

MALAYSIA AIRPORTS HOLDINGS BERHAD (MAHB or the Company)

EXTENSION OF CONTRACT INCLUDING CHANGE ORDERS FOR THE PROVISION OF FACILITY MANAGEMENT SERVICES FOR AIRPORT OPERATIONAL FACILITIES AND ANCILLARY BUILDINGS AT THE HAMAD INTERNATIONAL AIRPORT, DOHA, QATAR (NDIA-FM-0009)

1. INTRODUCTION

The Board of Directors of MAHB is pleased to announce that Malaysia Airports Consultancy Services Middle East LLC (MACS ME), a subsidiary of Malaysia Airports Consultancy Services Sdn Bhd (MACS) had on 24 August 2016 received the Extension Contract from the Hamad International Airport (HIA) for the provision of Facility Management Services for Airport Operational Facilities and Ancillary Buildings including its Change Orders (NDIA-FM-0009) (Project) at the HIA in Doha, Qatar.

2. INFORMATION ON MACS

MACS was incorporated in Malaysia on 24 January 1996 under the Companies Act, 1965 as a private limited company. MACS is a wholly owned subsidiary of MAHB. The authorized share capital of MACS is RM2,000,000 divided into 2,000,000 ordinary shares of RM1.00 each fully paid up with an issued and paid up share capital of RM500,002 divided into 500,002 ordinary shares of RM1.00 each. The principal activity of MACS is to provide maintenance and technical services in connection with the airports industry.

3. INFORMATION ON MACS ME LLC

MACS ME is a joint venture company between MACS and Watad Group, which was incorporated in the State of Qatar on 28 July 2013 under the Qatari Commercial Companies Law No.5 of 2002 and registered at the Commercial Registry on 28 October 2013. The principal activity of MACS ME is to provide general maintenance, works for building maintenance and general contracting activities.

The initial issued share capital of MACS ME is QAR200,000 divided into 200 shares of QAR1,000 each and the shareholdings of MACS and the Watad Group (the "Shareholders") in MACS ME are shown below:

Shareholders	Country of incorporation	No. of Shares	%
Watad Group (local sponsor)	State of Qatar	102	51
MACS	Malaysia	98	49
Total		200	100

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4. INFORMATION ON THE HAMAD INTERNATIONAL AIRPORT (HIA)

Hamad International Airport (HIA) is the international airport of Doha, the capital city of the State of Qatar. HIA's passenger terminal complex (PTC) covers 600,000 square metres while the airport itself covers 29 square kilometres, and has the capacity to handle 30 million passengers per annum, rising to 50 million when the second phase is complete.

The airport features 12 different lounges spread across more than 80,000 square metres. HIA also features an airside hotel, two airside squash courts, a gym and a 25-metre swimming pool and spa. Qatar Duty Free (QDF), the airport's shopping emporium has more than 40,000 square metres of combined retail and dining with more than 70 boutiques and 30 cafes and restaurants.

HIA features dual runways (4,850m and 4,250m) which can handle 100 aircraft movements per hour or 360,000 annually, one of the largest free span maintenance hangars in the world, a state-of-the art air traffic control system with an 85 square metre control cabin, a 69,000 square metre catering facility with the capacity to produce a minimum of 90,000 meals per day and one of the largest cargo terminals with the handling capacity of 1.4 million tonnes per annum. HIA also has an Automated Radio-Frequency Identification system which has been implemented along with a fully automated sorting system which can handle 19,500 bags per hour.

5. INFORMATION ON THE PROJECT

Summary of the Project are as follows:-

	Matters	Description
1.	Project Title	Provision of Facility Management Services for Airport Operational Facilities & Ancillary Building - Extension of Contract including Change Orders for Second Term
2.	Project Amount	QAR 163,947,037.94 (One Hundred Sixty Three Million, Nine Hundred Forty Seven Thousand, Thirty Seven Qatari Riyals and Ninety Four Dirhams) equivalent to RM 180,833,582 ¹
3.	Project Period	Extended for an additional period of three (3) years

¹ Based on exchange rate QAR:RM of 1.1030 as at August 2016

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	Matters	Description
4.	Commencement Date	18 June 2016
5.	Completion Date	17 June 2019
6.	Scope of Works	Comprehensive Facilities Maintenance Services, Interim Security Services and Custodial and Janitorial Services for the various Airport Operational Facilities and Ancillary Buildings at the HIA.

6. RATIONALE

MAHB is committed to its fundamental objective of pursuing long-term sustainable business growth. Hence, the Project awarded to MACS ME, signifies MAHB's determination to continue pursuing opportunities in airport development, operation, management, and project consultancy overseas. The Project is expected to enhance MAHB's revenue stream from the consultancy business and to diversify its future earnings.

7. FINANCIAL EFFECTS

The Project is not expected to have any material financial implication and effect on the share capital and substantial shareholders' shareholdings of MAHB and gearing of the Group for the financial year ending 31 December 2016. However, the Project is expected to contribute positively to the future earnings and net assets of the Group commencing financial year ending 31 December 2016.

8. APPROVAL REQUIRED

The Project is not subject to the approval of the shareholders of MAHB or any other relevant regulatory authorities.

9. INTEREST OF DIRECTORS AND MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM

None of the Directors and/or major shareholders of MAHB and/or persons connected to them have any interest, direct or indirect, in the Project.

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10. DIRECTORS' STATEMENT

The Board of Directors of MAHB, after having considered the terms and conditions of the Project, is of the opinion that the Project is in the best interest of the MAHB Group.

This announcement is dated 25 August 2016.