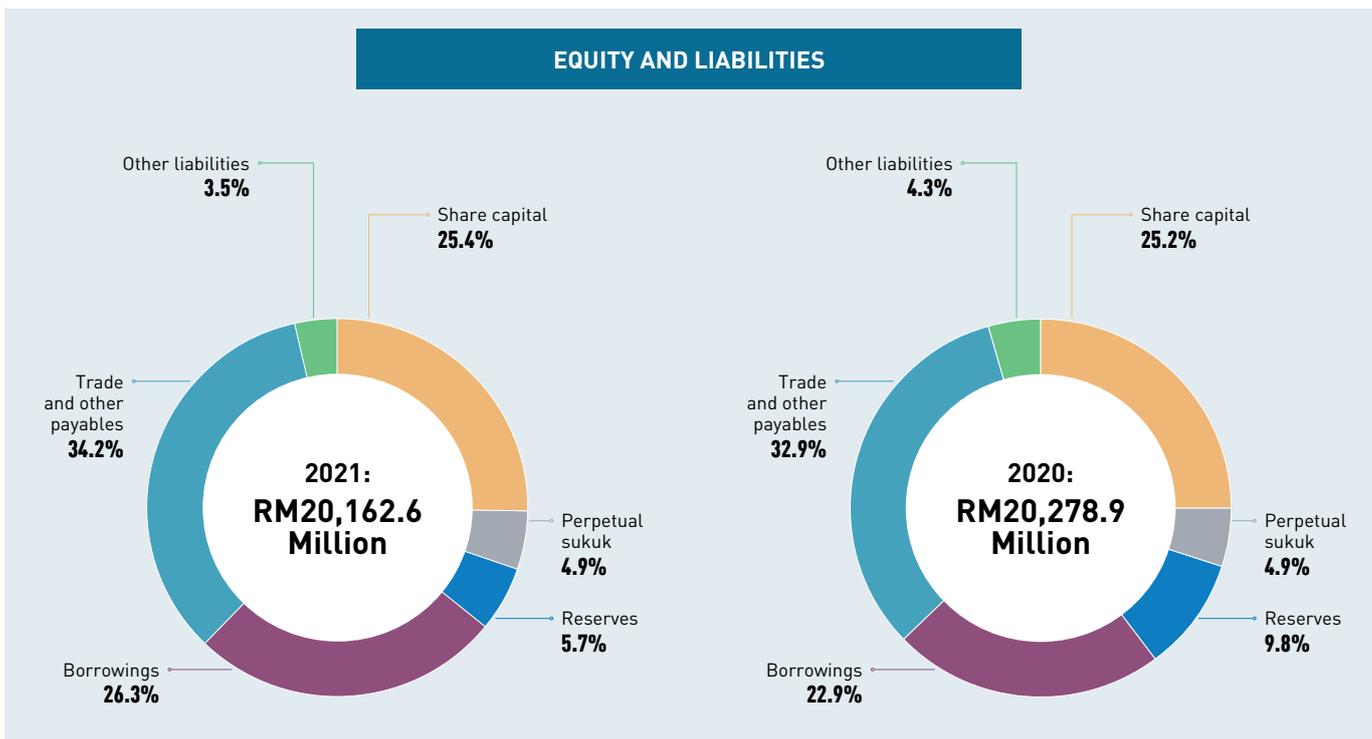
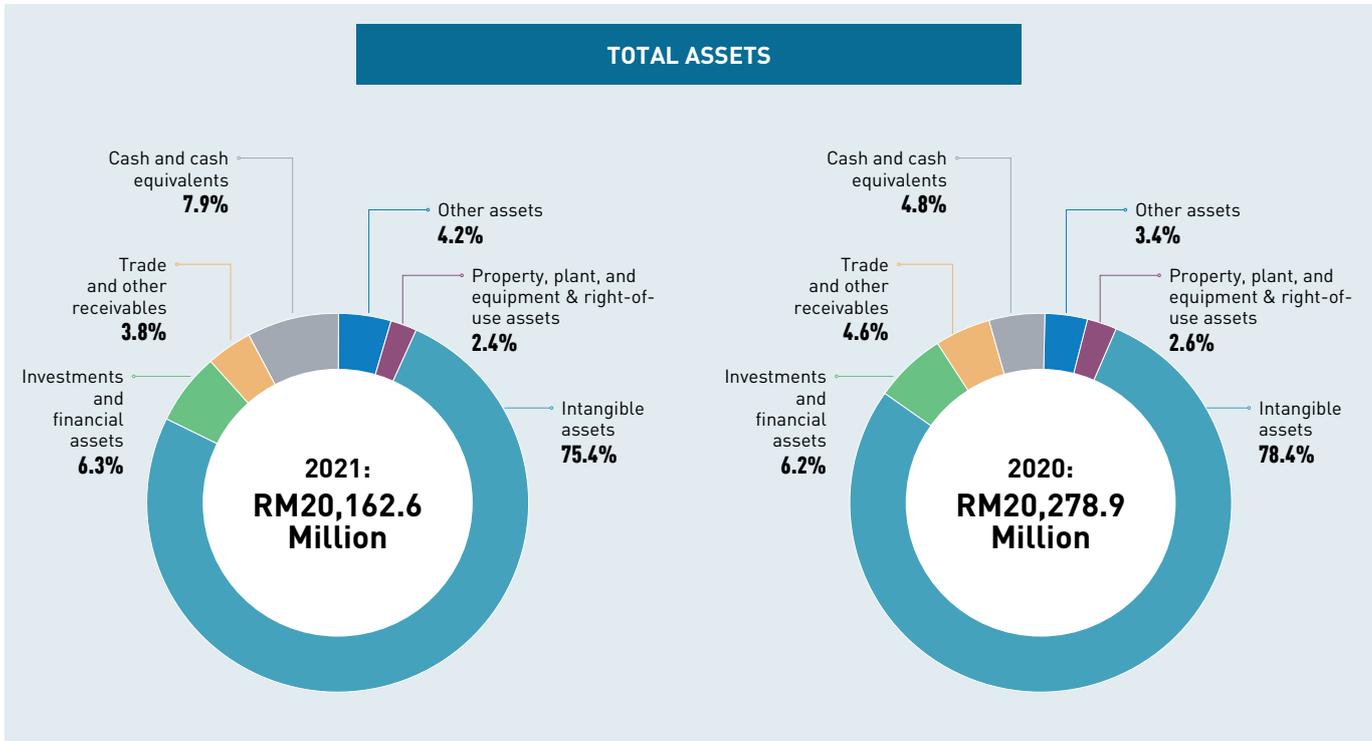
In RM Million	2021	2020
<b>Current income available for distribution<sup>1</sup></b>	1,883.1	2,041.0
<b>To supplier</b>		
Purchase of goods and services	915.8	1,162.7
<b>To employees</b>		
Employment costs	675.7	742.6
<b>To financier</b>		
Finance costs	634.1	641.0
<b>To government<sup>2</sup></b>		
User fee and taxation	(190.8)	(499.2)
<b>Utilisation of assets</b>		
Depreciation, impairment and amortisation	614.6	1,110.1
<b>Retained for re-investment, future growth and dividend payment</b>		
Net reduction in retained profits	(766.4)	(1,116.2)
	1,883.1	2,041.0

<sup>1</sup> Current income available for distribution includes revenue, other income and share of results of associates & joint ventures

<sup>2</sup> The distribution to the government is as a result of tax credits that were largely due to the recognition of the tax recoverable and deferred tax assets

# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021



# BOARD OF DIRECTORS' PROFILE

## DATO' SERI DIRAJA DR. ZAMBRY ABD KADIR

**Non-Independent  
Non-Executive Chairman**

**Date of Appointment**  
12 August 2020

**Gender** Male

**Age** 60

**Nationality** Malaysian

### Present Directorship(s)

Listed Issuer:

- Malaysia Airports Holdings Berhad

Other Public Companies:

- None

### Membership of Board Committee(s)

- None

### Number of Board Meetings Attended for the Year Under Review

16 out of 16 (100%)



### Academic/Professional Qualification(s)

- Bachelor of Economics (Hons.), International Islamic University Malaysia (IIUM)
- Master of Arts, IIUM
- Master of Arts, Temple University, USA
- Doctor of Philosophy, Temple University, USA
- Honorary Doctorate of Business Administration, Royal Docks School of Business & Law, University of East London
- Honorary Doctorate, Pukyong National University South Korea
- Harvard Leadership Program at Kennedy School of Government, Harvard University, USA

### Present Appointment(s)

- State Assemblyman for Pangkor, Perak since 2004 until present
- Adjunct Professor at Universiti Sultan Azlan Shah, Perak
- Chairman of İstanbul Sabiha Gökçen Uluslararası Havalimanı Yatırım Yapım ve İşletme A.Ş.
- Chairman of SGC Havalimanı İşletmeleri Ticaret ve Turizm A.Ş.

### Experience

- Served as the Chief Minister of Perak from February 2009 until May 2018
- Served as a member of the Perak State Executive Council for Education, Economic Development, Science and Technology from 2004 until 2008
- Adjunct Professor at Department of Political Science, IIUM in 2015 until 2018
- Appointed as Professor in Practice at Putra Business School, Universiti Putra Malaysia from 2017 until 2019
- Appointed as the Chief Executive Officer of Mind Institute from 2000 until 2004
- Served as Visiting Professor, Institut Agama Islam Negeri at Pekan Baru, Indonesia from 1997 to 1998
- Appointed as the Chief Executive Officer of Centre for Leadership and Development Studies from 1996 until 1998

## BOARD OF DIRECTORS' PROFILE

## DATO' ISKANDAR MIZAL MAHMOOD

## Managing Director

**Date of Appointment**  
25 October 2021

**Gender** Male

**Age** 56

**Nationality** Malaysian

## Present Directorship(s)

Listed Issuer:

- Malaysia Airports Holdings Berhad

Other Public Companies:

- None

## Membership of Board Committee(s)

- None

## Number of Board Meetings Attended for the Year Under Review

3 out of 3 (100%)



## Academic/Professional Qualification(s)

- Bachelor of Science in Business Administration (Accounting), Boston University, USA

## Present Appointment(s)

- Board Member of Malaysia Airports Sdn Bhd
- Board Member of Malaysia Airports (Sepang) Sdn Bhd
- Board Member of Malaysia Airports Consultancy Services Sdn Bhd
- Board Member of Malaysia Airports (Niaga) Sdn Bhd
- Board Member of K.L. Airport Hotel Sdn Bhd
- Board Member of İstanbul Sabiha Gökçen Uluslararası Havalimanı Yatırım Yapım ve İşletme A.Ş.
- Board Member of SGC Havalimanı İşletmeleri Ticaret ve Turizm A.Ş.
- Board Member of Alibaba KLIA Aeropolis Sdn Bhd
- Board Member of GMR Hyderabad International Airport Limited

## Experience

- Started career with Arthur Andersen & Co in 1989
- Served leading financial institutions including Bumiputra Merchant Bankers Berhad and Commerce International Merchant Bankers Berhad (now known as CIMB Group) from 1991 to 1999

- Joined Malaysia Airports as General Manager from 1999 to 2003 to lead its Initial Public Offering and listing on Bursa Malaysia Securities Berhad. Assumed other responsibilities such as Finance, Corporate Finance, Business Development and Investor Relations
- Mandated by Ministry of Finance and Khazanah Nasional Berhad to turnaround companies such as Malaysian Technology Development Corporation Sdn Bhd (2003 to 2005) and later Granatum Ventures Sdn Bhd (2017 to 2019)
- Ventured into education sector as Managing Director and 30% Equity Shareholder of Manipal Education Sdn Bhd from 2011 to 2013
- Served as the Group CEO of Pos Malaysia Berhad from 2013 to 2015
- Headed Media Prima Berhad's turnaround from 2019 to 2021 as Group Executive Director from 2019 to 2020 and Group Managing Director from 2020 to 2021
- Involved in technology sector as founding CEO of Malaysian Biotechnology Corporation Sdn Bhd and Chairman of Malaysian Bio-XCell Sdn Bhd from 2005 to 2011
- Served on boards of public listed companies in the technology sector, i.e., Independent Non-Executive Director (INED) of Globetronics Technology Berhad from 2012 to 2021, and Chairman and INED of Theta Edge Berhad from 2017 to 2019 and from 2019 to 2021, respectively
- Member of Lembaga Tabung Haji Investment Panel from 2016 to 2018

**BOARD OF DIRECTORS' PROFILE****NORMAH OSMAN**

**Non-Independent  
Non-Executive Director**

**Date of Appointment**  
26 April 2021

**Gender** Female

**Age** 54

**Nationality** Malaysian

**Present Directorship(s)**

Listed Issuer:

- Malaysia Airports Holdings Berhad

Other Public Companies:

- None

**Membership of Board Committee(s)**

- Member of Board Procurement Committee
- Member of Board Risk Management Committee

**Number of Board Meetings Attended for the Year Under Review**

11 out of 11 (100%)

**Academic/Professional Qualification(s)**

- Bachelor of Business Administration (Hons.), National University of Malaysia
- Diploma in Public Administration, National Institute of Public Administration (INTAN)
- Master of Arts (Management), Claremont Graduate University, California, USA

**Present Appointment(s)**

- Deputy Secretary General (Policy), Ministry of Transport
- Board Member of Penang Port Sdn Bhd
- Board Member of Bintulu Port Authority
- Member of Competition & Economics Committee of Malaysian Aviation Commission (MAVCOM)
- Board Member of Urusan Teknologi Wawasan Sdn Bhd

**Experience**

- Joined the Ministry of International Trade and Industry (MITI) as Assistant Secretary from 1995 to 2003 and as Chief Assistant Secretary from 2003 to 2006
- Served as Minister Counsellor for Economic Affairs, MITI Singapore in 2006

- Served as Director (Stock & Company Organisation Division), MITI in 2008
- Served as Minister Counsellor for Economic Affairs, MITI's Office in Brussels (European Union) in 2009
- Served as Director ASEAN Economic Cooperation Division, MITI in 2013
- Served as Senior Director of Bilateral Economic & Trade Relations Division, MITI from 2015 to 2017
- Served as Senior Director of Multilateral Policy and Negotiation Division, MITI from August 2017 until July 2018
- Appointed as Senior Director at Deputy Secretary General's Office (Policy & Entrepreneurial Strategy), Ministry of Entrepreneur Development and Cooperatives from July 2018 to January 2019
- Appointed as Division Secretary of Policy Planning and Coordination Division, Ministry of Education from January 2019 to February 2020

## BOARD OF DIRECTORS' PROFILE

## WONG SHU HSIEN

**Non-Independent  
Non-Executive Director**

**Date of Appointment**  
7 March 2019

**Gender** Female

**Age** 49

**Nationality** Malaysian

**Present Directorship(s)**

Listed Issuer:

- Malaysia Airports Holdings Berhad

Other Public Companies:

- PLUS Malaysia Berhad
- UEM Group Berhad
- Malaysia Aviation Group Berhad
- Malaysia Airlines Berhad

**Membership of Board  
Committees(s)**

- Member of Board Audit Committee
- Member of Board Nomination & Remuneration Committee
- Member of Board Finance & Investment Committee

**Number of Board Meetings  
Attended for the Year  
Under Review**

16 out of 16 (100%)



**Academic/Professional Qualification(s)**

- Masters of Arts in Economics, Cambridge University, UK
- Masters of Science in Economics, London School of Economics and Political Science, UK
- Chartered Financial Analyst

**Present Appointment(s)**

- Head of Infrastructure and Airlines, Khazanah Nasional Berhad

**Experience**

- Attached to BinaFikir Sdn Bhd prior to joining Khazanah Nasional Berhad in 2005
- Served in a private equity firm, Emerging Market Partnership

**BOARD OF DIRECTORS' PROFILE****ROHAYA MOHAMMAD YUSOF****Non-Independent  
Non-Executive Director****Date of Appointment**  
1 October 2021**Gender** Female**Age** 57**Nationality** Malaysian**Present Directorship(s)**

Listed Issuers:

- Malaysia Airports Holdings Berhad
- United Plantations Berhad
- Yinson Holdings Berhad

Other Public Companies:

- Projek Lebuhraya Usahasama Berhad
- PLUS Malaysia Berhad

**Membership of Board  
Committee(s)**

- Member of Board Finance & Investment Committee
- Member of Board Risk Management Committee

**Number of Board Meetings  
Attended for the Year  
Under Review**

5 out of 5 (100%)

**Academic/Professional Qualification(s)**

- Bachelor's Degree in Commerce (Accountancy), Australian National University, Canberra, Australia
- Associate Member of CPA, Australia

**Present Appointment(s)**

- Chief Investment Officer of Employees Provident Fund (EPF)
- Chairman of Institutional Investors Council Malaysia (IIC)
- Board of Trustees of Yayasan Khazanah

**Experience**

- Started career as a Financial Consultant in the Audit Division at Arthur Andersen & Co
- Joined Maybank Investment Bank (previously known as Aseambankers) in 1990 and was promoted to the position of Executive Vice President, Corporate Investment Banking in 2005
- Joined the EPF's Investment Division as Head of Corporate Finance in 2008 and was appointed as Head of Capital Market Department in 2011, overseeing global and domestic fixed income. In August 2017, she was appointed as Head of Private Market, whose primary function is to invest in private equity, infrastructure, global and regional real estates
- Appointed as a Chief Investment Officer of EPF on 1 January 2020

## BOARD OF DIRECTORS' PROFILE

## DATUK SERI YAM KONG CHOY

**Senior Independent  
Non-Executive Director**

**Date of Appointment**  
1 December 2013

**Gender** Male

**Age** 69

**Nationality** Malaysian

**Present Directorship(s)**

Listed Issuers:

- Malaysia Airports Holdings Berhad
- Paramount Corporation Berhad

Other Public Companies:

- None

**Membership of Board  
Committee(s)**

- Chairman of Board Finance & Investment Committee
- Member of Board Nomination & Remuneration Committee

**Number of Board Meetings  
Attended for the Year  
Under Review**

16 out of 16 (100%)

**Academic/Professional Qualification(s)**

- Post-Graduate Diploma in Building and Management Studies, University of Westminster, UK
- Fellow of the Chartered Institute of Building
- Fellow of the Royal Institution of Chartered Surveyors
- DUniv, Honorary Doctorate of the Heriot-Watt University, UK

**Present Appointment(s)**

- Chancellor of University of Wollongong Malaysia KDU
- Adjunct Professor of the University of Technology Malaysia
- Chairman of InvestKL Corporation
- Global Senior Vice President of the Chartered Institute of Building (CIOB)
- Chairman of Malaysia Airports (Niaga) Sdn Bhd
- Chairman of K.L. Airport Hotel Sdn Bhd
- Board Member of KLIA Aeropolis Sdn Bhd
- Chairman of Super Ace Resources Sdn Bhd
- Independent Director of MRCB International Sdn Bhd
- Chairman of Metropolitan Lake Development Sdn Bhd
- Chairman of Triterra Sdn Bhd
- Chairman of Triterra Metropolis Sdn Bhd
- MD/CEO of Impetus Alliance Advisors Sdn Bhd

- Board Member of Kwasa Utama Sdn Bhd
- Board Member of Inta Kapital Sdn Bhd

**Experience**

- Served as a building engineer in the United Kingdom with various companies and the Works Department of the NHS
- Past President and Patron of the Real Estate and Housing Developers' Association of Malaysia
- Served more than 35 years in the construction, real estate and corporate sectors. In the last 12 years prior to 2008, he also helmed two different public listed property companies as Chief Executive Officer and Managing Director
- Served in various large companies, such as Landmarks Berhad, Peremba Malaysia, Country Heights Holdings Berhad and Sunrise Berhad in the development of hotels, resorts, shopping malls, golf courses, international schools, residential and mixed developments in Malaysia, Australia, United Kingdom, Mauritius and South Africa. Until recently, he also had served as an independent director of Standard Chartered Bank Malaysia Berhad, Standard Chartered Saadiq Berhad, Sunway Berhad and Cahya Mata Sarawak Berhad

**BOARD OF DIRECTORS' PROFILE****DATUK ZALEKHA HASSAN**

**Independent  
Non-Executive Director**

**Date of Appointment**  
1 January 2014

**Gender** Female

**Age** 69

**Nationality** Malaysian

**Present Directorship(s)**

Listed Issuer:

- Malaysia Airports Holdings Berhad

Other Public Companies:

- None

**Membership of Board Committee(s)**

- Member of Board Nomination & Remuneration Committee
- Member of Board Risk Management Committee

**Number of Board Meetings Attended for the Year Under Review**

16 out of 16 (100%)

**Academic/Professional Qualification(s)**

- Bachelor of Arts (Hons.), University of Malaya
- Advance Management Programme, Harvard Business School, Harvard University, USA
- Attended several Leadership and Management programs in South Africa, Japan and Korea between 1997 and 2001

**Present Appointment(s)**

- Chairman of Malaysia Airports (Sepang) Sdn Bhd
- Chairman of Malaysia Airports Consultancy Services Sdn Bhd
- Chairman of Menara Kuala Lumpur Sdn Bhd

**Experience**

- Started her career in the Malaysian civil service in 1977 as an Assistant Director in the Training and Career Development Division, Public Service Department
- Served the Malaysian Government in several ministries including the Ministry of Health, Ministry of Social Welfare and Ministry of National Unity and Social Development
- Served the Ministry of Finance (MOF) in 1997 as Senior Assistant Director of the Budget Division and continued to serve in various capacities including in the Government Procurement Division until retirement in May 2011 as Deputy Secretary-General (Operations) of MOF
- Appointed as Government Procurement Advisor, MOF, from June 2011 until June 2013

## BOARD OF DIRECTORS' PROFILE

## ROSLI ABDULLAH

**Independent  
Non-Executive Director**

**Date of Appointment**  
1 January 2014

**Gender** Male

**Age** 69

**Nationality** Malaysian

**Present Directorship(s)**

Listed Issuer:

- Malaysia Airports Holdings Berhad

Other Public Companies:

- None

**Membership of Board  
Committee(s)**

- Chairman of Board Audit Committee
- Member of Board Risk Management Committee

**Number of Board Meetings  
Attended for the Year  
Under Review**

16 out of 16 (100%)



**Academic/Professional Qualification(s)**

- Bachelor of Economics (Hons.), University of Malaya
- Post-Graduate Diploma in Accounting, University of Malaya
- Master in Business Administration, National University of Malaysia
- Chartered Accountant, Malaysian Institute of Accountants (MIA)

**Present Appointment(s)**

- Chairman of KLIA Aeropolis Sdn Bhd
- Board Member of Malaysia Airports Consultancy Services Sdn Bhd
- Board Member of İstanbul Sabiha Gökçen Uluslararası Havalimanı Yatırım Yapım ve İşletme A.Ş.
- Board Member of SGC Havalimanı İşletmeleri Ticaret ve Turizm A.Ş.

**Experience**

- Held various positions in public and private sectors such as the Accountant General's Office at the State and Federal Treasury Departments, Ministry of Finance, Chief Accountant in the Ministry of Works and Ministry of Education

- Attached to the Public Services Department and was the Chief Accountant at the Government's Pension Department and Secretary to the Teachers Provident Fund from 1989 to 1991
- Appointed as Bursar of Universiti Putra Malaysia from 1991 to 1993
- Director of Corporate Services at the Accountant General's Department from 1993 to 1994
- Financial Controller/General Manager of Finance at Kuala Lumpur International Airport Berhad from 1994 to 1996
- Senior General Manager of Putrajaya Holdings Sdn Bhd from 1996 to 2008
- Adviser to Economic Planning Unit, Prime Minister's Department from 2008 to 2009
- Served as Council Member, Chief Executive Officer and Registrar of MIA
- Board Member and Chairman of Audit Committee of Bank Pembangunan Malaysia Berhad, Keretapi Tanah Melayu Berhad, Capitaland Malaysia Mall REIT Management Sdn Bhd and Dagang NeXchange Berhad
- Chairman of i-VCAP Management Sdn Bhd

**BOARD OF DIRECTORS' PROFILE****DATO' IR. MOHAMAD HUSIN**

**Independent  
Non-Executive Director**

**Date of Appointment**  
15 August 2016

**Gender** Male

**Age** 68

**Nationality** Malaysian

**Present Directorship(s)**

Listed Issuer:

- Malaysia Airports Holdings Berhad

Other Public Companies:

- None

**Membership of Board  
Committee(s)**

- Chairman of Board Procurement Committee
- Member of Board Audit Committee

**Number of Board Meetings  
Attended for the Year  
Under Review**

16 out of 16 (100%)

**Academic/Professional Qualification(s)**

- Bachelor of Science (Hons.) in Civil Engineering, University of Southampton, UK
- Master of Science in Civil Engineering, University of Pittsburgh, USA
- Professional Engineer, Board of Engineers Malaysia

**Present Appointment(s)**

- Chairman of Malaysia Airports Sdn Bhd
- Chairman of Urusan Teknologi Wawasan Sdn Bhd
- Board Member of Johawaki Holdings Sdn Bhd
- Board Member of Bridgex Sdn Bhd

**Experience**

- Started career as Water Engineer in Public Works Department (PWD), Ministry of Works and served PWD for 35 years in various capacities including as District Engineer, Assistant Director, State and Branch Director
- Held position as Director of Roads before being promoted to the post of Deputy Director General in 2007 until his retirement in 2013
- Whilst in the Government service, involved in the construction of development projects and maintenance of government facilities, mainly relating to roads, buildings, ports and airports

## BOARD OF DIRECTORS' PROFILE

## DATUK AZAILIZA MOHD AHAD

**Independent  
Non-Executive Director**

**Date of Appointment**  
8 November 2016

**Gender** Female

**Age** 61

**Nationality** Malaysian

**Present Directorship(s)**

Listed Issuers:

- Malaysia Airports Holdings Berhad
- TIME dotCom Berhad

Other Public Companies:

- None

**Membership of Board  
Committees(s)**

- Chairman of Board Nomination & Remuneration Committee
- Member of Board Audit Committee
- Member of Board Finance & Investment Committee

**Number of Board Meetings  
Attended for the Year  
Under Review**

16 out of 16 (100%)



**Academic/Professional Qualification(s)**

- Bachelor of Laws, University of Malaya

**Present Appointment(s)**

- Partner with Messrs Gani Patail Chambers
- Board Member of KLIA Aeropolis Sdn Bhd
- Chairman of Whistleblowing Independent Committee of Malaysia Airports

**Experience**

- Undertook legal advisory work relating to domestic and international matters over a period of 30 years
- Held various roles as a Judicial and Legal Officer with the Courts and the Attorney General's Chambers of Malaysia. Among others, served as a Magistrate, Senior Assistant Registrar, Legal Advisor to the Economic Planning Unit, Prime Minister's Department, as a Senior Federal Counsel with the Advisory and International Division, as the Head of the International Affairs Division, the Deputy Solicitor General I and Solicitor General of Malaysia

**BOARD OF DIRECTORS' PROFILE****RAMANATHAN SATHIAMUTTY**

**Independent  
Non-Executive Director**

**Date of Appointment**  
1 January 2019

**Gender** Male

**Age** 58

**Nationality** Malaysian

**Present Directorship(s)**

Listed Issuers:

- Malaysia Airports Holdings Berhad
- AwanBiru Technology Berhad

Other Public Companies:

- None

**Membership of Board Committee(s)**

- Chairman of Board Risk Management Committee
- Member of Board Procurement Committee

**Number of Board Meetings Attended for the Year Under Review**

16 out of 16 (100%)

**Academic/Professional Qualification(s)**

- Bachelor of Engineering (Electrical & Electronic) (Hons.), National University of Malaysia
- Master of Business Administration, Universiti Putra Malaysia
- Executive Management Programme, Harvard Business School and INSEAD

**Present Appointment(s)**

- Board Member of Malaysia Airports (Sepang) Sdn Bhd
- Board Member of İstanbul Sabiha Gökçen Uluslararası Havalimanı Yatırım Yapım ve İşletme A.Ş.
- Board Member of SGC Havalimanı İşletmeleri Ticaret ve Turizm A.Ş.

**Experience**

- Started career as a system engineer at IBM Corporation Malaysia. Served IBM Group for 24 years in various roles involving telecommunications, utilities, media and entertainment sectors and appointed as Managing Director of IBM Malaysia in January 2010
- During his tenure with IBM Group, he held various roles in many countries such as Japan, Korea, India, Singapore and USA
- He then served as Chief Transformation Officer at Celcom Axiata Berhad from 2016 and a former Advisor to Chief Executive Officer of Celcom Axiata Berhad

**Declaration by Board of Directors:**

- No family relationship with any other Director and/or major shareholder of Malaysia Airports
- No conflict of interest with Malaysia Airports
- No conviction for offences other than traffic offences for the past 5 years
- No public sanction or penalty imposed by any regulatory bodies during the financial year ended 31 December 2021
- Does not hold more than 5 directorships in listed issuers

# GROUP SENIOR MANAGEMENT

## DATO' ISKANDAR MIZAL MAHMOOD

Managing Director

### Date of present appointment:

25 October 2021

**Gender** Male

**Age** 56

### Nationality

Malaysian



### Academic/Professional Qualifications

- Bachelor of Science in Business Administration (Accounting), Boston University, USA

### Experience

Dato' Iskandar Mizal Mahmood was appointed as Malaysia Airports' Managing Director on 25 October 2021.

He is a corporate leader with over 32 years of experience across multiple disciplines and sectors while serving in various multinational companies and GLCs, of which 18 years were in top leadership positions.

He had previously served Malaysia Airports as General Manager from 1999 – 2003, where he led the Initial Public Offering and listing of the Company on Bursa Malaysia. He also played an integral part in the Company's international ventures such as taking over operations of India's Hyderabad Rajiv Gandhi International Airport, and as a Board Member of Cambodia's Phnom Penh and Siem Reap airport.

Dato' Iskandar started his career with Arthur Andersen & Co in 1989 and subsequently served with leading financial institutions such as Bumiputra Merchant Bankers Bhd. and Commerce International Merchant Bankers Bhd.

He has also led the turnaround of Media Prima Berhad from 2019 to 2021. He was also the Group CEO of Pos Malaysia Berhad from 2013 to 2015, Managing Director of Manipal Education Malaysia Sdn Bhd from 2011 to 2013, and founding CEO of Malaysian Biotechnology Corporation Sdn Bhd

Dato' Iskandar has also sat on the Board of Directors in various capacities at Malaysian Bio-XCell Sdn Bhd, and Theta Edge Bhd, Globetronics Technology Bhd. He also sat on the Investment Panel of Lembaga Tabung Haji from 2016 to 2018.

## MOHAMED RASTAM SHAHROM

Group Chief Financial Officer

### Date of present appointment:

17 April 2020

**Gender** Male

**Age** 51

### Nationality

Malaysian



### Academic/Professional Qualifications

- BSc (Honours) in Accounting and Finance, University of Wales, Aberystwyth, UK
- Chartered Accountant with the Malaysian Institute of Accountants (MIA)
- Fellow of the Association of Chartered Certified Accountants, UK

### Experience

Prior to joining Malaysia Airports, Mohamed was the Chief Financial Officer of UEM Sunrise Berhad. He has over 20 years of experience in the fields of finance, investment appraisal, fundraising, financial analysis and planning, finance operations, international JVs and statutory reporting.

Prior to that, he was the Senior Vice President of Enterprise Solutions and Vice President, Finance at Celcom Axiata. He also served as Vice President, Corporate Finance and Advisory at Affin Investment Bank, and before that as Assistant Vice President at Hwang-DBS Investment Bank, and in both capacities worked on multiple initial public offerings and mergers and acquisitions.

He had also served as Vice President Finance at an oil and gas company, overseeing the Engineering & Construction Division and Drilling Services. During his tenure there, he was instrumental in driving several initiatives, including automating and streamlining the finance operations, cost reduction programmes, business and asset acquisitions and international project financing.

**GROUP SENIOR MANAGEMENT****AZMAN SHAH MOHAMED**  
Chief Human Capital Officer**Date of present appointment:**  
1 September 2017**Gender** Male**Age** 57**Nationality**  
Malaysian**Academic/Professional Qualifications**

- Master in Business Administration, Major in International Business and Finance, Central Michigan University, USA
- Degree in Accounting (Honours), Institute Teknologi MARA
- Diploma in Accounting, Institute Teknologi MARA
- Diploma in Industrial Relations, Malaysian Employers Federation

**Experience**

Azman joined Malaysia Airports in 2017. Prior to his appointment, he held senior management positions in Group Human Capital at Telekom Malaysia Berhad.

Azman is a senior and experienced HR professional more than 20 years of extensive exposure in various disciplines of human resources, ranging from Strategic HR, Industrial Relations to Remuneration and Performance Management.

He has led various human resource transformation programmes including compensation and benefits structure and the formulation of a long-term incentive plan for the company.

