



**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2021 RM'000	Preceding Year Corresponding Quarter 31.12.2020 RM'000	Current Year To Date 31.12.2021 RM'000	Preceding Year Corresponding Period 31.12.2020 RM'000
Revenue	551,339	263,642	1,672,993	1,866,345
Cost of inventories sold	(12,948)	(11,017)	(33,891)	(90,917)
Other income	101,956	16,708	222,531	186,225
Employee benefits expenses	(173,298)	(202,002)	(675,734)	(742,618)
Depreciation and amortisation	(232,248)	(232,737)	(614,655)	(609,751)
Impairment on intangible assets	-	(500,380)	-	(500,380)
Other expenses	(300,243)	(274,951)	(965,662)	(1,220,219)
Operating loss	(65,442)	(940,737)	(394,418)	(1,111,315)
Finance costs	(138,131)	(131,012)	(634,060)	(640,970)
Share of results:				
- associates	(829)	(8,419)	(5,175)	(15,988)
- joint ventures	(10,641)	5,058	(7,293)	4,412
Loss before tax and zakat	7 (215,043)	(1,075,110)	(1,040,946)	(1,763,861)
Taxation and zakat	22 78,310	390,087	274,507	647,665
Loss net of tax	(136,733)	(685,023)	(766,439)	(1,116,196)
Attributable to:				
Owners of the Company	(136,733)	(685,023)	(766,439)	(1,116,196)
Loss per share attributable to Owners of the Company (sen): 31	(9.11)	(42.16)	(49.66)	(70.75)

The condensed unaudited consolidated of profit or loss should be read in conjunction with the audited financial statement for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2021 RM'000	Preceding Year Corresponding Quarter 31.12.2020 RM'000	Current Year To Date 31.12.2021 RM'000	Preceding Year Corresponding Period 31.12.2020 RM'000
Loss for the year, net of tax	(136,733)	(685,023)	(766,439)	(1,116,196)
Other comprehensive income:				
- Foreign currency translation	(31,521)	15,897	(43,458)	128,592
- Unrealised gain/(loss) on derivative financial instruments	5,363	(23,170)	16,479	(18,190)
- Actuarial gain on retirement benefits	2,097	271	4,269	3,035
Other comprehensive (loss)/income for the year, net of tax	(24,061)	(7,002)	(22,710)	113,437
Total comprehensive loss for the year, net of tax	(160,794)	(692,025)	(789,149)	(1,002,759)
Attributable to:				
Owners of the Company	(160,794)	(692,025)	(789,149)	(1,002,759)

The condensed unaudited consolidated of other comprehensive income should be read in conjunction with the audited financial statement for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	31.12.2021	31.12.2020
	RM'000	RM'000
	Unaudited	Audited
Assets		
Non-current assets		
Property, plant and equipment	432,456	436,518
Right-of-use assets	61,781	93,874
Intangible assets	15,215,413	15,891,256
Investments in associates	125,119	110,989
Investments in joint ventures	96,874	104,167
Financial assets at fair value through profit or loss	339,632	328,489
Other receivables	367,613	404,648
Employee loans	17,866	21,487
Deferred tax assets	691,205	465,033
	<u>17,347,959</u>	<u>17,856,461</u>
Current assets		
Inventories	116,254	163,672
Biological assets	3,427	3,257
Trade receivables	275,127	394,989
Other receivables	119,692	138,825
Tax recoverable	11,264	27,496
Financial assets at fair value through profit or loss	705,619	720,558
Cash and cash equivalents	1,583,220	973,657
	<u>2,814,603</u>	<u>2,422,454</u>
Total assets	<u>20,162,562</u>	<u>20,278,915</u>

**MALAYSIA AIRPORTS HOLDINGS BERHAD 199901012192(487092-W)****(Incorporated in Malaysia)****CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	31.12.2021	31.12.2020
	RM'000	RM'000
	Unaudited	Audited
Equity and liabilities		
Equity attributable to Owners of the Company		
Share capital	5,114,341	5,114,341
Perpetual Sukuk	997,842	997,842
Retained earnings	1,120,959	1,944,898
Hedging reserve	(19,742)	(36,221)
Other reserves	8,170	4,098
Foreign exchange reserve	30,929	74,387
Total equity	7,252,499	8,099,345
Non-current liabilities		
Borrowings	3,566,038	4,550,430
Derivative financial instruments	14,423	36,166
Lease liabilities	35,857	62,506
Deferred tax liabilities	615,000	702,492
Trade payables	4,950,675	4,794,550
Other payables	588,844	555,691
	9,770,837	10,701,835
Current liabilities		
Borrowings	1,745,765	94,298
Derivative financial instruments	10,254	13,000
Lease liabilities	19,331	31,354
Trade payables	668,835	727,558
Other payables	680,194	597,417
Income tax payable	14,847	14,108
	3,139,226	1,477,735
Total liabilities	12,910,063	12,179,570
Total equity and liabilities	20,162,562	20,278,915

The condensed unaudited consolidated statement of financial position should be read in conjunction with the audited financial statement for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Attributable to Owners of the Company					Distributable	Total equity
	Non-distributable						
	Share capital	Perpetual sukuk	Foreign exchange reserve	Hedging reserve	Other reserve	Retained earnings	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	5,114,341	997,842	(54,205)	(18,031)	758	3,284,671	9,325,376
Total comprehensive income/(loss)	-	-	128,592	(18,190)	3,035	(1,116,196)	(1,002,759)
Legal reserve	-	-	-	-	305	-	305
Distribution to Perpetual Sukuk holder	-	-	-	-	-	(57,658)	(57,658)
Transaction with Owners of the Company							
Dividends	-	-	-	-	-	(165,919)	(165,919)
At 31 December 2020	5,114,341	997,842	74,387	(36,221)	4,098	1,944,898	8,099,345
At 1 January 2021	5,114,341	997,842	74,387	(36,221)	4,098	1,944,898	8,099,345
Total comprehensive (loss)/income	-	-	(43,458)	16,479	4,269	(766,439)	(789,149)
Legal reserve	-	-	-	-	(197)	-	(197)
Distribution to Perpetual Sukuk holder	-	-	-	-	-	(57,500)	(57,500)
At 31 December 2021	5,114,341	997,842	30,929	(19,742)	8,170	1,120,959	7,252,499

