

## GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE



# A BREAKTHROUGH YEAR YIELDS STELLAR RESULTS

**“In a breakthrough year for Malaysia Airports, we resolved that our core strategic focus would be to delight passengers and reimagine their journey through our airports. Working in tandem with key airport stakeholders to enhance the passenger experience, we achieved several major milestones in our corporate journey.**

**We take pride that our efforts in 2023 culminated in one of the most profitable years in the history of Malaysia Airports.”**

**Mohamed Rastam Shahrom**  
Acting Group Chief Executive Officer

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Malaysia Airports began 2023 with renewed energy, having posted a significant turnaround to return to profitability in 2022. With the pandemic serving as a catalyst for urgent transformation of the aviation industry, Malaysia Airports had embarked on a Group-wide effort to put in place the building blocks for a sustainable business that creates long-term value for stakeholders. In 2023 therefore, the Group completed its transition from recovery to growth, amply demonstrating its multifaceted capabilities as a custodian of strategic national infrastructure, coupled with the nimbleness to capitalise on revenue generating opportunities.

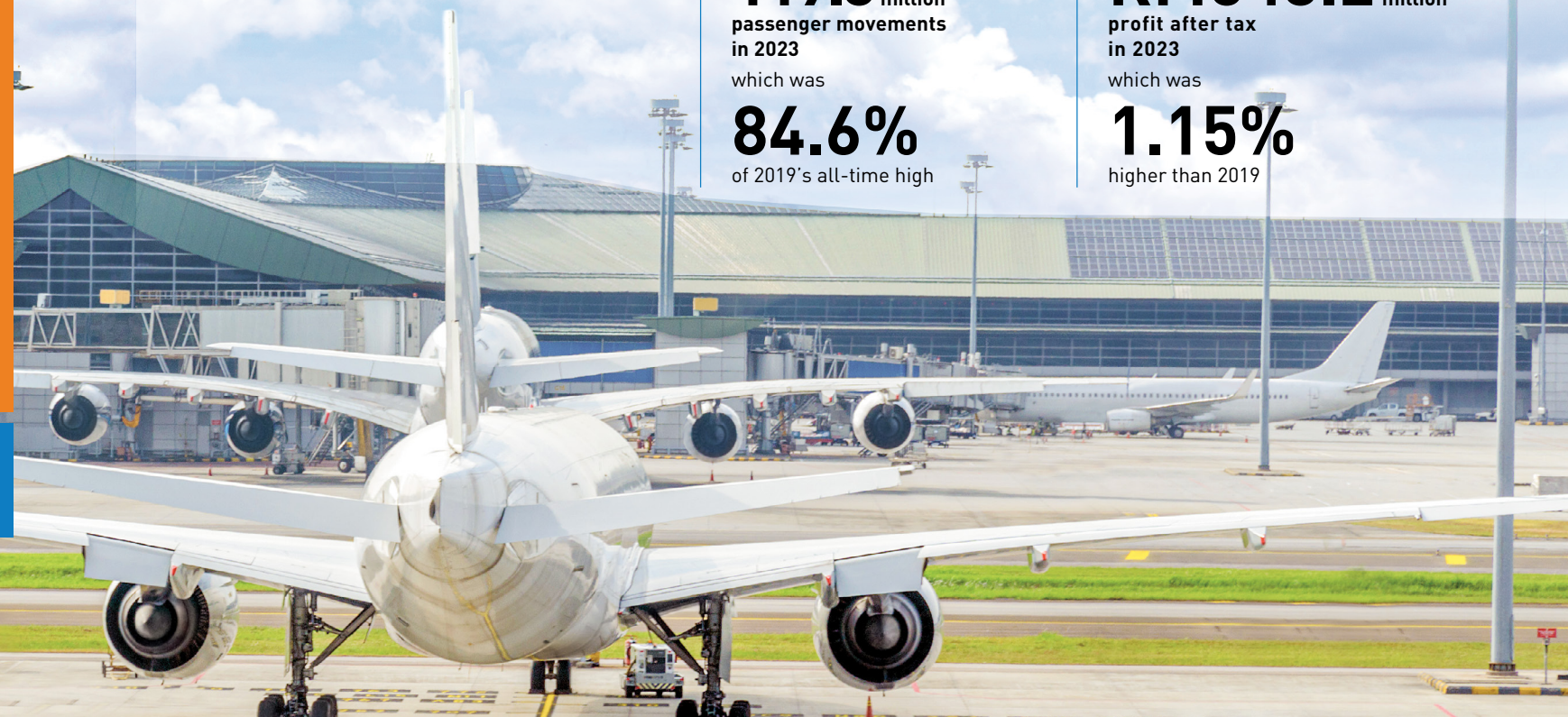
As the operator of international gateways including the crown jewels, KL International Airport (IATA Code: KUL), and Istanbul's city airport, Istanbul Sabiha Gökçen International Airport (IATA Code: SAW) in Türkiye, we have a full agenda in growing the market share of our airports while ensuring that passengers and other stakeholders continue to be well served. Nevertheless, one thing remains constant – we must always put our passengers first and foremost at the very top of our agenda.

