

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 JUNE 2019

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 30.06.2019 RM'000	Preceding Year Corresponding Quarter 30.06.2018 RM'000	Current Year To Date 30.06.2019 RM'000	Preceding Year Corresponding Period 30.06.2018 RM'000
Revenue		1,261,200	1,154,690	2,513,518	2,370,486
Cost of inventories sold		(108,884)	(100,023)	(217,600)	(211,772)
Other income		64,765	56,734	134,513	398,517
Employee benefits expenses		(201,648)	(168,415)	(408,201)	(364,547)
Construction costs		-	(42,361)	-	(68,146)
Depreciation and amortisation		(228,164)	(211,024)	(469,473)	(429,041)
Other expenses		(411,536)	(393,562)	(852,573)	(749,558)
Operating profits		375,733	296,039	700,184	945,939
Finance costs		(182,197)	(181,184)	(349,053)	(360,863)
Share of results:					
- associates		2,997	6,107	5,352	5,734
- joint ventures		5,067	4,648	9,743	7,517
Profit before tax and zakat	7	201,600	125,610	366,226	598,327
Taxation and zakat	21	(41,522)	(39,494)	(56,567)	(67,612)
Profit net of tax		160,078	86,116	309,659	530,715
Attributable to:					
Owners of the Company		160,078	86,116	309,659	530,715
Profit per share attributable to					
Owners of the Company (sen):	30	8.78	4.33	16.94	30.27

The condensed unaudited consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 JUNE 2019**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2019 RM'000	Preceding Year Corresponding Quarter 30.06.2018 RM'000	Current Year To Date 30.06.2019 RM'000	Preceding Year Corresponding Period 30.06.2018 RM'000
Profit for the period, net of tax	160,078	86,116	309,659	530,715
Other comprehensive income:				
- Foreign currency translation	54,293	(8,143)	(10,277)	(53,599)
- Unrealised loss on derivative financial instruments	(3,586)	(5,615)	(5,033)	(5,924)
- Actuarial gain on retirement benefits	80	-	80	-
Other comprehensive income/(loss) for the period, net of tax	50,787	(13,758)	(15,230)	(59,523)
Total comprehensive income for the period	210,865	72,358	294,429	471,192
Attributable to:				
Owners of the Company	210,865	72,358	294,429	471,192

The condensed unaudited consolidated of other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	30.06.2019	31.12.2018
	RM'000	RM'000
	Unaudited	Audited
Assets		
Non-current assets		
Property, plant and equipment	435,264	418,849
Land use rights	6,871	6,926
Right-of-use assets	131,474	-
Intangible assets	16,352,664	16,764,994
Investment in associates	119,137	113,783
Investment in joint ventures	103,379	96,818
Financial assets at fair value through profit or loss	338,717	353,573
Trade receivables	40	71
Other receivables	107,353	37,515
Employee loans	25,755	26,785
Deferred tax assets	189,719	190,913
	<u>17,810,373</u>	<u>18,010,227</u>
Current assets		
Inventories	148,360	127,896
Biological assets	2,200	1,641
Trade receivables	775,589	595,977
Other receivables	622,568	687,554
Tax recoverable	93,470	95,622
Financial assets at fair value through profit or loss	1,221,840	1,303,715
Cash and cash equivalents	1,102,734	1,450,471
	<u>3,966,761</u>	<u>4,262,876</u>
Total assets	<u>21,777,134</u>	<u>22,273,103</u>

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	30.06.2019	31.12.2018
	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	3,169,234	3,037,416
Hedging reserve	(29,935)	(24,902)
Other reserve	4,047	3,985
Foreign exchange reserve	1,767	12,044
Total equity	9,257,296	9,140,726
Non-current liabilities		
Borrowings	4,951,357	4,930,929
Derivative financial instruments	52,135	49,600
Lease liabilities	92,782	-
Deferred tax liabilities	916,153	919,643
Trade payables	4,131,318	4,454,198
Other payables	609,968	645,361
	10,753,713	10,999,731
Current liabilities		
Borrowings	117,981	212,357
Derivative financial instruments	16,622	7,497
Lease liabilities	37,829	-
Trade payables	722,393	856,851
Other payables	843,714	1,040,099
Income tax payable	27,586	15,842
	1,766,125	2,132,646
Total liabilities	12,519,838	13,132,377
Total equity and liabilities	21,777,134	22,273,103

The condensed unaudited consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2019