The condensed unaudited consolidated statement of changes in equity should be read in conjunction with the audited financial statement for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	31.12.2021	31.12.2020
	RM'000	RM'000
	Unaudited	Audited
Cash flows from operating activities		
Loss before tax and zakat	(1,040,946)	(1,763,861)
Adjustments for:		
Interest income	(53,307)	(29,009)
Unrealised loss/(gain) on fair value for:		
- quoted unit trust	6,430	549
- unquoted shares	(11,406)	5,323
Interest expense	620,919	618,113
Swap expense	13,141	22,857
Unrealised loss on forex translation	41,949	22,801
Provision for liabilities	17,408	10,924
Writeback of provision for liabilities	(2,925)	(24,012)
(Writeback)/allowance for inventories	(7,474)	3,997
Gain on fair value of biological assets	(170)	(892)
Gain on lease modification	(222)	(316)
Amortisation of:		
- intangible assets	536,707	517,655
Depreciation of:		
- property, plant and equipment	49,745	55,053
- right-of-use assets	28,203	37,043
Impairment on intangible assets	-	500,380
Net (writeback)/allowance of impairment on receivables	(21,989)	80,245
Gain on disposal of:		
- property, plant and equipment	-	(415)
- intangible assets	-	(18)
Right-of-use assets written off	-	72
Property, plant and equipment written off	258	50
Intangible assets written off	57	305
Inventories written off	3,461	356
Investment income	(15,537)	(52,115)
Share of results of:		
- associates	5,175	15,988
- joint ventures	7,293	(4,412)
Operating profit before working capital changes	176,770	16,661
Decrease in inventories	51,315	2,264
Decrease in receivables	210,081	384,106
Decrease in payables	(119,900)	(381,223)
Decrease in concession liabilities	(32,061)	(26,716)
Decrease in provisions for liabilities	(6,022)	(5,213)
Cash generated from/(used in) operations	280,183	(10,121)
Taxes and zakat paid	(9,092)	(57,132)
Net cash generated from/(used in) operating activities	271,091	(67,253)

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	31.12.2021	31.12.2020
	RM'000	RM'000
	Unaudited	Audited
Cash flows from investing activities		
Purchase of:		
- property, plant and equipment	(18,810)	(30,990)
- intangible assets	(120,624)	(158,757)
- quoted unit trust	(1,059,808)	(1,379,872)
Proceeds from disposal of:		
- property, plant and equipment	-	509
- intangible assets	-	18
- quoted unit trust	1,068,580	2,426,308
Investment income received	14,983	42,519
Interest received	1,471	2,278
Additional investment in an associate	(19,305)	-
Dividend received from:		
- joint ventures	-	4,455
Net cash (used in)/generated from investing activities	(133,513)	906,468
Cash flows from financing activities		
Drawdown of borrowings	796,687	1,000,000
Repayment of borrowings	(47,600)	(1,396,600)
Swap payment	(13,076)	(28,143)
Concession payment	-	(517,623)
Lease liabilities payment	(31,380)	(38,928)
Interest paid	(175,958)	(185,676)
Loan amendment fee	-	(33,461)
Dividends paid to shareholders of the Company	-	(165,919)
Distribution paid to Perpetual Sukuk holder	(57,500)	(57,500)
Net cash generated from/(used in) financing activities	471,173	(1,423,850)
Net movement in cash and cash equivalents	608,751	(584,635)
Effects of foreign currency translation	812	105,156
Cash and cash equivalents at beginning of year	973,657	1,453,136
Cash and cash equivalents at end of year	1,583,220	973,657

The condensed unaudited consolidated of cash flows statement income should be read in conjunction with the audited financial statement for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

1. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements, for the year ended 31 December 2021, have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS) 134 Interim Financial Reporting, International Accounting Standards (IAS) 34 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia).

These unaudited condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020. The explanatory notes attached to these unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing these unaudited condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2020.

On 1 January 2021, the Group adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2021.

Amendments to MFRSs effective for financial periods beginning on or after 1 January 2021

Financial Instruments (Interest Rate Benchmark Reform): MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16

Amendment to MFRS 16: Leases (COVID-19 Related Rent Concessions)

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

Standard issued but not yet effective

The standard and interpretation that are issued but not yet effective up to date of issuance of the Group's Financial Statements are disclosed below:

Effective for financial periods beginning on or after 1 January 2022

MFRS 3: Business Combinations (Reference to the Conceptual Framework)

MFRS 116: Property, Plant and Equipment (Proceeds before Intended Use)

MFRS 137: Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts-Cost of Fulfilling a Contract)

Annual Improvements to MFRS Standards 2018-2020: MFRS 1, MFRS 9 and MFRS 141

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Standard issued but not yet effective (cont'd.)

The standard and interpretation that are issued but not yet effective up to date of issuance of the Group's Financial Statements are disclosed below: (cont'd.)

Effective for financial periods beginning on or after 1 January 2023

MFRS 17 : Insurance Contracts

MFRS 101: Classification of Liabilities as Current or Non-Current

MFRS 108: Definition of Accounting Estimates

MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for annual periods to be announced by MASB

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

The directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application.

3. AUDITORS' REPORT ON PRECEDING FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2020 was not qualified.

4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

Airport services, duty free and non-dutiable goods segments, being the core businesses of the Group were not materially affected by any seasonality or cyclicity during the current quarter and financial year-to-date under review other than as disclosed in note 19 and 20.

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items, affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial year-to-date under review.

6. SEGMENT INFORMATION

The Group is organised into business and geographical segments which is then further classified under airport and non-airport operations activities:

Malaysia Operations

Airport operations:

- a) **Airport services**
To manage, operate and maintain the Kuala Lumpur International Airport and the designated airports in Malaysia and to provide airport related services.
- b) **Duty free and non-dutiable goods**
To operate duty free, non-duty free outlets and provide services in respect of food and beverage outlets at airports in Malaysia.

Non-airport operations:

- a) **Project and repair maintenance**
To provide facilities management services, mechanical, electrical, civil engineering services, maintenance and technical services.
- b) **Hotel**
To manage and operate hotels, known as Sama-Sama Hotel, Sama-Sama Express KLIA and Sama-Sama Express klia2.
- c) **Agriculture and horticulture**
To cultivate and sell oil palm and other agricultural products and to carry out horticulture activities.
- d) **Others**
Investment holdings and dormant companies.

Overseas Operations

- a) **Airport services**
To manage, operate and maintain the Istanbul Sabiha Gokcen International Airport (ISGIA) in Turkey and to provide airport related services.
- b) **Project and repair maintenance**
To provide facilities management services and airport special system maintenance, works for building maintenance and general contracting activities at Hamad International Airport (HIA).

