

MALAYSIA AIRPORTS HOLDINGS BERHAD (MAHB or the Company)

**JOINT VENTURE AGREEMENT BETWEEN
MALAYSIA AIRPORT (SUBANG) SDN BHD AND BP AEROTECH (SUBANG) SDN BHD**

1. Introduction

The Board of Directors of MAHB is pleased to announce that, Malaysia Airport (Subang) Sdn Bhd (“MA Subang”), a wholly-owned subsidiary of the Company, has on 22 March 2019, entered into a Joint Venture Agreement (“JVA”) with BP Aerotech (Subang) Sdn Bhd (“BP Aerotech”), to undertake the development of an aerospace and high-tech park (“the Aerospace Developments”) within the Subang Aerotech Park located in Subang, Selangor, Malaysia, to be leased to companies in the aerospace industry.

Pursuant to the JVA, joint venture company (“JV Co”) will be incorporated as a private company limited by shares. The name of the JV Co will be announced once incorporated.

2. Details of Parties to the JVA

2.1 MA (Subang)

Malaysia (Subang) is a private company limited by shares incorporated in Malaysia and having its registered office at Malaysia Airports Corporate Office, Persiaran Korporat KLIA, Sepang, Selangor, 64000, Malaysia. The principal activity of MA (Subang) is to undertake all businesses relating to Subang Airport Regeneration.

2.2 BP Aerotech

BP Aerotech is a private company limited by shares incorporated in Malaysia having its registered office at No. 127, Jalan Mutiara Emas 2A, Taman Mount Austin, 81100 Johor Bahru, Johor.

BP Aerotech is a wholly-owned subsidiary of Boustead Projects Limited which is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and is a leading industrial real estate solutions provider in Singapore, with core engineering expertise in the design-and-build and development of industrial facilities.

3. Joint Venture Structure and Project

3.1 The initial paid-up capital of the JV Co will be RM10.00 divided into 10 ordinary shares to be contributed by BP Aerotech and MA Subang in the following proportion:

(a) BP Aerotech	: 70%
(b) MA Subang	: 30%

The breakdown of the total capital and investment outlay will be according to the proportion of interest of the Parties.

3.2 Pursuant to the JVA, MAHB shall grant the JV Co the rights to sublease up to approximately 34.66 acres (or about 140,264 square metres) of the land located within the proximity of the Sultan Abdul Aziz Shah Airport (also known as “Subang Airport”) for the Aerospace Developments, subject to MAHB obtaining the relevant authorities’ approvals for the sublease.

3.3 It is intended that the JV Co shall appoint BP Aerotech or its business unit(s) to carry out the design, construction, project management, development management, testing, commissioning and fit-out (if any) works and asset management or property management for the Aerospace Developments.

4. Rationale and Prospects

4.1 Subang Airport is identified as national priorities for aerospace-related development by the National Aerospace Blueprint 2015-2030. In line with MAHB's vision of long-term growth of aviation and aerospace cluster, this strategic collaboration with Boustead Project Limited for the development of Subang Aerotech Park also serves as the catalyst of the Subang Regeneration Initiative.

5. Source of Fund

The financial commitment of the joint venture shall be funded through a combination of internally generated funds and bank borrowings.

6. Financial Effects

The JVA is not expected to have any material impact on the MAHB Group's earnings per share or net tangible assets per share for the financial year ending 31 December 2019.

7. Approvals Required

The JVA is not subject to the approval of the shareholders of MAHB nor any other relevant authorities.

8. Directors' and/or Major Shareholders' Interest

None of the Directors and/or major shareholders of the Company have any interest, whether direct or indirect, in the JVA.

This announcement is dated 22 March 2019.