	Attributable to equity holders of the Company						Total equity RM'000
	Non-distributable				Distributable		
	Share capital RM'000	Perpetual sukuk RM'000	Foreign exchange reserve RM'000	Hedging reserve RM'000	Other reserve RM'000	Retained earnings RM'000	
At 1 January 2018	5,114,341	997,842	41,955	(28,591)	6,891	2,583,308	8,715,746
Total comprehensive income for the period	-	-	(53,599)	(5,924)	-	530,715	471,192
Legal reserve	-	-	-	-	(123)	-	(123)
Distribution to perpetual sukuk holder	-	-	-	-	-	(28,514)	(28,514)
Transaction with owners							
Dividends	-	-	-	-	-	(132,735)	(132,735)
Total transaction with owners	-	-	-	-	-	(132,735)	(132,735)
At 30 June 2018	5,114,341	997,842	(11,644)	(34,515)	6,768	2,952,774	9,025,566
At 1 January 2019	5,114,341	997,842	12,044	(24,902)	3,985	3,037,416	9,140,726
Total comprehensive income for the period	-	-	(10,277)	(5,033)	80	309,659	294,429
Legal reserve	-	-	-	-	(18)	-	(18)
Distribution to perpetual sukuk holder	-	-	-	-	-	(28,514)	(28,514)
Transaction with owners							
Dividends	-	-	-	-	-	(149,327)	(149,327)
Total transaction with owners	-	-	-	-	-	(149,327)	(149,327)
At 30 June 2019	5,114,341	997,842	1,767	(29,935)	4,047	3,169,234	9,257,296

The condensed unaudited consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2019**

	30.06.2019	30.06.2018
	RM'000	RM'000
	Unaudited	Unaudited
Cash flows from operating activities		
Profit before tax and zakat	366,226	598,327
Adjustments for:		
Interest income	(17,568)	(20,265)
Gain on financial instruments at fair value through profit or loss (FVTPL)	(4,195)	(194)
Interest expense	344,961	362,520
Loss/(gain) from derivative financial instruments	4,092	(1,657)
Provision for liabilities	3,122	1,296
Writeback of provision of liabilities	(2,655)	(5,341)
Gain on fair value of biological assets	(559)	(133)
Amortisation of:		
- intangible assets	423,414	396,670
- land use rights	54	54
- right-of-use assets	16,767	-
Depreciation of property, plant and equipment	29,238	32,317
Net writeback of allowance for doubtful debts	(514)	(10,618)
Net bad debts written off	68	3,904
Gain on disposal of investment in:		
- quoted unit trusts	(23,789)	-
- unquoted equity shares	-	(28,178)
Unrealised gain on fair value on financial assets at FVTPL	-	(258,399)
Property, plant and equipment written off	-	232
Intangible assets written off	4	2
Inventories written off	1,661	1,960
Investment income	(36,407)	(29,495)
Share of results of:		
- associates	(5,352)	(7,517)
- joint ventures	(9,743)	(5,734)
Operating profit before working capital changes	1,088,825	1,029,751
Increase in inventories	(22,102)	(4,344)
Increase in receivables	(157,303)	(33,678)
Decrease in payables	(386,666)	(183,846)
Decrease in concession liabilities	(7,487)	(15,665)
Decrease in provision for liabilities	(3,587)	(3,361)
Cash generated from operations	511,680	788,857
Taxes and zakat paid	(40,988)	(56,234)
Net cash generated from operating activities	470,692	732,623

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2019

	30.06.2019	30.06.2018
	RM'000	RM'000
	Unaudited	Unaudited
Cash flows from investing activities		
Purchase of:		
- property, plant and equipment	(16,607)	(2,006)
- intangibles assets	(79,791)	(192,144)
- quoted unit trusts	(614,743)	(577,836)
Proceed from disposal of quoted unit trust	737,971	532,244
Additional contribution in an associate	-	(62,000)
Investment income received	39,589	29,495
Interest received	1,709	1,480
Net cash generated from/(used in) investing activities	68,128	(270,767)
Cash flows from financing activities		
Repayment of loan	(70,800)	(47,000)
Swap payment	(4,411)	(4,427)
Concession payment	(540,577)	(449,525)
Lease liabilities payment	(8,602)	-
Interest paid	(111,472)	(117,781)
Dividends paid to shareholders of the Company	(149,327)	(132,735)
Distribution paid to Perpetual Sukuk Holder	(28,671)	(29,144)
Net cash used in financing activities	(913,860)	(780,612)
Net decrease in cash and cash equivalents	(375,040)	(318,756)
Effects of foreign currency translation	27,303	(21,726)
Cash and cash equivalents at beginning of period	1,450,471	1,293,391
Cash and cash equivalents at end of period	1,102,734	952,909

The condensed unaudited consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

1. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements, for the period ended 30 June 2019, 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 2018. 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 2018.

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 2018 except as discussed below:

MFRS 16: Leases

MFRS 16 has replaced MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions), less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at present value of the lease payment that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications.

Classification of cash flows will also be affected as operating lease payments under MFRS 117 are presented as operating cash flows, whereas under MFRS 16, the lease payments will split into a principal (which will be presented as financing cash flows) and an interest portion (which will be presented as operating cash flows).

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

MFRS 16: Leases (cont'd.)

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard will affect primarily the accounting of the Group's operating lease.

The Group has adopted MFRS 16 effective from 1 January 2019, using modified retrospective approach. Applying this method, the comparative information for the 2018 fiscal year has not been restated. Under modified retrospective approach, the lease liability is measured based on the remaining lease payments discounted using the incremental borrowing rate as at the date of initial application. For leases with terms not exceeding twelve months and for leases of low-value assets, the Group has exercised the optional application exemptions. The lease payments under these contracts are generally recognised on a straight-line basis over the lease term as other operating expenses.