**IBRAHIM CHANG BOON TECK**  
Chief Procurement Officer**Date of present appointment:**  
1 January 2021**Gender** Male**Age** 56**Nationality**  
Malaysian**Academic/Professional Qualifications**

- Honors Degree in Econometrics, Universiti Kebangsaan Malaysia
- Member of Chartered Institute of Procurement & Supply

**Experience**

Ibrahim first joined Malaysia Airports as General Manager, Procurement and Contracts in 2016. He then assumed the role of Chief Procurement Officer in January 2021. Prior to this, he had held numerous supply chain leadership positions in multinational public listed companies such as Shell, F&N Coca Cola, Warner Lambert, Sapura Crest Petroleum and Perisai Petroleum.

Through his varied exposure in multiple industries, he garnered a vast and rich body of knowledge, perspectives and experiences in procurement operations, contract management, cost optimisation, value engineering, project procurement and logistics.

Since joining Malaysia Airports in late 2016, Ibrahim has assisted to transform the procurement function to be more focus on adding value and tech savvy. He was also one of the key drivers for the successful effort that led to Malaysia Airports' Procurement obtaining the Anti-Bribery Management System ISO 37001 certification.

## GROUP SENIOR MANAGEMENT

### DR NOR AZLINA MOHD ISA

Head of Technical Services

**Date of present appointment:**  
1 February 2021

**Gender** Female

**Age** 47

**Nationality**  
Malaysian



#### Academic/Professional Qualifications

- Doctor of Business Administration, Arshad Ayub Graduate Business School, Universiti Teknologi MARA (UiTM), Malaysia
- Master of Business Administration, Universiti Utara Malaysia
- Post Graduate Diploma in Airport Engineering Management, National University of Singapore
- B. Engineering (Hons) in Civil Engineering, University of Malaya

#### Experience

Dr. Nor Azlina joined Malaysia Airports in 2002 as a civil engineer. Throughout her career with Malaysia Airports, she rose to be the General Manager of Planning and Development in 2011, and Head of Engineering of MA (Sepang) in 2016.

She left Malaysia Airports in 2018 to expand her horizons and rejoined on 1 February 2021 as Head of Technical Services. She has been accredited as an International Airport Professional in 2011 and has contributed as an instructor for the Airport Planning, Development & Environmental Management module under the ACI-ICAO Airport Management Professional Accreditation Programme. Dr. Nor Azlina is also a certified Project Management Professional (PMP).

### HANI EZRA HUSSIN

Senior General Manager, Commercial Services

**Date of present appointment:**  
1 March 2021

**Gender** Female

**Age** 47

**Nationality**  
Malaysian



#### Academic/Professional Qualifications

- Masters in Business Administration, University of Dubuque, USA
- Chartered Institute of Marketing, UK

#### Experience

Hani Ezra joined Malaysia Airports in 2016 and was appointed as Senior General Manager, Commercial Services on 1 March 2020. Prior to this, she was General Manager Commercial Business.

She has more than 20 years of experience in marketing, branding and retail. She began her marketing career in fast-moving consumer goods with F&N Dairies in 1997 before moving to Danone, where she was responsible for all aspects of marketing for Danone's most trusted UK brand.

In the retail business, Hani Ezra led the Marketing Division, Customer Service and Retail Relations for Suria KLCC, Kuala Lumpur's leading shopping mall.

She managed over 300 stores, refreshed marketing approaches and delivered an unparalleled shopping experience which contributed to the growth of retail sales and the evolution of the retail industry in Malaysia.

**GROUP SENIOR MANAGEMENT****MEGAT ARDIAN WIRA MOHD AMINUDDIN**

Senior General Manager, Strategy

**Date of present appointment:**  
1 March 2021

**Gender** Male

**Age** 50

**Nationality**  
Malaysian

**Academic/Professional Qualifications**

- Bachelor of Business Administration in Marketing, Western Michigan University, USA
- Master's Degree in Aviation, Embry-Riddle Aeronautical University, USA

**Experience**

Megat joined Malaysia Airports in 2018 and prior to his present appointment, he was General Manager of Corporate Planning, and Transformation, focusing on the Group's strategic planning, growth, transformation as well as sustainability initiatives.

His career in the aviation industry started with AirAsia in 2004 where he managed the Government Relations and Special Projects portfolio. Megat then joined Malaysia Airlines Berhad (MAS) as part of the Transformation Management Team to facilitate MAS' turnaround campaign. He then became the Chief Commercial Officer at Flynas, a low-cost carrier based in Riyadh, Saudi Arabia.

Megat had also provided consulting and training for the International Air Transport Association on commercial strategy and transformation initiatives. Outside of the aviation industry, Megat was the Market Development Director for Malaysia and Brunei for General Electric. He was also Chief Marketing Officer of Malaysia Healthcare Travel Council, an agency under the Ministry of Health Malaysia.

**ROSMAN NORDIN**

Head of Internal Audit

**Date of present appointment:**  
21 March 2022

**Gender** Male

**Age** 48

**Nationality**  
Malaysian

**Academic/Professional Qualifications**

- Master of Business Administration, Open University Malaysia
- Bachelor of Accountancy, University Utara Malaysia
- Chartered Accountant, Malaysian Institute of Accountants
- Member of the Institute of Internal Auditors

**Experience**

Rosman Nordin joined Malaysia Airports in 2022 as the Head of Internal Audit.

Prior to joining Malaysia Airports, Rosman was the General Manager of Internal Audit & Risk Management at Alam Maritim Resources Berhad.

He has over 20 years of experience in internal audit, risk management, compliance, finance, and JV accounting. He has served with Petronas group of companies within Malaysia and abroad.

## GROUP SENIOR MANAGEMENT

### MOHAMED SALLAUDDIN MOHAMED SHAH

General Manager, Aviation Marketing and Development

**Date of present appointment:**

1 February 2008

**Gender** Male

**Age** 59

**Nationality**  
Malaysian



#### Academic/Professional Qualifications

- Bachelor of Science in Accountancy and Computer Science, Northern Illinois University, USA
- Masters in Business Administration (Strategic Management), International Business School, Universiti Teknologi Malaysia
- Certified Professional Marketer conferred by Asia Marketing Federation in collaboration with Institute of Marketing Malaysia

#### Experience

Mohamed Sallauddin joined Malaysia Airports in 2001. His professional career has predominantly been in the aviation and aerospace industries where he had served the national carrier, Malaysia Airlines, and Malaysia's first aircraft manufacturing company, Composite Technology Research Malaysia, before joining Malaysia Airports. Notably, he led Malaysia Airports in hosting Asia's first World Route Development Forum in Kuala Lumpur in 2008.

Mohamed Sallauddin currently serves as a Council Member of the Institute of Marketing Malaysia and is an Executive Committee Member of PATA Malaysia Chapter as well as Sector Leader (Airline) for Business Events Council Malaysia.

### NIK ANIS NIK ZAKARIA

General Manager, Corporate Communications

**Date of present appointment:**

1 June 2009

**Gender** Female

**Age** 58

**Nationality**  
Malaysian



#### Academic/Professional Qualifications

- Bachelor of Science Degree in Economics, Northern Illinois University, USA

#### Experience

Nik Anis joined Malaysia Airports as General Manager of Corporate Communications in 2009. Before that, she was attached to Mesiniaga Berhad, a public-listed IT company.

She has more than 30 years of working experience in various capacities including managing sales and marketing, customer service and operations, and corporate communications. Since joining Malaysia Airports, she has developed and implemented strategies and action plans to align the direction of the corporate communications with the organisation's vision and objectives, including spearheading the digital communication platforms and establishing a dominant presence and branding for Malaysia Airports on social media.

She has also led two corporate branding exercises for Malaysia Airports in 2010 and 2018, as well as Sama-Sama Hotel rebranding exercise in 2013.

**GROUP SENIOR MANAGEMENT****NORNAJIHAH ISMAIL**

General Manager, Finance Business Partner

**Date of present appointment:**

1 January 2018

**Gender** Female**Age** 52**Nationality**

Malaysian

**Academic/Professional Qualifications**

- Diploma in Accounting, Universiti Teknologi Mara (UiTM), Malaysia
- Degree in Accounting and Finance, South Bank University, London, UK
- Masters in Business Administration with a concentration in Airport Management, UiTM
- Received the Vice Chancellor Award upon graduation from UiTM
- Chartered Accountant with the Malaysian Institute of Accountants
- Fellow member of the Association of Chartered Certified Accountants, UK

**Experience**

Nornajihah joined Malaysia Airports in 2006 as Senior Manager, Finance and was appointed to her current role in 2018. During her tenure with Malaysia Airports, Nornajihah was General Manager, Finance for Malaysia Airports from 2010 to 2017 and was also entrusted to cover the role and responsibilities of Chief Financial Officer from September 2015 to January 2016.

She was selected for the Khazanah GLC Talent Exchange Programme in 2008 and was seconded to Tenaga Nasional Berhad. Prior to Malaysia Airports, she was the Head of Group Accounts in Padiberas Nasional Berhad.

**DATUK ABDULLAH KADIR BACHA**

General Manager, Stakeholder Relations and Regulatory Affairs

**Date of present appointment:**

15 January 2016

**Gender** Male**Age** 69**Nationality**

Malaysian

**Academic/Professional Qualifications**

- Master's Degree (MSc) in Information Science, Loughborough University, UK

**Experience**

Datuk Abdullah initially joined Malaysia Airports in 2014 as a Consultant on Government Affairs. Later in 2016, he was appointed as General Manager, Stakeholder Relations & Regulatory Affairs. Datuk Abdullah has a good mixture of government, academia, and private sector experience.

He served the Government of Malaysia and government-related agencies (MDeC, Universiti Utara Malaysia and The International Islamic University Malaysia) for a total of 33 years. This included a six-year stint as an aide in the private office of former Prime Minister of Malaysia, YABhg Tun Dr Mahathir Mohamad.

In the field of information technology whilst serving MDeC he was able to successfully penetrate Middle Eastern Countries through numerous initiatives that he spearheaded.

Datuk Abdullah brought Malaysian IT Companies and products to the attention of Middle Eastern Governments especially those in Saudi Arabia, Iran, UAE, Syria and Lebanon. Many local IT companies benefitted from his efforts.

## GROUP SENIOR MANAGEMENT

### LEE AI VIN

General Manager, Corporate Finance and Treasury

**Date of present appointment:**

1 June 2017

**Gender** Female

**Age** 46

**Nationality**  
Malaysian



#### Academic/Professional Qualifications

- Bachelor of Business in Accountancy, RMIT, Australia
- Member of the Institute of Chartered Accountants of England and Wales, the CPA Australia (Certified Practising Accountant) and the Malaysian Institute of Accountants

#### Experience

Ai Vin joined Malaysia Airports in 2015 and was appointed to her current position as General Manager of Corporate Finance and Treasury in 2017.

Prior to joining Malaysia Airports, Ai Vin worked in Transaction Advisory Services of Ernst & Young LLP London. She has also worked in the banking and financial advisory sectors in Malaysia and Singapore.

She has over 20 years of experience in financial and corporate transaction advisory in Asia and Europe, covering business valuation, corporate restructuring, capital market fundraising, financial due diligence, loan portfolio review, and merger and acquisitions.

### MOHAMMAD AZMEL HARUN RASHEED

General Manager, Operational Excellence & Guests Experience

**Date of present appointment:**

1 January 2021

**Gender** Male

**Age** 46

**Nationality**  
Malaysian



#### Academic/Professional Qualifications

- B.Sc. Industrial Engineering, University of Toledo, Ohio, USA
- Professional Certificate in Management, University of Melbourne, Australia

#### Experience

Azmel was appointed as General Manager, Operational Excellence & Guests Experience in January 2021. He has over 20 years of experience in local and international organisations such as PETRONAS, Goodyear and Schlumberger Business Consulting.

He has led various operational improvement projects and strategic transformation programmes via proven methodologies such as Lean Six Sigma, Design Thinking and Agile project management.

Prior to Malaysia Airports, he was employed by Malaysia Petroleum Resources Corporation as Vice President of Innovation. He led nationwide industry development programmes, working closely with industry players and government agencies to develop and market indigenous technology innovation to solve industry challenges.

**GROUP SENIOR MANAGEMENT**
**VIJAYKUMAR DAYINDE**  
 General Manager, IT Delivery

**Date of present appointment:**  
1 December 2019

**Gender** Male

**Age** 43

**Nationality**  
Indian


**Academic/Professional Qualifications**

- Bachelor of Science – Computer, Nagarjuna University, India
- Master of Business Administration, Sikkim Manipal University, India
- Master of Computer Applications, Manipal University, India
- Master of Science – Mathematics, Osmania University, India

**Experience**

Vijay joined Malaysia Airports as General Manager, IT Delivery in 2019. Prior to joining Malaysia Airports, Vijay was the Head of Data Science & Solutions, and former Head of IT Development of Celcom Axiata Bhd, Malaysia.

Vijay is a telecom IT planning, implementation, and operation specialist with over 22 years of experience. He has served globally across multiple organisations including both system integrators and service providers.

He also worked across various technologies for fixed and wireless networks. He has been at the epicentre of every technological shake-up experienced by the communication services industry over the last two decades from the Americas to the Far East.

**ZULKIFLI BASHIR**  
 General Manager, Aviation Security

**Date of present appointment:**  
16 March 2020

**Gender** Male

**Age** 64

**Nationality**  
Malaysian


**Academic/Professional Qualifications**

- Diploma in Police Science, Universiti Kebangsaan Malaysia
- Certified International Crime Prevention Specialist
- Member of the International Crime Prevention Society

**Experience**

Zulkifli joined Malaysia Airports in 2010 as Senior Manager of Aviation Security (Intelligence/Investigation/Liaison). He was appointed as General Manager of Aviation Security in 2020.

Zulkifli has more than 30 years of law enforcement experience in his illustrious career with the Royal Malaysia Police which includes serving as the Police Chief of KLIA from 2000 to 2003.

## GROUP SENIOR MANAGEMENT

### NOR AIDA OTHMAN

General Manager, Legal

**Date of present appointment:**  
1 April 2020

**Gender** Female

**Age** 53

**Nationality**  
Malaysian



#### Academic/Professional Qualifications

- Bachelor of Laws (LL.B Hons), International Islamic University Malaysia
- Advocate & Solicitor of the High Court of Malaya

#### Experience

Nor Aida joined Malaysia Airports as Senior Manager, Legal in 2012. She was previously seconded to Malaysia Airports from Malaysia Airlines from 2010 to 2011 under the Khazanah Cross Assignment Programme.

In March 2019, she was seconded to Malaysia Airports Consultancy Services (MACS) Middle East, Doha, Qatar as the Senior Manager, Legal to support its business operation.

Nor Aida brings with her a wealth of experience, particularly in the aviation industry. Before joining Malaysia Airports, she has served over 10 years with Malaysia Airlines in various capacities.

Nor Aida has over 25 years of experience as an in-house legal counsel, serving in Government-Owned and Government-Linked Companies, as well as public listed companies.

### ZAWARDI SALLEH @ MOHAMED SALLEH

General Manager, Company Secretarial

**Date of present appointment:**  
1 January 2021

**Gender** Male

**Age** 51

**Nationality**  
Malaysian



#### Academic/Professional Qualifications

- Diploma in Public Administration, Universiti Teknologi MARA (UiTM), Malaysia
- Executive Master of Business Administration, UiTM
- Holder of Practising Certificate from Companies Commission of Malaysia
- Chartered Secretary with The Malaysian Association of Institute of Chartered Secretaries & Administrators

#### Experience

Zawardi joined Malaysia Airports as Senior Manager, Company Secretarial in October 2018 and was later appointed as Covering General Manager/Company Secretary in June 2019.

He assumed his current role as General Manager/Company Secretary of Malaysia Airports on 1 January 2021. He is also the Company Secretary of all local subsidiaries of Malaysia Airports.

Zawardi has over 25 years of experience in company secretarial, corporate governance, compliance, and public practice secretarial service, including more than 18 years as Company Secretary of public listed companies.

His career journey has brought him to serve companies in various industries such as oil and gas, shipping, land transportation, automotive, heavy equipment and engineering, construction and property, telecommunication, utilities, and airport operation.

**GROUP SENIOR MANAGEMENT****MUHAMMAD HIDAYAT ISMAIL**

General Manager, Airport Fire &amp; Rescue Service

**Date of present appointment:**

1 January 2022

**Gender** Male**Age** 42**Nationality**  
Malaysian**Academic/Professional Qualifications**

- Master of Emergency & Response Planning, Universiti Putra Malaysia
- Bachelor of Information Technology, Universiti Kebangsaan Malaysia
- Diploma in Fire Science, Fire and Rescue Academy of Malaysia
- Certified International Airport Professional
- Graduate Member of the Institution of Fire Engineers

**Experience**

Muhammad Hidayat Ismail joined Malaysia Airports as Executive Cadet AFRS in September 2004. With his strong ability and leadership skill, he steadily moved up the ranks to head AFRS MA (Sepang) in 2017 and was further promoted to General Manager of AFRS in 2022.

In his 17 years of experience in AFRS, he was appointed to various leadership positions at KL International Airport, Kota Kinabalu International Airport and Malaysia Airports Training Centre.

He also has international exposure when he was seconded to Male International Airport in the Maldives, as well as being appointed as the Airports Council International (ACI) Safety Assessor (AEP and RFF) since 2015. He is also recognised as an Industrial Expert in developing National Occupational Skills Standard for AFRS under the Department of Skills Development Malaysia.

**AINON MAHAT**

Acting General Manager, Internal Audit

**Date of present appointment:**

1 January 2019

**Gender** Female**Age** 50**Nationality**  
Malaysian**Academic/Professional Qualifications**

- Bachelor of Science in Business Administration majoring in Computer Business Information Systems, University of Arkansas, Fayetteville, USA
- MBA with concentration in Airport Management, Universiti Teknologi MARA (UiTM), Malaysia
- Graduate Diploma in Airport Management, National University of Singapore
- Certified Internal Auditor
- Chartered Member of The Institute of Internal Auditors Malaysia

**Experience**

Ainon joined Malaysia Airports in 2001 as Senior Executive and was appointed to her current role in 2019.

She is a Certified Internal Auditor (CIA) and registered as a Chartered Member of The Institute of Internal Auditors (CMIIA).

She has over 27 years of experience in the areas of Governance, Risk and Compliance, and is actively engaged by The Institute of Internal Auditors Malaysia (IIAM) for Internal Quality Assurance Committee (IQAC), Quality Assurance Review (QAR) and Quality Assurance & Improvement Programme (QAIP) for Bursa Malaysia and reputable listed companies.

## GROUP SENIOR MANAGEMENT

### NOR IZZAMY ABD AZIZ

Acting General Manager, Corporate Planning

**Date of present appointment:**  
1 August 2021

**Gender** Male

**Age** 41

**Nationality**  
Malaysian



#### Academic/Professional Qualifications

- Bachelor of Science (Honours) Accounting and Finance, University of Warwick, UK
- Chartered Financial Analyst (CFA)

#### Experience

Nor Izzamy joined Malaysia Airports in 2014 as Senior Manager of Corporate Planning and was appointed to his current position on 1 August 2021.

He is entrusted to spearhead the overall planning and crafting of Malaysia Airports' long term strategic plans, including Runway to Success 2020 and the latest 5-year Strategic Plan (2021-2025).

Nor Izzamy has over 17 years of experience spanning various disciplines involving strategy, planning, and investment. He started his career with Pemodal Nasional Berhad in 2004 as an Investment Analyst overseeing the transportation and telecommunication sectors. He was then appointed as the Portfolio Manager and was responsible in managing RM10 billion unit trust fund.

Nor Izzamy is a Chartered Financial Analyst (CFA) and holds a Bachelor of Science (Honours) in Accounting and Finance from the University of Warwick, United Kingdom.

### ROMIE KHALID

Acting General Manager, Risk Management & Compliance

**Date of present appointment:**  
1 September 2021

**Gender** Male

**Age** 49

**Nationality**  
Malaysian



#### Academic/Professional Qualifications

- Bachelor of Science (Honour) in Economics (specialising in Accounting and Finance), The London School of Economics & Political Science, UK.

#### Experience

Romie was appointed to his current position on 1 September 2021.

He has over 24 years of experience spanning various roles in the field of Risk Management, Internal Audit, Finance and Statutory Reporting.

He started his career as an auditor with Arthur Andersen in 1996 and subsequently moved to MNRB Holdings Berhad (previously known as Malaysian National Reinsurance Berhad) where he rose to the position of Senior Vice President and Group Chief Internal Auditor before he joined Malaysia Airports on 1 April 2016 as the Senior Manager for Risk Management.

**GROUP SENIOR MANAGEMENT****AZAHAR AB RAHIM**

Acting General Manager, Human Capital Business Partner

**Date of present appointment:**  
1 September 2021

**Gender** Male

**Age** 49

**Nationality**  
Malaysian

**Academic/Professional Qualifications**

- Bachelor of Science in Global Business with a concentration in Human Resources Management, Arizona State University, USA.

**Experience**

Azahar joined Malaysia Airports in January 2018 and was appointed to his current position on 1 September 2021.

He has over 21 years of experience across a wide spectrum of human resource disciplines with an array of companies including UEM Edgenta, TIME dotcom, Deloitte Consulting (SEA) Sdn Bhd and Telekom Malaysia.

**ZEID ABDUL RAZAK**

Acting General Manager, Regulatory Economics &amp; Investor Relations

**Date of present appointment:**  
15 January 2022

**Gender** Male

**Age** 41

**Nationality**  
Malaysian

**Academic/Professional Qualifications**

- Bachelor's Degree in Accountancy (Hons), Universiti Malaya
- Certified Public Accountant from the Malaysian Institute of Certified Public Accountants
- Chartered Accountant from the Malaysian Institute of Accountants

**Experience**

Zeid joined Malaysia Airports in 2014 and was appointed to his current position on 15 January 2022. During his tenure with Malaysia Airports, Zeid also held roles in various managerial positions within Finance including Treasury and Finance Business Partner.

Prior to Malaysia Airports, he spent nearly a decade at Ernst & Young Malaysia and the United Kingdom, specialising in assurance services across multiple sectors such as aviation, property, leisure, facilities management and Information Technology.

# SUBSIDIARIES SENIOR MANAGEMENT

## MALAYSIA AIRPORTS (SEPANG) SDN BHD

### MOHD ARIF JAAFAR

Senior General Manager, MA (Sepang)

**Date of present appointment:**

1 January 2021

**Gender** Male

**Age** 57

**Nationality**

Malaysian



#### Academic/Professional Qualifications

- Bachelor's degree of Science in Human Resource Development, Universiti Putra Malaysia
- Graduate Diploma in Aviation and Airport Management, National University of Singapore
- Accredited International Airport Professional, ACI-ICAO
- Airport Management Professional Accreditation Program

#### Experience

Mohd Arif joined Malaysia Airports in 1994 and was appointed to his current role on 1 January 2021. He has almost 27 years of experience with Malaysia Airports and has held senior roles within the Group. These include the Senior Manager of PEN and Terminal Manager of KUL. He was also Airport Manager for KBR and IPH and Head of Security at PEN and AOR.

Mohd Arif has also undergone anti-terrorism assistance training programme conducted by the Federal Aviation Administration of the United States of America in Oklahoma.

## MALAYSIA AIRPORTS (SEPANG) SDN BHD

### SHAHRUNNIZAM ABD JAMIL

General Manager, Operations klia2, MA (Sepang)

**Date of present appointment:**

1 February 2022

**Gender** Male

**Age** 50

**Nationality**

Malaysian



#### Academic/Professional Qualifications

- Corporate Diploma in Airport Management, Universiti Teknologi MARA (UiTM)
- Bachelor of Science in Horticulture (Landscape), Universiti Putra Malaysia
- Landscape Maintenance at Royal Botanical Garden Sydney and Melbourne, Australia

#### Experience

Shahrnizam joined Malaysia Airports in 1999 as a senior executive with MA (Sepang) Sdn Bhd and was appointed to his current position on 1 February 2022.

Shahrnizam had over 20 years of experience working with Malaysia Airports, and he had held various responsibilities within the organisation. This includes senior positions in landscaping and grounds beautification at KUL, Formula 1 management at Sepang International Circuit and various landside operations and management roles at KUL. He was also assigned as interfacing head during the development of klia2 until its completion.

Prior to joining Malaysia Airports, Shahrnizam was a Landscape Construction Manager with Arkitek Jururancang Malaysia where he was part of the team that contributed to the completion of KL International Airport in 1998.

## SUBSIDIARIES SENIOR MANAGEMENT

## MALAYSIA AIRPORTS (SEPANG) SDN BHD

**BIBI SABRENA SAKANDAR KHAN**  
 Project Director, Client Office KLIA

**Date of present appointment:**  
1 February 2021

**Gender** Female

**Age** 44

**Nationality**  
Malaysian


**Academic/Professional Qualifications**

- Bachelor's Degree in Engineering (Civil), Universiti Teknologi MARA (UiTM), Malaysia
- Master's Degree in Facility Management, Facility Management, UiTM
- Corporate Diploma in Airport Management
- Professional Technologist, Malaysia Board of Technologists (MBOT)

**Experience**

Bibi Sabrena joined Malaysia Airports in 2006 and was appointed to her current role as the Project Director, Client Office KLIA on 1 February 2021.

She began her career with Malaysia Airports and had shouldered the responsibilities as an Engineer at MA (Sepang) Sdn Bhd, and Senior Manager, Engineering Business Intelligence at Malaysia Airports' Engineering Division.

## MALAYSIA AIRPORTS (SEPANG) SDN BHD

**IR AZMAN YUSUF**  
 General Manager, Engineering

**Date of present appointment:**  
1 January 2022

**Gender** Male

**Age** 49

**Nationality**  
Malaysian


**Academic/Professional Qualifications**

- Graduate Diploma in Business Administration, National University of Singapore
- Degree in Engineering (Civil), Universiti Sains Malaysia
- Professional Engineer with Practicing Certificate (PEPC) (P.Eng), Board of Engineers Malaysia
- Member, The Institution of Engineers, Malaysia (IEM)

**Experience**

Ir Azman joined Malaysia Airports in 1999 as an Engineer and was appointed to his current position on 1 January 2022.

A man with vast experience in the civil engineering industry, prior to Malaysia Airports, Ir Azman started his career with a consultant firm involved in Lebuhraya Pantai Timur (LPT) and construction company for KL Sentral.

His diverse experience covers almost all professional engineering services, such as consulting, construction, operation and maintenance (O&M) and management of engineering works and projects.

## SUBSIDIARIES SENIOR MANAGEMENT

### MALAYSIA AIRPORTS (SEPANG) SDN BHD

#### ABD HASMAN ABD MUHIMIM

Acting General Manager, Operations KLIA, MA (Sepang)

**Date of present appointment:**

1 February 2022

**Gender** Male

**Age** 42

**Nationality**  
Malaysian



#### Academic/Professional Qualifications

- Bachelor's degree in Foodservice Management, Universiti Teknologi MARA (UiTM), Malaysia
- Corporate Diploma in Airport Management, UiTM
- Diploma in Chef Training, UiTM

#### Experience

Abd Hasman first joined Malaysia Airports as KLIA's Terminal Manager.

He re-joined the Company in 2018 and was appointed to his current position on 1 February 2022.

Prior to joining Malaysia Airports, Abd Hasman was the Facilities & Operations Manager at Pinewood Studios.

He holds a bachelor's degree in Foodservice Management and a Corporate Diploma in Airport Management, and a Diploma in Chef Training from Universiti Teknologi MARA.

Abd Hasman has also attended the ACI Airport Management Professional Accreditation Programme.

### MALAYSIA AIRPORTS SDN BHD

#### KAMARUZZAMAN RAZALI

Acting Senior General Manager, MASB

**Date of present appointment:**

1 January 2022

**Gender** Male

**Age** 58

**Nationality**  
Malaysian



#### Academic/Professional Qualifications

- Degree in Business Administration, Universiti Teknologi MARA (UiTM), Malaysia
- Diploma Business Study, Mara Institute of Technology (ITM)
- Diploma in Airport Management, National University of Singapore
- Accredited International Airport Professional, International Civil Aviation Organisation

#### Experience

Kamaruzzaman joined Malaysia Airports in 2000 as Operations Executive at KUL. He was appointed to his current position in 2022.

Prior to this, he held the position of General Manager of Malaysia Airports Sdn Bhd, overseeing the operations of all airports in Malaysia except for KUL.

He was previously the Senior Airport Manager for BKI and also Airport Manager for MYJ, KBR and TGG. Kamaruzzaman started his career with the Department of Civil Aviation (now known as CAAM) in 1984, working with the Engineering Division at the then Sultan Ismail Airport, Johor Bahru.

**SUBSIDIARIES SENIOR MANAGEMENT**

## ISG &amp; SGC

**MOHAMMAD NAZLI ABDUL AZIZ**  
Executive Director**Date of present appointment:**  
1 June 2020**Gender** Male**Age** 55**Nationality**  
Malaysian**Academic/Professional Qualifications**

- Bachelor of Building, University of New South Wales, Australia
- Chartered Building Professional

**Experience**

Nazli joined Malaysia Airports as Senior General Manager, Commercial Services in 2016. Prior to that, he was Senior General Manager of Commercial and Chief Operating Officer at KLCC Property Holdings Berhad, where he managed top-end commercial real estate and was in charge of the operations for various development components within the KLCC precinct.

Nazli started his career in quantity surveying and project management in the property sector. He was also instrumental in the initial planning, marketing, and sales of the award winning 2,300-acre Bukit Jelutong mixed development project – Kumpulan Guthrie Berhad's maiden foray into property development.

Nazli was later attached to TDM Berhad, a listed vehicle of the Terengganu State Government, overseeing their business expansion into the property, F&B and healthcare industries both in Malaysia and in Southeast Asia.

## ISG &amp; SGC

**BERK ALBAYRAK**  
Chief Executive Officer**Date of present appointment:**  
1 September 2021**Gender** Male**Age** 51**Nationality**  
Turkish**Academic/Professional Qualifications**

- B.S Civil Engineering, Middle East Technical University, Türkiye
- M.S Civil Engineering, Middle East Technical University, Türkiye

**Experience**

Berk joined the company in 2009 as Chief Operating Officer and was appointed as Technical Services Director in 2018 before assuming his current position as Chief Executive Officer. Before that, he served as a Department Manager with the joint venture responsible for the construction of the International Terminal Building and Apron at SAW.

He had also served in the General Directorate of State Airports Authority of Türkiye (DHMI) from 1998 till 2007 in various capacities including as Director of its construction division.

During his tenure with DHMI, he supervised large construction projects at Atatürk Airport, Antalya Airport, Izmir Adnan Menderes Airport, Ankara Esenboğa Airport and Siirt Airport.

A civil engineer by training, Berk started his career as a Site Engineer for the Baki Group of Companies.

## SUBSIDIARIES SENIOR MANAGEMENT

### ISG & SGC

#### ZULHIKAM AHMAD

Deputy CEO/ Head of Corporate Services

##### Date of present appointment:

1 June 2020

**Gender** Male

**Age** 50

**Nationality**  
Singaporean



#### Academic/Professional Qualifications

- Bachelor's Degree (Hons) in Accountancy, Nanyang Technological University, Singapore
- Fellow Chartered Accountant of Singapore

#### Experience

Zulhikam joined Malaysia Airports as General Manager, Malaysia Airports (Niaga) Sdn Bhd in 2015. Prior to Malaysia Airports, he was General Manager of Sales and Operations for 7-Eleven in Malaysia for 5 years, where he had transformed their operations, profitability and business process across more than 2,000 convenience stores. He had also previously turned around a leading international hypermarket chain in the Klang Valley.

Zulhikam started his journey as a graduate trainee with a leading oil and gas company. In his 12 years with the organisation, he gained experience through a wide range of roles and responsibilities including Finance, Retail Operations, Health, Safety, Security and Environment (HSSE), and Learning Development across the Asia Pacific, Middle East, and Africa regions.

In his last role before his secondment to ISG, he turned around the profitability, operations and business process of MA Niaga from 2015 to 2020 through close collaboration with partners, operations excellence, discount management and cost optimisation measures.

### ISG & SGC

#### AHMAD RIZAL OMAR

CFO and Head, Strategic Planning & Treasury Management

##### Date of present appointment:

22 December 2020

**Gender** Male

**Age** 46

**Nationality**  
Malaysian



#### Academic/Professional Qualifications

- Master of Finance, St Edmund's College, University of Cambridge, UK
- Bachelors of Business Accountancy, Royal Melbourne Institute of Technology University, Australia
- Chartered Accountant with the Malaysian Institute of Accountants and The Chartered Accountants of Australia and New Zealand

#### Experience

Ahmad Rizal Omar joined Malaysia Airports on 2 January 2018 as General Manager of Financial Planning and Shared Service. He was Malaysia Airports' covering Chief Financial Officer from 1 February 2019 to 30 December 2019. Prior to his appointment, he was the Senior Vice President, Investments at Khazanah Nasional Berhad.

Ahmad Rizal has close to 23 years of working experience in investments evaluation and management, corporate finance, and chartered accountancy experience across the Asia Pacific region with Khazanah Nasional, Axiata Group, Ernst & Young and Telekom Malaysia.