6. SEGMENT INFORMATION (CONT'D.)

	Continuing Operations									
	Malaysia Operations						Overseas Operations		Consolidation adjustments	TOTAL
	Airport Operations		Non-Airport Operations				Airport Operations	Non-Airport Operations		
	Airport services	Duty free and non-dutiable goods	Project and repair maintenance	Hotel	Agriculture and horticulture	Others	Airport services	Project and repair maintenance		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
For the year ended 31 December 2021										
Segment Revenue										
External:										
Aeronautical	239,468	-	-	-	-	-	558,600	-	-	798,068
Non-aeronautical:										
Retail	-	39,264	-	-	-	-	-	-	-	39,264
Others	285,429	38	-	-	-	-	343,784	-	-	629,251
Non-airport operations	-	-	16,571	41,259	51,674	118	7,711	89,077	-	206,410
Inter-segment sales	22,734	599	89,488	393	5,928	7,487	77,214	-	(203,843)	-
Inter-segment dividends	20,000	-	-	-	-	140,000	-	-	(160,000)	-
Total revenue	567,631	39,901	106,059	41,652	57,602	147,605	987,309	89,077	(363,843)	1,672,993
Segment Results										
Operating (loss)/profit before depreciation and amortisation	(444,197)	(40,364)	19,534	7,711	24,380	332,856	658,539	10,940	(349,162)	220,237
Depreciation and amortisation	(137,023)	(11,235)	(1,662)	(12,276)	(6,070)	(16,063)	(285,991)	(2,720)	(141,615)	(614,655)
Finance costs	(202,185)	(1,276)	(51)	(1,069)	(4)	(119,069)	(465,237)	-	154,831	(634,060)
Share of results of:										
- associates	(2,266)	-	-	-	-	(2,909)	-	-	-	(5,175)
- joint ventures	-	-	-	-	-	(7,293)	-	-	-	(7,293)
(Loss)/profit before tax and zakat	(785,671)	(52,875)	17,821	(5,634)	18,306	187,522	(92,689)	8,220	(335,946)	(1,040,946)
Taxation and zakat	234,678	13,335	(4,697)	788	(3,379)	(92)	82	(1,424)	35,216	274,507
(Loss)/profit for the year	(550,993)	(39,540)	13,124	(4,846)	14,927	187,430	(92,607)	6,796	(300,730)	(766,439)
As at 31 December 2021										
Assets and Liabilities										
Segment assets	10,007,792	177,244	178,320	157,432	101,637	12,644,439	5,733,050	69,397	(9,128,742)	19,940,569
Investment in associates	54,013	-	-	-	-	71,106	-	-	-	125,119
Investment in joint ventures	-	-	-	-	-	96,874	-	-	-	96,874
Total assets	10,061,805	177,244	178,320	157,432	101,637	12,812,419	5,733,050	69,397	(9,128,742)	20,162,562
Segment liabilities representing total liabilities	6,142,962	145,423	44,963	49,871	23,543	6,101,831	7,105,421	56,722	(6,760,673)	12,910,063

6. SEGMENT INFORMATION (CONT'D.)

	Continuing Operations									
	Malaysia Operations						Overseas Operations		Consolidation adjustments	TOTAL
	Airport Operations		Non-Airport Operations				Airport Operations	Non-Airport Operations		
	Airport services	Duty free and non-dutiable goods	Project and repair maintenance	Hotel	Agriculture and horticulture	Others	Airport services	Project and repair maintenance		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
For the year ended 31 December 2020										
Segment Revenue										
External:										
Aeronautical	518,937	-	-	-	-	-	367,303	-	-	886,240
Non-aeronautical:										
Retail	-	153,222	-	-	-	-	-	-	-	153,222
Others	464,646	1,489	-	-	-	-	176,846	-	-	642,981
Non-airport operations	-	-	18,605	42,269	34,703	-	5,572	82,753	-	183,902
Inter-segment sales	117,604	654	110,406	1,476	7,738	9,152	91,011	-	(338,041)	-
Total revenue	1,101,187	155,365	129,011	43,745	42,441	9,152	640,732	82,753	(338,041)	1,866,345
Segment Results										
Operating (loss)/profit before depreciation and amortisation	(247,461)	(89,235)	35,329	2,821	10,322	199,496	334,423	5,020	(251,899)	(1,184)
Depreciation and amortisation	(268,471)	(12,853)	(1,715)	(14,298)	(4,883)	(18,676)	(204,973)	(4,030)	(79,852)	(609,751)
Impairment on intangible assets	-	-	-	-	-	-	-	-	(500,380)	(500,380)
Finance costs	(206,489)	(2,061)	(62)	(1,064)	(12)	(131,133)	(456,192)	-	156,043	(640,970)
Share of results of:										
- associates	(13,543)	-	-	-	-	(2,445)	-	-	-	(15,988)
- joint ventures	-	-	-	-	-	4,412	-	-	-	4,412
(Loss)/profit before tax and zakat	(735,964)	(104,149)	33,552	(12,541)	5,427	51,654	(326,742)	990	(676,088)	(1,763,861)
Taxation and zakat	510,689	20,028	(7,228)	5,884	(224)	(2,539)	(3,544)	(503)	125,102	647,665
(Loss)/profit for the year	(225,275)	(84,121)	26,324	(6,657)	5,203	49,115	(330,286)	487	(550,986)	(1,116,196)
As at 31 December 2020										
Assets and Liabilities										
Segment assets	10,157,293	205,415	193,464	156,547	108,229	11,607,762	5,828,578	64,726	(8,258,255)	20,063,759
Investment in associates	52,679	-	-	-	-	58,310	-	-	-	110,989
Investment in joint ventures	-	-	-	-	-	104,167	-	-	-	104,167
Total assets	10,209,972	205,415	193,464	156,547	108,229	11,770,239	5,828,578	64,726	(8,258,255)	20,278,915
Segment liabilities representing total liabilities	5,634,642	133,800	40,604	44,464	25,062	5,200,192	7,196,167	58,856	(6,154,217)	12,179,570

7. LOSS BEFORE TAX AND ZAKAT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Preceding Year		Preceding Year
	Current Year	Corresponding	Current Year	Corresponding
	Quarter	Quarter	To Date	Period
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Included in other income:				
Interest income				
-unquoted investments	4	210	546	1,153
-employee loans	218	256	925	1,124
-other loans and receivables	26,095	7,085	51,836	26,732
Net unrealised (loss)/gain on fair value for:				
-quoted unit trust	(2,602)	(5,399)	(6,430)	(549)
-unquoted shares	(1,521)	(10,646)	11,406	(5,323)
Investment income	3,952	9,090	15,537	52,115
Net realised foreign exchange (loss)/gain	(91)	576	159	1,014
Gain on disposal of:				
- property, plant and equipment	-	415	-	415
- intangible assets	-	4	-	18
Recoupment of expenses	66,472	17,419	108,063	76,919
Included in other expenses:				
Net (writeback)/allowance of impairment				
on receivables	(289)	(314)	(21,989)	80,245
Unrealised loss/(gain) on forex translation	28,191	(2,387)	41,976	22,801
Property, plant and equipment written off	236	-	258	50
Right-of-use assets written off	-	-	-	72
Intangible assets written off	11	-	57	305
Inventories written off	1,802	40	3,461	356
(Writeback)/allowance for inventories	(2,780)	412	(7,474)	3,997
Impairment on intangible assets	-	500,380	-	500,380
User fee	28,886	10,361	83,733	148,510
Included in finance costs:				
Interest expenses:				
- Concession payables and borrowings	38,305	41,047	196,128	199,282
- Financial liabilities	79,813	90,943	413,333	435,959
- Interest arising from revenue contract	19,470	-	19,470	-
- Interest on lease liabilities	543	(978)	5,129	5,729

8. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have had a material effect in the result for current quarter and financial year-to-date under review.

9. DEBT AND EQUITY SECURITIES

On 23 December 2021, the Group had paid EUR10.0 million, equivalent to RM47.6 million of the Senior Term Loan Facility which matured on 24 December 2021.