**Therefore, with passenger experience as key in everything that we do, we have refocused the Group's strategic growth plan on delighting our passengers as the foundation for creating long-term value for the Group and its stakeholders.**

The theme for this year's annual report, 'A Breakthrough Year', encapsulates our efforts to transform the passenger journey through our airports. Through numerous iterations, we refined processes, empowered our people through training, leveraged on technology, and explored avenues to enhance the overall passenger experience. As our airports operate within an ecosystem, it was crucial for us to engage with other stakeholders and present them with a compelling value proposition to harness the synergies inherent in a collaborative approach.

**119.5** million  
passenger movements  
in 2023  
which was  
**84.6%**  
of 2019's all-time high

**RM543.2** million  
profit after tax  
in 2023  
which was  
**1.15%**  
higher than 2019





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Our efforts enabled us to celebrate several key milestones in this landmark year. The Group recorded a total of 119.5 million passenger movements or approximately 84.6% of the all-time high in 2023. This was also the first time we passed the 100 million threshold since 2019. In our operations in Türkiye, passenger movements for SAW shot past 2019 levels by 4.5% to register 37.6 million passenger movements, a new record for the airport.

Although overall passenger movements were still short of pre-pandemic levels, for the financial year ended 31 December 2023 (FY2023), Malaysia Airports' net profit surged past our 2019 numbers by 1.15% to RM543.2 million. This achievement signaled one of the most profitable years for Malaysia Airports since the inception. The Group also declared a final dividend of 10.80 sen per share for FY2023.

In recognition of the Group's consistent financial performance, Malaysia Airports was honoured with The Edge Billion Ringgit Club award in 2023 for the 'Highest Return to Shareholders over Three Years' for the Transportation and Logistics sector. The award is testament to our prudent management, consistent performance as well as our resilience and agility, given the volatility of the operating environment over the three-year period.

We are proud that our transformative efforts have been recognised by the Government of Malaysia with the signing of the Operating Agreements in March 2024 entrusting the Group with the continued role of operating, managing and maintaining, 39 airports and STOLports for the next 45 years until February 2069. In addition, the Operating Agreements also provide for favourable commercial terms and a transparent investment return mechanism which give Malaysia Airports the flexibility to pursue strategic investments which are essential to enhance airport capacity, facilities and infrastructure to elevate overall service standards, thereby expanding Malaysia Airports' role beyond being a pure airport operator, to an airport developer.

I am pleased to share with Malaysia Airports' shareholders the highlights of this breakthrough year, our achievements and the challenges we overcame in creating value for shareholders, and our strategies for future growth and development.

### An elevated passenger experience

Our core strategic focus for 2023 was reimagining the passenger journey through our airports and elevating their experience by enhancing convenience, comfort and connectivity.

#### ACI accreditation for customer experience

In tandem with the increase in passenger movements, it was crucial to ensure the passenger experience at our main hub at KUL continued to adhere to international best practices and standards. Hence, in early 2023, Malaysia Airports embarked on the Airport Customer Experience Accreditation (ACEA) programme, an initiative of Airports Council International (ACI) World that builds airports' long-term capacity to enhance customer experience management.