**SUBSIDIARIES SENIOR MANAGEMENT****KLIA AEROPOLIS SDN. BHD****RANDHILL SINGH**

Head of KLIA Aeropolis Sdn Bhd

**Date of present appointment:**

1 January 2021

**Gender** Male**Age** 45**Nationality**  
Malaysian**Academic/Professional Qualifications**

- Bachelor's Degree in Civil Engineering, University of Malaya
- Master of Business Administration, University of Malaya
- Certified International Airport Professional

**Experience**

Randhill joined Malaysia Airports in January 2008 and was appointed as the Head of KLIA Aeropolis on 1 January 2021, overseeing KLIA Aeropolis' development and real estate development across airports in Malaysia including the Subang Airport Regeneration initiative. He is responsible for the execution of Malaysia Airports' cross-border joint ventures relating to real estate and non-airport development within Malaysia which includes joint ventures with Mitsui Fudosan, Alibaba and Boustead Projects (Singapore).

Prior to that, he had also undertaken various roles in Malaysia Airports including Transformation Management, Malaysia International Aerospace Centre and Group Corporate Planning.

Randhill has been instrumental in crafting the Runway to Success 2020, a transformative five-year business direction that drove the Group's expansion and diversification into airport city development and international airport investments.

**MALAYSIA AIRPORTS CONSULTANCY SERVICES, MIDDLE EAST LLC****AHMAD TARMIZI MOHD HASHIM**

Executive Director, MACS ME

**Date of present appointment:**

1 February 2016

**Gender** Male**Age** 62**Nationality**  
Malaysian**Academic/Professional Qualifications**

- Master of Business Administration, Keele University, UK
- Postgraduate Diploma in Airport Management, International Aviation Management Training Institute, Canada
- Rated Air Traffic Controller

**Experience**

Ahmad Tarmizi started his career as an Air Traffic Controller with the Department of Civil Aviation (now known as CAAM). He joined Malaysia Airports in 1992 and was assigned as a Project Manager for the KLIA project in 1993.

Following the smooth operation of the project, he pursued other international consulting opportunities across the globe in his area of expertise - Operations, Readiness and Airport Transfer (ORAT). Some of the companies he was attached to are XYBASE INC., Omega Alpha Aviation, TAV Airports Holding and the International Air Transport Association (IATA), to name a few.

Ahmad Tarmizi re-joined Malaysia Airports in 2012 and served in several senior positions including Technical Director, Senior Airport Consultant and the General Manager of Malaysia Airports Consultancy Services Sdn Bhd. He was appointed to his current position in 2016 as the Executive Director of Malaysia Airports Consultancy Services Middle East LLC.

With over 30 years of experience in the international aviation industry, Ahmad Tarmizi has been involved in more than 40 airport projects worldwide. His current role allows him to expand his repertoire to include airport IT systems and Facility Management Services at the Hamad International Airport in the State of Qatar.

## SUBSIDIARIES SENIOR MANAGEMENT

### MALAYSIA AIRPORTS CONSULTANCY SERVICES, MIDDLE EAST LLC

**ANIFRUZAIDI AB. RAHIM**  
Chief Operating Officer, MACS ME

**Date of present appointment:**  
1 January 2022

**Gender** Male

**Age** 53

**Nationality**  
Malaysian



#### Academic/Professional Qualifications

- Bachelor of Engineering (Hons), University of Liverpool, UK

#### Experience

Anifruzaidi joined Malaysia Airports in 2019. He was appointed to his current position as Chief Operating Officer of MACS ME and is based in Doha, Qatar.

He has over 29 years of experience in airport construction, project management consultancy, Facility Management and airport operations. He started his career with Randhill Bersekutu and later join MJAC for the KLIA development from 1993 to 1998. He was then involved in establishing UTW for the Facility Management for KLIA.

He had ventured into various projects in Malaysia, as well as overseas. This includes commissioning Incheon International Airport, South Korea with Deutsche AeroConsult GmbH, as facility management specialist with Fraport at Ninoy Aquino International Airport T3, Philippines, as ORAT coordinator with ICAO for the operation readiness at Suvarnabhumi Airport, Thailand.

In the Middle East, he was involved in the commissioning of the cargo terminal and operational readiness of the new terminal building at the Al-Makhtoum International Airport Dubai, UAE. His experience extended to the development of the new King Abdul Aziz Intl Airport in Jeddah, KSA with Hill International USA as part of Project Management Oversight, and with Landrum & Brown as part of ORAT for the successful opening of Saudia operation at KAIA.

### MAB AGRICULTURE-HORTICULTURE SDN BHD

**AZHAR ARSHAD**  
General Manager, MAAH

**Date of present appointment:**  
1 June 2018

**Gender** Male

**Age** 55

**Nationality**  
Malaysian



#### Academic/Professional Qualifications

- Masters of Business Administration, University of Victoria, Australia
- Member, Incorporated Society of Planters

#### Experience

Azhar joined Malaysia Airports as Manager, MAB Agriculture Horticulture Sdn Bhd (MAAH) in 1998 and was appointed to his current position in 2018.

Prior to joining Malaysia Airports, he had started his career at Sime Darby Plantations in 1988 where he held several positions in Sime Darby Plantations.

He also gained hands-on experience when he was posted to estates in Peninsular Malaysia focussing on oil palm and rubber plantations.

**SUBSIDIARIES SENIOR MANAGEMENT****URUSAN TEKNOLOGI WAWASAN SDN BHD****NURSHUHAILA MOHD AMIN**

General Manager, UTW

**Date of present appointment:**  
1 November 2018

**Gender** Female

**Age** 48

**Nationality**  
Malaysian

**Academic/Professional Qualifications**

- Masters Degree in Business Administration from Open University of Malaysia
- Degree in Computer Studies, University of Glamorgan, Wales, UK
- Diploma in Computer Science, Universiti Teknologi MARA (UiTM)
- Registered Professional Technologist with the Malaysia Board of Technologists

**Experience**

Nurshuhaila was appointed to her current role in 2018. She has over 20 years of experience in the Facility Management industry.

Nurshuhaila is an appointed committee member of the Malaysian Association of Facility Management. She has also participated in various Facility Management working committees as the industry representative.

**SAMA-SAMA HOTELS KLIA****SUNDRALINGAM KULENDRA**

General Manager, Sama-Sama Hotels KLIA

**Date of present appointment:**  
16 April 2019

**Gender** Male

**Age** 58

**Nationality**  
Malaysian

**Academic/Professional Qualifications**

- Diploma in Hotel Management, Ecole Hotelier Les Roches, Switzerland
- Master's Degree in Hotel Management, Université de Toulouse-Le Mirail, France

**Experience**

Sundra was appointed to his current role in 2019. He had previously joined the Pan Pacific Hotel in 2011 as Executive Assistant Manager and was involved in the hotel's rebranding to Sama-Sama Hotel KL International Airport. In 2018, he was appointed to lead the hotel as Acting General Manager.

Sundra had studied and worked professionally in Switzerland for 12 years in various hotels and resorts. He returned to Malaysia in 1996 and served in a few local hotels before joining the Pan Pacific Hotel.

His experience spans a wide range of the hospitality industry including business operations, development of new products and services, and process improvement.

**Additional information on Group Senior Management and Subsidiaries Senior Management**

*Unless stated in their profiles, none of them has:*

- Any directorship of public companies and listed issuers;
- Any family relationship with any director and/or substantial shareholder of the listed issuer;
- Any conflict of interest with the listed issuer;
- Any list of convictions for offences within the past 5 years other than traffic offences; and
- Any particulars of sanctions and penalties imposed by relevant regulatory bodies.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT



DATO' SERI DIRAJA DR. ZAMBRY  
ABD KADIR  
Chairman

**The Board of Directors (the Board) is pleased to present Malaysia Airports' Corporate Governance Overview Statement (CG Overview Statement) for 2021. This CG Overview Statement reaffirms Malaysia Airports' pledge in maintaining high level commitment in carrying out our oversight roles of overseeing the management of affairs of the Company as we remain committed to promoting sound corporate governance practices and a culture of integrity as well as transparency throughout the Group. The Board upholds that good corporate governance is of utmost importance for charting the Group's strategic direction and guiding decision-making processes, and to continuously achieve sustainable long-term value for the stakeholders.**

COVID-19 has brought unprecedented negative impact to the aviation industry globally. Malaysia Airports and its partners have had to close ranks and work closer together than ever as the industry navigates the challenging operating environment. Despite the challenges, the Board remains resilient and committed to face the challenges in meeting expectations of various stakeholders as well as to assist Management manoeuvring the Company's position due to changes in economic, political, and social environment.

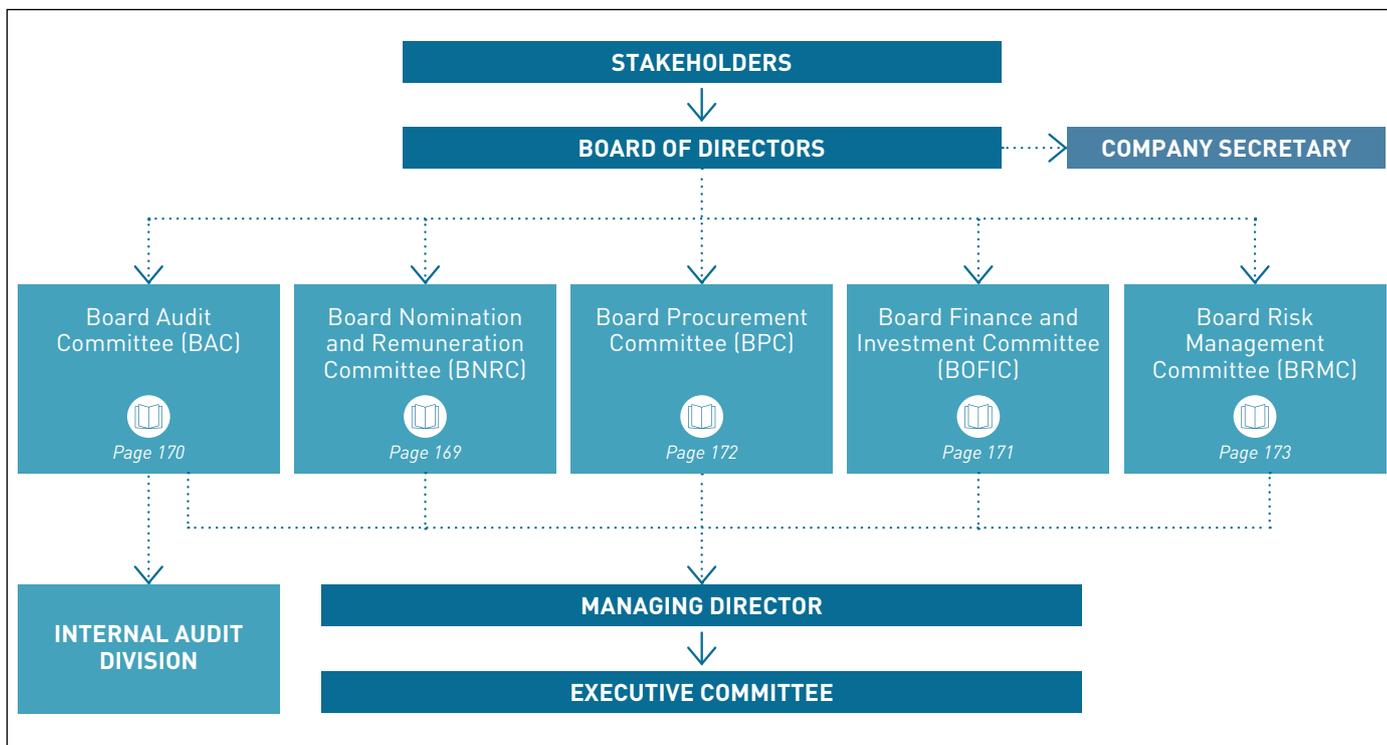
During the year under review, Malaysia Airports remained affirmed in upholding compliance with the following statutory and regulatory requirements, guidelines, and governance best practices:

- Companies Act 2016.
- Main Market Listing Requirements (Listing Requirements) of Bursa Malaysia Securities Berhad (Bursa Securities).
- Malaysian Code on Corporate Governance 2021 (MCCG 2021).
- Corporate Governance Guide 4th Edition 2021 (CG Guide) by Bursa Securities.
- Corporate Disclosure Guide by Bursa Securities.
- ASEAN Corporate Governance Scorecard; and
- Developments in market practice and regulations.

**CORPORATE GOVERNANCE OVERVIEW STATEMENT**

**CORPORATE GOVERNANCE FRAMEWORK**

With continuous guidance from the Board, the Malaysia Airports’ corporate governance structure remains robust and effective across the Group. Responsibility for good governance lies with the Board, and to ensure the effective discharge of its functions and responsibilities, the Board delegates its powers to the Board Committees and Managing Director as well as to the Executive Committee (EXCO) which comprises senior management personnel. The Board, in implementing corporate governance best practices, ensures accountability to the Company’s shareholders and other stakeholders. Malaysia Airports’ Corporate Governance Framework can be illustrated as follows: -



This statement provides an overview of Malaysia Airports’ application of the following three (3) key principles of corporate governance as set out in the Malaysian Code on Corporate Governance 2021 (MCCG 2021): -



We hereby present our application and adoption of the recommendation and practices of MCCG 2021 throughout this statement. We hope the information will assist you to understand on how the Board steers the Company, performs its oversight roles on risk management and internal controls, and how decisions are made.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### Board Responsibilities

The Board is entrusted with the tasks of promoting the success of Malaysia Airports by steering and monitoring its affairs in a responsible and effective manner. Each member of the Board has a duty to act in good faith as well as in the best interest of the Group. In discharging its duties and responsibilities, the Board is cognisant of the roles it plays in charting the strategic direction of the Group and the Board is ultimately accountable to shareholders for the performance of the Group.

#### Board Charter

The Board Charter provides guidance to the Board on the performance of its roles and responsibilities. Incorporated in the Board Charter are the roles and responsibilities of the Board, balance and composition of the Board, the Board's authorities, schedule of matters reserved for the Board, establishment of Board Committees, processes, and procedures for convening Board meetings, the Board's assessment and review of its performance, compliance with agreed standards, Board's access to information and advice, and requirement for declaration of interest.

To ensure that it remains relevant, the Board Charter is reviewed every three (3) years, or as and when necessary, to ensure Malaysia Airports remains among the forefront of best practices in corporate governance.

The Board Charter is available on the Company's website at [www.malaysiaairports.com.my](http://www.malaysiaairports.com.my).

#### Board's Attendance

Throughout 2021, all members of the Board attended more than 50% of their meetings held during the year and they complied with Paragraph 15.05 (3)(c) of the Listing Requirements and provision of the Constitution of the Company. The calculation of percentage of attendance is based on each Director's date of appointment.

Board and Board Committee meetings for the ensuing financial year are scheduled in advance before the end of the present financial year to enable the Directors to plan accordingly and fit the year's meetings into their calendar. Special Board meetings may be convened to consider urgent proposals or matters that require urgent decision or deliberation by the Board.

Based on the Standard Operating Procedure for COVID-19 set under the Movement Control Order (MCO) issued by the government and guidelines by regulators, the Company's Board meetings were held virtually during the MCO to allow Directors to participate in a safe and responsible manner. Senior Management were invited to attend selected Board meetings to support Board deliberations during the meetings.

**CORPORATE GOVERNANCE OVERVIEW STATEMENT****NUMBER OF MEETINGS CONVENED BY BOARD AND BOARD COMMITTEES**

	<b>Number of Meetings in 2021</b>
Board	16*
Board Nomination & Remuneration Committee	7
Board Audit Committee	8
Board Finance & Investment Committee	5
Board Procurement Committee	10
Board Risk Management Committee	4

\* Out of 16 Board meetings, there were 5 Special (unscheduled) Board meetings held in 2021.

The details of meetings of the Board, Board Committees and AGM held during the year under review are set out below: -

**NUMBER OF MEETINGS CONVENED BY BOARD AND BOARD COMMITTEES**

<b>Meeting</b>	<b>Quarter 1 2021</b>	<b>Quarter 2 2021</b>	<b>Quarter 3 2021</b>	<b>Quarter 4 2021</b>
Annual General Meeting	-	-	13 September 2021	-
Board	14 January 2021 9 February 2021 26 February 2021 29 March 2021	14 April 2021 4 May 2021 28 May 2021	2 July 2021 29 July 2021 23 August 2021 30 September 2021	13 October 2021 22 October 2021 1 November 2021 29 November 2021 13 December 2021
Board Nomination & Remuneration Committee	2 February 2021 25 March 2021	23 April 2021 9 June 2021	26 July 2021 22 September 2021	15 November 2021
Board Audit Committee	24 February 2021 11 March 2021	24 May 2021	8 July 2021 12 July 2021 19 August 2021 27 September 2021	22 November 2021
Board Finance & Investment Committee	3 February 2021	15 April 2021 22 June 2021	27 July 2021 24 September 2021	-
Board Procurement Committee	5 February 2021 9 March 2021	13 April 2021 7 May 2021 10 June 2021	5 August 2021 28 September 2021	25 October 2021 25 November 2021 10 December 2021
Board Risk Management Committee	8 February 2021	21 June 2021	21 September 2021	10 December 2021

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

## BOARD OF DIRECTORS

			Meeting Attendance:	
	<b>CHAIRMAN</b>	<b>Dato' Seri Diraja Dr. Zambrly Abd Kadir</b>	Non-Independent Non-Executive Chairman	16/16
	<b>MEMBERS</b>	<b>Dato' Iskandar Mizal Mahmood</b> (Appointed on 25 October 2021)	Managing Director	3/3
		<b>Normah Osman</b> (Appointed on 26 April 2021)	Non-Independent Non-Executive Director	11/11
		<b>Wong Shu Hsien</b>	Non-Independent Non-Executive Director	16/16
		<b>Rohaya Mohammad Yusof</b> (Appointed on 1 October 2021)	Non-Independent Non-Executive Director	5/5
		<b>Datuk Seri Yam Kong Choy</b>	Senior Independent Non-Executive Director	16/16
		<b>Datuk Zalekha Hassan</b>	Independent Non-Executive Director	16/16
		<b>Rosli Abdullah</b>	Independent Non-Executive Director	16/16
		<b>Dato' Ir. Mohamad Husin</b>	Independent Non-Executive Director	16/16
		<b>Datuk Azailiza Mohd Ahad</b>	Independent Non-Executive Director	16/16
	<b>Ramanathan Sathiamutty</b>	Independent Non-Executive Director	16/16	
	<b>Former Members who served during the year under review:</b>			
	<b>Dato' Zamzuri Abdul Aziz</b> (Resigned on 8 March 2022)	Non-Independent Non-Executive Director	16/16	
	<b>Dato' Dr. Amiruddin Muhamed</b> (Ceased as Alternate Director to Dato' Zamzuri Abdul Aziz with effect from 8 March 2022)	Non-Independent Non-Executive Director		
<b>Dato' Mohamad Nasir Ab. Latif</b> (Resigned on 1 October 2021)	Non-Independent Non-Executive Director	11/11		
<b>Dato' Jana Santhiran Muniayan</b> (Resigned on 4 January 2021)	Non-Independent Non-Executive Director	-		

## Main Areas of Oversight

- Overall strategy, vision, values, and governance framework of the Group.
- The Company's Annual Audited Financial Statements and Quarterly Financial Statements.
- Payment of dividend and the Company's dividend policy.
- The Group's annual budget and any amendment to allocation, borrowing and security, acquisitions and disposals of tangible/non-tangible assets and capital expenditure over a specified amount.
- Company's long-term financial plan and annual capital expenditure programme.
- Approval of any significant change in accounting policies and practices.
- Approval of all circulars, resolutions and corresponding documentation sent to stakeholders.
- Approval of changes in the capital structure of the Company with regards to issuance or allotment of shares or other securities, or its status as a public listed company.
- Appointment or removal of MD and Company Secretary.
- Recommendation to shareholders for the appointment, re-appointment, or removal of the external auditors.
- Appointment, re-appointment or removal of Directors and recommendation for their election or re-election for consideration of shareholders, pursuant to the Company's Constitution.
- Approval for establishment of Board Committees, their terms of reference, review of their activities and where appropriate, ratification of their decisions.

**CORPORATE GOVERNANCE OVERVIEW STATEMENT****Main Activities in 2021**

- Matters related to the Operating Agreements between the government and Malaysia Airports
- Material litigations and issues with material financial impact
- Revision of Internal Policies
- Land development at Lapangan Terbang Sultan Abdul Aziz Shah Subang
- Full year result for financial year ended 31 December 2020 and approval of Audited Financial Statements for financial year ended 31 December 2020
- Quarterly Result Announcements
- Development of KLIA Aeropolis
- Strategic Assessment & Future Positioning of Malaysia Airports Consultancy Services Sdn Bhd
- FY2020 Performance Result for former Group Chief Executive Officer (GCEO) and Company Secretary
- Malaysia Airports Group 5-Year Strategy and Transformation Plan
- Corporate Scorecard and Key Performance Indicators (KPIs) of Senior Management for FY2020 and FY2021
- Cash Recovery Program
- Review on ISG Internal Control System
- Establishment and Execution of Revolving Credit Facilities (RCF) and Islamic Sukuk Programme
- Single-Operator Model and Strategic Partnership for Co-Creation of 5G Digital Airport at KL International Airport
- Development Strategy of Hangar for Maintenance, Repair and Overhaul (MRO) of Narrow and Wide Body Aircrafts
- COVID-19 Screening & Testing and Related Value-Added Service at KLIA, klia2 and Other International Airports
- Change of Composition of Board Committees
- Revision of Terms of Reference of Board Committees
- Gap Analysis against Malaysian Code on Corporate Governance 2021
- Rental Mechanism for Commercial Tenants for 2021
- Asset Replacement Project for Automated People Mover
- 5-Year Strategic Plan
- Proposed Venture into Cargo Terminal Business
- Airline Support Programme (ASP)
- Network Reconnecting Programme (NRP)
- Penang Airport Expansion Plan (Northern Gateway Development)
- Recruitment of Chief Executive Officer of ISG & SGC
- Appointment of Non-Independent Non-Executive Director & Managing Director
- Resignation of Group Chief Executive Officer
- COVID-19 Vaccination Policy
- Group Funding Plan
- Audit Fees for the Group for Financial Year Ended 31 December 2021
- Board Performance Evaluation 2020 & Board Performance Improvement 2021
- KLIA Aeropolis' Land Lease Agreement and Development Agreement
- Group Business Plan and Budget 2022
- Proposed Bid for Management Contract for Foreign International Airport
- 2022 Group Insurance Programme

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### Roles of Chairman, Managing Director (MD) and Senior Independent Director

To ensure an effective discharge of responsibilities, there is a clear division of responsibilities between the running of the Board and the executives responsible for the running of the day-to-day business operations of the Group. This division of responsibilities helps ensure objectivity between the functions of the Board and Senior Management.

Consistent with Practice 1.3 of MCGG 2021, the positions of Chairman, Senior Independent Director and MD of the Company are held by different individuals. The distinct and separate roles of the Chairman who heads the Board, Senior Independent Director who is a point of contact for shareholders and other stakeholders, and MD who leads the Management also ensures a balance of power and authority, which in turn ensures high level of corporate governance and that no one individual has unfettered decision-making power. The respective roles of the Chairman, Senior Independent Director, MD, and their division of responsibilities are tabulated below: -



**DATO' SERI DIRAJA DR. ZAMBRY ABD KADIR**  
Non-Independent Non-Executive Chairman

- Lead the Board in setting values and governance standards of the Company.
- Maintain a relationship of trust with and between Board members.
- Ensure the provision of accurate, timely and clear information to the Board.
- Ensure effective communication with shareholders and other stakeholders.
- Act as facilitator for meetings to ensure: -
  - adequate notice of meetings.
  - adequacy of information for Board meetings.
  - no member dominates the discussion.
  - full discussion takes place.
  - variety of opinion among Board members is drawn out.
  - outcome of discussions results in logical and coherent policy to guide the MD and against which the performance of the Company can be monitored; and
  - consensus is obtained in Board meetings and when necessary, to call for vote.
- Arrange annual evaluation of the performance of the Board and Board Committees.
- Facilitate effective contribution from Board members and ensure constructive relations are maintained between Board members.
- Create the conditions required for the effectiveness of the Board and individual Directors, both inside and outside the boardroom including the appropriate balance of power, level of accountability and independent decision making.
- Lead discussions among Board members.
- Build a cohesive leadership team consisting of the Board and Senior Management.
- Delegate responsibilities to other Directors, Board Committees and Management.

**CORPORATE GOVERNANCE OVERVIEW STATEMENT**

**DATO' ISKANDAR MIZAL MAHMOOD**  
Managing Director

- Lead the day-to-day management of the Group and chairs the EXCO.
- Responsible for implementing policies, strategies and decisions adopted and agreed by the Board.
- Provide a structure that facilitates clear reporting to the Board with high quality information and recommendations to enable informed decisions in all aspects of the Company's business and strategy.
- Answerable to the Board for the achievement of the agreed goals within the limitations of authority granted by the Board.
- Report to and advise the Board on: -
  - all matters that materially affect the Company and its performance including any potential strategic or significant development prospects.
  - any underperforming business/activities of the Company and outline proposals to rectify the situation; and
  - all material matters that affect or could affect shareholders and the markets in which the shareholders' interests are located.
- Regularly review the succession plan for Senior Management with the Chairman and other Board members.
- Represent the Company to major customers, employees, suppliers, and professional associations.



**DATUK SERI YAM KONG CHOY**  
Senior Independent Director

- Serve as a point of contact for shareholders and other stakeholders to voice their concerns relating to the affairs of the Group.
- Chair Board meetings when the Chairman is absent or fail to arrive within 15 minutes or if the Chairman is required to be excused from the meeting.
- Review the notification by the Chairman on acceptance of new directorships in other companies.
- Lead board evaluation on the Chairman.
- Advise the Board if there is any potential conflict of interest by the Chairman.
- Perform such duties as the Board may establish; and
- Encourage dialogue session between Independent Directors and Management.

The Senior Independent Director can be contacted via e-mail at [sid@malaysiaairports.com.my](mailto:sid@malaysiaairports.com.my).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### Board Composition

The Board currently comprises four (4) Non-Independent Non-Executive Directors (NINEDs), six (6) Independent Non-Executive Directors (INEDs) and one (1) Managing Director. The current Board composition complies with the provision of the Company's Constitution and exceeds the minimum requirement of one-third for INEDs as set out in the Listing Requirements of Bursa Securities.

The Board took note of the recommendation of Practice 5.2 of MCCG 2021 that composition of boards of Large Companies comprise majority INEDs.

However, the composition of the Board is subject to the provision of the Constitution of the Company. Rule 113 of the Constitution states that the Minister of Finance Incorporated (MOF Inc.), the Special Shareholder, shall have the right from time to time: -

- (a) To appoint any person; or
- (b) To nominate any acting director (with the consent of the Director concerned) to be a government Appointed Director so that there shall not be more than six (6) government Appointed Directors at any time comprising:
  - (i) The Chairman of the Board.
  - (ii) The Managing Director.
  - (iii) One representative each from the Ministry of Finance and the Ministry of Transport; and
  - (iv) Two other representatives as may be determined.

The composition of the Board reflects the interest of MOF Inc. which is adequately represented by the appointment of their nominees without compromising the interest of other shareholders, including the minority shareholders.

At present, one (1) of the NINEDs is a nominee director from Khazanah Nasional Berhad (KNB), the largest shareholder of the Company. Another NINED is a nominee director from Employees Provident Fund (EPF), another major shareholder. The INEDs represent the minority shareholders' interest and their independent voice carry a significant weight in the Board's decision-making process.

Malaysia Airports bade farewell to YBhg. Dato' Jana Santhiran Muniayan, representative of MOF Inc. from Ministry of Transport (MOT) who resigned from the Board on 4 January 2021 and welcomed Puan Normah Osman on 26 April 2021. Puan Normah Osman is a representative of MOF Inc. from MOT.

On 1 October 2021, Malaysia Airports also bade farewell to YBhg. Dato' Mohamad Nasir Ab. Latif who resigned as a NINED and welcomed Puan Rohaya Mohammad Yusof who was appointed on the same date as a new NINED on the Board representing EPF.

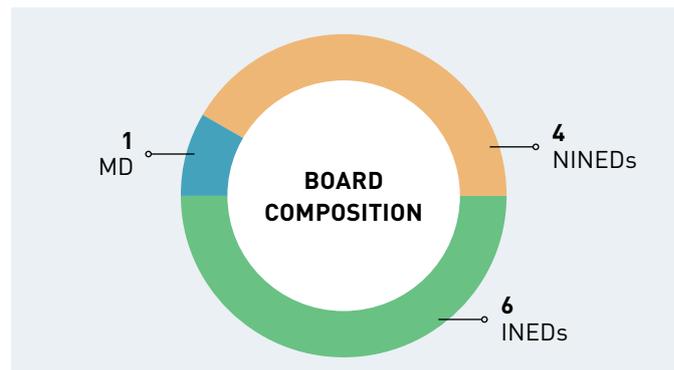
Thereafter, on 25 October 2021, the Company welcomed YBhg. Dato' Iskandar Mizal Mahmood who was nominated by MOF Inc. as Managing Director.

On 8 March 2022, Malaysia Airports bade farewell to representative of MOF Inc. on the Board, YBhg. Dato' Zamzuri Abdul Aziz and his Alternate Director, Dato' Dr. Amiruddin Muhamed who ceased office on the same date.

The Directors' profiles are available on pages 117 to 127 of this Annual Report.

The Board regularly reviews its composition and the composition of Board Committees to ensure appropriate balance, as well as relevant skills and experience are present at all times.

In conclusion, the Board and Board Committees are satisfied with their compositions and are of the view that, with the current mix of skills, knowledge, experience, and strength of existing Directors, the Board and respective Board Committees are able to discharge their duties effectively.



**CORPORATE GOVERNANCE OVERVIEW STATEMENT****Nomination and Appointment of Directors**

The nomination and appointment of Directors is a vital process as it determines the Board composition and quality of Board members as well as their competency. BNRC is entrusted by the Board to review candidates for new appointments to the Board and determine the criteria for the selection of new Directors.

The BNRC, in making its recommendation, will consider the following criteria in the selection of candidates:

- Skills, knowledge, competencies, expertise, and experience.
- Professionalism.
- Integrity.
- Diversity.
- Commitment, contribution, and performance; and
- In the case of candidates for INEDs, BNRC will also evaluate the candidate's ability to discharge such responsibilities or functions as expected of INEDs.

The Board leverages on its members' network, shareholders' recommendation, and industry database to source for potential candidates for appointment to the Board.

The process of appointment of INEDs is governed by the Company's Framework for Appointment of Independent Non-Executive Directors which provides step by step procedures from the point of nomination up to the appointment.

**Directors' Retirement and Re-election**

The Board, via BNRC, reviews the performance of Directors who are subject to retirement and re-election at the AGM through the annual Board Performance Evaluation together with other Directors. This is carried out by giving due regard to their performance and the ability to continue to contribute to the Board in terms of knowledge, skills, and experience. The Board submits its recommendation to the shareholders on the retirement and re-election at the AGM for approval.

As provided under Rule 132 of the Company's Constitution, a director who is newly appointed during the year shall retire at the AGM following his or her appointment.

The following Directors who were appointed since the last AGM are standing for re-election and they have offered themselves to be re-elected at the forthcoming AGM:-

**Dato' Iskandar Mizal Mahmood**

**Rohaya Mohammad Yusof**

Rule 134 of the Company's Constitution provides one-third of the Directors, or a number nearest to one-third, who have been the longest in office since their last election shall retire by rotation at each AGM.

At the forthcoming AGM, the following three (3) Directors are to retire in accordance with Rule 134:-

**Wong Shu Hsien**

**Datuk Seri Yam Kong Choy**

**Datuk Zalekha Hassan**

Wong Shu Hsien has offered herself to be re-elected at the forthcoming AGM, while Datuk Seri Yam Kong Choy and Datuk Zalekha Hassan have expressed their intention not to seek re-election as Directors of the Company, therefore they will retire as Directors of the Company upon the conclusion of the AGM.

**Diversity**

The Board believes that a balance of experience, skills, competency, expertise, diversity, and knowledge are key elements to introducing different perspectives into Boards' discussions and to ensure better analysis of risks and opportunities to leading a long-term sustainable business. With such balance, our Board ensures the continuity of effective oversight and informed decision making with respect to issues affecting the Company.

The Board considers diversity in gender, age, and cultural background of the existing Board members in seeking potential candidate(s) for new appointment on the Board. This helps ensure an appropriate balance between the experienced perspectives of long-serving Directors and new perspectives that bring fresh insights to the Board.