On 30 December 2021, the Company completed the issuance of RM800.0 million Senior Sukuk Wakalah from its Sukuk Wakalah Programme. The Senior Sukuk Wakalah offering comprises a five (5) years, RM475.0 million tranche, a seven (7) years, RM225.0 million tranche and a ten (10) years, RM100.0 million tranche with a periodic distribution rate (per annum, payable semi-annually) of 3.87%, 4.14% and 4.25% respectively.

Save for the above, there were no issuance and/or other repayment of debt and/or equity securities, share buy backs, share cancellation, shares held as treasury shares and resale of treasury shares during the current quarter and financial year-to-date under review.

10. DIVIDENDS PAID

There were no dividends paid or declared during the current quarter and financial year-to-date under review.

11. CARRYING AMOUNT OF REVALUED ASSETS

The Group does not have any revalued assets as its property, plant and equipment and intangible assets are stated at cost less accumulated depreciation, amortisation and impairment losses.

12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current quarter and financial year-to-date under review.

13. CHANGES IN GUARANTEES, CONTINGENT LIABILITIES AND CONTINGENT ASSETSa) Guarantees

- i) Istanbul Sabiha Gokcen Uluslararası Havalimanı Yatırım Yapım ve İşletme A.Ş. (ISG) has given 26 (2020: 17) letters of guarantee to the Tax Authority in Turkey for Value Added Tax (VAT) refund amounting to EUR1.4 million, equivalent to RM6.6 million (2020: EUR1.4 million, equivalent to RM6.9 million).

Save for the above, there were no changes in guarantees from the preceding quarter announcement.

b) Contingent Liabilities

- i) On 20 August 2015, Malaysia Airports (Properties) Sdn. Bhd. (MAP) received a Notice of Arbitration from Kuala Lumpur Aviation Fuelling System Sdn. Bhd. (KAF) in respect of the alleged losses and damages in the sum of RM28.3 million pertaining to among others, design changes under Airport Facilities Agreement (AFA) dated 26 September 2007. Both parties have appointed an arbitrator. The hearing session for the arbitration has been conducted from 2 to 6 October 2017 and the parties had filed their respective closing submission by 8 December 2017. The oral hearing of parties' submission was conducted on 22 January 2018.

On 25 September 2018, MAP had received the award from the Arbitral Tribunal which is in favour of KAF. The award is only in respect of liability and the quantum will be decided by the Arbitral Tribunal in a separate proceeding at a later stage, subject to KAF providing further documents to substantiate the amount claimed. Accordingly, RM21.7 million has been recognised as a provision subject to final Arbitral Tribunal decision.

On 5 December 2019, KAF had submitted further documents to substantiate the amount claimed. On 24 February 2020, a discussion was held with KAF to clarify the documents and KAF is to provide the document as requested during the discussion.

On 7 August 2020, a discussion was held with KAF to go through the documents submitted. Based on the discussion, MAHB Technical required further documents to assess the claim. It was agreed that both Technical teams would convene another discussion to enable MAHB Technical team to clarify on the required documents.

MAP via letter dated 28 June 2021 submitted the list of required information and documents and KAF requested further time to provide such information and documents. MAP has agreed with a request from KAF for an extension till 31 July 2021. Subsequently, KAF via a letter dated 31 July 2021 requested for a further extension till 30 September 2021. MAP has agreed with KAF's request.

13. CHANGES IN GUARANTEES, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (CONT'D.)b) Contingent Liabilities (cont'd.)

i) (cont'd.)

On 7 September 2021, a meeting was held between KAF and MAP for a further discussion on the documents required. On 8 and 24 November 2021, KAF submitted some of the documents required by MAP. Currently, MAHB Technical team is reviewing the documents submitted by KAF.

ii) On 26 February 2016, MAP received a Notice of Arbitration from KAF in respect of the alleged losses and damages in the estimated claim amount of RM456.0 million pertaining to inter alia, the changes of the concession period under the AFA dated 26 September 2007. MAP has obtained a preliminary view from its solicitors who consider that MAP has a reasonably good prospect of defending the claims as MAP has complied with all the terms and conditions under the AFA. On 13 February 2017, MAP has informed KAF on the Operating Agreements' extension and requested KAF to withdraw the arbitration notice.

However, KAF refused to withdraw the arbitration notice and grants MAP on the extension until 30 May 2017 to facilitate further negotiations on the matter. MAP had requested from KAF for further extension to 30 December 2017.

On 9 August 2017, KAF agreed to withhold the arbitration proceedings until 30 June 2018 pending the negotiations between Malaysia Airports Holdings Berhad (MAHB) and Government of Malaysia (GoM). MAP has sent a letter to request for an extension of time to KAF to withhold proceedings until 31 December 2019. KAF has agreed with MAP's request to withhold the commencement of the arbitration proceeding against MAP until 31 December 2019 to facilitate the negotiation on the Operating Agreements between MAHB and GoM.

MAP via letter dated 27 December 2019, requested for a further extension till end of June 2020 to facilitate on the Operating Agreements between MAHB and GoM. KAF has agreed with MAP's request.

MAP via a letter dated 16 June 2020, requested for a further extension till end of December 2020 to facilitate the negotiation on the Operating Agreements between MAHB and GoM. KAF has agreed with MAP's request.

MAP via a letter dated 15 February 2021, requested for a further extension till end of July 2021 to facilitate the negotiation on the Operating Agreements between MAHB and GoM. KAF via a letter dated 17 February 2021, has agreed with MAP's request.

MAP via letter dated 13 July 2021, requested for a further extension till 31 December 2021 to facilitate the negotiation on the Operating Agreements between MAHB and GoM. KAF has agreed with MAP's request.

Subsequently, MAP via letter dated 16 December 2021, requested for a further extension till 30 June 2022 to facilitate the negotiation on the Operating Agreements between MAHB and GoM. KAF has agreed with MAP's request.

13. CHANGES IN GUARANTEES, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (CONT'D.)b) Contingent Liabilities (cont'd.)

- iii) Syarikat Pembinaan Anggerik Sdn. Bhd. (SPASB) via a Writ of Summons claims from MAHB for the sum of RM44.0 million for damages and other claims and interest in respect of the alleged losses and damages pertaining to the works carried out by SPASB for the 'Proposed Development and Upgrading Works at Penang International Airport, Bayan Lepas, Pulau Pinang' and the 'Proposed Construction and Completion of Site Office, Central Utilities Building and Airside Drainage Works at Penang International Airport'. MAHB had filed an application for stay of proceedings in light of the arbitration provisions in the contract and on 23 August 2017, the court had allowed MAHB's 'Stay Application' with cost of RM10,000 to be paid by SPASB to MAHB.

On 21 September 2017, SPASB filed its Notice of Appeal in respect of the court's decision on the 'Stay Application'. The Court of Appeal however had allowed SPASB's appeal with costs on 30 March 2018.

In furtherance to the Court of Appeal's decision, MAHB had filed the 'Application for Leave to Appeal' (Application) at the Federal Court on 27 April 2018. Such Application nonetheless was dismissed by the Federal Court on 1 August 2018 and therefore SPASB's claim against MAHB shall be heard in the High Court instead of arbitration.