By the end of 2023, KUL had made significant progress, with ACI accrediting our airport at Level 2 of the ACEA programme's five levels, reflecting the airport's success in orchestrating a seamless passenger-centric journey to enhance customer satisfaction. The accreditation also signifies Malaysia Airports' focus on continuous improvement of customer experience and services in line with international standards.

#### Airport Service Quality recognition for KUL and LGK

Our efforts at KUL were also recognised in passenger feedback, resulting in a score of 4.99 out of a possible 5.00 points in ACI World's Airport Service Quality (ASQ) programme, the globally recognised initiative that provides ACI member airports with tools and expertise to measure and improve passenger satisfaction, business performance and airport service quality. Langkawi International Airport (IATA Code: LGK) scored a perfect score of 5.00 in the same programme.

With these scores, KUL was tied 9th in the ASQ rankings for airports in Asia Pacific with capacity of over 40 million passengers per annum (mppa) while LGK secured the top spot for airports with capacity of 2-5 mppa, a testament to our ability to maintain passenger satisfaction despite the increase in passenger movements in the year.

#### Leveraging on technology

As we recognise the importance of our ability to collect, consolidate and address passenger feedback, we deployed STARdesk, an electronic feedback management platform, at KUL to encourage passengers to submit their feedback through the MYAirports mobile app regarding issues that they encounter at the airport. This enables our customer experience team to validate and respond to passenger feedback within 15 minutes. The feedback received on the platform is also analysed to enable Malaysia Airports to recognise trends, identify common pain points and take proactive action.

We further leveraged on technology to enhance passenger convenience for a stress-free journey through the terminal by reducing manual checks, allowing passengers to navigate check points quickly and by-pass congestion. For example, we launched a Self-Service Bag Drop system in May 2023, which lets passengers check-in their baggage faster and more efficiently, taking only 45 seconds to check-in each bag.

#### Comfort, convenience and care

We also addressed the challenges to passenger experience posed by the suspension of the Aerotrain operations at KUL, that shuttles passengers to and from the Satellite Terminal at KUL Terminal 1. The suspension was part of the replacement programme for the Aerotrains which had reached their end-of-life after being in service since the inception of KUL.

While a Shuttle Bus Service is the primary mode of transportation pending the new Aerotrain going into operations in Q1 2025, Malaysia Airports has taken multiple steps to enhance the interim solution. First, to ferry passengers to and from the Satellite Terminal, we added low deck buses with larger capacity to boost the efficacy of the shuttle bus fleet and to ensure that even at peak periods, there are buses standing by for passengers. Our customer experience team assists passengers at the point of boarding and ensures that capacity limits are adhered to so that passengers complete the four-minute bus trip in comfort.

Secondly, the Aero FastTrack was introduced as a paid premium option to provide passengers a tailor-made meet-and-greet service to ensure a seamless, smooth and swift journey through KUL. Guests who purchase the Aero FastTrack package are assisted by FastTrack ambassadors

**Leveraging on international best practice and know-how, technology and an innate service culture, we were determined to go the extra mile for passengers.**

upon arriving at the airport kerbside to expedite their passage through airport check points. They are then ferried to the Satellite Terminal in a premium MPV before a buggy ride takes them to the departure gate.

Further, in early 2024, we made available a Premium Shuttle Bus complete with lounge facility for departing and arriving first and business class passengers at KUL Terminal 1 to ensure a seamless transfer between the Main Terminal Building and the Satellite Building.

#### Going the extra mile for passengers

To provide a stress-free start for departing passengers from the moment they arrive at the airport, in early 2024, we launched 'The KLIA Trolley Crew' a complimentary porter service which is free for all passengers at KUL Terminal 1. The KLIA Trolley Crew welcomes passengers at the kerbside of the Departure level by getting them a trolley and lifting their luggage onto the trolley. The KLIA Trolley Crew also operates at the Baggage Reclaim Area at the arrival hall to assist arriving passengers with their luggage.

#### Exciting shopping, dining and hospitality options

Malaysia Airports' Commercial Reset which has seen the transformation of our commercial and retail spaces has transformed the passenger experience at our airports. At the end of 2023, the Group had leased 88% of lettable commercial space for airports in Malaysia. Operational occupancy had progressed strongly to 81% at the end of 2023, compared to 55% in Q1 2023.