**CORPORATE GOVERNANCE OVERVIEW STATEMENT**

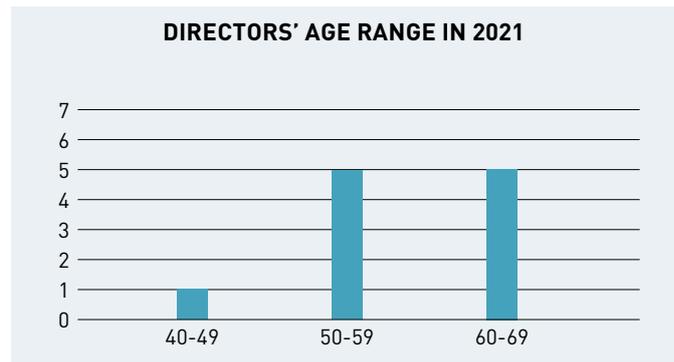
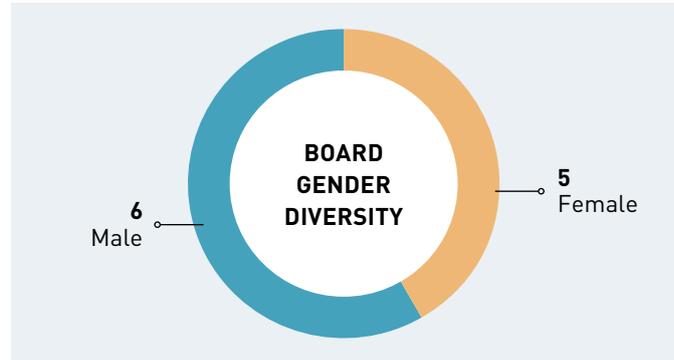
**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS**

Malaysia Airports has always been supportive of MCGG 2021’s recommendation that Large Companies have at least 30% Women Directors. At present, the Board is represented by five (5) Women Directors out of the total eleven (11) Directors which made up 45.5% of the Board composition.

A Board Diversity Policy has also been established since 2018. It provides that the Board will maintain minimum 30% Women Directors as its members at all times.

The gender diversity philosophy is cascaded from the Board to the Senior Management throughout the Group. The Company will continue to take steps to promote diversity, including gender diversity, at operational as well as management level and strive to inculcate a working environment which is free from discrimination. The policy on diversity is also implemented in recruitment and promotion processes.

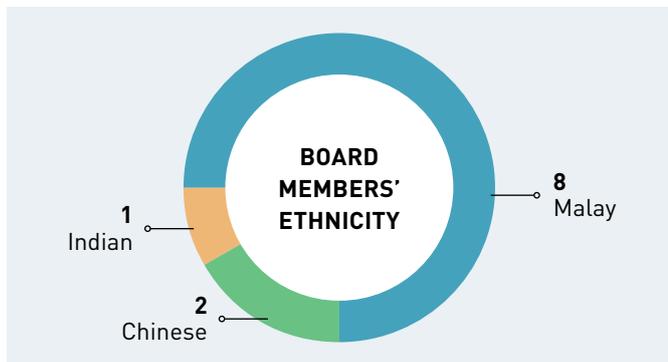
Whilst having regard to gender diversity, the Board also recognises that diversity should also be considered from other aspects such as cultural background, expertise, international and regional exposures, and industry expertise.



**BOARD MEMBERS' INDUSTRY AND BACKGROUND EXPERIENCE**

Management/Business	International/Multinational	IT Strategy & Governance/ICT
Airport/Aviation	Infrastructure Management	Logistics, Property & Real Estate
New Technologies/ Digitalisation	Government Relations/ Public Service	Marketing/ Sales/ Retail/ Commercial
Human Capital Management	Governance/Integrity	Legal
Economics/Investment	Project Management	Operational Excellence / Process Improvement
Facilities Management	Procurement	Plantation/Agriculture
Finance/Banking	Negotiation	Reorganisation, Mergers & Acquisition
Land/Town Planning	Property Investment & Management	Customer Service/Hotel
Accounting/Auditing	Diplomacy/International Relations	Sustainability Skills- Social & Environmental
Construction	Regulatory	
Engineering	Entrepreneur	

**CORPORATE GOVERNANCE OVERVIEW STATEMENT**



The Board ensures that it has appropriate mix of diversity, skills, experience and expertise to effectively discharge its collective responsibility.

BNRC will assist the Board in reviewing and ensuring the Directors possess the right mix of skills, competencies, experience and other requirements in managing a highly regulated aviation industry.

**Independence of Directors**

The Board adopts a standard which is met by all individual Directors where it considers “independence” as a matter of individual judgment and conscience. A Director is independent only when he or she is free from any business or other relationship that might interfere with the exercise of his or her independent judgment.

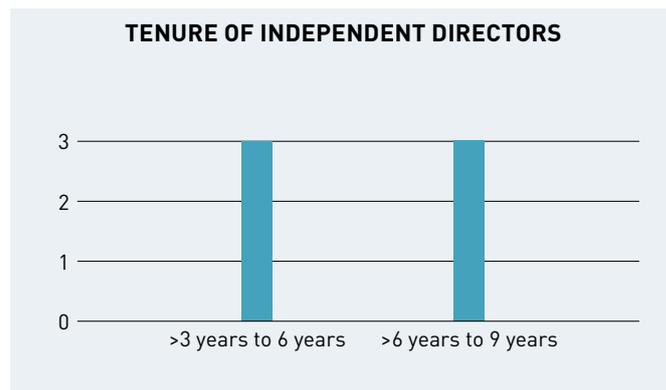
In 2021, BNRC carried out a review of Director’s independence. It concluded that each of the six (6) INEDs are independent at those times and had carried out their duties in an objective and professional manner. The Board was satisfied that the INEDs had represented the interest of minority shareholders as required from them by virtue of their roles and responsibilities. The Board will continue to monitor and review whether there are relationships or circumstances that could potentially affect their independence.

The Board undertakes that the rights of minority shareholders shall not be impaired in any manner and that the number and strength of INEDs are adequate to promote the independence of the Board and safeguard the rights of the minority shareholders.

The independence of the Directors is determined according to the independence criteria as set out in paragraph 1.01 of the Listing Requirements. In 2021, all six (6) INEDs satisfied the independence criteria.

**Tenure**

The Board Charter provides that the tenure of INEDs shall not exceed a cumulative term of nine (9) years or 75 years of age, whichever is earlier. To date, none of the INEDs have served more than nine (9) years or attain the age of 75 years old.



**Directors’ Commitment**

The Board recognises that it is important for all Directors to be able to dedicate sufficient time to the Company in discharging their responsibilities. The NINEDS or INEDs are expected to commit their time to the Company. Each individual Director confirms his or her understanding on time commitment when the appointment is accepted.

With regards to external appointments, the Board Charter provides that all Board members shall notify the Chairman of the Board before accepting any new directorships. This shall include an indication of time that will be spent on any new appointment.

At present, in compliance with Paragraph 15.06 of the Listing Requirements, no individual Board member has more than five (5) directorships in listed issuers.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### Declaration of Interest

As a permanent agenda for Board meetings, the Directors owe a duty to declare to the Board should they have any interest, whether direct or indirect, on any agenda item or transaction proposed to be entered into by the Company. An interested Director shall abstain from deliberations and decision making on the said agenda item. In the event a corporate proposal is required to be approved by the shareholders, any interested Directors shall abstain from voting on the resolutions relating to the corporate proposal and shall further undertake to ensure that persons connected to them similarly abstain from voting on the resolutions.

#### Supply of Information

The Chairman has the responsibility for ensuring that the Directors receive accurate, timely and clear information with regards to the Group's financial and operational performance, as well as information contained in proposal papers submitted to the Board and Board Committees. This emphasis on quality information will enable the Board to make sound decisions and provide the necessary advice to Management. To ensure the Board has sufficient time to read and comprehend the contents of any of the papers, all Board and Board Committee papers are issued and submitted electronically to the Board and Board Committees in advance prior to the scheduled meetings. The Company Secretary has a duty to assist the Chairman to ensure the process of disseminating the information is effective and reliable.

Under the current practice, notices of Board and Board Committee meetings are issued to the Directors and Board Committee members as well as all individuals invited to attend the meetings at least 14 days from the date of the meetings. The Company endeavours to ensure that the board papers are circulated to all Directors and Board Committees at least five (5) business days in advance to ensure that Directors are provided with sufficient time to prepare for the meetings and facilitate robust discussions.

#### Access to Management and Independent Advice

The Directors have access to Management and unrestricted access to any information relating to the Group to enable them to discharge their duties. The Directors also have direct access to the advice and services of the Company Secretary and are regularly updated on the new statutory requirements relating to the duties and responsibilities of the Directors.

The Directors may seek independent professional advice at the Company's expense collectively as a Board, respective Board Committee or in their individual capacity.

#### Succession Planning

The Board selects and plans the MD's succession and evaluates the MD, endorses the development plan of those in pivotal positions, understands the pool of future leaders as well as reviewing the philosophy of the Company.

The Board via BNRC also plans for Senior Management succession, including appointing, determining their compensation and where appropriate, replacing Senior Management.

#### Induction and Continuous Professional Development

Other than the Mandatory Accreditation Programme (MAP) as required by Bursa Securities, newly appointed Directors will receive a comprehensive induction briefing designed to familiarise themselves with the Group's businesses and operations, including the major risks faced within the environment of the Company's business as well as an overview of the additional responsibilities of NEDs.

Directors are encouraged to attend continuous professional development programme to ensure they keep abreast with latest developments and legislations in the areas related in discharging their duties and responsibilities. A dedicated budget for Directors' training is provided each year by the Company.

**CORPORATE GOVERNANCE OVERVIEW STATEMENT**

During the year under review, Directors attended continuous professional development programme covering various topics ranging from governance, changes in statutory and regulatory requirements and industry trends. To equip them with specific knowledge relating to the operations of the Group, the Directors also attended familiarisation programmes on airport operations and aviation that were intended to enhance their deliberations on matters brought to Board and Board Committee meetings.

Collectively, the members of the Board spent 71 days for attending and participating in trainings during the year under review. The following is a summary of trainings or courses attended by the Directors: -

<b>List of training attended</b>	<b>Mode of Training</b>	<b>Duration in day(s)</b>
<b>Accounting and Audit</b>		
• ISA540 (Revised): An Illustrated Guide to Implementing Auditing Accounting Estimates and Related Disclosures	Seminar	1
• Audit Committee Conference 2021: Agility, Empathy and Resilience: How the Audit Committee will Thrive in the New Normal	Conference	2
• SVDP, Tax Audits & Investigations: What you Need to Know. A Dialogue with IRB	Dialogue	1
• Audit Oversight Board's Conversation with Audit Committees	Dialogue	1
<b>Airport and Aviation</b>		
• International Airport Summit – Becoming a Data Driven Organization	Conference	1
• Walkabout and Familiarisation on the Operations of Cainiao Aeropolis Electronic World Trade Platform (eWTP) Hub, KLIA	Site Visit	1
• Walkabout and Familiarisation on the Operations of Baggage Handling System and Tracked Transit System, KLIA	Site Visit	1
• Official Walkabout by MOT Sarawak	Site Visit	1
• Official Walkabout and Familiarisation of Pangkor STOLport	Site Visit	1
• Official Walkabout and Familiarisation of Mukah Airport	Site Visit	1
<b>Digitalisation and New Technologies</b>		
• Digital Literacy for Seniors Programme	Seminar	1
• Data & AI Insights	Seminar	1
• Persidangan Digital Sektor Awam 2021	Conference	1

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

List of training attended	Mode of Training	Duration in day(s)
<b>Finance and Banking</b>		
• Sustainable Finance: Making Better Financial Decisions	Seminar	1
• MAS-BIS Conference on Macro-Financial Stability Policy	Conference	1
• Capital Market Conference 2021	Conference	1
• SC's Sustainable Finance Week: How Malaysia has Developed an Equity Market that Emphasises Sustainability	Forum	1
• Malaysia Budget Highlights	Seminar	1
<b>Governance and Integrity</b>		
• Fraud and Financial Scandals: Trends, Red Flags and Mitigations	Seminar	1
• Doubling Down on Corporate Governance Watch 2022 and Malaysian Code on Corporate Governance (2021 Update)	Seminar	1
• MACC – Section 17(A) Talk	Forum	1
• Securities Commission Guidelines on the Conduct of Directors of Listed Corporation and their Subsidiaries	Seminar	1
• Anti-Money Laundering Act Laws	Seminar	1
• Corporate Directors Summit 2021 – Governance 4.0	Conference	1
• Case Discussion: Post Section 17A Malaysian Anti-Corruption Commission (MACC) Implementation	Seminar	1
• The Updated Malaysian Code on Corporate Governance April 2021 – Implications to Listed Corporations, Directors & Management	Seminar	1
• Fraud Risk Management: Workshop for Directors of Listed Companies	Workshop	1
<b>Leadership</b>		
• Happiness: The Most Important Pre-Condition for Powerful Leadership	Seminar	1
• ASEAN Leadership Forum – Solving for the Future	Forum	1
• Corporate Directors Summit 2021 – Board Leadership Transformation	Conference	1
<b>Legal</b>		
• Housekeeping: Disciplinary Action Against Employees Confirmation	Seminar	1

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

List of training attended	Mode of Training	Duration in day(s)
<b>Management and Business</b>		
• Khazanah Megatrends Forum 2021	Conference	3
• Malaysia Airports Board Induction Programme	Seminar	1
<b>Property Investment and Management</b>		
• Strata Management Dialogue: Managing Strata Issues in the Era of New Normal	Dialogue	1
• Property Sector Round Table Engagement: Can Malaysia Achieve Net Zero by 2050?	Seminar	1
• FMCO vs LAD Webinar	Seminar	1
• Digital Real Estate Series	Seminar	1
• Placemaking: Value Creation for City Makers	Seminar	1
• Pre-requisites of Strata Planning & Management	Seminar	1
• IPE Real Estate Global Conference 2021	Conference	1
• IPE Real Estate Conference – Carbon Net Zero	Conference	1
<b>Regulatory</b>		
• Mandatory Accreditation Programme (MAP) for Director of Public Listed Companies in Malaysia	Seminar	3
<b>Risk Management</b>		
• Balancing Risk Management with Sustainability Commitment – New Expectations of Investment Community	Seminar	1
<b>Sustainability Skills – Social &amp; Environment</b>		
• SRI 2021 Virtual Conference - ESG Investment Growth and Performance Before and After the Pandemic – Sustainability with Profitability	Conference	1
• International Social Wellbeing Conference 2021	Conference	2

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

## Time spent on training in 2021

Directors	Time Spent (day)
Dato' Seri Diraja Dr. Zambry Abd Kadir	3
Dato' Iskandar Mizal Mahmood	3
Normah Osman	7
Wong Shu Hsien	7
Rohaya Mohammad Yusof	12
Datuk Seri Yam Kong Choy	16
Datuk Zalekha Hassan	1
Rosli Abdullah	6
Dato' Ir. Mohamad Husin	3
Datuk Azailiza Mohd Ahad	5
Ramanathan Sathiamutty	8

## Company Secretary

The Company Secretary of Malaysia Airports is qualified to act as a secretary under Section 235 of the Companies Act 2016. He is accountable for all matters with regards to the proper functioning of the Board as well as to facilitate effective information flows within the Board and Board Committees and between Senior Management and NEDs.

The Company Secretary is also tasked to facilitate the induction of new Directors and the ongoing professional development of all Directors. Zawardi Salleh is currently the Company Secretary, and he has been with the Company since 2018.

The Company Secretary constantly keeps himself abreast and educated on the changes and developments in statutory and regulatory requirements, corporate governance and sustainability through continuous education and training. The training programme attended by the Company Secretary in the financial year 2021 are as follows: -

No.	Training	Mode of Training	Duration in day(s)
1.	Corporate Liability: The Ins and Outs of Section 17A, MACC Act – a Directors' Cut	Seminar	1
2.	The Company Secretary: Becoming a Changemaker	Seminar	1
3.	Walkabout and Familiarisation on the Operations of KLIA Baggage Handling System and Tracked Transit System	Site Visit	1
4.	Meeting the Standards on Corporate Disclosure	Seminar	1
5.	Reading, Understanding and Analysing of Financial Statements for Better Decision Making	Seminar	1
6.	Directors' Disclosure of Interest	Seminar	1

**CORPORATE GOVERNANCE OVERVIEW STATEMENT****Board Performance Evaluation**

The Board Performance Evaluation (BPE) is intended to evaluate the performance of Board, Board Committees and individual members of the Board as well as identifying any gaps or areas of improvement where required. The Company uses a set of evaluation questionnaires as a tool to evaluate the Board, Board Committees and individual Directors which covering the following areas: -

- Board composition.
- Board role and functioning.
- Information management.
- Corporate social responsibility.
- Monitoring company performance.
- Board Committee effectiveness – General evaluation of committees.
- Board priorities.
- MD performance evaluation and succession planning.
- Director development and management.
- Risk management.
- Board committee evaluation; and
- Director self/peer evaluation.

The Board will deliberate the findings of the BPE and views of each Board member, of which the findings would be used as a yardstick to measure the Board's effectiveness. This will form the basis to formulate a Board Performance Improvement Plan (BPI) for the following year.

The Chairman and other members of the Board received the following remuneration for the financial year ended 31 December 2021:

<b>Malaysia Airports Holdings Berhad</b>			
<b>No.</b>	<b>Fee</b>	<b>Chairman</b>	<b>Non-Executive Director</b>
1.	<b>Directors' Fee</b>	Monthly: RM18,000 Annually: RM216,000	Monthly: RM12,000 Annually: RM144,000
2.	<b>Meeting Allowance</b>		
	2.1 Board Meeting	RM5,000/meeting	RM3,000/meeting
	2.2 Board Committee Meeting	RM4,000/meeting	RM2,000/meeting
3.	<b>Senior Independent Director Allowance</b>	-	Monthly: RM1,000 Annually: RM12,000

The BPE framework is reviewed periodically to ensure that BPE analysis is able contribute to the Board's overall effectiveness and is part of an ongoing effort to drive continuous effectiveness of the Board and Board Committees. As recommended under Practice 6.1 of MCCG 2021, the Board through BNRC engages an external consultant to conduct the performance evaluation exercise once every three (3) years to facilitate an objective and candid board evaluations.

In 2018, the Board appointed a consultant, namely Aon Hewitt Malaysia Sdn Bhd to provide advice on the evaluation of its effectiveness. However, the Company did not engage any independent expert to advise on Board performance evaluation in 2021 as it considered that the current methodology as explained above is still able to meet the intended outcome. Nonetheless, the Board took cognisance of the recommended practice and will appoint an independent expert in 2022.

**Board Remuneration**

The Board remuneration structure is designed by benchmarking the Directors' remuneration against peer companies to ensure competitiveness in attracting and retaining high calibre and qualified NEDs on the Board, as well as to ensure that the remuneration commensurate with their responsibilities and duties. The calibre of the NEDs serving the Company is essential in upholding high standards of corporate governance adopted by the Group.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Subsidiaries of Malaysia Airports			
No.	Fee	Chairman	Non-Executive Director
<b>Directors' Fee</b>			
1.	KLIA Aeropolis Sdn Bhd	Monthly: RM4,000 Annually: RM48,000	Monthly: RM3,000 Annually: RM36,000
2.	K.L. Airport Hotel Sdn Bhd		
3.	MAB Agriculture-Horticulture Sdn Bhd		
4.	Malaysia Airports Consultancy Services Sdn Bhd		
5.	Malaysia Airports International Sdn Bhd		
6.	Malaysia Airports Sdn Bhd		
7.	Malaysia Airports (Niaga) Sdn Bhd		
8.	Malaysia Airports (Sepang) Sdn Bhd		
9.	Urusan Teknologi Wawasan Sdn Bhd		
10.	Istanbul Sabiha Gökçen International Airport (ISG) and SGC Airport Operations Trade and Tourism Inc. (SGC)*		
<b>Meeting Allowance</b>			
1.	KLIA Aeropolis Sdn Bhd	RM1,500 per meeting	RM1,200 per meeting
2.	K.L. Airport Hotel Sdn Bhd		
3.	MAB Agriculture-Horticulture Sdn Bhd		
4.	Malaysia Airports Consultancy Services Sdn Bhd		
5.	Malaysia Airports International Sdn Bhd		
6.	Malaysia Airports Sdn Bhd		
7.	Malaysia Airports (Niaga) Sdn Bhd		
8.	Malaysia Airports (Sepang) Sdn Bhd		
9.	Urusan Teknologi Wawasan Sdn Bhd		
10.	Istanbul Sabiha Gökçen International Airport (ISG) and SGC Airport Operations Trade and Tourism Inc. (SGC)*		
Committee of Malaysia Airports' Subsidiaries			
No.	Fee	Chairman	Non-Executive Director
<b>Meeting Allowance</b>			
1.	ISG and SGC*	RM2,500 per meeting	RM2,000 per meeting

*To be paid to one subsidiary only (i.e. ISG).*

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Management Committee of Malaysia Airports

No.	Fee	Chairman	Non-Executive Director
1.	Whistleblowing Independent Committee	RM1,500 per meeting	RM1,000 per meeting

Details of remuneration received by the Chairman and other members of the Board for the financial year ended 31 December 2021 are summarised as follows:

Category	Salary, Bonus and Other Emoluments (RM)	Directors' Fees		Directors' Other Emoluments^		Benefits-in-Kind^^		Total (RM)
		MAHB (a) (RM)	Subsidiary (b) (RM)	MAHB (c) (RM)	Subsidiary (d) (RM)	MAHB (e) (RM)	Subsidiary (f) (RM)	
<b>Non-Executive Directors</b>								
Dato' Seri Diraja Dr. Zambry Abd Kadir	0.00	216,000.00	27,866.67	296,558.50	4,500.00	4,339.80	0.00	549,264.97
Dato' Zamzuri Abdul Aziz (Resigned with effect from 8 March 2022)	0.00	144,000.00	47,741.94	64,000.00	6,000.00	0.00	0.00	261,741.94
Dato' Dr. Amiruddin Muhamed (Alternate Director to Dato' Zamzuri Abdul Aziz) (Ceased as Alternate Director to Dato' Zamzuri Abdul Aziz with effect from 8 March 2022)	0.00	0.00	0.00	17,000.00	0.00	0.00	0.00	17,000.00
Normah Osman (Appointed with effect from 26 April 2021)	0.00	98,000.00	20,200.00	50,000.00	2,400.00	11,852.00	0.00	182,452.00
Dato' Jana Santhiran Muniayan (Resigned with effect from 4 January 2021)	0.00	1,548.39	903.23	0.00	0.00	0.00	0.00	2,451.62
Wong Shu Hsien*	0.00	144,000.00	0.00	91,000.00	0.00	0.00	0.00	235,000.00
Rohaya Mohammad Yusof (Appointed with effect from 1 October 2021)	0.00	36,000.00#	0.00	17,000.00	0.00	11,353.00	0.00	64,353.00
Dato' Mohamad Nasir Ab Latif (Resigned with effect from 1 October 2021)	0.00	108,387.10	0.00	58,000.00	0.00	0.00	0.00	166,387.10
Datuk Seri Yam Kong Choy	0.00	144,000.00	132,000.00	97,000.00	11,100.00	5,000.00	0.00	389,100.00
Datuk Zalekha Hassan	0.00	144,000.00	96,000.00	109,000.00	9,000.00	0.00	0.00	358,000.00
Rosli Abdullah	0.00	144,000.00	120,000.00	91,000.00	32,100.00	350.00	0.00	387,450.00
Dato' Ir. Mohamad Husin	0.00	144,000.00	96,000.00	97,000.00	10,500.00	7,000.00	0.00	354,500.00
Datuk Azailiza Mohd Ahad	0.00	144,000.00	68,678.57	114,000.00	7,200.00	0.00	0.00	333,878.57
Ramanathan Sathiamutty	0.00	144,000.00	77,033.33	97,000.00	28,200.00	0.00	0.00	346,233.33
<b>Total</b>	<b>0.00</b>	<b>1,611,935.49</b>	<b>686,423.74</b>	<b>1,198,558.50</b>	<b>111,000.00</b>	<b>39,894.80</b>	<b>0.00</b>	<b>3,647,812.53</b>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Category	Salary, Bonus and Other Emoluments (RM)	Directors' Fees		Directors' Other Emoluments <sup>^</sup>		Benefits-in-Kind <sup>^^</sup>		Total (RM)
		MAHB (a) (RM)	Subsidiary (b) (RM)	MAHB (c) (RM)	Subsidiary (d) (RM)	MAHB (e) (RM)	Subsidiary (f) (RM)	
<b>Managing Director</b>								
Dato' Iskandar Mizal Mahmood	227,032.25	0.00	0.00	0.00	0.00	16,210.54	0.00	243,242.79
<b>Grand Total</b>	<b>227,032.25</b>	<b>1,611,935.49</b>	<b>686,423.74</b>	<b>1,198,558.50</b>	<b>111,000.00</b>	<b>56,105.34</b>	<b>0.00</b>	<b>3,891,055.32</b>

This disclosure is for payment of remuneration to the respective Directors for financial year ended 31 December 2021.

\* Total remuneration paid to Khazanah Nasional Berhad, major shareholder of the Company, in respect of services rendered by Ms. Wong Shu Hsien.

# 50% of Directors' fees paid to Employee Provident Fund ("EPF"), in respect of services rendered by Puan Rohaya Mohammad Yusof.

<sup>^</sup> Directors' Other Emoluments comprises Senior Independent Director allowance, meeting allowance, car allowance<sup>o</sup>, entertainment allowance<sup>o</sup>, personal assistance allowance<sup>o</sup> and out-of-pocket expenses.

<sup>^^</sup> Benefits-in-kind comprises car<sup>oo</sup>, petrol<sup>oo</sup>, driver<sup>oo</sup>, IT & telecommunication devices, club<sup>o</sup> and professional membership.

<sup>o</sup> For Chairman only.

<sup>oo</sup> For Managing Director only.

In line with the Board Charter, a review of Directors' remuneration is conducted once every three (3) years, or as and when necessary, to ensure that remuneration level is aligned with market and industry practices, business strategy and long-term objective of the Company. The Board believes that the alignment of remuneration offered to the Directors will enable the Company to continue to attract and retain individuals of the required caliber on the Board.

### Senior Management Remuneration

The Company places great importance on retention of talented employees as its success is dependent on its ability to attract, motivate and retain the right employees. Among the strategies to support this ambition is a competitive remuneration policy which mainly consist of the following principles: -

- o Competitive within the relevant industry.
- o Pay for job and performance.
- o Internal equity.
- o Conformance to statutory requirements.
- o Affordability of the Company.

The Senior Management's performance is evaluated on a yearly basis where the corporate level Key Performance Indicators (KPIs) is set by the Board and cascaded to the Senior Management. The Senior Management's performance is then reviewed in the middle of the year and at the beginning of the following year.

The Board took note of the recommendation of Practice 8.2 of MCCG 2021 regarding the disclosure of top five senior management remuneration on a named basis in bands of RM50,000. However, the Board opts not to disclose the remuneration of Senior Management, given the sensitive nature of such information, invasion of privacy and high competition for talents in the aviation industry.

At present, the top five Senior Management's remuneration packages are within the range of RM50,000.00 per month to RM78,000.00 per month.

**CORPORATE GOVERNANCE OVERVIEW STATEMENT****Board Committees**

To provide effective oversight and leadership, the Board is assisted by five (5) Board Committees. Similar to the Board, each Board Committee is supported by the Company Secretary, and they have unrestricted access to advice and counsel for the performance of their duties.

**BOARD NOMINATION & REMUNERATION COMMITTEE (BNRC)**

Meeting Attendance:

Role	Name	Position	Meeting Attendance
<b>CHAIRMAN</b>	<b>Datuk Azailiza Mohd Ahad</b>	Independent Non-Executive Director	7/7
<b>MEMBERS</b>	<b>Wong Shu Hsien</b>	Non-Independent Non-Executive Director	7/7
	<b>Datuk Seri Yam Kong Choy</b>	Senior Independent Non-Executive Director	7/7
	<b>Datuk Zalekha Hassan</b>	Independent Non-Executive Director	7/7

**Key Functions**

Determines criteria for Board or Board Committees' membership, structure, responsibilities, and effectiveness; reviews the term of office and performance of the Board, other Board Committees, and individual Director; formulates and reviews the policies and procedures on human resource with regards to recruitment, appointment, promotion, and transfer of Senior Management.

Reviews, assesses, and recommends to the Board, remuneration packages of MD, Company Secretary and Senior Management as well as matters relating to employees of the Group, limited to Collective Agreement for Non-Executives, Terms and Conditions of Executives, quantum of bonus and annual increment for employees.

**Composition**

BNRC shall comprise at least three (3) members, all of whom shall be NEDs with majority being Independent Non-Executive Directors (INEDs). Majority of BNRC members currently consist of INEDs.

**Activities in 2021**

- Composition of Board, Board Committees, and boards of subsidiaries.
- Board Performance Evaluation and Board Improvement Plan.
- Directors' Trainings.
- Remuneration of Board, MD, and Senior Management.
- Establishment of Senior Management positions.
- Corporate Scorecard and Senior Management KPI setting.
- Board and Board Committee Succession Plan and Pool of Potential Directors.
- Nomination, Appointment, Renewal and Succession Plan of Senior Management.
- Talent Development.
- Industrial Relation matters.
- Board and Management Policies.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS



## BOARD AUDIT COMMITTEE (BAC)

Meeting Attendance:

CHAIRMAN	Rosli Abdullah	Independent Non-Executive Director	8/8
MEMBERS	Wong Shu Hsien	Non-Independent Non-Executive Director	8/8
	Dato' Ir. Mohamad Husin	Independent Non-Executive Director	8/8
	Datuk Azailiza Mohd Ahad	Independent Non-Executive Director	8/8

**Key Functions**

Reviews and evaluates performance of external auditors and Internal Audit Division in ensuring efficiency and effectiveness of the Company's operations, adequacy of internal control system, compliance with established policies and procedures, transparency in decision-making process and accountability of financial and management information. Review related party transactions.

**Composition**

BAC shall comprise no fewer than four members, all of whom are NEDs with majority being INEDs. At least one member must be a member of the Malaysian Institute of Accountants or having the working experience and qualification as prescribed under Paragraph 15.09(1)(c)(iii) of the Listing Requirements of Bursa Securities.

BAC currently comprises majority INEDs and the Chairman is a member of the Malaysian Institute of Accountants.

**Activities in 2021**

- Review of Board Audit Committee Report and Statement on Risk Management and Internal Control for Annual Report 2020.
- Quarterly results and year-end financial statements of the Group.
- Subsidiaries' Performance Review.
- Revision of Terms of Reference of Board Audit Committee.
- Revision of Internal Audit Plan 2021.
- Internal Audit Activities Progress 2021.
- Internal Audit New Reports.
- Follow Up Audit Activities – Outstanding Issues.
- Revision of Internal Audit Charter.
- Corporate Integrity Division Plan for 2021 and Corporate Integrity Division Activity Report.
- Related Party Transactions.
- Performance Report on Anti-Bribery Management System.
- Status Update on Whistleblowing Programme.
- Appointment of New Member of Whistleblowing Independent Committee.
- Performance on Adequate Procedures.
- Organisational Anti-Corruption Plan.
- Internal Audit Plan 2022.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

**BOARD FINANCE & INVESTMENT COMMITTEE (BOFIC)**

Meeting Attendance:

CHAIRMAN	Datuk Seri Yam Kong Choy	Senior Independent Non-Executive Director	5/5
MEMBERS	Wong Shu Hsien	Non-Independent Non-Executive Director	5/5
	Rohaya Mohammad Yusof (Appointed on 1 October 2021)	Non-Independent Non-Executive Director	-
	Datuk Azailiza Mohd Ahad	Independent Non-Executive Director	5/5
<b>Former Members who served during the year under review:</b>			
	Dato' Zamzuri Abdul Aziz (Resigned on 8 March 2022)	Non-Independent Non-Executive Director	5/5
	Dato' Mohamad Nasir Ab. Latif (Resigned on 1 October 2021)	Non-Independent Non-Executive Director	5/5

**Key Functions**

Reviews and monitors financial investment policy and financial investment portfolio of the Group; reviews, evaluates, and assesses prospective investments/divestments, new businesses, projects, and overseas ventures, taking into consideration factors such as strategic rationale, return on investment and resource requirements of those prospects, and make appropriate recommendations to the Board.

Reviews and monitors the progress of all capital projects against the approved project schedule and budget to ensure all deliverables are within schedule and budget. Capital projects include construction of new airports, land development projects and any other expansion projects for domestic and foreign airports.

**Composition**

BOFIC shall comprise no fewer than four members and at least one member must be an INED. The composition of BOFIC currently consists of two INEDs.