On 9 August 2018, SPASB had filed its Amended Statement of Claim (Amended SOC). In the Amended SOC, SPASB had raised its claim to RM59.9 million. MAHB had later filed its Statement of Defence on 21 September 2018. SPASB filed its reply to MAHB's Statement of Defence on 10 October 2018.

During the Case Management on 8 July 2019, the Court maintained the previously arranged trial dates on 11 to 15 November 2019. The Court further directed both parties to exchange witness statements.

On 12 July 2019, SPASB had increased its amount of claim from RM59.9 million to RM66.8 million. Subsequently, on 31 July 2019, MAHB has filed its Amended Statement of Defence and Counterclaim. The amount claimed is not expected to have any material impact on the financial statements of the Group since it is subject to strict proof at the full trial. Subsequently, the trial took place in April and May 2021.

On 15 September 2021, the Court delivered its decision whereby out of the total sum of RM66.8 million claimed by SPASB, the Court only awarded SPASB the sum of RM9.9 million plus interest for balance of work payments. There is no material financial impact as this amount has been fully provided in the financial statements. The awarded sum take into account a deduction of RM0.75 million in liquidated ascertained damages awarded to MAHB for SPASB's delays in completing the airport's airside drainage works. The Court dismissed the entirety of SPASB's claims for acceleration cost and prolongation costs.

SPASB and MAHB have filed their Notice of Appeal in respect of the Court's decision on 11 October 2021 and 14 October 2021, respectively.

13. CHANGES IN GUARANTEES, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (CONT'D.)b) Contingent Liabilities (cont'd.)

iii) (cont'd.)

On 18 October 2021, SPASB has issued a demand letter requesting for MAHB to pay within 10 days on all High Court's judgement items which are not subjected to SPASB appeal, amounting to approximately RM8.2 million (including interest) which was paid to SPASB on 1 November 2021.

On 12 November 2021, the Court has awarded net cost of RM95,000 and allocator of RM3,800 to SPASB. On 29 November 2021, SPASB filed Notice of Appeal in respect of Court's decision on the cost. On 30 November 2021, SPASB issued a letter to MAHB to demand the cost and allocator in the sum of RM98,800 of which MAHB has paid it accordingly.

On 7 December 2021, MAHB has filed Notice on Appeal in respect of Court's decision on the cost. The Court of Appeal has on 4 February 2022, allowed SPASB's application for the consolidation of the appeals with no order as to costs. Case management is set on 16 March 2022.

iv) On 21 March 2019, Malaysia Airports (Sepang) Sdn. Bhd. (MA (Sepang)) has received notice of Arbitration from Segi Astana Sdn. Bhd. (SASB) for the alleged losses and damages pertaining to the delay in commencement of operations of klia2 Integrated Complex. This notice is amounting to RM70.0 million in respect of the alleged losses and damages pertaining to inter alia, the delay in the commencement of the commercial operation of the klia2 Integrated Complex.

Hearing dates of 17 to 20, 23 to 27 and 30 November 2020 have been vacated pursuant to the direction from the Tribunal during the virtual pre-hearing held on 3 November 2020. Subsequently, the hearing dates was set from 21 June to 25 June 2021, 11 October to 15 October 2021 and 25 October to 29 October 2021. The Tribunal vacated the hearing dates in June and fixed 23 August 2021 till 26 August 2021 for the hearing of the arbitration. The second tranche of hearing dates in October 2021 has been retained by the Court. The solicitors and internal legal department are of the view that MA (Sepang) has a fair prospect of success in defending the amount claimed.

The hearing has been completed. The oral submissions are tentatively fixed on 30 June 2022.

Save for the above, there were no changes in contingent liabilities from preceding quarter announcement. The Group has no contingent assets.

14. RELATED PARTY TRANSACTIONS AND BALANCES
Related Party Transactions:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2021 RM'000	Preceding Year Corresponding Quarter 31.12.2020 RM'000	Current Year To Date 31.12.2021 RM'000	Preceding Year Corresponding Period 31.12.2020 RM'000
Revenue:				
<u>Associates:</u>				
Lease rental				
- KL Aviation Fuelling System Sdn. Bhd.	1,442	1,442	5,767	5,767
- MFMA Development Sdn. Bhd.	695	657	2,780	2,626
- Alibaba KLIA Aeropolis Sdn. Bhd.*	585	585	2,322	2,328
- Cooling Energy Supply Sdn. Bhd.**	559	-	1,118	-
Service fee				
- KL Aviation Fuelling System Sdn. Bhd.	134	134	536	536
- MFMA Development Sdn. Bhd.	403	381	1,612	1,524
- Cooling Energy Supply Sdn. Bhd.	82	-	164	-
Concession fee				
- MFMA Development Sdn. Bhd.	142	142	568	568
- Cooling Energy Supply Sdn. Bhd.**	196	-	392	-
Recoupment of water, electricity, sewerage and quit rent				
- MFMA Development Sdn. Bhd.	1,650	1,617	4,611	6,374
- Alibaba KLIA Aeropolis Sdn. Bhd.*	215	335	788	436
<u>Joint ventures:</u>				
Lease rental				
- Segi Astana Sdn. Bhd.	318	318	1,273	1,273
- Airport Cooling Energy Supply Sdn. Bhd.	153	153	611	611
Service fee				
- Airport Cooling Energy Supply Sdn. Bhd.	26	26	104	104
Concession fee				
- Airport Cooling Energy Supply Sdn. Bhd.	43	43	173	173
Expenses:				
<u>Associate</u>				
Cooling Energy Supply Sdn. Bhd. **				
- Utilities (Fixed)	3,188	-	6,288	-
- Utilities (Variable usage)	5,313	-	9,624	-

14. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D.)

Related Party Transactions: (cont'd.)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	Current Year	Preceding Year	Current Year	Preceding Year	
	Quarter	Corresponding	To Date	Corresponding	
	31.12.2021	Quarter	31.12.2021	Period	
	RM'000	31.12.2020	RM'000	31.12.2020	RM'000
Expenses: (cont'd.)					
<u>Joint ventures:</u>					
Airport Cooling Energy Supply Sdn. Bhd.					
- Utilities (Fixed)	8,031	8,031	32,124	32,124	
- Utilities (Variable usage)	2,242	2,194	8,517	9,995	
- Less: Rebate	(1,035)	(1,255)	(3,609)	(4,070)	

Related Party Balances:

	As at 31.12.2021 RM'000 Unaudited	As at 31.12.2020 RM'000 Audited
Amount owing by associated companies	1,493	727
Amount owing to joint ventures	66,570	33,124

Note:

* With effective from 8 January 2021, Cainiao KLIA Aeropolis has changed its name to Alibaba KLIA Aeropolis Sdn. Bhd.