These new outlet openings translate into winning propositions for passengers, providing them with a wide range of shopping and dining options that make for a fun and rewarding time at the airport.

We also showcased Malaysian art and cultural performances at the airport terminals to enrich the passenger experience, in line with our Corporate Responsibility pillars to support Malaysian art, culture and heritage.



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**To headline the new dining and shopping offerings at our airports, the Group secured exciting international and local brands, including Malaysian culinary icon, Chef Wan.**

Our airports also welcomed refreshed shops by Polo Ralph Lauren, Michael Kors, Bulgari, Tory Burch, TUMI, Sunglass Hut, Kashka and Gold City at KUL, while Lego, Royal Selangor, Bath & Body Works and Victoria's Secret at PEN and Habib Jewels at LGK that opened their doors to passengers in 2023.

Among the new food and beverage brands at the airports in 2023 were international chains, Din by Din Tai Fung, Hard Rock Café, Jamie Oliver's Pizzeria and Paul Le Café, and Malaysian franchises, Ahh-Yum, Grandmama's, Jibby Chow, Serai, Kitchen by Open House and Petit Cafe by Chef Wan 1958.

Adding to the 'Sense of Malaysia' outlet at KUL Terminal 1, we extended the concept store to our other international terminals - KUL Terminal 2, BKI, KCH, LGK and PEN - to showcase the richness of Malaysian culture and heritage featuring gifts, souvenirs, handicraft and delicacies.

Eraman unveiled its new duty free emporiums at KUL Terminal 1 with a revamped concept design which offers a wider range of products and brands. At PEN, the opening of Eraman's new chocolate store at International Departures was popular with passengers seeking gifts before flying off.

We also acknowledged the rising demand for rest and recharge services. In line with international best practice, the Group is future-proofing its lounge strategy by focusing on a single host airline lounge by Malaysia Airlines, while lounges for other airlines, alliances and passengers are operated by renowned lounge operators such as SSP and Plaza Premium Group which manage more than 270 lounges worldwide.

In total, seven lounges have been identified for KUL Terminal 1, giving travellers an elevated lounge experience and a wide range of options including a state-of-the-art first and business class lounge as well as paid lounges. The first Kepler sleeping pod facilities outside Türkiye also made their debut with two transit hotels at KUL Terminal 1.

### Restoring pre-pandemic network connectivity

In 2023, we continued to make a push to restore the airline network and flight connectivity of our airports which had declined during the pandemic. The wide availability of airlines and routes greatly benefit passengers in terms of choice as well as pricing of flights for their travel.

In 2023, encouraging traffic demand coupled with the resumption and launch of new airlines have contributed to a 9.1% increase in airlines operating within Malaysia Airports' network of local airports to 72 airlines from 66 airlines in 2022.

Our main hub, KUL, had earned the distinction of being named by the global travel data provider, OAG, as the most internationally connected airport in Asia Pacific, and the 4th most connected globally. KUL also topped the OAG's global rankings of Low-Cost Carrier Airport Megahubs. In addition, the Malaysian Aviation Commission (MAVCOM) had noted that Malaysia had retained its position as the 5th most connected country in ASEAN, while KUL Terminal 1 upheld its status as the 3rd most connected airport in ASEAN.

At SAW, we expanded the network connectivity with 12 new international destinations across Europe, Africa and the Middle East and the introduction of two new airlines - British Airways and Royal Air Maroc. This has resulted in a favourable mix of international passengers making up 52% of the total, and a vast improvement in international connectivity. SAW was also ranked 8th in OAG's list of top 10 European airports for international connectivity for 2023, a great leap from its 55th placing in 2019.

### Most Internationally Connected Airports

<b>KUL</b>	<b>SAW</b>
<b>#4</b>	<b>#8</b>
globally	in Europe
<b>#1</b>	
in Asia Pacific	

### Low-Cost Carrier Airport Megahubs

**KUL**  
**#1**  
 globally

Source: OAG Megahubs Index 2023

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### Flourishing international business

Our airport in Istanbul, Türkiye, SAW, continued its outstanding performance into 2023, surpassing its 2019 passenger movements by 4.5% and achieving an all time high of 37.6 million passengers in 2023. The airport also recorded four quarters of profits throughout 2023, the first year that it has maintained consistent profitability through the year. The completion of the airport's second runway in December 2023 which doubles its airside capacity is a catalyst for significant expansion of air traffic in the following years in addition to enhancing efficiency at SAW.