**Activities in 2021**

- Land Development at KLIA Aeropolis and Lapangan Terbang Sultan Abdul Aziz Shah.
- Operationalisation of Digital Free Trade Zone.
- Development of Mitsui Outlet Park.
- Installation of Solar Photovoltaic.
- Issuance of Senior Islamic Medium-Term Notes for Issuance of Senior Sukuk Wakalah and/or Subordinated Perpetual Islamic Notes Based on Shariah Principle of Wakalah Bi Al-Istithmar.
- Aviation Development Support Programme.
- Updates and Performance Review of Overseas Venture.
- Performance Summary of Local Investment Portfolio.
- Revision of Terms of Reference of BOFIC.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS



## BOARD PROCUREMENT COMMITTEE (BPC)

			Meeting Attendance:
<b>CHAIRMAN</b>	<b>Dato' Ir. Mohamad Husin</b>	Independent Non-Executive Director	10/10
<b>MEMBERS</b>	<b>Normah Osman</b> (Appointed on 2 July 2021)	Non-Independent Non-Executive Director	5/5
	<b>Ramanathan Sathiamutty</b>	Independent Non-Executive Director	10/10
	<b>Former Members who served during the year under review:</b>		
	<b>Dato' Zamzuri Abdul Aziz</b> (Resigned on 8 March 2022)	Non-Independent Non-Executive Director	10/10
	<b>Datuk Zalekha Hassan</b> (Stepped down on 1 December 2021)	Independent Non-Executive Director	9/9

**Key Functions**

Reviews and approves procurements of RM10 million up to RM200 million, tender evaluation criteria and selection tendering methods and list of selected tenderers.

Reviews and approves procurement policies and procedures, including the anti-corruption policy and codes of conduct, as well as oversees and monitors the efficiency and effectiveness of procurement processes, and support of national development objectives.

**Composition**

BPC shall comprise at least three members made up of both INEDs and NINEDs. The composition of BPC currently consists of two INEDs.

**Activities in 2021**

- Design, Supply, Install, Testing & Commissioning for Automated People Mover (APM).
- Design, Supply, Install, Testing, Commissioning, and Including Comprehensive Maintenance of Single Token Solution.
- Design, Supply, Install, Testing, Commissioning, and Implementation of Airport Collaborative Decision Making (A-CDM).
- Design, Construction, Installation, Integration, Completion, Testing & Commissioning of Proposed Baggage Handling System (BHS).
- Comprehensive Maintenance of Closed-Circuit Television (CCTV) System.
- Provision of COVID-19 Screening & Testing and Related Value-Added Service at KLIA, klia2 and Other International Airports.
- Procurement Strategy for Lapangan Terbang Sultan Abdul Aziz Shah Subang Land Development Plan.
- Review on Procurement Plan.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD RISK MANAGEMENT COMMITTEE (BRMC)			Meeting Attendance:	
	<b>CHAIRMAN</b>	<b>Ramanathan Sathiamutty</b> (Redesignated as Chairman of BRMC on 1 October 2021)	Independent Non-Executive Director	4/4
	<b>MEMBERS</b>	<b>Normah Osman</b> (Appointed on 2 July 2021)	Non-Independent Non-Executive Director	2/2
		<b>Rohaya Mohammad Yusof</b> (Appointed on 1 October 2021)	Non-Independent Non-Executive Director	1/1
		<b>Datuk Zalekha Hassan</b>	Independent Non-Executive Director	4/4
		<b>Rosli Abdullah</b>	Independent Non-Executive Director	4/4
	<b>Former Members who served during the year under review:</b>			
		<b>Dato' Mohamad Nasir Ab. Latif</b> (Resigned on 1 October 2021)	Non-Independent Non-Executive Director	4/4
		<b>Dato' Jana Santhiran Muniayan</b> (Resigned on 4 January 2021)	Non-Independent Non-Executive Director	-
<b>Key Functions</b>		<b>Activities in 2021</b>		
<p>Formulates overall risk management framework, occupational safety and health, ICAO safety management system and information security strategy of the Group and recommends for approval and/or approves (whenever applicable) any major risk decisions by the Group.</p> <p>Oversees senior management's responsibilities in managing risks including information security risks and safety to ensure that the risk management process is in place and functioning.</p>		<ul style="list-style-type: none"> <li>• Corporate Risk Profile 2020 and 2021.</li> <li>• Statement on Risk Management and Internal Control for inclusion in Annual Report 2020.</li> <li>• Occupational Safety and Health.</li> <li>• Corporate Quality Management.</li> <li>• Airport Standard and Safety.</li> <li>• Aviation Security.</li> <li>• Implementation of Quality of Service ("QoS") at KLIA.</li> <li>• Financial Impact of COVID-19, Revised Profit &amp; Cashflow Forecast 2021 and Financial Risk Mitigation Initiatives.</li> <li>• Revision of Terms of Reference of BRMC.</li> <li>• 2021 Risk Management and Compliance Division (RMCD) Workplan.</li> <li>• 2022 Group Insurance Renewal.</li> <li>• Information Technology Critical Risks.</li> </ul>		
<b>Composition</b>				
BRMC shall comprise at least four members made up of both INEDs and NINEDs. BRMC currently comprises a majority of INEDs.				

The Terms of Reference (TORs) of each Board Committee are available on Malaysia Airports' website at [www.malaysiaairports.com.my](http://www.malaysiaairports.com.my). The summary of TOR and activities carried out by BAC are set out in BAC Report from pages 185 to 188 of this Annual Report.

Except for BAC which reviews its TOR on an annual basis, other Board Committees review their TOR once in two years.

The Chairmen and members of each Board Committee are appointed by the Board. As a matter of good practice, during each Board meeting, the Chairmen of Board Committees will report the outcome of deliberations from their respective Board Committee meetings held prior to the Board meeting, and relevant minutes of Board Committee meetings would be tabled to the Board for information, as the case may be. This would enable the Board to raise its comments or views on all deliberations and decisions of the Board Committees.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### CORPORATE GOVERNANCE CULTURE AS OUR CORE

##### Code of Ethics

The Code is intended to provide clear guidelines on permissible or non-permissible conducts in the business practices of Malaysia Airports. The Code is implemented to ensure that all employees and its representatives comply with the same standards. It also serves as guidelines when making judgment calls on work ethics, including in bridging and fostering close relations between the Company and its customers.

The code of conduct for the Board is subject to statutory duties of directors as stipulated under the Companies Act 2016, Listing Requirements, and other relevant rules and regulations.

##### Anti-Corruption Policy

The Company is committed to ensure zero tolerance against all forms of corruption, among others, by undertaking the following: -

- Working together with employees, stakeholders and interested parties to create a corrupt-free business environment and achieving its anti-corruption objectives.
- Upholding anti-corruption principles for Malaysian companies in business dealings and interactions with business partners and government agencies.
- Complying with laws and regulations relating to the fight against bribery and corruption; and
- Encouraging concerns regarding corruption to be reported to the Company through its Whistleblowing Programme.

#### Whistleblowing Policy

Malaysia Airports has in place a Whistleblowing Policy. The objective of this policy is to provide a mechanism for all levels of employees and external parties who have business relationship with the Group to report concerns about any suspected wrongdoing, inappropriate behaviour, or misconduct on a timely basis for action by Whistleblowing Independent Committee.

A revision to the Whistleblowing Policy was approved by the Board on 30 November 2020. The Board has the overall responsibility and oversees the implementation of this policy.

Complaints can be channelled online on the Company's website at [www.malaysiaairports.com.my](http://www.malaysiaairports.com.my) via the Whistleblowing Programme Reporting of Concern Form, or emailed to [wic\\_secretariat@malaysiaairports.com.my](mailto:wic_secretariat@malaysiaairports.com.my), or by calling the hotline at 03-8777 7314 or 019-659 2263.

#### Sustainability

As a listed company, the Board acknowledges that the Company's utmost priority is to create stakeholders' value by taking a long-term view for growth. Environmental, Social and Governance (ESG) elements are critical in measuring the sustainable and ethical impact of business decisions. These criteria help the Board and Management to better determine the future financial performance of the Company by considering risks and return in a holistic manner.

The Board also supports the implementation of International Integrated Reporting Council (IIRC) Integrated Reporting framework to make business and financial sense of the performance in ESG factors. The Company also publishes its annual Sustainability Report to track, measure, and update stakeholders on the progress towards achieving key goals, targets, and initiatives in a transparent and timely manner in accordance with Global Reporting Initiative (GRI) standards.

**CORPORATE GOVERNANCE OVERVIEW STATEMENT****PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**

Board Audit Committee and Board Risk Management Committee are primarily responsible for risk management and internal control oversight:

**Board Audit Committee**

Board Audit Committee (BAC) plays a key role in the Company's governance structure. BAC is positioned to rigorously challenge and ask probing questions on the Company's financial reporting process, related party transactions and conflict of interest, internal control, internal audit, and external audit processes.

In line with MCCG 2021, the Chairman of BAC is not the Chairman of the Board. BAC comprised of majority INEDs.

During the year under review, BAC members had attended professional development courses in accounting and auditing standards to keep abreast with changes in the regulatory environment.

The BAC report is available at pages 185 to 188 of this Report.

**Board Risk Management Committee**

Board Risk Management Committee (BRMC) was established to oversee the Company's risk management framework and policies. BRMC is responsible to determine the Company's risk tolerance and actively identify, assess, and monitor key business risks to safeguard shareholders' investments and the Company's assets.

The Corporate Risk Profile of the Group and the mitigation plan for the risks are being monitored by BRMC on quarterly basis. The risks are categorised into several areas namely strategic, regulatory, operational, human capital, information technology, reputational and financial.

**Risk Management and Internal Controls**

The Company has a well-resourced internal audit function which critically reviews all aspects of the Company's activities and internal controls. Comprehensive audits on practices,

procedures, compliance, expenditures, and internal controls for all business and support units and subsidiaries are undertaken on a regular basis. The Head of Internal Audit has a direct access to the Board through the Chairman of the BAC.

The effectiveness of internal control system is reviewed from time to time. The Board Committees are entrusted with their respective functions which are aimed at supporting the Board's oversight roles of proper implementation of corporate governance practices, audit, risk management and internal control systems.

The Board is guided by the Risk Management Policy Framework to ensure effective oversight of risks and controls in the Group. The effectiveness of risk management and internal control is regularly reviewed to ensure they are working as intended.

Details of Risk Management Framework and internal control system of Malaysia Airports Group are set out in the Statement on Risk Management and Internal Control on pages 178 to 184 of this Report.

**Financial Reporting**

In presenting the annual audited financial statements and quarterly financial results to the shareholders, the Directors ensures the information presented contains a balanced and comprehensive assessment of the Group's financial position and prospects. BAC assists the Board in reviewing the information disclosed in the financial statements and ensuring its completeness, accuracy, and adequacy.

The financial statements of Malaysia Airports Group for the financial year ended 31 December 2021 are prepared in accordance with Malaysian Financial Reporting Standards (MFRSs) as issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards and the requirements of the Companies Act 2016.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### Communication and Relationship with Stakeholders

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company, and as such adopts an open and transparent policy in respect of its relationship with shareholders and investors. The Board always ensure the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements released during the year.

The Company is fully committed in conducting dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.

Malaysia Airports conducted a number of official engagements with shareholders and stakeholders during the year under review as follows: -

#### Communication to Investment Community

- Annual Report, Financial Statements, Sustainability Report, Airport Statistics, Corporate Governance Overview Statement and Notice of AGM.
- Corporate website including investor relations portal and media centre.
- Announcements to Bursa Securities.
- Group and one-on-one meetings.
- Conference calls on financial results and business developments.
- Direct engagement with Minority Shareholders Watch Group.
- Investor relations and media center.
- Wide coverage via 19 equity research analysts and 2 credit rating agencies.

#### Engagement via mainstream, social and airport media channels

- Quarterly financial results press release
- Media updates on business developments
- Extensive social media engagement
- Public outreach via virtual and physical engagements

#### Conferences and Non-Deal Roadshows in 2021

The Company have been actively participating in conferences and roadshow held in Malaysia as well as abroad. Please refer to Page 190 for list of Conferences, Roadshows and Events in 2021.

Shareholders may raise questions by contacting the Investor Relations Division. The Company's Investor Relations Policy promotes effective communication with the shareholders, investment community, other stakeholders, and the public in general. It is intended to give a clear picture of the Group's performance and operations.

**CORPORATE GOVERNANCE OVERVIEW STATEMENT****Conduct of General Meeting**

In weathering the COVID-19 pandemic and guided by the Guidance FAQs on the Conduct of General Meetings for Listed Issuers issued by Securities Commission Malaysia effective 1 June 2021, Malaysia Airports had successfully convened its Twenty-second Annual General Meeting (22<sup>nd</sup> AGM) as a fully virtual general meeting conducted via live streaming. The 22<sup>nd</sup> AGM had to be postponed to 13 September 2021 due to restrictions brought by the COVID-19 pandemic.

The Notice of AGM was circulated 28 days before the date of meeting to enable shareholders to go through the Annual Report, adopting the Practice under Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders of MCCG 2021 and fulfilling the minimum 21-day notice requirement under the Companies Act 2016 and Listing Requirements of Bursa Securities. The additional time given to shareholders enables them to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or to appoint an attorney to attend on their behalf.

All Directors had participated in the Company's 22<sup>nd</sup> AGM via remote participation through live streaming from their respective locations. The former GCEO, Senior Management and external auditors were in attendance to respond to the shareholders' queries. The former GCEO had also shared with the shareholders the Company's responses to questions which were submitted in advance by the Minority Shareholder Watch Group (MSWG).

As guided by MCCG 2021, in facilitating greater shareholder participation, the Board has taken proactive measure in leveraging technology during the Company's 22<sup>nd</sup> AGM via voting in absentia and remote shareholders' participation.

During the 22<sup>nd</sup> AGM, the Chairman had invited members to raise questions and seek clarifications on the proposals tabled via the online platform. Appropriate answers and clarifications were provided by the Board members, Chairmen of Board Committees and Senior Management to allow the shareholders to make informed voting decisions at the meeting. Management had answered several late questions received from the shareholders via emails after the 22<sup>nd</sup> AGM.

**COMPLIANCE STATEMENT**

The Board considers the Company complies to a large extent with the MCCG 2021. For further information on the application of practices stipulated in the Principles of MCCG 2021 during the financial year under review, please refer to the Company's Corporate Governance Report 2021 (CG Report) which is accessible at Malaysia Airports' website at [www.malaysiaairports.com.my](http://www.malaysiaairports.com.my).

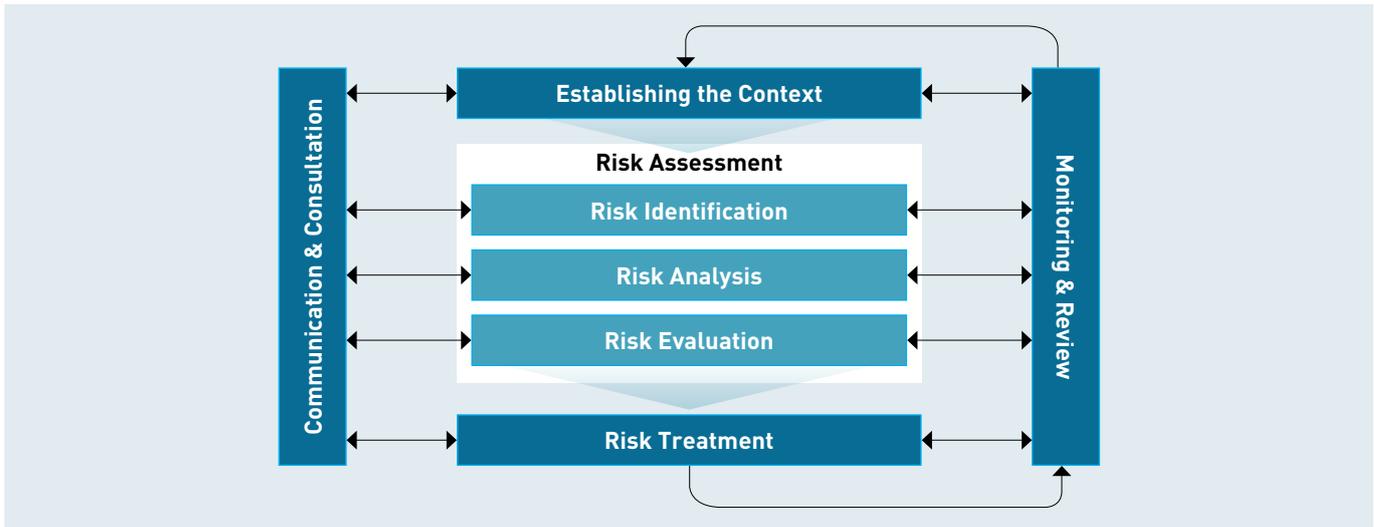
This Corporate Governance Overview Statement is made in accordance with a resolution of the Board as passed at the Company's Board of Directors' meeting held on 28 February 2022.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

As part of our commitment as stewards of Malaysia Airports, the Board of Directors (the Board) of Malaysia Airports Holdings Berhad has prepared this statement on risk management and internal controls.

## THE FRAMEWORK

Risk Management in Malaysia Airports is guided by ISO 31000: Risk Management - Principles and Guidelines and the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework.



## GOVERNANCE AND RESPONSIBILITY

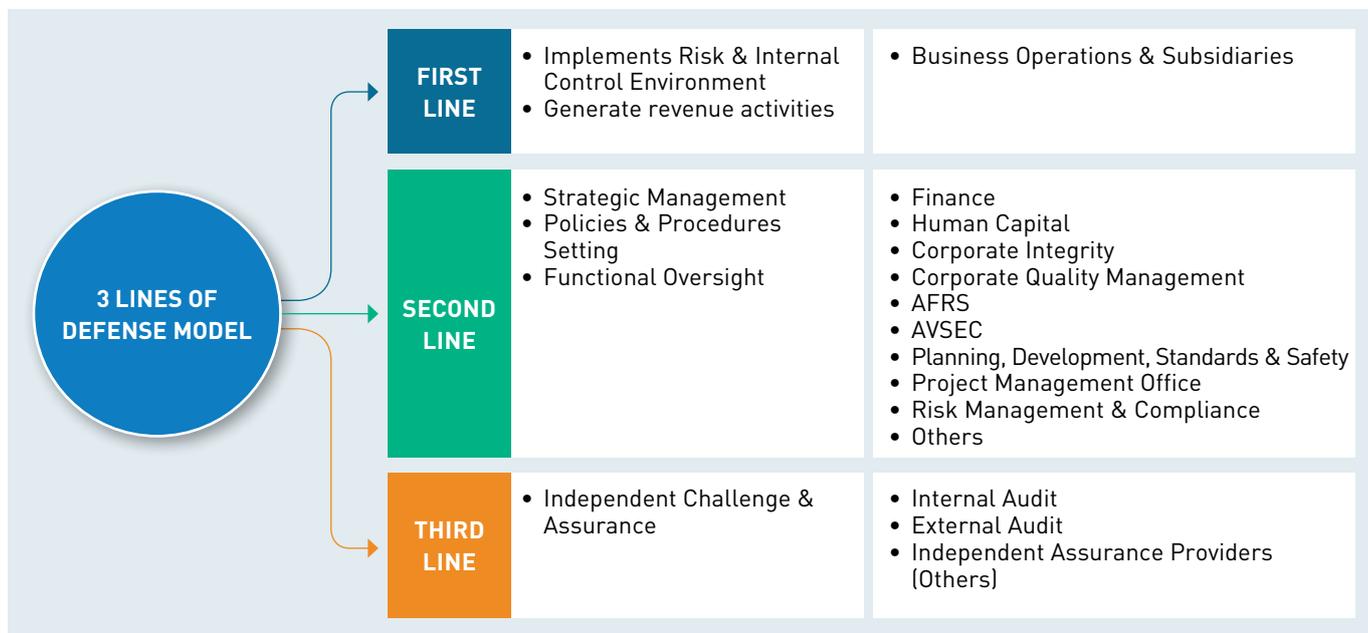
Governance of risk and internal controls spans across the whole organisation, from the Board at the top to the operational and tactical levels on the ground.



**STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL**

The Board bears overall responsibility to ensure that effective risk management is steeped throughout the organisation. More details of the Board committees’ key functions and compositions can be found in the Corporate Governance Overview Statement. The Board Risk Management Committee (BRMC) sits at least 4 times per annum. Prior to this, a Corporate Risk Management Committee meeting would take place at Management level. Similarly, an Internal Audit Management Committee meeting would be conducted prior to the Board Audit Committee meetings. The COVID-19 Corporate Crisis Management Team (CCMT) and Airport Crisis Management Teams (ACMT) which were activated in 2020 continued throughout 2021, with 34 COVID-19 CCMT meetings held. Material risks continues to be communicated bottom up and top down.

Further to the above, Malaysia Airports continues to practice the three lines of defense model:



**KEY RISK AREAS**

Managing risks and optimising opportunities were key elements in ensuring Malaysia Airports weathered the pandemic which persisted throughout 2021. This remained a key function of the business operations as well as subsidiaries which entailed the management of material risks and usage of appropriate measures to mitigate these risks.

In 2021, there was a contraction of 58.3% against 2020 figures of passengers in Malaysia operations while it was an increase of 47.4% for Türkiye operations. Despite the challenges of operating under the pandemic environment, Malaysia Airports took the opportunity to review and strengthen its core business as an airport operator. These included collaborating in the Joint Tourism Development Programme with Tourism Malaysia as well as introducing a new airlines incentive scheme in 2021. Meanwhile in Türkiye, discussions with stakeholders regarding strategic alliances with airlines and working towards making SAW a strong European hub are ongoing. Towards the end of the year, just as international travel for Malaysia operations started to pick up due to the Vaccinated Travel Lane (VTL) with Singapore and Umrah travels, a new, more infectious variant of the COVID-19 virus, Omicron presented a momentary threat to the initiative which has since resumed. In our effort to safeguard our airports, 6 of our main airports, KUL, BKI, KCH, LGK, PEN and SAW have been accredited under the Airport Health Accreditation by Airports Council International (ACI) while the others strived to ensure compliance to government-mandated standard operating procedures.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Whilst maintaining a tight reign on cost containment and cash management, activities remained ongoing to enhance the Group's shareholder value. This included efforts towards finalisation of the Operating Agreements as well as the 99-year Land Lease Agreement for Aeropolis. 2021 also saw completion of the majority of Sama-Sama Hotel KLIA's renovations and following this, the next natural step was to work towards monetising these assets. Other mitigations and achievements such as achieving an 11.2% core cost reduction, sustainable cost reduction of RM50m p.a. in utilities via a new arrangement with TNB JV, practicing zero based budgeting on critical needs basis, securing SAW's EUR114.8 million utilisation fee deferral for FY2022 and continued cash recovery initiatives have contributed to the strengthening financial position which was further boosted by the establishment of a new RM5.0 billion Sukuk Wakalah programme. The preservation of Moody's A3 and RAM's AAA credit ratings lent further testament to the financial strength of Malaysia Airports.

As part of ongoing programmes to retain and reset commercial operations at airports, a new rental model was introduced in FY2021. Besides retaining and attracting tenants, this initiative was to ensure readiness post-pandemic for when passengers return. Throughout the year, there were several "Crazy Sales" held at the airports, all done in compliance to government standard operating procedures for COVID-19.

As with other companies hit by the pandemic, human capital remained a risk i.e. the Group wanted to retain the right talents and ensure morale was sustained. LEAD US, a programme for high-potential talents was set up in Q4 2021 to help allay this risk.

Permeating throughout these, the Environmental, Social and Governance (ESG) Agenda was always in consideration. Some key activities included:

E ENVIRONMENT	S SOCIAL	G GOVERNANCE
<ul style="list-style-type: none"> <li>Ensuring all relevant Acts are complied with.</li> <li>Renewal of Malaysia Airports' Level 3 certification of Airport Carbon Accreditation by ACI.</li> <li>Improved energy efficiency following upgrading of KUL's district cooling plant.</li> <li>Commitment towards increase usage of renewable (solar) energy by 7 other airports.</li> <li>'Gotong royong' activities such as clean-up of hiking trails in Lahad Datu in collaboration with Yayasan Sabah as well as beach clean-ups.</li> </ul>	<ul style="list-style-type: none"> <li>Flood relief inclusive of cash, food baskets, availing assets as flood relief centres, and manpower for post-flood cleanup.</li> <li>Breaking of fast meals during Ramadhan to stakeholders.</li> <li>Engaged 98% local suppliers as part of empowering locals.</li> <li>"I'm FIT" online exercise programme to help personnel boost their wellbeing whilst being on rotation of working from home.</li> </ul>	<ul style="list-style-type: none"> <li>Perpetuation of the Whistleblowing Programme as an avenue to report any concerns by stakeholders.</li> <li>Continued activities and initiatives on Anti-Bribery Management System and MACC Act S17A.</li> </ul>

More details on the ESG initiatives can be found in the Sustainability Report, the Statement on Corporate Governance and the Management Discussion and Analysis and the Sustainability Overview sections of this report.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board through the BRMC and other relevant Board Committees, monitored and reviewed the controls and action plans taken by Management to address the key risks at a minimum on quarterly basis.

A summary of the Key Risk Areas by categories and the mitigations and controls is as follows:

### STRATEGIC RISK

Inability to increase share holder value amidst a condensed timeframe and volatile conditions.

#### MITIGATION & CONTROLS:

- Active engagement with stakeholders
  - Ensure favourable New OA terms
  - Ensure favourable Land Lease Agreement which will attract potential investors
  - Secure new airlines and routes
- Demand driven approach for off-terminal landside developments around KUL and SZB
- Monetising Sama-Sama Hotel's newly renovated assets
- Continuing with value-creating projects

### FINANCIAL RISK

Inability to execute strategic objectives and obligations due to financial factors impacting sustainability of operations.

#### MITIGATION & CONTROLS:

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Operational expenses containment           <ul style="list-style-type: none"> <li>- recalibrated operational efficiencies</li> <li>- rebased cost</li> <li>- prioritised capital expenditure</li> </ul> </li> <li>• Cash Conservation</li> </ul> | <ul style="list-style-type: none"> <li>• Addressing Liquidity Risk           <ul style="list-style-type: none"> <li>- Additional credit facilities</li> <li>- Refinancing initiatives</li> <li>- Senior Sukuk Wakalah Issuance</li> </ul> </li> <li>• Cash Recovery Initiatives</li> <li>• Active engagement with stakeholders</li> </ul> |
|---|---|

### HUMAN CAPITAL RISK

Ensuring the right talents are retained and morale sustained throughout these challenging times to achieve optimal service delivery.

#### MITIGATION & CONTROLS:

- Talent identification and succession planning activities
- LEAD Us – Mentor-Mentee Programme for High Potential Talents

### REGULATORY COMPLIANCE RISK

Non-compliance to relevant regulations and laws which could threaten our operating licence and damage our reputation.

#### MITIGATION & CONTROLS:

- Training and awareness sessions conducted
- Constant monitoring of compliance by relevant divisions
- Annual regulatory audits and active engagement with relevant stakeholders to ensure gaps are closed

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### OPERATIONAL RISKS

#### CYBER SECURITY RISK

Ensure readiness to safeguard against sophistication of cyber criminals.

##### MITIGATION & CONTROLS:

- Implementation of the Cyber Security Acceleration Programme
- Patch Management
- Periodic reminder to system owner to close vulnerabilities – High/Critical vulnerability to be closed by 30 days, severe/medium by 60 days
- Periodic Vulnerability Assessment by CSRM and VAPT by third parties
- Cyber security monitoring

#### SECURITY RISK

Ensure staff and public security, prevent criminal activities and provide a secure environment at airports.

##### MITIGATION & CONTROLS:

- Vetting of Airport Pass Holders
- Collaboration with key stakeholders
  - National Security Council (NSC)
  - National Disaster Management Agency (NADMA)
  - Polis DiRaja Malaysia (PDRM)
  - Chief Government Security Officer (CGSO)
  - Eastern Sabah Security Command (ESSCOMM)
- Crisis simulations
  - These were done via virtual table tops during the pandemic

#### SAFETY RISK

Ensure staff and public safety and to provide a safe environment at airports.

##### MITIGATION & CONTROLS:

- Observance of Acts relating to Environment, Pollution, Building By-Laws etc
- Trainings e.g. on Airside Safety Management to stakeholders; including Airside Driving and Licensing
- Inspections in terminal, airside and landside and rectifications as needed
- Collaboration with key stakeholders
  - Jabatan Perlindungan Hidupan Liar dan Taman Negara (PERHILITAN)

#### SAFETY RISK (HEALTH)

Ensure and provide a safe and healthy environment for the staff and public.

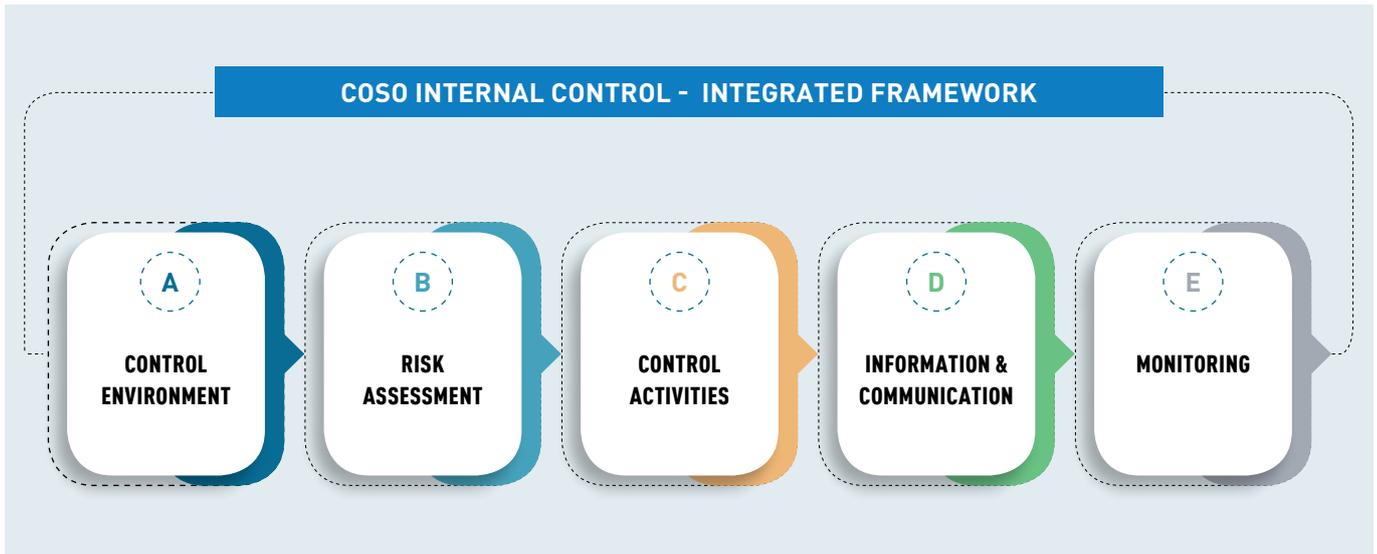
##### MITIGATION & CONTROLS:

- Observance of government's directives and Standard Operating Procedures (SOPs) regarding COVID-19
- KUL, BKI, PEN, KCH, LGK & SAW certified under Airports Council International's (ACI) Airport Health Accreditation Programme
- Increased sanitation activities at high touch point areas
- Usage of terminal as Vaccination Centres for aviation stakeholders

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### KEY ELEMENTS OF THE RISK MANAGEMENT AND INTERNAL CONTROL

The Group's internal control system is embedded within the operating activities and Board's review of internal control effectiveness, centred on the COSO framework:



This is based on information from:

- Key management within the organisation with the responsibility for the development and maintenance of the risk management and internal control framework;
- The work of the Internal Auditors, who submit regular reports to the Board Audit Committee which include their independent and objective opinion on the adequacy and effectiveness of the organisation's systems of risk management and internal control together with recommendations for improvement; and
- Comments made by the External Auditors in their Management Letter and other reports.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Details of the internal control components pertaining to Malaysia Airports are as follows:

A. CONTROL ENVIRONMENT	B. RISK ASSESSMENT
<ul style="list-style-type: none"> <li>Board Committees are governed by clearly defined Terms of References (TORs).</li> <li>Malaysia Airports' Group Code of Ethics is the standard policy for all Malaysia Airports employees in their professional conduct with fellow employees, and the Group's representatives including agents, consultants, contractors and suppliers.</li> <li>Vendors of Malaysia Airports are required to abide by provisions under the Malaysia Airports Vendor Code of Ethics (Vendor Code) effective from 19 December 2016.</li> </ul>	<ul style="list-style-type: none"> <li>Risk Assessments are conducted prior to engaging in initiatives and are included in Main Board/Board Procurement Committee papers.</li> <li>Project risk assessments are conducted throughout projects and kept and maintained/updated offline by Project Management Office with Contractors.</li> <li>Subsidiaries, divisions and units conduct risk assessments prior to engaging in initiatives as well as for their unit on a quarterly basis. This is signed-off digitally using the Malaysia Airports Risk Scorecard system.</li> </ul>
C. CONTROL ACTIVITIES	
<ul style="list-style-type: none"> <li>The Group's Limit of Authority (LOA) is reviewed and updated periodically to ensure that financial limits and guidelines are current to facilitate effective and efficient decision-making.</li> <li>Policies and procedures such as those that address accounting policies, value management, procurement limits, and quality management system are approved by the Board and are applicable across the Group.</li> <li>The Whistleblowing Programme, provides Malaysia Airports' employees and stakeholders with a mechanism to report malpractices and irregularities responsibly within the Group, and thus maintain a state of confidence of integrity within Malaysia Airports.</li> <li>Trainings and awareness on Anti-Bribery Management System and MACC Act S17A.</li> </ul>	
D. INFORMATION & COMMUNICATION	E. MONITORING
<ul style="list-style-type: none"> <li>A Corporate Communication Policy provides guidance and ensures that communication across the Group and beyond is well coordinated, effectively and strategically managed and meets the diverse needs of the organisation.</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring the effectiveness of internal controls is embedded in the normal course of the business. Periodic assessments are being integrated as part of Management's continuous monitoring of internal controls.</li> </ul>

### AFFIRMATION BY THE MANAGING DIRECTOR AND GROUP CHIEF FINANCIAL OFFICER

In relation to the risk management process, the Managing Director and Group Chief Financial Officer to the best of their ability and knowledge confirm that the Group's risk management and internal control system was operating adequately and effectively as at 31 December 2021.