** Cooling Energy Supply Sdn. Bhd. commenced operations from July 2021.

15. COMMITMENTS

The amount of commitments for the lease rental, purchase of intangible asset, property, plant and equipment and other investment not provided for, in the interim condensed consolidated financial statements as at 31 December 2021 were as follows:

	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Total RM'000
(i) Approved and contracted for:			
Capital expenditure	305,765	509,362	815,127
(ii) Approved but not contracted for:			
Capital expenditure	384,987	-	384,987
(iii) Other investments:			
Investment in MFMA Development Sdn. Bhd.	32,250	-	32,250
	723,002	509,362	1,232,364

16. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the current period under review that requires disclosure or adjustments to the interim financial statements.

17. SIGNIFICANT EVENTS

On 4 October 2019, AirAsia Berhad and AirAsia X Berhad (AAX) had served a Writ of Summons on Malaysia Airports (Sepang) Sdn. Bhd. (MA (Sepang)) claiming special damages amounting to RM479.8 million for loss and damage occasioned by reason of the negligence on the part of MA (Sepang), its servants or agents in the management, operation, maintenance or provision of airport services and facilities at klia2.

MA (Sepang) has filed an application to strike out the Writ of Summons. The case was fixed for a decision on the striking out application on 2 October 2020. However, the said decision date was vacated and new case management was set on 18 December 2020.

On 10 December 2020, AirAsia had filed an application to expunge MA (Sepang)'s supplementary affidavit dated 13 November 2020. On 10 March 2021, the Court informed that the decision date for AirAsia Group's expungement application and MA (Sepang)'s striking out application has been postponed from 30 March 2021 to 9 April 2021.

On 9 April 2021, the Court had directed that the hearing for AirAsia Group's expungement application will take place on 13 October 2021. Subsequently, the Court had directed the hearing to be postponed to 10 December 2021.

On 10 December 2021, the Court had dismissed AirAsia's expungement application. On 14 February 2022, the Court had fixed for a decision on the striking out application on 6 April 2022.

18. PERFORMANCE REVIEW

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	Current Year	Preceding Year	Changes		Current Year	Preceding Year	Changes	
	Quarter	Corresponding			To Date	Corresponding		
	31.12.2021	31.12.2020	31.12.2021	31.12.2020				
RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%	
Revenue	551,339	263,642	287,697	109.1%	1,672,993	1,866,345	(193,352)	-10.4%
Loss before tax and zakat	(215,043)	(1,075,110)	(860,067)	-80.0%	(1,040,946)	(1,763,861)	(722,915)	-41.0%

4Q 2021 vs 4Q 2020 (Q-on-Q)
Revenue

The Group's revenue for the current quarter increased significantly by 109.1% over the corresponding quarter in the prior year to RM551.3 million in tandem with the significant increase in passenger volumes for the Group with the easing of the Movement Control Order (MCO), interstate travel and introduction of Vaccinated Travel Lane (VTL) in Malaysia coupled with continued positive recovery momentum in Turkey.

Revenue from airport operations increased significantly by 128.9% to RM492.6 million. Aeronautical segment revenue increased from RM109.7 million to RM268.8 million as compared to the corresponding quarter in the prior year. Turkey operations showed signs towards normalisation as passenger traffic had increased from 4.6 million to 7.5 million passengers during the same period. Passenger traffic for the Malaysia operations had also improved significantly to 6.7 million passengers as compared to 2.1 million passengers in the corresponding quarter in the prior year. The non-aeronautical segment revenue increased from RM105.5 million to RM223.8 million largely due to the impact of rental rebate granted to the tenants and airlines in the corresponding quarter in the prior year, whilst in the current quarter saw further improvement in Turkey non-aeronautical contribution.

Revenue from the non-airport operations increased by 21.3% or RM10.3 million due to higher revenue from the project and repair maintenance, agriculture and hotel businesses.

Overall, Malaysia and Turkey operations had recorded a significant increase in revenue by 136.8% to RM233.2 million and 107.1% to RM293.7 million respectively. Whereas, Qatar operations recorded marginal increase in revenue by 4.7% to RM24.4 million.

18. PERFORMANCE REVIEW (CONT'D.)**4Q 2021 vs 4Q 2020 (Q-on-Q)(cont'd.)****(Loss)/profit before tax and zakat (LBT/PBT)**

The Group LBT narrowed to RM215.0 million, a significant improvement as compared to a higher LBT of RM1,075.1 million in the corresponding quarter in the prior year due to higher revenue by 109.1% coupled with lower core operational expenses¹ by 8%. Higher LBT in the corresponding quarter in the prior year was also contributed by the impairment of RM500.4 million in ISG's concession rights.

Malaysia operations recorded a LBT of RM193.7 million, whilst Turkey operations recorded a LBT of RM22.3 million, both lower than the LBT in the corresponding quarter in the prior year of RM448.1 million and RM626.8 million respectively. Qatar operations recorded a PBT of RM1.0 million as compared to LBT of RM0.2 million recorded in the corresponding quarter in the prior year.

The Group's LBT was however mitigated by the recognition of deferred tax asset arising from the current period business losses. Accordingly, the Group recorded loss after taxation (LAT) of RM136.7 million.

Share of results of Associates and Joint Ventures (JV)

In the current quarter under review, the share of results from associates recorded a loss of RM0.8 million, lower by RM7.6 million as compared to a loss of RM8.4 million for the corresponding quarter in the prior year. Lower losses was due to Cooling Energy Supply Sdn. Bhd. (CES) and KAF registering a share of profits of RM1.0 million and RM0.5 million respectively, and the narrowing of share of losses from MFMA Development Sdn. Bhd. (MFMA) from RM6.6 million losses registered in the corresponding quarter in the prior year to RM2.0 million.

Share of results of joint ventures in the current quarter under review recorded losses amounting to RM10.6 million as compared to the profit of RM5.0 million for the corresponding quarter in the prior year largely due to higher share of losses from SASB of RM13.0 million, offset by lower share of profit from Airport Cooling Energy Supply Sdn. Bhd. (ACES) of RM2.4 million.

YTD 31 December 2021 vs YTD 31 December 2020 (Y-on-Y)**Revenue**

The Group recorded revenue of RM1,673.0 million, 10.4% lower than revenue of RM1,866.3 million recorded in the prior year. This was due to a 16.0% contraction in passenger movements largely as a result of prolonged MCO and continued interstate and international travel restrictions that has impacted Malaysia operations since March 2020.

¹ Core operational expenses are staff costs, utilities, maintenance and other administrative expenses

18. PERFORMANCE REVIEW (CONT'D.)

YTD 31 December 2021 vs YTD 31 December 2020 (Y-on-Y) (cont'd.)

Revenue (cont'd.)

Revenue from airport operations contracted by 12.8% to RM1,466.6 million. Aeronautical segment revenue declined by 9.9% to RM798.1 million over the prior year impacted by 16.0% passenger traffic contraction. Passenger movements for the Group continues to show signs of traffic recovery from COVID-19, albeit at different pace in Turkey and Malaysia. Turkey operations showed signs towards normalisation as passenger traffic had increased by 47.7% (international: +69.8%, domestic: +37.8%) to 25.4 million as compared to 17.2 million recorded in the prior year. Whereas, Malaysia operations recorded a decrease in passenger movements by 58.5% (international: -86.3%, domestic: -42.3%) to 10.7 million passengers as compared to 25.8 million passengers recorded in the prior year. The non-aeronautical segment revenue decreased by 16.0% to RM668.5 million as compared to the prior year due to the lower commercial rental revenue for Malaysia operations.