Malaysia Airports also completed the divestment of its 11% stake in GMR Hyderabad International Airport Limited (GHIAL), the holding company that manages Hyderabad International Airport in India, to the GMR Group for USD100.0 million. The divestment of the stake originally acquired in 2008 for USD10.0 million, yielded a 10-fold gain compared to the original cost, or 1.3 times over the latest carrying amount. The divestment is in line with Malaysia Airports' international business growth strategy to streamline its overseas investment portfolio and unlock value from its non-core assets.



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### Close collaboration with stakeholders

We worked hand in hand with stakeholders to harness the synergies of our collaborative efforts, resulting in win-win situations for Malaysia Airports and its stakeholders.

#### Expanding airport development responsibilities

On behalf of Malaysia Airports' employees, I would like to thank the Government of Malaysia for its trust in Malaysia Airports and its confidence in our capabilities to operate, manage, maintain, and develop the nation's 39 airports and STOLports for the next 45 years until 11 February 2069. We are excited about our added role to pursue strategic investments to build a balanced and sustainable path for Malaysia Airports and its airport network to play a vital role as an economic development catalyst for Malaysia.

In this breakthrough year also, Malaysia Airports was appointed by the Government of Malaysia to manage the expansion of Tawau Airport (IATA Code: TWU) and to oversee the expansion project for Sultan Ismail Petra Airport, Kota Bharu (IATA Code: KBR) currently undertaken by the Government. This is a departure from the traditional role of the Group as an airport operator and the Government's role as owner to develop and expand the airports. Entrusting Malaysia Airports in this manner is a recognition of our experience in airport management and our ability to execute projects and initiatives to improve passenger experience at the airports.

In addition, Malaysia Airports received the green light from relevant Government authorities to commence physical works for two significant expansion projects. First is the Malaysian Cabinet's approval for the expansion of Sultan Abdul Aziz Shah Airport, Subang (IATA Code: SZB) to cater for jet operations and to double its capacity from 1.5 mppa to 3.0 mppa as part of the positioning of SZB as a regional aviation maintenance, repair and overhaul (MRO) hub. The second project was the expansion of Penang International Airport (IATA Code: PEN) from 6.5 mppa to 12.0 mppa which represents the first phase of the expansion of the airport to cater to 25.0 mppa in the future.

### Malaysia Airports' expanded role as an airport developer lays the groundwork for enhancing airport capacity, facilities and infrastructure, thereby elevating overall service standards.

#### Greater efficacy in the airport ecosystem

In the airport ecosystem, we work alongside the Civil Aviation Authority of Malaysia (CAAM) and other members of the airport community to ensure the safety and security of airport operations, particularly at the airside, through regulations, oversight and monitoring of the technical and safety standards. Together, we completed 74 aerodrome emergency exercises including 12 full-scale exercises and 27 evacuation drills throughout our airport network in 2023.

Malaysia Airports also continued to take the lead in breaking new ground with the airport community as we worked through 2023 with airport stakeholders to implement the Airport Collaborative Decision-Making (A-CDM) integrated system to increase operational efficiency within the KUL ecosystem. The airport stakeholders are the Ministry of Transport, CAAM, Malaysia Airlines, AirAsia, Batik Air, Aerodarat, Pos Aviation and Ground Team Red who collectively manage air traffic control, airline operations and ground handling at KUL.