### REVIEW BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Bursa Malaysia Listing Requirements, the External Auditors have reviewed this Statement for inclusion in the 2021 Annual Report and have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

### CONCLUSION

The Board and Management will continue to take measures to strengthen the control environment and monitor the health of the risk management and internal controls framework.

# BOARD AUDIT COMMITTEE REPORT

In compliance with Paragraph 15.15 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board Audit Committee (“BAC”) of Malaysia Airports Holdings Berhad (“MAHB” or “the Company”) is pleased to present the BAC Report for the financial year ended 31 December 2021.

The function of BAC is to assist the Board in fulfilling its oversight roles. The Terms of Reference of BAC sets out its composition, authority, duties, and responsibilities in compliance with the requirements of the MMLR and Malaysian Code of Corporate Governance 2021 (“MCCG 2021”). The Terms of Reference of the BAC is available on the Company’s official website at [www.malaysiaairports.com.my](http://www.malaysiaairports.com.my).

The BAC comprises four (4) Non-Executive Directors, of whom three (3) are Independent Directors. The membership and record of meeting attendance of BAC members during the year under review are as follows:

Name of Director	Attendance
Rosli bin Abdullah (Chairman) Independent Non-Executive Director	8/8
Datuk Azailiza binti Mohd Ahad Independent Non-Executive Director	8/8
Dato’ Ir Mohamad bin Husin Independent Non-Executive Director	8/8
Wong Shu Hsien Non-Independent Non-Executive Director	8/8

None of the members of BAC is an alternate director and the above composition complies with Paragraph 15.09(1)(b) of the MMLR and MCCG 2021.

The Terms of Reference of BAC requires it to meet at least six (6) times a year. However, during the year under review, the BAC met eight (8) times. BAC meetings were also attended by the Acting General Manager of IAD and the Company Secretary, who also serves as the Secretary to the BAC. Representatives of the Senior Management were also invited to provide feedbacks on matters related to their purview. Representatives of the Company’s external auditors, Messrs. Ernst & Young, were invited to attend the meetings as and when required. During the year under review, BAC also held two (2) private discussions with the external auditors. Minutes of BAC meetings were circulated to all members of the Board, whilst material issues relating to functions of BAC were discussed at Board meetings.

The Chairman of BAC is a member of the Malaysian Institute of Accountants. He is also the Chairman of Audit & Risk Committee (ARC) of the Company’s subsidiaries in Türkiye, i.e., Istanbul Sabiha Gökçen Uluslararası Havalimanı Yatırım Yapım Ve İşletme A.Ş. (“ISG”) and SGC Havalimanı İşletmeleri Ticaret ve Turizm A.Ş. (“SGC”) (formerly known as LGM Havalimanı İşletmeleri Ticaret Ve Turizm A.S).

All members of BAC are financially literate and have sufficient level of understanding of the Company’s business. They have also attended relevant trainings and continuous professional development during the year under review. In addition, BAC practises a cooling-off period of three (3) years for a former audit partner before being appointed as a member of the BAC.

During the financial year under review, the performance and effectiveness of BAC were evaluated by the Board. Having reviewed the BAC’s performance, the Board is satisfied that BAC members had discharged their functions, duties, and responsibilities in accordance with its Terms of Reference.

## BOARD AUDIT COMMITTEE REPORT

### SUMMARY OF ACTIVITIES DURING FINANCIAL YEAR 2021

Main activities undertaken by BAC in discharging its functions and duties during the year under review were as follows:

#### Financial Reporting

- Reviewed and monitored the financial position and performance of MAHB Group ("the Group") on a quarterly basis.
- Reviewed the quarterly financial results of the Group before recommending the same to the Board for approval.
- Reviewed the audited financial statements of the Group with the external auditors before recommending the same to the Board for approval.
- Ensured compliance with the MMLR, applicable accounting standards in Malaysia, provisions of Companies Act 2016 and other legal and regulatory requirements.

#### Internal Control

- Reviewed the effectiveness of the system of internal control.
- Reviewed the Statement on Risk Management and Internal Controls which was supported by an independent review by Messrs Ernst & Young.
- Reviewed Related Party Transactions and Recurrent Related Party Transactions on a quarterly basis.

#### Internal Audit

- Reviewed and approved the revision of the Internal Audit Charter.
- Reviewed and approved the IAD's Risk-based Internal Audit Plan, budget, and manpower requirements to ensure the adequacy of resources, competencies, and coverage on key risk areas. The audit plan has also considered the status of COVID-19 pandemic and its impact on the Company's businesses and operations.
- Reviewed audit reports issued by IAD on the effectiveness and adequacy of governance, risk management, operational and compliance processes. BAC then considered those recommendations including Management's responses, before proposing that the control weaknesses are rectified and recommendations for improvements be implemented.
- Reviewed follow-up reports by the IAD on the status of actions taken by the Management on recommendations suggested in the audit reports.

- Reviewed follow-up reports by the IAD on external auditors' significant audit observations as set out in the Management Letter and status of actions taken by the Management on issues raised by the external auditors.
- Evaluated the performance of the IAD and recommended for improvements.
- Reviewed the ARC Minutes of Meeting for ISG and SGC.

#### External Audit

- Evaluated the performance, suitability, objectivity, and independence of external auditors and recommended to the Board on the appointment and audit fees.
- Reviewed the external auditors' scope of work and audit plan for the financial year.
- Reviewed with the external auditors, their management letter together with the Management responses.

#### Whistleblowing and Corporate Integrity

- Deliberated on all matters pertaining to Whistleblowing Programme, ethics, integrity, corruption, abuse of power and other scope covered under the Malaysian Anti-Corruption Committee Act 2009.
- Reviewed the Whistleblowing Policy, its Terms of Reference, appointment of new WIC members and status reports on the Whistleblowing Programme.
- Reviewed status updates on the Anti-Bribery Management System (ABMS) and Adequate Procedures.
- Reviewed and approved Corporate Integrity Division (CID)'s revised Terms of Reference, Annual Plan, and budget and status updates on CID activities during the year.

#### Annual Report

- Reviewed the BAC Report and Statement of Risk Management and Internal Control for onward approval by the Board for publication in the 2021 Annual Report.

#### Other Activities

- Approved relevant mandatory announcements to Bursa Malaysia in compliance with MMLR.
- Reviewed the revised Terms of Reference of BAC for approval by the Board.

**BOARD AUDIT COMMITTEE REPORT****INTERNAL AUDIT FUNCTION**

BAC is supported by IAD in discharging its duties and responsibilities. The internal audit authority, responsibilities and scope of work are defined in the Internal Audit Charter as approved by BAC. The Internal Audit Charter is in line with the standards and principle outlined in the International Professional Practices Framework (IPPF) issued by The Institute of Internal Auditors (The IIA).

In determining the priorities for internal audit activities, IAD applies a risk-based approach, and the annual audit plan is reviewed periodically, taking into consideration changes in risk exposure and operating environment including the impact of prolonged COVID-19 pandemic.

An Audit Management System is used to enhance the effectiveness and efficiency of the audit process. Execution of audit engagements are guided by the Committee of Sponsoring Organisations (COSO) and Control Objectives for Information and Related Technologies (COBIT) framework in ensuring that IAD conforms to the Standards and deliver value-added services.

The IAD audit universe includes functions on governance, risk management and review of controls in the areas of, but not limited to corporate, governance and compliance, information systems, airports (operations, engineering, revenue management, safety and security) and other subsidiaries' business in aviation services, airport commercial and retail, facilities & infrastructure management, hospitality management, airport consultancy, agriculture, and aeropolis.

Periodically, IAD presented to the BAC the updates on its activities comprising key highlights of areas reviewed, follow-up of outstanding issues, progress of the 2021 Annual Audit Plan and ad hoc assignments.

The Internal Audit function at ISG and SGC reports to the Acting General Manager IAD of MAHB, and relevant updates on the activities undertaken were presented to the ARC of ISG and SGC. Effective 21 March 2022, the Head of Internal Audit was appointed to strengthen the IAD function.

Group IAD performed its audits which include among others the following key areas in accordance with the Audit Plan:

**Corporate**

Group Risk Assessment, Internal Assurance Provider - Effectiveness of 2nd Line of Defense, Business Continuity Management, Third Party Risk – Vendor.

**Governance**

Ethics and Integrity Readiness, Limit of Authority, Accounts Payables, Payroll Data and Process, Procurement, Commercial Contracts.

**Information Technology**

Facilities Management Systems, Revenue Related Systems.

**Operation**

Quality of Service, Commercial Sustainability (Reset, Contract Review, New POS System for Commercial Tenants), Car Park Management, Commercial Revenue – Strategy, Reset, and COVID-19 Impact, E-commerce, Engineering Aerodrome, Supply Chain, Airport Operations, Safety and Security, and Confiscated and Lost and Found items.

**Financial**

Security Expenses

**Others\***

Investigations, Special Reviews, and Project Oversight.

*\* Request from the Board, Board Committees, Management or arising from whistleblowing programme.*

During the financial year under review, Group IAD issued a total of thirty-eight (38) Internal Audit reports, including six (6) for ISG and five (5) for SGC.

## BOARD AUDIT COMMITTEE REPORT

### INTERNAL AUDIT FUNCTION

The above reports were issued to Management for their responses and remedial actions. Management is responsible to ensure that corrective actions are taken on the reported improvement areas within the stipulated timeframe. Subsequently, Internal Audit Management Committee meetings were held to deliberate on matters of concern prior to tabling to BAC and to the respective Boards of subsidiary companies, where applicable.

During the year, management has taken various initiatives to improve controls and efficiency in the audited areas such as improvement to access controls and overall compliance to Malaysia Airports Information Security Policy, improved Information Security Management System (ISMS) strategy and coverage, strengthened cybersecurity resilience, business sustainability, overall internal entity risk, procurement process of significant tenders, and management of washrooms maintenance works at both KLIA and klia2 according to Quality of Service (QoS) requirements. Further, management has enhanced application of Limit of Authority at subsidiaries and strengthened Corporate Integrity Division's function by progressively improving its processes towards robust Adequate Procedures as required by Section 17A, MACC Act and continuous awareness throughout MAHB subsidiaries.

In demonstrating the knowledge and skills necessary for fulfilling the current obligations of the internal audit, certifications earned by the auditors are CIA, CISA, ACCA, ISMS and PMP. As of 31 December 2021, IAD had a total of 20 auditors from the following backgrounds:

Discipline	No. of Internal Auditors	Percentage (%)
Accounting, Actuarial, Finance & Business	12	60
Information Technology & Business	4	15
Engineering	3	20
Operations	1	5
<b>Total</b>	<b>20</b>	<b>100</b>

All IAD staff are required to pledge adherence to the Code of Ethics and to disclose any relationship or conflict of interest on an annual basis to safeguard the audits against any potential impairment of objectivity and independence.

Since 2008, the Company has appointed a qualified independent reviewer once every five (5) years to conduct an external quality assessment to ensure that audit works performed by the internal auditors are in line with The IIA standards. Based on the external quality assessment conducted by The IIA Malaysia in 2018, IAD was found to have fulfilled the key objectives and requirements in accordance with The IIA's International Standards for Professional Practice of Internal Auditing with a rating of "Generally Conform".

For financial year ended 31 December 2021, the total internal audit expenditure incurred by the Company was RM2.68 million (2020: RM2.62 million), whilst for ISG and SGC, the total internal audit expenditure was TL 560,715 (2020: TL 170,400) [equivalent to RM211,600 (2020: RM211,600)].

For the financial year under review, the BAC is of the view that the Company is in compliance with the MMLR.

**Rosli bin Abdullah**  
Chairman  
Board Audit Committee

# INVESTOR RELATIONS

At Malaysia Airports, we dedicate our efforts in continuously creating and maximising value for our esteemed shareholders. We understand the importance to continuously engage our existing shareholders and prospective investors to keep them up to date with insights, strategies, business performance and latest developments within the Group. The Group has in place a dedicated Investor Relations department which facilitates effective communication with the Company's shareholders, analysts, and fund managers. Our comprehensive Investor Relations Programme was implemented to consistently deliver effective, timely and transparent communication with the investment community.

To keep senior management and the Board abreast of market perceptions and concerns, the Investor Relations team provides regular updates on shareholding details, investor relations activities, recommendations by analysts and comments from the investment community, as well as on commentary on share price performance. The Investor Relations team also facilitates shareholder communication and engagement, with the senior management's full support.

The Group's efforts on engaging with stakeholders have not come unnoticed, as Malaysia Airports was once again recognised by various institutions within the investment community in 2021:

- Top 5 for Best in Sector (Industrials) at the IR Magazine South East Asia Awards
- Industry Excellence Award (Transportation & Logistics) at the Minority Shareholders Watch Group ASEAN Corporate Governance Awards

## MALAYSIA AIRPORTS CREDIT RATING

Malaysia Airports is committed towards sound financial position and robust balance sheet. In 2021, Malaysia Airports continues to exhibit strong financial and operating fundamentals; as evident by its strong investment grade credit ratings:

Rating Agency	Credit Rating
RAM	AAA
Moody's	A3

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

## QUARTERLY FINANCIAL RESULTS AND ANALYST BRIEFING

Malaysia Airports organises presentations with teleconferencing facilities during quarterly financial result briefings to the media, equity, and fixed income analysts as well as the fund managers. Site visits and meetings held at our facilities are also held regularly with members of the investment community, to keep them abreast with the Group's latest developments. Our proactive Investor Relations initiatives ensure timely dissemination of relevant information to the public and investment community for better understanding of the financial, operational performance as well as key strategies of the Group.

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

## INVESTOR ENGAGEMENT

### • COVID-19 Response

The unprecedented impact and challenging operating environment due to the outbreak of COVID-19 posed a threat towards the Group's operations, putting pressure on the Company's share price performance. Whilst the Group strives to overcome the tough climate, the Investor Relations team continues to proactively engage with the investment community in order to provide accurate, relevant, and reliable information of the Group's position in a clear and transparent manner. The Investor Relations team aims to safeguard the shareholders' interest and to ensure continuous and accurate information flows to the relevant users and market participants reflecting the true and up-to-date position of the Group.

### • Investor Relations Portal

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

## INVESTOR RELATIONS

- **Investor Feedback**

To further strengthen the relationship with the investing community, the Investor Relations team values their feedback or enquiries which can be communicated directly via the following dedicated email address [ir@malaysiaairports.com.my](mailto:ir@malaysiaairports.com.my).

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

- **Equity Research Coverage**

As of 31 December 2021, there were 19 equity analysts providing coverage on Malaysia Airports.

### Equity Research Coverage

Affin Hwang Investment Bank Berhad
AmlInvestment Bank Bhd
CGS-CIMB Securities Sdn Bhd
Citi Research
CLSA Securities Malaysia Sdn Bhd
Credit Suisse Securities (Malaysia) Sdn Bhd
Hong Leong Investment Bank Berhad
JPMorgan Securities (Malaysia) Sdn Bhd
KAF Equities Sdn Bhd
Kenanga Investment Bank Berhad
Macquarie Capital Securities (Malaysia) Sdn Bhd
Maybank Investment Bank Berhad
MIDF Amanah Investment Bank Berhad
Nomura Securities Malaysia Sdn Bhd
RHB Investment Bank Berhad
TA Securities Holdings Berhad
The Hongkong and Shanghai Banking Corporation Limited
UBS Securities Pte. Ltd.
UOB Kay Hian Private Limited

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

The senior management and Investor Relations team have been actively participating in meetings and conference calls with institutional investors, fund managers, analysts and rating agencies held in Malaysia as well as abroad. We participated in over 660 engagements, as an effort to continuously reach out to a wider investor base.

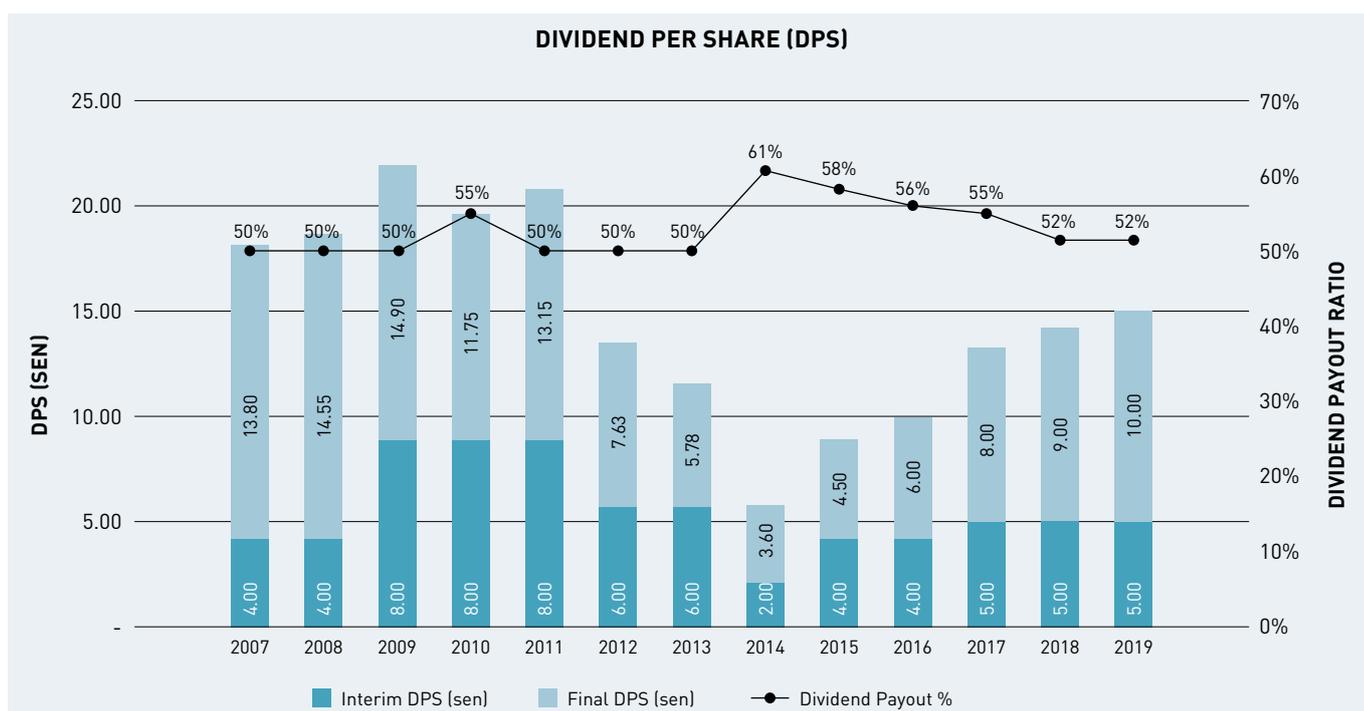
### Conferences, Roadshows and Events in 2021

5 January	UBS Malaysia Virtual Corporate Day
7 January	DBS Pulse of Asia Virtual Conference
8 January	CGS-CIMB Annual Malaysia Corporate Day
1 March	Macquarie Virtual Conference
3 March	Nomura ASEAN Virtual Conference
31 March	JPMorgan ASEAN Travel Day
20 April	Citi Supercharge Travel Post Vaccinations Rollout
18 May	UBS Virtual APAC Transport and Logistics Day
27 May	Engagement with Minority Shareholders Watch Group
31 May	Macquarie Malaysia Insight
3-4 June	Citi Pan-Asia Regional Investor Conference
8 June	HSBC Annual Transport & Logistics Conference
9-10 June	Bursa - Daiwa - Affin Hwang Malaysia Corporate Day
11 June	Affin Hwang Virtual Conference
16 June	UBS OneASEAN Virtual Conference
30 June	AllianceDBS Virtual Conference
6 July	Maybank Kim Eng's Invest ASEAN
9 July	UBS Virtual Asia Industrials and Infrastructure Day
26 July	CGS-CIMB Malaysia Virtual Investor Corporate Day
29 July	CLSA Virtual Conference
20 August	Hong Leong Virtual Conference
2 September	RHB Virtual Conference
15 September	CITIC CLSA Flagship Investors' Forum
5 October	UBS Malaysia Corporate Reopening Day
15 November	Malaysia Airports Non-deal Roadshow
1 December	ADBS Corporate Conference

# DIVIDEND POLICY

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

Financial Year	Interim Dividend (sen)		Final Dividend (sen)		Payout Ratio (%)
	Franked	Single Tier	Franked	Single Tier	
2007	4.00		13.80		50
2008	4.00		14.55		50
2009	8.00		14.90		50
2010	8.00		11.75		55
2011	8.00		12.85	0.30	50
2012		6.00		7.63	50
2013		6.00		5.78	50
2014		2.00		3.60	61
2015		4.00		4.50	58
2016		4.00		6.00	56
2017		5.00		8.00	55
2018		5.00		9.00	52
2019		5.00		10.00	52



## DIVIDEND POLICY

### DIVIDEND REINVESTMENT PLAN

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

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

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

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

# ADDITIONAL COMPLIANCE INFORMATION

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

## 1. Status of Utilisation of Proceeds raised from Corporate Proposal

There were no proceeds raised by the Company from any corporate proposal during the financial year ended 31 December 2021.

## 2. Audit and Non-Audit Fees

The amount of audit and non-audit fees paid to the External Auditors, Ernst & Young PLT, during the financial year ended 31 December 2021, are as follows:

	Company (RM)	%	Group (RM)	%
Audit Fee	370,000	92.5	1,159,000	92.4
Non-audit Fee	30,000	7.5	95,000	7.6
<b>Total</b>	<b>400,000</b>	<b>100</b>	<b>1,254,000</b>	<b>100</b>

The nature of the services rendered for the non-audit fees incurred are corporate advisory services, review of the statement of Risk Management and Internal Control and review of the statement of User Fee.

## 3. Material Contracts

There were no material contracts, nor any contracts entered into by the Company and/or its subsidiaries involving interests of directors and/or major shareholders either subsisting as at 31 December 2021 or entered into since the end of the previous financial year ended 31 December 2020.

## 4. Recurrent Related Party Transactions of Revenue Nature

There were no recurrent related party transactions of a revenue nature entered into by the Company during the financial year ended 31 December 2021.

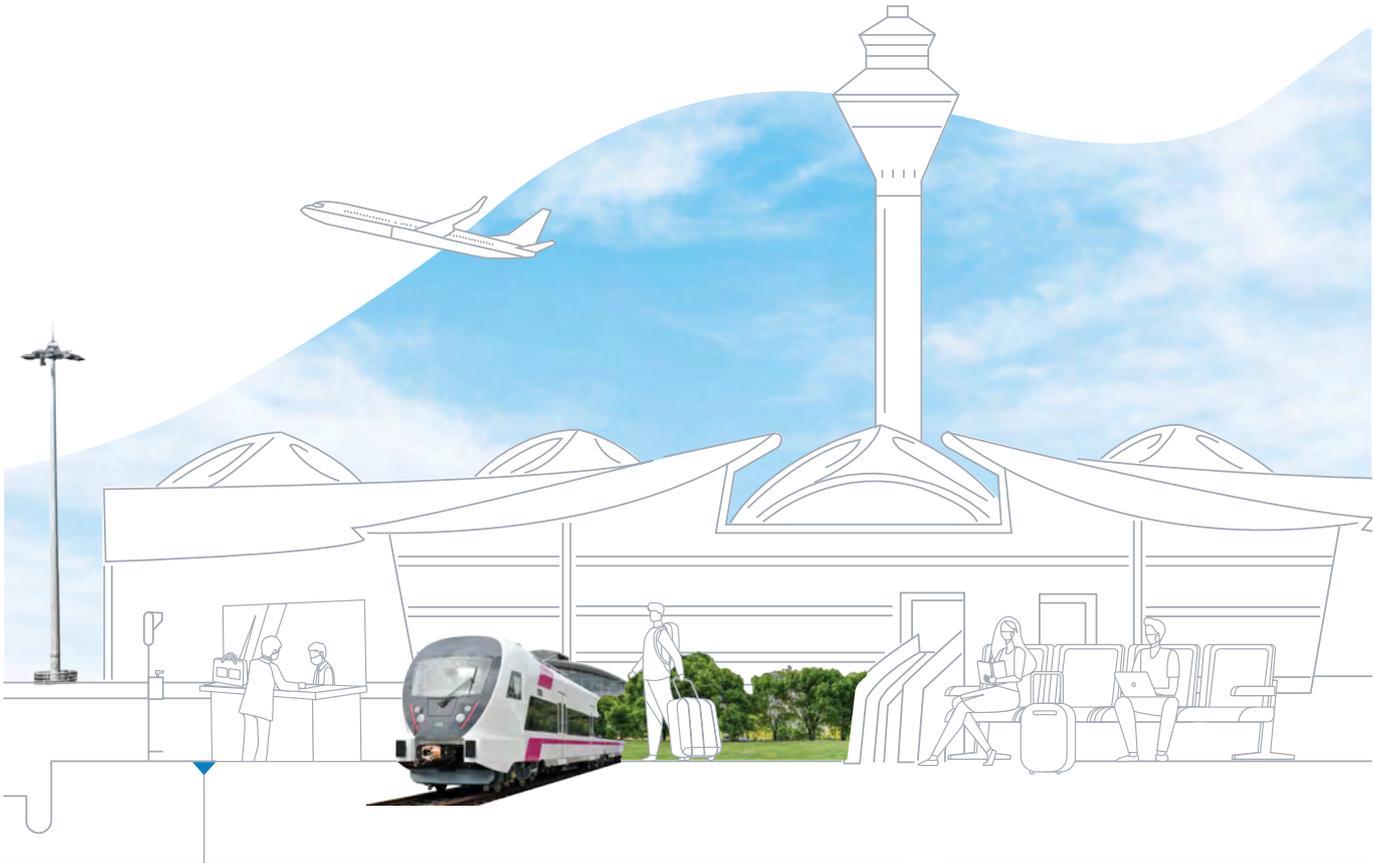
## 5. Employees Share Option Scheme

There were no Employees Share Option Scheme granted by the Company during the financial year ended 31 December 2021.

## 6. Corporate Social Responsibility

Please refer to our Sustainability Report 2021.

# CORPORATE INFORMATION



## BOARD OF DIRECTORS

**Dato' Seri Diraja Dr. Zambry Abd Kadir**  
(Chairman)  
(Non-Independent Non-Executive)

**Dato' Iskandar Mizal Mahmood**  
(Managing Director)  
(Non-Independent Executive)

**Normah Osman**  
(Non-Independent Non-Executive)

**Wong Shu Hsien**  
(Non-Independent Non-Executive)

**Rohaya Mohammad Yusof**  
(Non-Independent Non-Executive)

**Datuk Seri Yam Kong Choy**  
(Senior Independent Non-Executive)

**Datuk Zalekha Hassan**  
(Independent Non-Executive)

**Rosli Abdullah**  
(Independent Non-Executive)

**Dato' Ir. Mohamad Husin**  
(Independent Non-Executive)

**Datuk Azailiza Mohd Ahad**  
(Independent Non-Executive)

**Ramanathan Sathiamutty**  
(Independent Non-Executive)

## BOARD AUDIT COMMITTEE

**Rosli Abdullah**  
(Chairman)  
(Independent Non-Executive)

**Wong Shu Hsien**  
(Non-Independent Non-Executive)

**Dato' Ir. Mohamad Husin**  
(Independent Non-Executive)

**Datuk Azailiza Mohd Ahad**  
(Independent Non-Executive)

## CORPORATE INFORMATION

## BOARD NOMINATION AND REMUNERATION COMMITTEE

**Datuk Azailiza Mohd Ahad**  
(Chairman)  
(Independent Non-Executive)

**Wong Shu Hsien**  
(Non-Independent Non-Executive)

**Datuk Seri Yam Kong Choy**  
(Senior Independent Non-Executive)

**Datuk Zalekha Hassan**  
(Independent Non-Executive)

## BOARD FINANCE AND INVESTMENT COMMITTEE

**Datuk Seri Yam Kong Choy**  
(Chairman)  
(Senior Independent Non-Executive)

**Wong Shu Hsien**  
(Non-Independent Non-Executive)

**Rohaya Mohammad Yusof**  
(Non-Independent Non-Executive)

**Datuk Azailiza Mohd Ahad**  
(Independent Non-Executive)

## BOARD PROCUREMENT COMMITTEE

**Dato' Ir. Mohamad Husin**  
(Chairman)  
(Independent Non-Executive)

**Normah Osman**  
(Non-Independent Non-Executive)

**Ramanathan Sathiamutty**  
(Independent Non-Executive)

## BOARD RISK MANAGEMENT COMMITTEE

**Ramanathan Sathiamutty**  
(Chairman)  
(Independent Non-Executive)

**Normah Osman**  
(Non-Independent Non-Executive)

**Rohaya Mohammad Yusof**  
(Non-Independent Non-Executive)

**Datuk Zalekha Hassan**  
(Independent Non-Executive)

**Rosli Abdullah**  
(Independent Non-Executive)

## COMPANY SECRETARY

**Zawardi Salleh**  
SSM Practising Certificate No.  
202008003088  
MAICSA 7026210

## GROUP FINANCE

**Mohamed Rastam Shahrom**  
Group Chief Financial Officer

## REGISTERED OFFICE

Malaysia Airports Corporate Office  
Persiaran Korporat KLIA  
64000 KLIA, Sepang  
Selangor Darul Ehsan  
Tel : 603-8777 7011  
Fax : 603-8777 7512  
E-mail : [zawardi@malaysiaairports.com.my](mailto:zawardi@malaysiaairports.com.my)

## WEBSITE

[www.malaysiaairports.com.my](http://www.malaysiaairports.com.my)

## SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Tel : 603-2084 9000  
Fax : 603-2094 9940/2095 0292

## AUDITORS

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

## PRINCIPAL BANKERS

CIMB Bank Berhad  
Malayan Banking Berhad  
Citibank Berhad

## STOCK EXCHANGE LISTING

Listed on Main Market of  
Bursa Malaysia Securities Berhad  
Listing Date : 30 November 1999  
Stock Name : AIRPORT  
Stock Code : 5014  
Stock Sector : Transportation & Logistics

# STATEMENT OF WORKFORCE

## FOR MALAYSIAN OPERATIONS ONLY

MANAGEMENT		EXECUTIVE	
Brunei	1	Bidayuh	1
Chinese	29	Chinese	18
Iban	1	Iban	4
Indian	22	Indian	39
Malay	379	Kadazan	6
Melanau	1	Malay	1,079
Others	2	Melanau	3
		Melayu Cocos	1
		Murut	1
		Others	2

NON-EXECUTIVE			
Bajau	69	Kelabit	1
Banjar	2	Kenyah	1
Bidayuh	119	Lun Bawang	4
Bisaya	113	Lundayeh	1
Brunei	25	Malay	6,564
Bugis	11	Melanau	60
Chinese	47	Murut	8
Dayak	1	Orang Asli	1
Dusun	22	Orang Ulu	6
Dusun Kadazan	3	Others	128
Iban	182	Rungus	4
Idahan	1	Siam	1
Indian	94	Sikh	1
Iranun	2	Sino	2
Jawa	3	Sino Kadazan	1
Kadayan	3	Suluk	7
Kadazan	125	Sungei/Sungai	4
Kayan	1	Tidung	2
Kayan Kenyah	11		

# AIRPORTS STATISTICS

TOTAL MAHB GROUP TRAFFIC 2021				
PASSENGER MOVEMENTS		2021	2020	+/-
MY passengers	[international]	1,361,574	9,497,037	-85.7%
	[domestic]	9,376,543	16,264,125	-42.3%
	<b>[Total]</b>	<b>10,738,117</b>	<b>25,761,162</b>	<b>-58.3%</b>
ISG passengers	[international]	8,972,178	5,336,764	68.1%
	[domestic]	16,384,074	11,869,464	38.0%
	<b>[Total]</b>	<b>25,356,252</b>	<b>17,206,228</b>	<b>47.4%</b>
<b>Total MAHB Group</b>		<b>36,094,371</b>	<b>42,967,390</b>	<b>-16.0%</b>

AIRCRAFT MOVEMENTS		2021	2020	+/-
MY commercial aircraft	[international]	57,335	99,357	-42.3%
	[domestic]	178,016	249,430	-28.6%
	<b>[Total]</b>	<b>235,351</b>	<b>348,787</b>	<b>-32.5%</b>
ISG commercial aircraft	[international]	67,942	41,184	65.0%
	[domestic]	109,212	81,609	33.8%
	<b>[Total]</b>	<b>177,154</b>	<b>122,793</b>	<b>44.3%</b>
<b>Total commercial aircraft</b>		<b>412,505</b>	<b>471,580</b>	<b>-12.5%</b>
MY All other aircraft		98,559	124,898	-21.1%
ISG All other aircraft		4,324	3,595	20.3%
<b>Total MAHB Group</b>		<b>515,388</b>	<b>600,073</b>	<b>-14.1%</b>

CARGO MOVEMENTS [tonnes]		2021	2020	+/-
MY cargo movements	[international]	771,276	606,068	27.3%
	[domestic]	276,493	188,240	46.9%
	<b>[Total]</b>	<b>1,047,769</b>	<b>794,308</b>	<b>31.9%</b>
ISG cargo movements	[international]	40,328	31,251	29.0%
	[domestic]	10,754	9,160	17.4%
	<b>[Total]</b>	<b>51,081</b>	<b>40,411</b>	<b>26.4%</b>
<b>Total MAHB Group</b>		<b>1,098,850</b>	<b>834,718</b>	<b>31.6%</b>

Note : MY - MAHB Airports in Malaysia  
ISG - Istanbul Sabiha Gökçen International Airport, Türkiye

## AIRPORTS STATISTICS

## TRAFFIC 2021 MALAYSIA OPERATIONS

PASSENGER MOVEMENTS		2021	2020	+/-
Terminal passengers	[international]	1,295,559	9,450,661	-86.3%
Terminal passengers	[domestic]	9,352,397	16,250,556	-42.4%
Transit passengers		90,161	59,945	50.4%
<b>Total passenger movements</b>		<b>10,738,117</b>	<b>25,761,162</b>	<b>-58.3%</b>

AIRCRAFT MOVEMENTS		2021	2020	+/-
Commercial aircraft	[international]	57,335	99,357	-42.3%
Commercial aircraft	[domestic]	178,016	249,430	-28.6%
Total commercial aircraft		235,351	348,787	-32.5%
All other aircraft		98,559	124,898	-29.1%
<b>Total aircraft movements</b>		<b>333,910</b>	<b>473,685</b>	<b>-31.7%</b>

CARGO MOVEMENTS [tonnes]		2021	2020	+/-
Cargo movements	[international]	735,476	591,398	24.4%
Cargo movements	[domestic]	269,150	187,574	43.5%
Transit cargo		43,143	15,335	181.3%
<b>Total cargo movements</b>		<b>1,047,769</b>	<b>794,308</b>	<b>31.9%</b>

MAIL MOVEMENTS [tonnes]		2021	2020	+/-
Mail movements	[international]	16,351	15,930	2.6%
Mail movements	[domestic]	89	1,143	-92.2%
Transit mail		307	181	69.8%
<b>Total mail movements</b>		<b>16,747</b>	<b>17,253</b>	<b>-2.9%</b>



Scan here for  
Airport Statistics 2021

# STATEMENT OF SHAREHOLDINGS

AS AT 31 MARCH 2022

## SHARE CAPITAL

Issued and Fully Paid-Up Capital : RM1,659,191,829/-

Class of Equity Securities : 1,659,191,828 Ordinary Shares and  
One Special Rights Redeemable Preference Share

Voting Rights : One vote per ordinary share

The Special Rights Redeemable Preference Share has no voting right other than that referred to in Note 26 of the Audited Financial Statements.

## ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2022

### A. DISTRIBUTION OF SHAREHOLDINGS (MALAYSIAN & FOREIGN)

Size of Holdings	No. of Holders		No. of Holdings		Percentage	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
1 – 99	708	18	9,279	322	0.00	0.00
100 – 1,000	5,692	93	4,224,483	50,470	0.25	0.00
1,001 – 10,000	6,142	152	18,766,128	691,157	1.13	0.04
10,001 – 100,000	662	254	17,386,025	11,322,707	1.05	0.68
100,001 – 82,959,590 (*)	141	326	455,493,009	411,324,492	27.45	24.79
82,959,591 and above (**)	2	0	739,923,756	0	44.60	0.00
<b>Total</b>	<b>13,347</b>	<b>843</b>	<b>1,235,802,680</b>	<b>423,389,148</b>	<b>74.48</b>	<b>25.52</b>
<b>Grand Total</b>	<b>14,190</b>		<b>1,659,191,828</b>		<b>100.00</b>	

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 31 MARCH 2022**

(without aggregating securities from different securities accounts belonging to the same person)

	<b>Name of Shareholders</b>	<b>No. of Holdings</b>	<b>Percentage</b>
1.	KHAZANAH NASIONAL BERHAD	533,176,288	32.13
2.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD</i>	206,747,468	12.46
3.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	76,037,700	4.58
4.	AMANAHRAYA TRUSTEES BERHAD <i>AMANAH SAHAM BUMIPUTERA</i>	74,269,400	4.48
5.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR AIA BHD.</i>	44,083,583	2.66
6.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)</i>	26,135,300	1.58
7.	CARTABAN NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR RBC INVESTOR SERVICES TRUST (CLIENTS ACCOUNT)</i>	25,787,601	1.55
8.	CARTABAN NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR STATE STREET BANK &amp; TRUST COMPANY (WEST CLT OD67)</i>	21,661,563	1.31
9.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD (NOMURA)</i>	20,800,000	1.25
10.	PERMODALAN NASIONAL BERHAD	17,477,200	1.05
11.	AMANAHRAYA TRUSTEES BERHAD <i>AMANAH SAHAM MALAYSIA 2 - WAWASAN PERMODALAN NASIONAL BERHAD</i>	14,993,400	0.90
12.	HSBC NOMINEES (ASING) SDN BHD <i>TNTC FOR NEW ZEALAND SUPERANNUATION FUND</i>	14,699,691	0.89
13.	HSBC NOMINEES (ASING) SDN BHD <i>TNTC FOR THE GENESIS GROUP TRUST FOR EMPLOYEE BENEFIT PLANS</i>	13,037,800	0.79
14.	HSBC NOMINEES (ASING) SDN BHD <i>JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND</i>	12,813,630	0.77
15.	HSBC NOMINEES (ASING) SDN BHD <i>JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND</i>	11,995,039	0.72

## STATEMENT OF SHAREHOLDINGS

**B. LIST OF TOP 30 SECURITIES ACCOUNT HOLDERS AS AT 31 MARCH 2022 (CONT'D.)**

(without aggregating securities from different securities accounts belonging to the same person)

Name of Shareholders	No. of Holdings	Percentage
16. CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)</i>	11,424,600	0.69
17. CARTABAN NOMINEES (ASING) SDN BHD <i>GIC PRIVATE LIMITED FOR GOVERNMENT OF SINGAPORE (C)</i>	11,215,504	0.68
18. CITIGROUP NOMINEES (ASING) SDN BHD <i>CBHK FOR HOSTPLUS POOLED SUPERANNUATION TRUST (NORTHCAPE CAP)</i>	10,867,835	0.66
19. HSBC NOMINEES (ASING) SDN BHD <i>HSBC BK PLC FOR KUWAIT INVESTMENT OFFICE (KIO)</i>	10,473,728	0.63
20. HSBC NOMINEES (ASING) SDN BHD <i>TNTC FOR COMMONWEALTH SUPERANNUATION CORPORATION</i>	10,308,028	0.62
21. CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)</i>	9,216,566	0.56
22. CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)</i>	9,128,700	0.55
23. CGS-CIMB NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR CGS-CIMB SECURITIES SDN BHD (SBL-KNB)</i>	8,928,570	0.54
24. CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>KHAZANAH NASIONAL BERHAD</i>	8,928,570	0.54
25. DB (MALAYSIA) NOMINEE (ASING) SDN BHD <i>BNYM SA/NV FOR PEOPLE'S BANK OF CHINA (SICL ASIA EM)</i>	7,525,106	0.45
26. CITIGROUP NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)</i>	7,485,000	0.45
27. AMANAHRAYA TRUSTEES BERHAD <i>AMANAH SAHAM MALAYSIA PERMODALAN NASIONAL BERHAD</i>	7,418,600	0.45
28. HSBC NOMINEES (ASING) SDN BHD <i>JPMCB NA FOR TCORPIM EMERGING MARKET SHARE FUND</i>	7,196,534	0.43
29. CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)</i>	7,109,600	0.43
30. HSBC NOMINEES (ASING) SDN BHD <i>JPMCB NA FOR BLACKROCK INSTITUTIONAL TRUST COMPANY N.A. INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS</i>	6,836,900	0.41

**STATEMENT OF SHAREHOLDINGS****C. HOLDER OF SPECIAL RIGHTS REDEEMABLE PREFERENCE SHARE AS AT 31 MARCH 2022**

1. The Minister of Finance (Incorporated)

**D. SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2022**

(as shown in the register of substantial shareholders)

Name of Substantial Shareholders	No. of Shares held		Percentage
	Direct	Indirect	
Khazanah Nasional Berhad	551,033,428	-	33.21
Employees Provident Fund Board	253,379,634	-	15.27
Kumpulan Wang Persaraan (Diperbadankan)	92,420,906	-	5.57

**E. DIRECTORS' SHAREHOLDINGS AS AT 31 MARCH 2022**

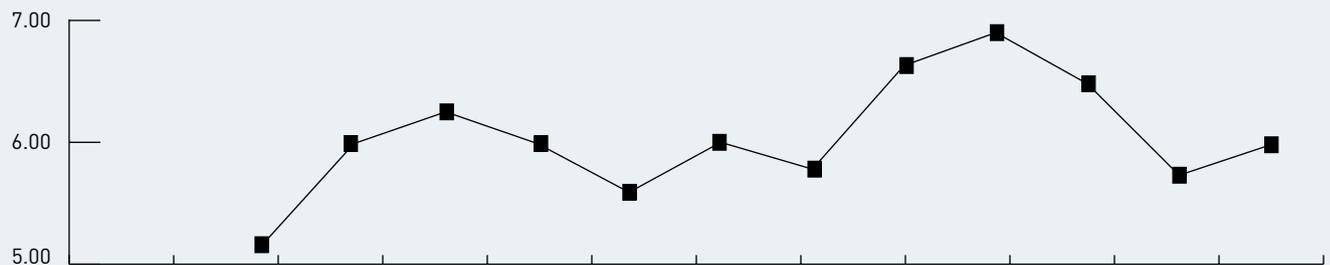
(as shown in the register of directors' shareholdings)

Name of Directors	No. of Shares		Percentage
	Direct	Indirect	
1. Dato' Seri Diraja Dr. Zambry Abd Kadir	-	-	-
2. Dato' Iskandar Mizal Mahmood	-	-	-
3. Normah Osman	-	-	-
4. Wong Shu Hsien	-	-	-
5. Rohaya Mohammad Yusof	-	-	-
6. Datuk Seri Yam Kong Choy	-	-	-
7. Datuk Zalekha Hassan	-	-	-
8. Rosli Abdullah	-	-	-
9. Dato' Ir. Mohamad Husin	-	-	-
10. Datuk Azailiza Mohd Ahad	-	-	-
11. Ramanathan Sathiamutty	-	-	-

# SHARE PRICE, VOLUME TRADED AND MARKET CAPITALISATION

### 2021 SHARE PRICE MOVEMENT

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Closing Price (RM)	5.16	5.99	6.25	5.99	5.59	6.00	5.78	6.63	6.90	6.48	5.73	5.98

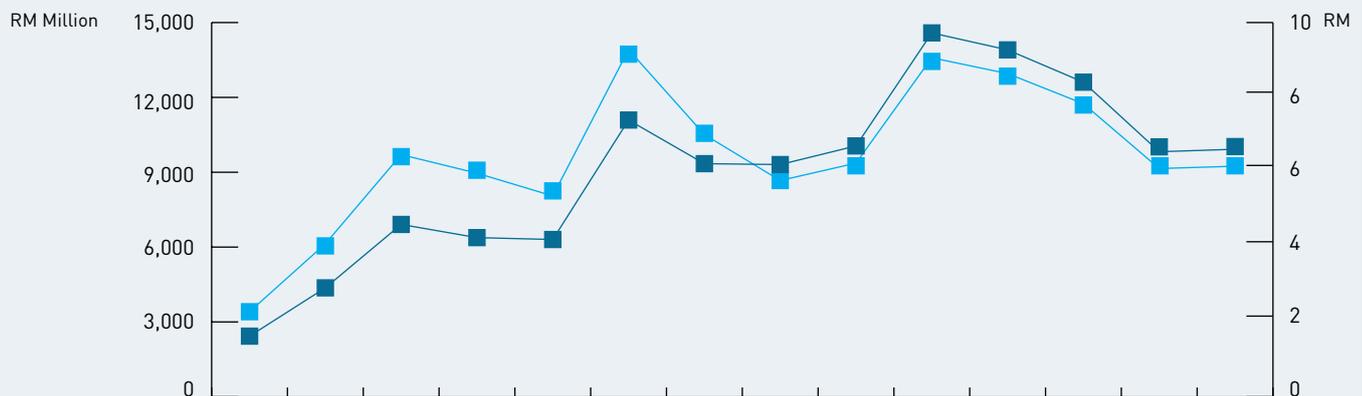


### 2021 MONTHLY TRADE VOLUME AND SHARE PRICE

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Volume (Million)	37.8	39.3	56.3	23.4	30.0	40.3	28.1	34.5	51.1	32.5	35.3	28.6
High (RM)	5.88	6.23	6.83	6.65	5.92	6.45	6.12	6.63	7.00	7.05	6.72	6.02
Low (RM)	5.01	5.01	5.91	5.92	5.17	5.45	5.61	5.62	6.30	6.39	5.73	5.51
Closing Price (RM)	5.16	5.99	6.25	5.99	5.59	6.00	5.78	6.63	6.90	6.48	5.73	5.98

### HISTORICAL PRICE AND MARKET CAPITALISATION

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Last Closing Price for the year (RM)	2.21	3.97	6.28	5.80	5.21	9.00	6.80	5.61	6.06	8.79	8.38	7.60	5.92	5.98
Market Capitalisation (RM Million)	2,431	4,367	6,908	6,380	6,304	11,092	9,344	9,308	10,055	14,584	13,904	12,610	9,822	9,922



# FINANCIAL CALENDAR

## GENERAL MEETING

**28 April 2022**

Notice of 23<sup>rd</sup> Annual General Meeting

**2 June 2022**

23<sup>rd</sup> Annual General Meeting

## FINANCIAL YEAR 2021 QUARTERLY RESULTS ANNOUNCEMENTS

**28 May 2021**

Unaudited consolidated results  
for the 1<sup>st</sup> quarter ended  
31 March 2021

**23 August 2021**

Unaudited consolidated results  
for the 2<sup>nd</sup> quarter ended  
30 June 2021

**29 November 2021**

Unaudited consolidated results  
for the 3<sup>rd</sup> quarter ended  
30 September 2021

**28 February 2022**

Unaudited consolidated results  
for the 4<sup>th</sup> quarter ended  
31 December 2021

## DIVIDEND

There was no dividend declared during  
the financial year under review.

# LIST OF PROPERTIES

LEASED PROPERTIES	DESCRIPTION AND EXISTING USE	TENURE	LAND AREA	BUILT-UP AREA (SQM)	NET BOOK VALUE AS AT 31 DEC 2021 (RM'000)
<b>MALAYSIA AIRPORTS (SEPANG) SDN BHD FEDERAL LAND COMMISSIONER</b>	KLIA	25 years (Expiry date - 11 February 2034)	22,165 acres	-	-
Location: District Of Sepang, Selangor Malaysia					
<b>MALAYSIA AIRPORTS HOLDINGS BHD. FEDERAL LAND COMMISSIONER**</b>	Sultan Abdul Aziz Shah Airport	60 years (Expiry date - 31 December 2066)	1,122 acres		
Location: District of Petaling, Selangor Malaysia					
<b>MALAYSIA AIRPORTS SDN BHD FEDERAL LAND COMMISSIONER</b>	Penang International Airport	25 years (Expiry date - 11 February 2034)	826.99 acres		
Location: District of Barat Daya, Penang Malaysia					
<b>MALAYSIA AIRPORTS SDN BHD FEDERAL LAND COMMISSIONER</b>	Langkawi International Airport	25 years (Expiry date - 11 February 2034)	409.15 acres		
Location: District of Langkawi, Kedah					
<b>MALAYSIA AIRPORTS SDN BHD FEDERAL LAND COMMISSIONER</b>	Kuching International Airport	25 years (Expiry date - 11 February 2034)	322.43 acres		
Location: District of Kuching, Sarawak					
<b>MALAYSIA AIRPORTS SDN BHD FEDERAL LAND COMMISSIONER</b>	Sultan Abdul Halim Shah Airport	25 years (Expiry date - 11 February 2034)	294.42 acres		
Location: District of Alor Setar, Kedah					
<b>MALAYSIA AIRPORTS SDN BHD FEDERAL LAND COMMISSIONER</b>	Sultan Azlan Shah Airport	25 years (Expiry date - 11 February 2034)	352.03 acres		
Location: District of Ipoh, Perak					

## LIST OF PROPERTIES

LEASED PROPERTIES	DESCRIPTION AND EXISTING USE	TENURE	LAND AREA	BUILT-UP AREA (SQM)	NET BOOK VALUE AS AT 31 DEC 2021 (RM'000)
<b>MALAYSIA AIRPORTS SDN BHD FEDERAL LAND COMMISSIONER</b>	Batu Berendam Airport, Melaka	25 years (Expiry date - 11 February 2034)	239.70 acres	-	-
Location: District of Batu Berendam, Melaka					
<b>MALAYSIA AIRPORTS SDN BHD FEDERAL LAND COMMISSIONER</b>	Sultan Ahmad Shah Airport	25 years (Expiry date - 11 February 2034)	86.27 acres		
Location: District of Kuantan, Pahang					
<b>MALAYSIA AIRPORTS SDN BHD FEDERAL LAND COMMISSIONER</b>	Sultan Mahmud Airport	25 years (Expiry date - 11 February 2034)	365.54 acres		
Location: District of Kuala Terengganu, Terengganu					
<b>MALAYSIA AIRPORTS SDN BHD FEDERAL LAND COMMISSIONER</b>	Sultan Ismail Petra Airport	25 years (Expiry date - 11 February 2034)	895.28 acres		
Location: District of Kota Bharu, Kelantan					
<b>MALAYSIA AIRPORTS SDN BHD FEDERAL LAND COMMISSIONER</b>	Miri Airport	25 years (Expiry date - 11 February 2034)	1,722.31 acres		
Location: District of Miri, Sarawak					
<b>MALAYSIA AIRPORTS SDN BHD FEDERAL LAND COMMISSIONER</b>	Sibu Airport	25 years (Expiry date - 11 February 2034)	1,138.87 acres		
Location: District of Sibu, Sarawak					
<b>MALAYSIA AIRPORTS SDN BHD FEDERAL LAND COMMISSIONER</b>	Bintulu Airport	25 years (Expiry date - 11 February 2034)	1,512.28 acres		
Location: District of Bintulu, Sarawak					

## LIST OF PROPERTIES

LEASED PROPERTIES	DESCRIPTION AND EXISTING USE	TENURE	LAND AREA	BUILT-UP AREA (SQM)	NET BOOK VALUE AS AT 31 DEC 2021 (RM'000)
<b>MALAYSIA AIRPORTS SDN BHD FEDERAL LAND COMMISSIONER</b>	Limbang Airport	25 years (Expiry date - 11 February 2034)	651.45 acres	-	-
Location: District of Limbang, Sarawak					
<b>MALAYSIA AIRPORTS SDN BHD FEDERAL LAND COMMISSIONER</b>	Mulu Airport	25 years (Expiry date - 11 February 2034)	576.31 acres		
Location: District of Miri, Sarawak					
<b>MALAYSIA AIRPORTS SDN BHD FEDERAL LAND COMMISSIONER</b>	Bario STOLport	25 years (Expiry date - 11 February 2034)	74.52 acres		
Location: District of Miri, Sarawak					
<b>MALAYSIA AIRPORTS SDN BHD FEDERAL LAND COMMISSIONER</b>	Ba'kelalan STOLport	25 years (Expiry date - 11 February 2034)	14.81 acres		
Location: District of Limbang, Sarawak					
<b>MALAYSIA AIRPORTS SDN BHD FEDERAL LAND COMMISSIONER</b>	Long Lellang STOLport	25 years (Expiry date - 11 February 2034)	28.14 acres		
Location: District of Miri, Sarawak					
<b>MALAYSIA AIRPORTS SDN BHD FEDERAL LAND COMMISSIONER</b>	Long Banga STOLport	25 years (Expiry date - 11 February 2034)	36.45 acres		
Location: District of Miri, Sarawak					
<b>MALAYSIA AIRPORTS SDN BHD FEDERAL LAND COMMISSIONER</b>	Kapit STOLport	25 years (Expiry date - 11 February 2034)	26.46 acres		
Location: District of Kapit, Sarawak					

## LIST OF PROPERTIES

LEASED PROPERTIES	DESCRIPTION AND EXISTING USE	TENURE	LAND AREA	BUILT-UP AREA (SQM)	NET BOOK VALUE AS AT 31 DEC 2021 (RM'000)
<b>MALAYSIA AIRPORTS SDN BHD FEDERAL LAND COMMISSIONER</b>	Mukah STOLport	25 years (Expiry date - 11 February 2034)	6.63 acres	-	-
Location: District of Mukah, Sarawak Malaysia					
<b>MALAYSIA AIRPORTS SDN BHD FEDERAL LAND COMMISSIONER</b>	Redang STOLport	25 years (Expiry date - 11 February 2034)	33.51 acres		
Location: District of Kuala Terengganu, Terengganu Malaysia					
<b>MALAYSIA AIRPORTS (NIAGA) SDN BHD</b>	48 units of apartments	Freehold	-	3,791	1,737
Location: Desa Cempaka, Bandar Baru Nilai Mukim Nilai, District of Seremban Negeri Sembilan, Malaysia					
<b>MALAYSIA AIRPORTS (PROPERTIES) SDN BHD</b>	4 units of apartments	Freehold	-	342	567
Location: Genting Permai Park & Resort District of Bentong, Pahang Malaysia					
<b>MALAYSIA AIRPORTS (PROPERTIES) SDN BHD</b>	14 units of apartments	Freehold	-	774	666
Location: Teluk Dalam, Pulau Pangkor District of Manjung, Perak Malaysia					

## LIST OF PROPERTIES

LEASED PROPERTIES	DESCRIPTION AND EXISTING USE	TENURE	LAND AREA	BUILT-UP AREA (SQM)	NET BOOK VALUE AS AT 31 DEC 2021 (RM'000)
<b>MALAYSIA AIRPORTS SDN BHD</b>	32 units of apartments	Leasehold of 99 years (Expiry date - 31 December 2089)	-	3,175	-
Location: CL 205357688 Sierra Estates Condominium Jalan Ranca-Ranca Federal Territory of Labuan Malaysia					
<b>MALAYSIA AIRPORTS SDN BHD 70021493</b>	Land (Residential)	Leasehold of 99 years (Expiry date - 31 December 2090)	0.9 acres	-	194
Location: CL 205359593 Kg. Nagalang Federal Territory of Labuan Malaysia					
<b>MALAYSIA AIRPORTS SDN BHD 70046297</b>	Land (Agricultural)	Leasehold of 99 years (Expiry date - 31 December 2077)	1.04 acres	-	165
Location: CL 205317951 Kg. Nagalang Federal Territory of Labuan Malaysia					
<b>MALAYSIA AIRPORTS SDN BHD 70023359</b>	APAC building (Ex-Cargo Complex)	A total right of occupation of 60 years (Expiry date - 31 December 2066)	6.5 acres	35,072	5,316
Location: District of Subang, Selangor Malaysia					
<b>MALAYSIA AIRPORTS SDN BHD 70041246</b>	6 units of single storey houses (Masjid Quarters)	A total right of occupation of 60 years (Expiry date - 31 December 2066)	3.58 acres	1,376	458
Location: District of Subang, Selangor Malaysia					

## LIST OF PROPERTIES

LEASED PROPERTIES	DESCRIPTION AND EXISTING USE	TENURE	LAND AREA	BUILT-UP AREA (SQM)	NET BOOK VALUE AS AT 31 DEC 2021 (RM'000)
<b>MALAYSIA AIRPORTS SDN BHD 70041247</b>	Helicopter Centre (Airbus (M) Facility)	A total right of occupation of 60 years (Expiry date of 31 December 2066)	21 acres	10,000	25,880
Location: District of Subang, Selangor Malaysia					
<b>MALAYSIA AIRPORTS HOLDINGS BHD 70011251</b>	Malaysia Airports Corporate office KLIA	A total right of occupation of 25 years (Expiry date - 11 February 2034)	3 acres	9,997	13,148
Location: District of Sepang, Selangor Malaysia					
<b>MALAYSIA AIRPORTS (PROPERTIES) SDN BHD 70001818-1825</b>	Malaysia Airports Child Care Centre	A total right of occupation of 25 years (Expiry date - 11 February 2034)	1.94 acres	1,963	3,413
Location: District of Sepang, Selangor Malaysia					

**Note:**

\* Pursuant to the KLIA Land Lease Agreement dated 18 October 1999 entered into between Malaysia Airports (Sepang) Sdn Bhd (MA (Sepang)) and the Federal Land Commissioner (FLC). MA (Sepang) has been granted the right of use of the KLIA land for a period of 50 years.

However, following a restructuring exercise for Malaysia Airports, the Land Lease Agreement was replaced by a new Land Lease Agreement dated 12 February 2009. MA (Sepang) 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 FLC, MAHB has been granted a lease of land of Sultan Abdul Aziz Shah (SAAS) Airport for a period of 60 years.

# GROUP CORPORATE DIRECTORY

## MALAYSIA AIRPORTS HOLDINGS BERHAD AND GROUP

Registered Address:  
Malaysia Airports Corporate Office  
Persiaran Korporat KLIA  
64000 KLIA, Sepang  
Selangor Darul Ehsan  
Tel : +603-8777 7000  
Fax : +603-8777 7778/+603-8777 7512

## MALAYSIA AIRPORTS HOLDINGS BERHAD

Registration No. 199901012192 (487092-W)

## MALAYSIA AIRPORTS SDN BHD

Registration No. 199101020335 (230646-U)

## MALAYSIA AIRPORTS CONSULTANCY SERVICES SDN BHD

Registration No. 199601002899 (375245-X)

## KLIA AEROPOLIS SDN BHD

Registration No. 201601041450 (1212392-H)

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 75122

## MALAYSIA AIRPORTS (SEPANG) SDN BHD

Registration No. 199401034797 (320480-D)

Business Address:  
4<sup>th</sup> Floor, Airport Management Centre  
Kuala Lumpur International Airport  
64000 KLIA, Sepang  
Selangor Darul Ehsan  
Tel : +603-8777 7000  
Fax : +603-8777 7778/+603-8777 7512

## MALAYSIA AIRPORTS (NIAGA) SDN BHD

Registration No. 199301026572 (281310-V)

Business Address:  
3<sup>rd</sup> Floor, Airport Management Centre  
Kuala Lumpur International Airport  
64000 KLIA, Sepang  
Selangor Darul Ehsan  
Tel : +603-8776 8600  
Fax : +603-8787 3747

## K.L. AIRPORT HOTEL SDN BHD

Registration No. 199501001669 (330863-D)

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 5555

## MAB AGRICULTURE-HORTICULTURE SDN BHD

Registration No. 199801011774 (467902-D)

Business Address:  
4<sup>th</sup> Floor, Airport Management Centre  
Kuala Lumpur International Airport  
64000 KLIA, Sepang  
Selangor Darul Ehsan  
Tel : +6019 2824 362

## URUSAN TEKNOLOGI WAWASAN SDN BHD

Registration No. 199801003752 (459878-D)

Business Address:  
1<sup>st</sup> Floor, Civil Engineering Building  
Engineering Complex  
Kuala Lumpur International Airport  
64000 Sepang  
Selangor Darul Ehsan  
Tel : +603-8776 7002  
Fax : +603-8787 2455

## İSTANBUL SABIHA GÖKÇEN ULUSLARARASI HAVALİMANI YATIRIM YAPIM VE İŞLETME A.Ş.

(656447)

Business Address:  
Sanayi Mahallesi  
Havaalanı iç yolu Caddesi Kapı No:1  
İstanbul Sabiha Gökçen Uluslararası Havalimanı  
Terminal Binası Yönetim Katı  
Pendik 34906 İstanbul - Türkiye  
Tel : +90 216 588 80 00  
Fax : +90 216 588 80 10

## SGC HAVALİMANI İŞLETMELERİ TİCARET VE TURİZM A.Ş.

(660779)

Business Address:  
Sanayi Mahallesi  
Havaalanı iç yolu Caddesi Kapı No:1  
İstanbul Sabiha Gökçen Uluslararası Havalimanı  
Terminal Binası Yönetim Katı  
Pendik 34906 İstanbul - Türkiye  
Tel : +90 216 588 50 00  
Fax : +90 216 588 50 05

# AIRPORT DIRECTORY

## INTERNATIONAL AIRPORT

### KL INTERNATIONAL AIRPORT

64000 KLIA Sepang  
Selangor Darul Ehsan, Malaysia  
Tel : +603-8777 8888  
Fax : +603-8926 5510

### KOTA KINABALU INTERNATIONAL AIRPORT

Beg Berkunci No. 134  
Aras 5, Bangunan Terminal 1  
88740 Kota Kinabalu Sabah, Malaysia  
Tel : +6088-325 555  
Fax : +6088-325 511  
(STOLports under the supervision of  
Kota Kinabalu International Airport:  
Kudat & Long Pasia)

### KUCHING INTERNATIONAL AIRPORT

Peti Surat 1070  
93722 Kuching, Sarawak, Malaysia  
Tel : +6082-617 005  
Fax : +6082-458 587

### LANGKAWI INTERNATIONAL AIRPORT

07100 Padang Mat Sirat, Pulau  
Langkawi, Kedah Darul Aman, Malaysia  
Tel : +604-955 1311  
Fax : +604-955 1314

### PENANG INTERNATIONAL AIRPORT

11900 Bayan Lepas Pulau Pinang,  
Malaysia  
Tel : +604-252 0252  
Fax : +604-643 5339

## DOMESTIC AIRPORT

### MELAKA AIRPORT

75350 Melaka, Malaysia  
Tel : +606-317 5860  
Fax : +606-317 5214

### SULTAN ABDUL AZIZ SHAH AIRPORT

47200 Subang, Selangor Darul Ehsan,  
Malaysia  
Tel : +603-7845 3245  
Fax : +603-7846 3679

### SULTAN ABDUL HALIM AIRPORT

06550 Alor Setar  
Kedah Darul Aman, Malaysia  
Tel : +604-714 4126  
Fax : +604-714 5345

### SULTAN AHMAD SHAH AIRPORT

25150 Kuantan  
Pahang Darul Makmur, Malaysia  
Tel : +609-531 2123  
Fax : +609-538 4017  
(STOLport under the supervision of  
Sultan Ahmad Shah Airport: Tioman)

### SULTAN AZLAN SHAH AIRPORT

31350 Ipoh  
Perak Darul Ridzuan, Malaysia  
Tel : +605-318 8202  
Fax : +605-312 2295  
(STOLport under the supervision of  
Sultan Azlan Shah Airport: Pangkor)

### SULTAN ISMAIL PETRA AIRPORT

Pengkalan Chepa  
16100 Kota Bharu, Kelantan Darul Naim  
Malaysia  
Tel : +609-773 7400  
Fax : +609-773 2852

### SULTAN MAHMUD AIRPORT

21300 Kuala Terengganu  
Terengganu Darul Iman, Malaysia  
Tel : +609-667 3666  
Fax : +609-662 6670

### BINTULU AIRPORT

97000 Bintulu, Sarawak, Malaysia  
Tel : +6086-339 163  
Fax : +6086-337 011  
(STOLport under the supervision of  
Bintulu Airport: Belaga)

### LIMBANG AIRPORT

98700 Limbang Sarawak, Malaysia  
Tel : +6085-212 090  
Fax : +6085-214 979

### MIRI AIRPORT

P.O. Box 851  
98008 Miri, Sarawak, Malaysia  
Tel : +6085-615 271  
Fax : +6085-615 208  
(STOLports under the supervision of  
Miri Airport: Mulu, Long Seridan, Long  
Banga, Long Lellang, Long Akah, Marudi,  
Bakelalan, Long Semado, Lawas and Bario)

### MUKAH AIRPORT

Jalan Oya, Mukah,  
96400, Mukah, Sarawak  
Tel : +608-4871 212

### MULU AIRPORT

98008 Miri, Sarawak, Malaysia  
Tel : +6085-615 204/205  
Fax : +6085-614 537

### SIBU AIRPORT

Peti Surat 645  
96000 Sibu, Sarawak, Malaysia  
Tel : +6084-307 770  
Fax : +6084-307 709  
(STOLports under the supervision of  
Sibu Airport: Mukah & Kapit)

### LABUAN AIRPORT

Jalan Tun Mustafa P.O. Box 80569,  
87015 W.P. Labuan Sabah, Malaysia  
Tel : +6087-416 007/415 015  
Fax : +6087-412 909

### LAHAD DATU AIRPORT

P.O. Box 60928  
91118 Lahad Datu, Sabah, Malaysia  
Tel : +6089-881 033  
Fax : +6089-881 618

### SANDAKAN AIRPORT

P.O. Box 1719  
90719 Sandakan, Sabah, Malaysia  
Tel : +6089-667 784  
Fax : +6089-667 778

### TAWAU AIRPORT AIRPORT

P.O. Box 60132  
91011 Tawau, Sabah, Malaysia  
Tel : +6089-950 777  
Fax : +6089-950 781  
(STOLport under the supervision of  
Tawau Airport: Semporna)

# NOTICE OF 23<sup>RD</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Third Annual General Meeting (“23<sup>rd</sup> AGM” or “the Meeting”) of Malaysia Airports Holdings Berhad (“MAHB” or “the Company”) will be held on a fully virtual basis through live streaming and using remote participation and electronic voting facilities hosted on the Securities Services e-Portal (“e-Portal”) at <https://sshbs.net.my/> provided by SS E Solutions Sdn Bhd in Malaysia on Thursday, 2 June 2022 at 11:00 a.m. to transact the following businesses:

## ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon.  
**Please refer to Explanatory Note 11**
2. To approve the payment of Directors’ fees and benefits of an amount up to RM4,500,000.00 to the Non-Executive Directors (“NEDs”) of the Group with effect from 3 June 2022 until the next AGM in 2023.  
**Please refer to Explanatory Notes 12 to 13** **Ordinary Resolution 1**
3. To re-elect Dato’ Iskandar Mizal Mahmood who retires in accordance with Rule 132 of the Constitution of the Company, and being eligible, offers himself for re-election.  
**Please refer to Explanatory Notes 14 to 18** **Ordinary Resolution 2**
4. To re-elect Rohaya Mohammad Yusof who retires in accordance with Rule 132 of the Constitution of the Company, and being eligible, offers herself for re-election.  
**Please refer to Explanatory Notes 14 to 18** **Ordinary Resolution 3**
5. To re-elect Wong Shu Hsien who retires in accordance with Rule 134 of the Constitution of the Company, and being eligible, offers herself for re-election.  
**Please refer to Explanatory Notes 19 to 21** **Ordinary Resolution 4**
6. Datuk Seri Yam Kong Choy and Datuk Zalekha Hassan, who also retire in accordance with Rule 134 of the Constitution of the Company, have expressed their intention not to seek re-election. Therefore, they will retire from office upon the conclusion of the 23<sup>rd</sup> AGM.  
**Please refer to Explanatory Notes 19 to 21**
7. To re-appoint Ernst & Young PLT (“EY”) as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.  
**Please refer to Explanatory Note 22** **Ordinary Resolution 5**

## NOTICE OF 23<sup>RD</sup> ANNUAL GENERAL MEETING

### SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution with or without modifications:

8. **Proposed renewal of the authority to allot and issue new ordinary shares in MAHB (“MAHB Shares”) for the purpose of the Company’s Dividend Reinvestment Plan (“DRP”) that provides the Shareholders of MAHB (“Shareholders”) the option to elect to reinvest their cash dividend in MAHB Shares**

**Ordinary  
Resolution 6**

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

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

**Please refer to Explanatory Notes 23 to 25**

9. To transact any other business of which due notice shall have been received in accordance with the Companies Act 2016 (“CA 2016”) and the Constitution of the Company.