Revenue from non-airport operations increased by 12.3% or RM22.6 million due to higher revenue from agriculture driven by higher Fresh Fruits Bunches (FFB) price, higher project and repair maintenance and hotel businesses.

Overall, Malaysia operations had recorded a decrease in revenue by 45.4% to RM673.8 million. However, Turkey and Qatar operations recorded an increase in revenue by 65.6% to RM910.1 million and 7.7% to RM89.1 million respectively.

(Loss)/profit before tax and zakat (LBT/PBT)

The Group 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 expenses¹ by 11% as compared to the prior year and increase in other income.

Malaysia operations recorded a LBT of RM777.5 million, whilst Turkey 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. Whereas, 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.

¹ Core operational expenses are staff costs, utilities, maintenance and other administrative expenses

18. PERFORMANCE REVIEW (CONT'D.)
YTD 31 December 2021 vs YTD 31 December 2020 (Y-on-Y) (cont'd.)
Share of results of Associates and Joint Ventures (JV)

In the current financial year under review, the share of results from associates recorded losses amounting to RM5.2 million, lower by RM10.8 million as compared to the losses of RM16.0 million for the prior year, largely due to share of profit from KAF of RM0.8 million as compared to RM7.2 million loss registered in the prior year, coupled with lower share of losses from MFMA of RM3.1 million as compared to RM6.3 million loss registered in the prior year.

Share of results of joint ventures in the current financial year under review recorded losses amounting to RM7.3 million, lower by RM11.7 million as compared to the profits of RM4.4 million for the prior year, largely attributed by higher share of losses from SASB of RM15.0 million as compared to RM0.8 million loss registered in the prior year. Higher share of losses was however cushioned by higher share of profits contributed by ACES of RM7.7 million as compared to RM5.2 million registered in the prior year.

19. COMPARISON OF PERFORMANCE FOR THE CURRENT QUARTER AGAINST THE IMMEDIATE PRECEDING QUARTER

	INDIVIDUAL QUARTER			
	Current Year	Immediate	Changes	
	Quarter	Preceding		
	31.12.2021	Quarter	RM'000	%
	RM'000	30.09.2021	RM'000	
		RM'000		
Revenue	551,339	461,331	90,008	19.5%
Loss before tax and zakat	(215,043)	(254,877)	(39,834)	-15.6%

4Q 2021 vs 3Q 2021 (Q-on-PQ)
Revenue

The Group's revenue for the current quarter under review increased by 19.5% to RM551.3 million against RM461.3 million in the immediate preceding quarter due to an improvement of passenger traffic for Malaysia operations coupled with higher international passenger volumes for Turkey operations.

19. COMPARISON OF PERFORMANCE FOR THE CURRENT QUARTER AGAINST THE IMMEDIATE PRECEDING QUARTER (CONT'D.)**4Q 2021 vs 3Q 2021 (Q-on-PQ) (cont'd.)****Revenue (cont'd.)**

Revenue from airport operations increased by 21.1% to RM492.6 million over the immediate preceding quarter. Aeronautical segment revenue increased from RM233.4 million to RM268.8 million as compared to the immediate preceding quarter due to the increase in passenger traffic for Malaysia operations from 1.0 million passengers to 6.7 million passengers, in line with relaxation in travel restrictions in Malaysia. Passenger traffic for Turkey operations contracted by 15.7% (international: +10.0%, domestic: -28.8%) to 7.5 million passengers as compared to 8.9 million passengers recorded in the immediate preceding quarter due to the normal cyclical winter season. The non-aeronautical segment revenue increased by 29.1% to RM223.8 million as compared to the immediate preceding quarter due to higher rental and royalty revenue in tandem with the increase in passenger traffic for the current quarter under review.

Revenue from the non-airport operations increased marginally by 7.5% or RM4.1 million due to higher revenue from the project and repair maintenance and hotel businesses.

Overall, Malaysia had recorded significant increase in revenue by 54.1% to RM233.2 million. Turkey operations had recorded an increase in revenue by 2.0% to RM293.7 million while Qatar operations revenue registered RM24.4 million, slightly higher than RM22.1 million recorded in the immediate preceding quarter.

(Loss)/profit before tax and zakat (LBT/PBT)

The Group LBT of RM215.0 million narrowed as compared to LBT of RM254.9 million in the immediate preceding quarter due to increase in revenue, increase in other income and decrease in finance cost. However, the share of results of associate and joint venture companies registered higher losses whilst depreciation and amortisation registered marginal increase in the current quarter under review.

In the current quarter under review, Malaysia operations recorded LBT of RM193.7 million, slightly higher than LBT of RM193.1 million recorded in the immediate preceding quarter, while Turkey operations recorded a lower LBT of RM22.3 million as compared to LBT of RM64.1 million recorded in the immediate preceding quarter. Whereas, Qatar operations recorded slightly lower PBT of RM1.0 million as compared to RM2.3 million recorded in the immediate preceding quarter.

The Group's LBT however was mitigated by the recognition of deferred tax asset arising from the current period business losses. Accordingly, the Group recorded loss after taxation (LAT) of RM136.7 million.

19. COMPARISON OF PERFORMANCE FOR THE CURRENT QUARTER AGAINST THE IMMEDIATE PRECEDING QUARTER (CONT'D.)**4Q 2021 vs 3Q 2021 (Q-on-PQ) (cont'd.)****Share of results of Associates and Joint Ventures (JV)**

In the current quarter under review, the share of results from associates recorded losses narrowed to RM0.8 million, lower by RM1.2 million as compared to the losses of RM2.0 million for the immediate preceding quarter, attributed by the share of profits from CES of RM1.0 million as compared to the losses of RM1.7 million recorded in the immediate preceding quarter. However, this was offset by the share of losses from MFMA of RM2.0 million as compared to RM0.4 million loss registered in the immediate preceding quarter.

Share of results of joint ventures in the current quarter under review recorded losses amounting to RM10.6 million, higher by RM10.8 million as compared to profits RM0.2 million for the immediate preceding quarter, largely due to higher share of loss from SASB of RM13.0 million as compared to the losses of RM1.6 million recorded in the immediate preceding quarter. However, cushioned by share of profits contributed from ACES of RM2.4 million as compared to RM1.8 million profits registered in the immediate preceding quarter.

20. COMMENTARY ON PROSPECTS

MAHB's network of airports recorded 36.1 million passengers in the current year under review from 1 January 2021 to 31 December 2021, a contraction of 16.0% over the prior year. During the year, the Group's traffic for international and domestic passengers contracted by 30.4% and 8.5% respectively. Correspondingly, the Group's aircraft movements decreased by 12.9% with both international and domestic aircraft movements decreasing by 11.2% and 13.6% respectively.

The Group's traffic for the current quarter under review from 1 October 2021 to 31 December 2021 grew by 43.4% to 14.2 million passengers as gradual travel relaxation measures were implemented in Malaysia.