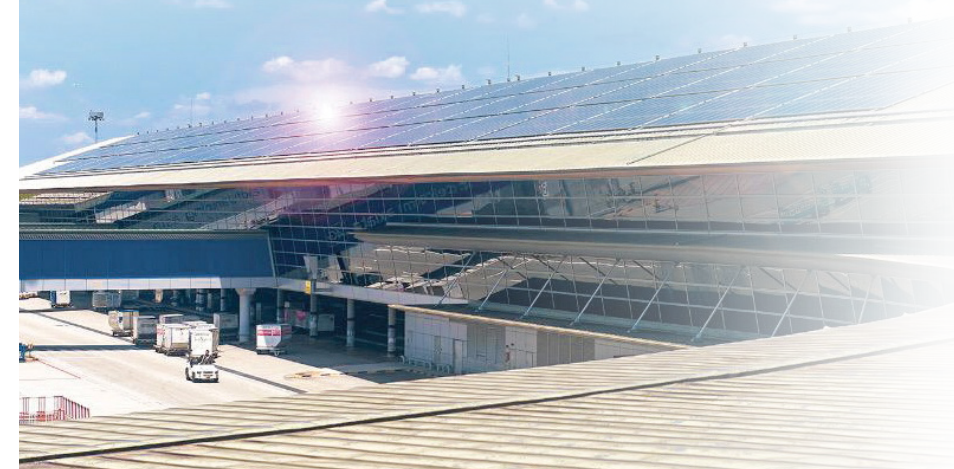
The A-CDM is a significant advancement in Malaysia Airports' ongoing efforts to meet the twin challenges of growing passenger volumes and the need for environmental stewardship. Our trial runs have shown that the implementation of A-CDM enhances operational cohesion, facilitates better resource allocation, promotes predictability and elevates airport efficiency which in turn translates into improved punctuality for passengers and cost savings for all parties. In addition, the A-CDM will see a reduction in fuel consumption and emissions, in line with Malaysia Airports' ESG commitments towards a greener and more sustainable aviation sector.

The Group also embarked on a collaborative effort with airport stakeholders to reduce queue times for passengers at various touch points. At check-in, we worked with airline partners to revamp the current queue system at check-in counters. At immigration checkpoints, we developed a predictive queue management dashboard which assists the Immigration Department in optimising manpower allocation, particularly during peak periods. At departure gates, the Group is also currently redesigning the security screening process, potentially halving the queue times.

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### Enhancing sustainable value creation

True to our corporate vision to become 'A Global Airport Group that Champions Connectivity and Sustainability', we continued to break new ground in the area of sustainability, enhancing our ability to create long term value for stakeholders.



#### INVESTING IN RENEWABLE ENERGY

- 6 airports including KUL tap on solar energy
- Reduce scope 2 emissions by **15%**
- Solar farm in the works to provide over **20%** of KUL's total energy needs

#### Environmental stewardship milestones

Environmental stewardship was at the top of our corporate agenda, with the announcement of our commitment to achieve Net Zero Carbon Emissions by 2050 together with a roadmap towards achieving the goals as laid out in the Group's Environmental Masterplan 2.0. In 2023, we made strides towards achieving these stated goals, particularly in the use of renewable energy and improving energy efficiency.

Among our immediate goals was to tackle Scope 1 and Scope 2 emissions. In this regard, we accelerated the roll out of renewable energy initiatives, primarily, the installation of solar photovoltaic panels at our airports. Currently, six airports in Malaysia tap into solar energy while work remains in progress at two other airports, with total solar power capacity of 22.5 MWp, potentially reducing the Group's Scope 2 emissions by 15%. The use of solar energy costs 30% less than conventional power, generating savings of about RM2.1 million in 2023.

Given our experience with the availability and reliability of solar energy, the Group has begun planning to expand our use of solar energy by building a 30 MW solar photovoltaic farm to supply power to KUL. Based on 2022 energy usage data, this potentially increases the percentage of solar energy from 4.2% to 22.4% of KUL's total energy needs while reducing carbon emissions by up to 59,000 tCO<sub>2</sub>e yearly.

#### Improved energy efficiency

In a joint venture with TNB Engineering Corporation Sdn Bhd, the Group transformed and modernised the district cooling plant at KUL which powers the airport's air-conditioning needs, to improve efficiency and run fully on electricity. This has resulted in lowering the Group's cooling costs, namely chilled water cost, which was 7.6% lower YoY in 2023, compared to 2022.

As a result of the Group's renewable energy and energy efficiency measures, electricity intensity per passenger in Malaysia recorded a sharp reduction of 21.3% YoY in 2023.



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### Giving back to communities we serve

In this record-breaking year in terms of profitability, we remain firmly committed to giving back to the communities we serve.