By Order of the Board

### ZAWARDI SALLEH

SSM PC No.: 202008003088  
MAICSA 7026210  
Company Secretary

Sepang, Selangor Darul Ehsan  
28 April 2022

**NOTICE OF 23<sup>RD</sup> ANNUAL GENERAL MEETING****NOTES TO THE NOTICE OF 23<sup>RD</sup> AGM****Mode and Venue of the Meeting**

1. The 23<sup>rd</sup> AGM will be held on a fully virtual basis conducted entirely through live streaming and using remote participation and electronic voting facilities hosted on the e-Portal. Kindly refer to the AGM Administrative Details in order to participate at the 23<sup>rd</sup> AGM.
2. For purposes of complying with Section 327(2) of CA 2016 which requires the chairman of the meeting to be present at the main venue of the meeting, the main venue of the 23<sup>rd</sup> AGM is the online meeting platform hosted on the e-Portal at <https://sshsb.net.my/> (MYNIC Domain Registration No.: D4A004360) provided by SS E Solutions Sdn Bhd in Malaysia.
3. The primary mode of communication by the participants for the 23<sup>rd</sup> AGM is via real-time text messaging facility on the e-Portal during the live streaming of the Meeting. In the event of any technical glitch in this mode, participants may email their questions in relation to the agenda of the 23<sup>rd</sup> AGM to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my) during the Meeting.

**Members Entitled to Participate**

4. In determining a member who shall be entitled to participate in the Meeting in accordance with Rule 52(2) of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as of 26 May 2022. Only a depositor whose name appears on the Record of Depositors as of 26 May 2022 shall be entitled to participate and vote at the Meeting or appoint proxy to participate and vote on his behalf at the Meeting.
5. A member of the Company who is an exempt authorised nominee which holds MAHB Shares for multiple beneficial owners in one (1) securities account ("Omnibus Account") may appoint multiple proxies in respect of each Omnibus Account it holds.

**Proxy**

6. A member shall be entitled to appoint another person or persons as his proxy to exercise all or any of his rights to attend, participate, speak and vote at the Meeting. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
7. Any corporation which is a member may by a resolution of its Directors or other governing body authorises such person as it thinks fit to act as its representative at the Meeting.
8. The instrument appointing a proxy shall be in print or writing under the hand of the appointer or his duly constituted attorney, or if such appointer is a corporation, under its common seal or the hand and seal of its attorney.
9. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or notarially certified copy of that power or authority shall 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 appointed for holding the Meeting or any adjournment thereof. The instrument appointing a proxy may also be lodged electronically via e-Portal. The detailed procedure to submit the instrument appointing a proxy electronically is set out in the AGM Administrative Details.

**NOTICE OF 23<sup>RD</sup> ANNUAL GENERAL MEETING****Voting**

10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”), all resolutions set out in the Notice of 23<sup>rd</sup> AGM would be put to vote by way of poll.

**Explanatory Note on the Audited Financial Statements**

11. The Audited Financial Statements are laid in accordance with Section 340(1)(a) of CA 2016 and meant for discussion only as they do not require shareholders’ approval pursuant to Section 251(1)(a) of CA 2016. As such, the matter is not to be put forward for voting.

**Explanatory Notes on Ordinary Resolution 1**

12. Section 230(1) of CA 2016 provides, amongst others, that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.
13. In this respect, the Board has agreed that the shareholders’ approval shall be sought at the 23<sup>rd</sup> AGM on the payment of Directors’ fees and benefits of an amount up to RM4,500,000.00 to the NEDs with effect from 3 June 2022 until the next AGM in 2023 (“Relevant Period”) as follows:
- a. The payment of Directors’ fees for NEDs for the Relevant Period is based on the following fee structure:

No.	Description	Chairman	NEDs
1.	Directors’ fees for the Company	RM18,000 per month	RM12,000 per month
2.	Directors’ fees for the Company’s subsidiaries	RM4,000 per month	RM3,000 per month

- b. The Directors’ benefits payable for NEDs for the Relevant Period comprises the following:

No.	Description	Chairman	NEDs
1.	Senior Independent Director Allowance of the Company (per month)	N/A	RM1,000
2.	Meeting Allowance (per meeting):		
	a. The Company		
	i. Board	RM5,000	RM3,000
	ii. Board Committees	RM4,000	RM2,000
	iii. Other Committees	RM1,500	RM1,000
	b. Board of the Company’s Subsidiaries	RM1,500	RM1,200
	c. Board Committees of the Company’s Subsidiaries		
	i. İstanbul Sabiha Gökçen Uluslararası Havalimanı Yatırım Yapım ve İşletme A.Ş. (“ISG”); and SGC Havalimanı İşletmeleri Ticaret ve Turizm A.Ş. (“SGC”)#	RM2,500	RM2,000

**NOTICE OF 23<sup>RD</sup> ANNUAL GENERAL MEETING**

No.	Description	Chairman	NEDs
3.	Other Benefits and Entitlements		
		Directors' appreciation gift, out of pocket expenses, car allowance*, entertainment allowance*, personal assistance allowance*, petrol, toll, IT and telecommunication devices, club membership*, professional membership, privilege cards and other customary benefits such as insurance and medical coverage.	

\* For Chairman only.

# Deemed as one (1) meeting since the contents of the meetings are similar in nature and meetings are held on the same day.

- c. In determining the estimated total amount of Directors' fees and benefits payable for the NEDs during the Relevant Period, the Board has considered various factors including the number of scheduled and special meetings for the Board, Board Committees and Boards of the Company's subsidiaries and the number of NEDs involved in these meetings based on the current number of NEDs as well as inclusion of provisional sum as a contingency for future appointment of NEDs on the Board, Board Committees and Boards of the Company's subsidiaries and increase in the number of meetings of the Board, Board Committees and Boards of the Company's subsidiaries.
- d. Payment of the Directors' fees and benefits to the NEDs will be made on a monthly basis and/or as and when they are incurred subject to the passing of the proposed Ordinary Resolution 1 at the 23<sup>rd</sup> AGM.
- e. The Board is of the view that it is just and equitable for the NEDs to be paid the Directors' fees and benefits payable on a monthly basis and/or as and when they are incurred, particularly after the Directors have discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the Relevant Period.
- f. In the event where the payment of Directors' fees and benefits during the Relevant Period exceeds the estimated amount sought to be approved in the 23<sup>rd</sup> AGM, a shareholders' approval shall be sought at the next AGM in 2023 on the payment of the additional amount.
- g. Ordinary Resolution 1 is proposed in accordance with Rule 114 of the Constitution of the Company, and if passed, shall take effect from 3 June 2022.

**Explanatory Notes on Ordinary Resolutions 2 and 3**

14. Rule 132 of the Constitution of the Company stipulates that any newly appointed Director shall hold office only until the next AGM of the Company at which the Director shall retire and be eligible for re-election.
15. On 30 September 2021, the Board approved the appointment of Rohaya Mohammad Yusof as the Non-Independent Non-Executive Director of the Company. Rohaya Mohammad Yusof was nominated by the Employees Provident Fund as its representative on the Board. Her appointment took effect on 1 October 2021.
16. On 13 October 2021, the Board approved the appointment of Dato' Iskandar Mizal Mahmood as the Managing Director of the Company. Dato' Iskandar Mizal Mahmood was nominated by the Minister of Finance (Incorporated), the Special Shareholder of the Company, as its representative on the Board. His appointment took effect on 25 October 2021.
17. Pursuant to Rule 132, Dato' Iskandar Mizal Mahmood and Rohaya Mohammad Yusof, who retire from office, are standing for re-election at the 23<sup>rd</sup> AGM.
18. The profiles of the Directors who are standing for re-election at the 23<sup>rd</sup> AGM are available in the "Board of Directors' Profile" of the Annual Report 2021.

## NOTICE OF 23<sup>RD</sup> ANNUAL GENERAL MEETING

### Explanatory Notes on Ordinary Resolution 4

19. Rule 134 of the Constitution of the Company states that at the AGM in every subsequent year, one-third of the Directors for the time being or the number nearest to one-third shall retire from office. The retiring Directors shall be eligible for re-election and shall act as the Directors throughout the meeting at which they retire.
20. Pursuant to Rule 134, Wong Shu Hsien, Datuk Seri Yam Kong Choy and Datuk Zalekha Hassan are retiring from office and eligible to stand for re-election. However, Datuk Seri Yam Kong Choy and Datuk Zalekha Hassan have expressed their intention not to seek re-election. Therefore, they will retire from office upon the conclusion of the 23<sup>rd</sup> AGM.
21. The profile of the Director who is standing for re-election at the 23<sup>rd</sup> AGM is available in the "Board of Directors' Profile" of the Annual Report 2021.

### Explanatory Note on Ordinary Resolution 5

22. The Board Audit Committee and the Board have considered the re-appointment of EY as Auditors of the Company and collectively agreed that EY have met the relevant criteria prescribed under Paragraph 15.21 of the MMLR.

### Explanatory Notes on Ordinary Resolution 6

23. As of the date of the Notice of 23<sup>rd</sup> AGM, the Company has issued a total of 49,833,561 MAHB Shares pursuant to the implementation of the DRP as approved by the shareholders at the EGM held on 30 November 2012. The authority to allot MAHB Shares pursuant to the DRP was first granted on 30 November 2012 and subsequently at the 14<sup>th</sup>, 15<sup>th</sup>, 16<sup>th</sup> and 22<sup>nd</sup> AGM held on 28 March 2013, 20 March 2014, 5 May 2015 and 13 September 2021, respectively.
24. The above proposed Ordinary Resolution, if passed, would allow the Company to allot and issue new MAHB Shares pursuant to the DRP from the 23<sup>rd</sup> AGM until the convening of the next AGM. It would also allow the Directors to fix the issue price of such new MAHB Shares at a discount of up to 10% of the adjusted five (5)-day VWAP of MAHB Shares immediately before the price-fixing date. The 5-day VWAP of MAHB Shares shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price of such new MAHB Shares.
25. The above proposed Ordinary Resolution, if passed, would allow the Directors and the Company Secretary to act on behalf of the Company in executing and giving effect to all the relevant and necessary transactions, arrangements and documents pertaining to the implementation of the DRP in the interest of expedience and efficiency subject always to the best interest of the Company.

# STATEMENT ACCOMPANYING NOTICE OF 23<sup>RD</sup> ANNUAL GENERAL MEETING

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

1. Directors who are retiring pursuant to Rule 132 of the Constitution of the Company and seeking re-election are:

**Dato' Iskandar Mizal Mahmood**

**Rohaya Mohammad Yusof**

2. Director who is retiring pursuant to Rule 134 of the Constitution of the Company and seeking re-election is:

**Wong Shu Hsien**

The profiles of the Directors who are standing for re-election and details of their interest in the securities of the Company are set out in the section titled "Board of Directors' Profile" and "Statement of Shareholdings" of the Annual Report 2021.

# AGM ADMINISTRATIVE DETAILS

## TWENTY-THIRD ANNUAL GENERAL MEETING (“23<sup>RD</sup> AGM” OR “THE MEETING”) OF MALAYSIA AIRPORTS HOLDINGS BERHAD (“MAHB” OR “THE COMPANY”)

Date	: Thursday, 2 June 2022
Time	: 11:00 a.m.
Mode and Venue	: Online meeting platform hosted on the Securities Services e-Portal (“e-Portal”) at <a href="https://sshsb.net.my/">https://sshsb.net.my/</a> provided by SS E Solutions Sdn Bhd in Malaysia.

### PRECAUTIONARY MEASURES AGAINST THE CORONAVIRUS DISEASE 2019 (“COVID-19”)

- As precautionary and safety measures against the spread of COVID-19 virus, the 23<sup>rd</sup> AGM will be held as a fully virtual meeting through live streaming and remote participation and electronic voting facilities hosted on the e-Portal at <https://sshsb.net.my> provided by SS E Solutions Sdn Bhd (“SSES”) as guided by the Companies Commission of Malaysia’s FAQs on virtual General Meetings dated 8 June 2021 and the Securities Commission Malaysia’s Guidance and FAQs on the Conduct of General Meetings for Listed Issuers dated 18 April 2020 (Revised on 7 April 2022) (“SC Guidance Note”).
- For purposes of complying with Section 327(2) of the Companies Act 2016 and SC Guidance Note which require the Chairman of the Meeting to be present at the main venue of the Meeting, the main venue of the 23<sup>rd</sup> AGM is the online meeting platform hosted on the e-portal at <https://sshsb.net.my/> provided by SSES in Malaysia.

### DOOR GIFT AND VOUCHER

No door gift and voucher will be provided for participation in the 23<sup>rd</sup> AGM.

### PROCEDURES FOR REMOTE PARTICIPATION AND VOTING VIA E-PORTAL

- Please follow the procedures below to engage in remote participation and electronic voting at the 23<sup>rd</sup> AGM via the e-Portal:
  - Before the day of the 23<sup>rd</sup> AGM:

Procedure	Action
Sign up for a user account if you do not have a user account with the e-Portal	<ul style="list-style-type: none"> <li>Visit <a href="https://sshsb.net.my/">https://sshsb.net.my/</a></li> </ul>
<ul style="list-style-type: none"> <li>To register for remote participation at the 23<sup>rd</sup> AGM, please sign up for a user account by <b>Tuesday, 31 May 2022</b>.</li> <li>To submit the e-Proxy Form, please sign up for a user account by <b>Sunday, 29 May 2022</b>, failing which you may only be able to submit the hard copy proxy form.</li> </ul>	<ul style="list-style-type: none"> <li>Click “<b>Sign Up</b>” to sign up for a user account.</li> <li>Wait for a notification e-mail that will be sent within one (1) working day.</li> <li>Verify your user account within seven (7) days upon receipt of the notification e-mail and log in, failing which will require you to re-register.</li> <li>Note that the e-Portal is available to:               <ul style="list-style-type: none"> <li>- Individual shareholder; and</li> <li>- Authorised representative of a corporate shareholder.</li> </ul> </li> </ul>
<i>(If you already have a user account, you are not required to register again.)</i>	

## AGM ADMINISTRATIVE DETAILS

Procedure	Action
Register for remote participation at the 23 <sup>rd</sup> AGM	<ul style="list-style-type: none"> <li>• Log in to <a href="https://sshsb.net.my/">https://sshsb.net.my/</a> with your registered e-mail and password.</li> <li>• Look for “<b>Malaysia Airports Holdings Berhad</b>” under Company Name and “<b>23<sup>rd</sup> AGM on 2 June 2022 at 11:00 a.m. - Registration for Remote Participation</b>” under Corporate Exercise/Event and click “&gt;”.</li> <li>• Check if you are attending as: <ul style="list-style-type: none"> <li>- Individual shareholder; or</li> <li>- Corporate or authorised representative of a body corporate. <i>For body corporates, the appointed corporate or authorised representative must upload the evidence of authority (e.g., Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority). All documents that are not in English or Bahasa Malaysia must be accompanied by a certified translation in English in one (1) file. The <u>original</u> evidence of authority and translation thereof, if required, must be submitted to SSES at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan for verification by Tuesday, 31 May 2022 at 11:00 a.m.</i></li> </ul> </li> <li>• Read and agree to the Terms &amp; Conditions of Use and Privacy Policy and submit your registration.</li> <li>• A copy of your e-Registration for remote participation can be accessed via “<b>My Records</b>” (refer to the left navigation panel).</li> <li>• Your registration will apply to <b>all the CDS account(s)</b> of each individual shareholder or body corporate shareholder that you represent. If you are both an individual shareholder and representative of body corporate(s), you need to register as an individual and also as a representative for each body corporate.</li> <li>• System will send an e-mail notification that the request for remote participation is received and will be verified.</li> <li>• After verification of your registration against the Record of Depositors as of 26 May 2022, the system will send you an e-mail to approve or reject your registration for remote participation.</li> </ul>

## AGM ADMINISTRATIVE DETAILS

Procedure	Action
Submit e-Proxy Form <ul style="list-style-type: none"> <li>• <i>Submission would close on <b>Tuesday, 31 May 2022 at 11:00 a.m.</b></i></li> </ul>	<ul style="list-style-type: none"> <li>• Log in to <a href="https://sshbsb.net.my/">https://sshbsb.net.my/</a> with your registered e-mail and password.</li> <li>• Look for “<b>Malaysia Airports Holdings Berhad</b>” under Company Name “<b>23<sup>rd</sup> AGM on 2 June 2022 at 11:00 a.m. – Submission of Proxy Form</b>” under Corporate Exercise/Event and click “&gt;”.</li> <li>• Check if you are submitting as:               <ul style="list-style-type: none"> <li>- Individual shareholder; or</li> <li>- Corporate or authorised representative of a body corporate. <i>For body corporates, the appointed corporate or authorised representative must upload the evidence of authority (e.g., Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority). All documents that are not in English or Bahasa Malaysia must be accompanied by a certified translation in English in one (1) file. The <u>original</u> evidence of authority and translation thereof, if required, must be submitted to SSES at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan for verification by Tuesday, 31 May 2022 at 11:00 a.m.</i></li> </ul> </li> <li>• Enter the CDS account number. Then enter the information of your proxy(ies) and the proportion of your securities to be represented by your proxy(ies).</li> <li>• You need to submit your e-Proxy Form for <b>every CDS account</b> you have or represent.</li> <li>• <b>You are strongly encouraged to appoint the Chairman of the Meeting as your proxy if you are not able to participate remotely.</b></li> <li>• Proceed to indicate how your votes are to be cast against each resolution.</li> <li>• Review and confirm your proxy form details before submission.</li> <li>• Read and agree to the Terms &amp; Conditions of Use and Privacy Policy and submit.</li> <li>• A copy of your submitted e-Proxy Form can be accessed via “<b>My Records</b>” (refer to the left navigation panel).</li> </ul>

**AGM ADMINISTRATIVE DETAILS**

b. On the day of the 23<sup>rd</sup> AGM:

Procedure	Action
Join the Live Stream Meeting (“eLive”) <ul style="list-style-type: none"> <li>Assess to eLive will open on <b>Thursday, 2 June 2022 at 10:30 a.m.</b></li> </ul>	<ul style="list-style-type: none"> <li>Log in to <a href="https://sshbsb.net.my/">https://sshbsb.net.my/</a> with your registered e-mail and password.</li> <li>Look for “<b>Malaysia Airports Holdings Berhad</b>” under Company Name “<b>23<sup>rd</sup> AGM on 2 June 2022 at 11:00 a.m. – Live Stream Meeting</b>” and click “&gt;”.</li> <li>Read and agree to the Terms &amp; Conditions of Use and Privacy Policy and proceed to the live stream meeting.</li> <li>Use the text box of the live streaming video to transmit your question to the Chairman/Board. The Chairman/Board will endeavour their best to broadcast your question and its answer related to the financial performance and resolutions tabled at the 23<sup>rd</sup> AGM.</li> <li>Take note that the quality of the live streaming is dependent on the stability of the internet connection at the location of the user.</li> </ul>
Vote online remotely during the Meeting (“eVoting”) <ul style="list-style-type: none"> <li>Assess to eVoting will open on <b>Thursday, 2 June 2022 at 11:00 a.m.</b> and close as directed by the Chairman of the Meeting.</li> </ul>	<ul style="list-style-type: none"> <li>If you are already accessing the eLive, click “<b>Proceed to Vote</b>” under the live stream player on your screen; or</li> <li>If you are not accessing from the eLive and have just logged in to the e-Portal, look for “<b>Malaysia Airports Holdings Berhad</b>” under Company Name and “<b>23<sup>rd</sup> AGM on 2 June 2022 at 11:00 a.m. – Remote Voting</b>” under Corporate Exercise/Event and click “&gt;”.</li> <li>Cast your votes for each resolution by clicking on the radio button under “<b>For</b>”, “<b>Against</b>” or “<b>Abstain</b>”.</li> <li>Read the Terms &amp; Conditions of Use and Privacy Policy and check “<b>V</b>” to confirm that you acknowledge and agree to the Terms &amp; Conditions of Use and Privacy Policy.</li> <li>Review your indicated votes.</li> <li>Confirm and submit the votes.</li> <li>Your votes cast will apply throughout <b>all the CDS accounts</b> you represent as an individual shareholder, corporate or authorised representative and proxy. Where you are attending as a proxy and the shareholder who appointed you has indicated how the votes are to be cast, we will take the shareholder’s indicated votes in the proxy form.</li> <li>A copy of your submitted eVoting can be accessed via “<b>My Records</b>” (refer to the left navigation panel).</li> </ul>

- Participants of the 23<sup>rd</sup> AGM will need to ensure to be connected to the internet at all times in order to participate and vote throughout the entire proceedings of the Meeting.
- Please note that the e-Portal is best viewed on the latest versions of Chrome, Firefox, Microsoft Edge and Safari browsers.
- Participants of the 23<sup>rd</sup> AGM are reminded that strictly no recording or photography of the proceedings of the Meeting is allowed.

## AGM ADMINISTRATIVE DETAILS

### ENTITLEMENT TO PARTICIPATE AND VOTE

Only a depositor whose name appears on the Record of Depositors as of 26 May 2022 shall be eligible to participate and vote at the 23<sup>rd</sup> AGM or appoint proxy(ies) to participate and/or vote on his/her behalf.

Pursuant to SC Guidance Note, shareholders' right to speak is not limited to verbal communication only but includes other modes of expression. As such, all shareholders, proxies and corporate representatives shall communicate via real-time submission of typed texts through a text box in the e-portal during the live streaming of the 23<sup>rd</sup> AGM as the primary mode of communication in the event of any technical glitch in this mode, shareholders and proxies may email their questions to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my) during the meeting.

### VOTING AT THE 23<sup>RD</sup> AGM

- The voting at the 23<sup>rd</sup> AGM will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad's Main Market Listing Requirements.
- The Company has appointed SSES as the Poll Administrator to conduct the poll voting electronically and Commercial Quest Sdn Bhd as scrutineers to verify the poll results.
- Shareholders can proceed to vote on the resolutions before the end of the voting session which will be announced by the Chairman of the Meeting, and submit votes at any time from the commencement of the 23<sup>rd</sup> AGM at 11:00 a.m.

### RESULTS OF THE VOTING

Results of the voting on the resolutions proposed at the 23<sup>rd</sup> AGM will be announced at the Meeting and subsequently, via an announcement made by the Company through Bursa Malaysia Securities Berhad's website at <https://www.bursamalaysia.com/>

### ENQUIRY

Should you require any assistance or clarification prior to convening of the 23<sup>rd</sup> AGM, please do not hesitate to contact the following during office hours on Monday to Friday from 8:30 a.m. to 5:30 p.m. (except on public holidays):

- a. SS E Solutions Sdn Bhd  
General line : +603-2084 9000  
Email : [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my)
- b. Malaysia Airports Holdings Berhad  
General line : +603-8777 7000  
Email : [agm@malaysiaairports.com.my](mailto:agm@malaysiaairports.com.my)

# PROXY FORM

Malaysia Airports Holdings Berhad  
Registration No. 199901012192 (487092-W)  
Incorporated in Malaysia



Hosting Joyful Connections

CDS Account No.	
No. of Shares Held	

I/We \_\_\_\_\_ NRIC/Passport/Registration No. \_\_\_\_\_  
[FULL NAME IN CAPITAL LETTERS]

of \_\_\_\_\_  
[FULL ADDRESS]

being a member(s) of MALAYSIA AIRPORTS HOLDINGS BERHAD ("MAHB" or "the Company"), hereby appoint(s)

Full name (in block capitals):	NRIC/Passport no.:	Proportion of shareholdings	
		No. of shares	%
Address:	Email:		
	Contact:		

and (if more than one proxy)

Full name (in block capitals):	NRIC/Passport no.:	Proportion of shareholdings	
		No. of shares	%
Address:	Email:		
	Contact:		

or failing him/her, \*the CHAIRMAN OF THE MEETING as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Twenty-Third Annual General Meeting ("23<sup>rd</sup> AGM" or "the Meeting") of the Company will be held on a fully virtual basis through live streaming and using remote participation and electronic voting facilities hosted on the Securities Services e-Portal ("e-Portal") at <https://sshsb.net.my/> provided by SS E Solutions Sdn Bhd in Malaysia on Thursday, 2 June 2022 at 11:00 a.m. on the resolutions as set out in the Notice of 23<sup>rd</sup> AGM. \*My/our proxy is to vote as indicated below:

\*Strike out whichever not applicable.

RESOLUTIONS NO.	RESOLUTIONS	FOR	AGAINST
1	To approve the payment of Directors' fees and benefits of an amount up to RM4,500,000.00 to the Non-Executive Directors ("NEDs") of the Group with effect from 3 June 2022 until the next AGM in 2023.		
2	To re-elect Dato' Iskandar Mizal Mahmood who retires in accordance with Rule 132 of the Constitution of the Company, and being eligible, offers himself for re-election.		
3	To re-elect Rohaya Mohammad Yusof who retires in accordance with Rule 132 of the Constitution of the Company, and being eligible, offers herself for re-election.		
4	To re-elect Wong Shu Hsien who retires in accordance with Rule 134 of the Constitution of the Company, and being eligible, offers herself for re-election.		
5	To re-appoint Ernst & Young PLT ("EY") as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
6	To approve the proposed renewal of the authority to allot and issue new ordinary shares in MAHB ("MAHB Shares") for the purpose of the Company's Dividend Reinvestment Plan ("DRP") that provides the Shareholders of MAHB ("Shareholders") the option to elect to reinvest their cash dividend in MAHB Shares.		

Please indicate with an 'X' in the space provided for each resolution as how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting on the resolutions at his discretion.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Signature/Common Seal of Member(s)

**Notes:**

1. A member shall be entitled to appoint another person or persons as his proxy to exercise all or any of his rights to attend, participate, speak and vote at the Meeting. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
2. Any corporation which is a member may by resolution of its Directors or other governing body authorises such person as it thinks fit to act as its representative at the Meeting.
3. The instrument appointing a proxy shall be in print or writing under the hand of the appointer or his duly constituted attorney, or if such appointer is a corporation, under its common seal or the hand and seal of its attorney.
4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company at Malaysia Airports Corporate Office, Persiaran Korporat KLIA, 64000 KLIA, Sepang, Selangor Darul Ehsan or fax to +03-8777 7512 not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof. The instrument appointing a proxy may also be lodged electronically via e-Portal.
5. In determining a member who shall be entitled to participate in the Meeting in accordance with Rule 52(2) of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as of 26 May 2022. Only a depositor whose name appears on the Record of Depositors as of 26 May 2022 shall be entitled to participate and vote at the Meeting or appoint proxy to participate and vote on his behalf at the Meeting.
6. A member of the Company who is an exempt authorised nominee which holds MAHB Shares for multiple beneficial owners in one (1) securities account ("Omnibus Account") may appoint multiple proxies in respect of each Omnibus Account it holds.

STAMP

The Company Secretary  
**Malaysia Airports Holdings Berhad**  
Registration No. 199901012192 [487092-W]  
Malaysia Airports Corporate Office  
Persiaran Korporat KLIA  
64000 KLIA, Sepang  
Selangor Darul Ehsan

# ANNUAL REPORT REQUISITION FORM

Malaysia Airports Holdings Berhad  
Registration No. 199901012192 (487092-W)  
Incorporated in Malaysia



Dear Shareholders,

Thank you for your continued support for Malaysia Airports Holdings Berhad ("MAHB" or "the Company"). We are pleased to inform you that the full version of the Annual Report 2021 of the Company is also available in printed copy. Should you require a printed copy of the Annual Report 2021, please complete this form and return it to the address below or fax to (+603) 8777 7512. A printed copy of the Annual Report 2021 will be couriered to you within four (4) market days from the date of receipt of your request.

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To : THE COMPANY SECRETARY  
**Malaysia Airports Holdings Berhad**  
Malaysia Airports Corporate Office  
Persiaran Korporat KLIA  
64000 KLIA, Sepang  
Selangor Darul Ehsan

I/ We, the shareholder(s) of the Company and wish to request for a printed copy of the Annual Report 2021. Please send a printed copy of the Annual Report 2021 of the Company to the following address:

Name of Shareholder : \_\_\_\_\_

NRIC No./Passport No./Company No. : \_\_\_\_\_

CDS Account No. : \_\_\_\_\_

Address : \_\_\_\_\_

Tel. No. : \_\_\_\_\_

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Signature of Shareholder

Date:

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**STAMP**

The Company Secretary  
**Malaysia Airports Holdings Berhad**  
Registration No. 199901012192 [487092-W]  
Malaysia Airports Corporate Office  
Persiaran Korporat KLIA  
64000 KLIA, Sepang  
Selangor Darul Ehsan

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**MALAYSIA AIRPORTS HOLDINGS BERHAD**

Registration No. 199901012192 (487092-W)

Malaysia Airports Corporate Office,  
Persiaran Korporat KLIA, 64000 KLIA, Sepang,  
Selangor Darul Ehsan, Malaysia.

Tel : +603-8777 7000

Fax : +603-8777 7778

**[www.malaysiaairports.com.my](http://www.malaysiaairports.com.my)**



Malaysia Airports



@MY\_Airports



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Malaysia Airports