Malaysia Operations

Passenger traffic at MAHB operated airports contracted by 58.5% to 10.7 million passengers in the current year under review. Traffic for international and domestic passengers contracted by 86.3% to 1.3 million passengers and 42.3% to 9.4 million passengers respectively. Malaysia traffic recovery shows resilience with strong pent-up demand following each easing of the Movement Control Orders (MCOs). Traffic for the current quarter under review showed marked recovery, growing by 5.8 times to 6.7 million passengers compared to the 1.0 million passengers recorded in the immediate preceding quarter. Growth in international traffic gradually began to show some improvements with more relaxed rules, acceptance of digital or vaccines certificates and travel bubbles such as Vaccinated Travel Lane (VTL).

Overseas Operations

ISGIA passenger traffic improved by 47.7% to 25.4 million passengers in the current year under review. International passenger and domestic passenger was higher by 69.8% and 37.8% respectively. ISGIA traffic rebound was more apparent within a year after the pandemic outbreak. Travel restrictions were lifted gradually from the end of the first quarter in 2021, in anticipation of the peak summer season and the high vaccination rates. The equivalent acceptance of the EU Digital COVID certificate and Turkish COVID-19 certificate had helped fuelled passenger movements to and within Turkey. Nonetheless, the recent escalation of conflict between Russia and Ukraine had led to the temporary closure of Ukraine air space. In this respect, the Group is cautiously monitoring the development of conflict and continuously assessing the impact to our international travel for ISGIA.

Outlook

Despite the on-going uncertainties due to the new emergence of variants of concern (VOC), MAHB is cautiously optimistic in forecasting gradual traffic recovery in 2022. The Malaysia Aviation Commission's (MAVCOM) Waypoint Report issued in December 2021 forecasted passenger movements for 2022 to reach between 32.6 million to 49.0 million or 30% to 45% of 2019 passenger movements driven predominantly by flights to domestic and ASEAN markets.

The SIN-KUL VTL, resumption of Umrah travel and the introduction of several new domestic routes are some of the recent developments which will continue to drive traffic recovery in the near term. MAHB remains cautiously optimistic on the continued recovery, whilst closely monitoring the developments of the VOC, booster vaccines efficacy and travel restrictions and its impact to the passenger traffic recovery.

Group Cost Optimisation Initiatives

MAHB continues to take pre-emptive measures to mitigate its impact by implementing an aggressive cost optimisation plan. These measures include recalibrating operational efficiencies i.e. rebasing cost and prioritising capital expenditure to conserve cash reserves and ensure that the Group is able to meet its financial and operational obligations. As at 31 December 2021, the Group had achieved a further reduction of 11% of the core operational expenses¹ or RM172.3 million in addition to the 26% or RM575.5 million achieved in the prior year.

¹ Core operational expenses are staff costs, utilities, maintenance and other administrative expenses

21. PROFIT FORECAST

The Group did not publish any profit forecast.

22. TAXATION AND ZAKAT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2021 RM'000	Preceding Year Corresponding Quarter 31.12.2020 RM'000	Current Year To Date 31.12.2021 RM'000	Preceding Year Corresponding Period 31.12.2020 RM'000
Current tax	(7,894)	(1,557)	(24,732)	119,492
Deferred taxation	87,534	391,945	300,569	529,668
Zakat	(1,330)	(301)	(1,330)	(1,495)
	<u>78,310</u>	<u>390,087</u>	<u>274,507</u>	<u>647,665</u>

23. SALE OF PROPERTIES

There were no sales of properties since 31 December 2020.

24. INVESTMENTS IN QUOTED SECURITIES

There were no investment in quoted securities during the current quarter and financial year-to-date under review.

25. STATUS OF CORPORATE PROPOSALS

There are no ongoing corporate proposals announced by the Group but not completed as at 28 February 2022 being a date not earlier than 7 days from the date of issuance of the quarterly report.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**
26. BORROWINGS

	As at 31.12.2021		As at 31.12.2020	
	EUR'000 Unaudited	RM'000	EUR'000 Audited	RM'000
Short-term borrowings				
Unsecured:				
Islamic Medium Term Notes (IMTN)	-	1,500,000	-	-
Secured:				
Senior Term Loan Facility	52,179	245,765	19,089	94,298
Total short-term borrowings	52,179	1,745,765	19,089	94,298
Long-term borrowings				
Unsecured:				
Islamic Medium Term Notes (IMTN)	-	600,000	-	2,100,000
Senior Sukuk	-	1,496,687	-	700,000
Secured:				
Senior Term Loan Facility	311,964	1,469,351	354,338	1,750,430
Total long-term borrowings	311,964	3,566,038	354,338	4,550,430
Total borrowings	364,143	5,311,803	373,427	4,644,728

27. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at 31.12.2020 RM'000 Audited	Non-cash changes			As at 31.12.2021 RM'000 Unaudited
		Cash Flows RM'000	Exchange Movements RM'000	Fair Value Changes RM'000	
Unsecured:					
Islamic Medium Term Notes (IMTN)	2,100,000	-	-	-	2,100,000
Senior Sukuk	700,000	796,687	-	-	1,496,687
Secured:					
Senior Term Loan Facility	1,844,728	(104,568)	(85,888)	60,844	1,715,116
Derivative financial instruments	49,166	-	-	(24,489)	24,677
	4,693,894	692,119	(85,888)	36,355	5,336,480

28. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 31 December 2021.

29. CHANGES IN MATERIAL LITIGATION

There were no other changes in material litigation against the Group and its subsidiaries since 31 December 2020 other than those disclosed in note 13.

30. DIVIDEND PAYABLE

There were no dividends paid or declared during the current quarter and financial year-to-date under review.

31. EARNINGS PER SHARE (EPS)
Basic EPS

Basic earnings per share amounts are calculated by dividing the profit for the period attributable to Owners of the Company by the weighted average number of ordinary shares in issue during the current quarter and financial year-to-date under review.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2021 RM'000	Preceding Year Corresponding Quarter 31.12.2020 RM'000	Current Year To Date 31.12.2021 RM'000	Preceding Year Corresponding Period 31.12.2020 RM'000
Loss attributable to Owners of the Company	(136,733)	(685,023)	(766,439)	(1,116,196)
Distribution to Perpetual Sukuk holder	(14,493)	(14,494)	(57,500)	(57,658)
Net loss attributable to Owners of the Company	(151,226)	(699,517)	(823,939)	(1,173,854)
Weighted average number of ordinary shares in issue ('000)	1,659,192	1,659,192	1,659,192	1,659,192
Loss per share attributable to Owners of the Company (sen)	(9.11)	(42.16)	(49.66)	(70.75)



31. EARNINGS PER SHARE (EPS) (CONT'D.)

Basic EPS (cont'd.)

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

32. AUTHORISATION FOR ISSUE

The interim condensed consolidated financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors.

BY ORDER OF THE BOARD

Zawardi Mohamed Salleh

Company Secretary

Sepang

28 February 2022