#### Humanitarian aid for those in need

To alleviate the suffering of communities devastated by humanitarian crises, Malaysia Airports stepped up to contribute towards the relief efforts. Following the devastating earthquake in southeast Türkiye in February 2023, our airport in Istanbul, SAW, was used as a rescue and logistics hub and crisis management centre for rescue personnel and relief efforts. Our colleagues at the airport provided all necessary support and assistance including providing food and drink for those involved in the relief efforts. Donations from our employees to the Disaster and Emergency Management Authority of Türkiye (AFAD) and Turk Kızılay (Turkish Red Crescent) totalled just over EUR 5.0 million.



#### Making a difference in the community

Closer to home, our focus was centred primarily on education initiatives. A total of 21 airports in Malaysia opened their doors to over 1,800 students from 40 primary and secondary schools through the MYAirportCARES School Airport Tour programme.

Over 600 B40 students around our airports benefit from our education aid programmes in which Malaysia Airports contributes back to school necessities such as uniforms, bags and other supplies as well as on-going assistance for students to buy food and books in the course of the school year. In addition, in conjunction with the CAPA Asia Aviation Summit & Sustainability Awards 2023 hosted by Malaysia Airports, a donation of smart TVs and sports equipment was made to SK Bukit Bangkong (A), a primary school in the vicinity of KUL.

Through the airport tours, we aim to inspire young aviation enthusiasts by taking them behind the scenes at various airside and landside locations, and encouraging them to engage with members of the airport community to learn first-hand about airport operations.

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### Recognising our employees' contribution

We take great pride in our people who are the heartbeat and pulse of Malaysia Airports, and celebrate their dedication and commitment in ensuring the success of our business operations.

Our employees contribute in myriad roles, from security and customer service to operations and management, to create a welcoming environment for passengers and ensuring that their journeys begin and end with safe, efficient and pleasant experiences at our airports.

During the pandemic, Malaysia Airports had made a commitment to employees to maintain a policy of zero retrenchments despite the pressure on our available financial resources. Against this backdrop, we are pleased to continue to enhance the welfare of our employees by completing collective agreements with all three unions – KESMA, KEPEMAB and KEPMAS – in 2023. I would like to express my thanks to the union chiefs for their spirit of mutual cooperation which enabled frank and transparent discussions to be held, leading to the speedy finalisation of the three collective agreements

in a period of two months. The collective agreement provide for improved terms of employment including across-the-board salary increments together with an increase in certain allowances and annual leave entitlement.

#### Talent management and recognition

Employee learning and development continue to be important aspects of our strategic focus. In 2023, in line with our commitment to nurture the professional and personal growth of our employees, the average training hours rose by 45.7% YoY to 51 hours per employee, compared to 35 hours per employee in 2022. The Group's investment for training for employees in Malaysia rose 69.5% YoY to RM3.9 million in 2023, compared to RM2.3 million in 2022.

We are therefore proud that the capabilities and talents of our people are recognised in the international aviation industry. Airports Council International (ACI) Asia-Pacific awarded its signature Young Executive Award 2023 to our employee, Noor Sabrina Mat Barhan, Acting Manager, Stakeholder Relations & Regulatory Affairs for her research paper on 'The Future of the Airport Workforce' that explores the trends in airport workforce challenges and provide recommendations on shaping the future of the airport workforce.

We are also honoured in being acknowledged as a leading employer of choice. Notably, GRADUAN, HRD Corporation, and Talentbank have singled us out in their accolades for our exceptional human capital practices. This recognition underscores Malaysia Airports' dedication to fostering and developing talent within our workforce, and providing them with enriching career and development opportunities.



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### A strategy for continued growth

To ensure that Malaysia Airports continues to build on its growth momentum, the Group has formulated a 3-year strategic plan which is anchored on improving the passenger journey and focused on execution.

#### 3-Year Strategic Plan (2024 - 2026)

The strategic plan outlines the strategic focus of the Group for 2024 - 2026, and features eight strategic themes with ambitious targets.

Malaysia Airports 3-Year Strategic Plan (2024 - 2026)		
Strategic Themes		Targets
 <b>Reimagining Passenger Experience</b> Establish an exciting and comprehensive programme to improve and modernise our terminal identity, look and feel, and design for greater efficiency and an enhanced passenger journey		<b>KUL to attain Top 5 airport ranking in ACI's Airport Service Quality annual survey</b>
 <b>Enhancing Airline and Hub Connectivity</b> Attract reputable carriers to operate into Malaysia, enhance accessibility, and strengthen connectivity to the West, West Asia and India to support KUL's growth as a regional hub		<b>KUL as a leading hub with connectivity to 107 international destinations</b>
 <b>Rejuvenating Commercial and Retail</b> Enhance the non-aeronautical business through the revitalisation of commercial offerings and spaces at airports including the rejuvenation of the Eraman brand and outlets		<b>KUL as one of the best airport shopping and retail destinations</b>
 <b>Accelerating Off-Terminal Opportunities</b> Create economic value through the synergistic airport-aeropolis ecosystem development at KLIA Aeropolis, KLIA's Aeronautical Support Zone and Subang Airport		<b>Off-terminal revenue to grow by 1.5x over 3 years</b>
 <b>Penang International Airport (PEN) Terminal Expansion Project</b> Expansion of PEN or Northern Getaway Development (NGD) Project outlines the terminal, aviation facilities and public infrastructure expansion whilst tapping on commercial opportunities at airside and landside		<b>Laying the foundation and building internal capability for development and capacity growth</b>
 <b>Strengthening International Business</b> Strengthen business performance by improving connectivity and elevating passenger experience in Istanbul Sabiha Gökçen International Airport (SAW)		
 <b>Commitment to ESG</b> Integrate Environmental, Social and Governance (ESG) practices throughout the Group's businesses to create and deliver long-term value to its stakeholders		<b>Carbon emissions reduction from 14% to 40% for airports in Malaysia</b>
 <b>Focusing on Execution</b> Boost organisational resources and capabilities to effectively facilitate the implementation of the key People Agenda		<b>Fulfil human resource requirements and build capability in terms of competencies, leadership and innovative mindset</b>

For further information on the Group's strategic plan, please refer to Our Strategy on pages 44 to 57.

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### A call to embrace and embody the Group's purpose

I have full confidence in our team executing the strategic plans and delivering the targeted results to stakeholders. Our people have demonstrated their resilience and determination on the frontlines of the pandemic, as they faced and overcame the grimmest moments in both the Group's history and the aviation industry as a whole.

Therefore, to see the strategic plan to fruition, we have rallied our people with a clear and compelling purpose. We introduced the Group's purpose statement – ‘To create delightful experiences through great airport ecosystems, great people, great service and great operations’, to state in simple terms our daily mission and goals at work.

We have developed several workstreams to integrate the Group's corporate identity into critical business operations. This will enhance the alignment between the overarching vision, brand promise, values and purpose of the Group with the daily tasks and operations that each employee undertakes. By instilling a sense of pride and unity in the Malaysia Airports brand across all aspects of daily operations, we firmly believe that this will be the pivotal factor to achieve the ambitious objectives outlined in our strategic plan.

**We firmly believe that instilling a sense of pride and unity in the Malaysia Airports brand across all aspects of daily operations is the pivotal factor to achieve the ambitious objectives outlined in our strategic plan.**

### Heartfelt thanks and gratitude

**In this breakthrough year, we have many stakeholders and partners to thank for their support and contribution.**

I extend my deepest appreciation to our Board of Directors for their guidance and leadership at the helm of Malaysia Airports. Their strategic direction, unwavering support, and insightful counsel have been instrumental in propelling us forward to pursue our ambitious goals.

I am equally grateful to my colleagues for their unwavering commitment, dedication and resilience. Their numerous sacrifices throughout 2023 have been pivotal to our achievements.

Furthermore, I wish to express my heartfelt thanks to all our stakeholders, including the Governments of Malaysia and Türkiye, various ministries, government agencies, airline and retail partners, vendors, and other business collaborators, as well as our shareholders, for their invaluable support which is a cornerstone of the Group's success.

I am confident that the collaborative spirit between Malaysia Airports and its stakeholders that has led to a breakthrough year in 2023 will continue to strengthen in the future. As we chart the journey ahead together, I look forward to working closely with all of you in 2024 and beyond.

**MOHAMED RASTAM SHAHROM**  
 Acting Group Chief Executive Officer