In all other leases in which the Group acts as the lessee, the present value of future lease payments is recognised as a financial liability. Lease payments are split into principal and interest portions, using the effective interest method. Correspondingly, the right-of-use asset is recognised at the present value of the liability at the commencement date of the lease, adding any directly attributable costs. The weighted-average incremental borrowing rate for the lease liabilities initially recognised as of 1 January 2019, was 5.0% per annum. Payments made before the commencement date and incentive received from the lessor are also included in the carrying amount of the right-of-use asset. The right-of-use asset is depreciated on a straight-line basis over the lease term or, if it is shorter, over the useful life of the leased asset.

The Group applied MFRS 16 for contracts that were previously identified as leases applying MFRS 117 and IC4, therefore will not apply the Standard to contracts that were not previously identified as containing a lease applying MFRS 117 and IC4.

2.1 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 2020

MFRS 3: Business Combinations

MFRS 101: Presentation of Financial Statements

MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors

Revised Conceptual Framework for Financial Reporting

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.1 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 2021

MFRS 17 : Insurance Contracts

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 2018 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 period-to-date under review.

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 period-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 management services in respect of food and beverage outlets at designated airports in Malaysia.

Non-airport operations:

- a) **Project and repair maintenance**
To provide consultancy, operations and maintenance of information and communication technology business ventures and provision of mechanical and electrical engineering.
- b) **Hotel**
To manage and operate a hotel, 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 operations**
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 at Hamad International Airport (HIA).

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

6. SEGMENT INFORMATION (cont'd.)

	Continuing Operations									
	Malaysia Operations						Overseas Operations		Consolidation adjustments	TOTAL
	Airport Operations		Non Airport Operations				Airport operations	Project and repair maintenance		
	Airport services	Duty free and non-dutiable goods	Project and repair maintenance	Hotel	Agriculture & horticulture	Others			RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
For the period ended 30 June 2019										
Segment Revenue										
External:										
Aeronautical	962,279	-	-	-	-	-	348,040	-	-	1,310,319
Non-aeronautical:										
Retail	-	422,207	-	-	-	-	-	-	-	422,207
Others	385,341	1,141	-	-	-	-	245,192	-	-	631,674
Non-airport operations	-	-	8,538	43,830	12,664	-	4,683	79,603	-	149,318
Inter-segment sales	145,113	589	52,343	1,529	3,603	-	40,111	-	(243,288)	-
Total revenue	1,492,733	423,937	60,881	45,359	16,267	-	638,026	79,603	(243,288)	2,513,518
Segment Results										
Operating profits before depreciation and amortisation	619,742	23,645	18,300	13,994	492	137,160	447,806	9,745	(101,227)	1,169,657
Depreciation and amortisation	(184,270)	(4,562)	(405)	(8,886)	(2,517)	(6,601)	(159,697)	(6,073)	(96,462)	(469,473)
Finance costs	(116,925)	(69)	(7)	(85)	(6)	(69,758)	(244,955)	-	82,752	(349,053)
Share of results of:										
- associates	5,352	-	-	-	-	-	-	-	-	5,352
- joint ventures	-	-	-	-	-	9,743	-	-	-	9,743
Profit/(loss) before tax and zakat	323,899	19,014	17,888	5,023	(2,031)	70,544	43,154	3,672	(114,937)	366,226
Taxation and zakat	(64,403)	(5,032)	(4,243)	(1,047)	(7)	(38)	(2,260)	(331)	20,794	(56,567)
Profit/(loss) for the period	259,496	13,982	13,645	3,976	(2,038)	70,506	40,894	3,341	(94,143)	309,659
As at 30 June 2019										
Assets and Liabilities										
Segment assets	10,805,040	260,204	167,788	168,005	96,208	12,034,351	6,096,501	103,401	(8,176,880)	21,554,618
Investment in associates	119,137	-	-	-	-	-	-	-	-	119,137
Investment in joint ventures	-	-	-	-	-	103,379	-	-	-	103,379
Total assets	10,924,177	260,204	167,788	168,005	96,208	12,137,730	6,096,501	103,401	(8,176,880)	21,777,134
Segment liabilities representing total liabilities	6,091,838	121,858	49,885	59,678	19,334	5,516,225	7,166,381	79,845	(6,585,206)	12,519,838

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

6. SEGMENT INFORMATION (cont'd.)

	Continuing Operations									TOTAL
	Malaysia Operations						Overseas Operations		Consolidation adjustments	
	Airport Operations		Non Airport Operations				Airport operations	Project & repair and maintenance		
	Airport services	Duty free and non-dutiable goods	Project & repair and maintenance	Hotel	Agriculture & horticulture	Others				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
For the period ended 30 June 2018										
Segment Revenue										
External:										
Aeronautical	848,190	-	-	-	-	-	278,466	-	-	1,126,656
Non-aeronautical:										
Retail	-	416,173	-	-	-	-	-	-	-	416,173
Others	396,941	816	-	-	-	-	221,777	-	-	619,534
Construction	-	-	-	-	-	-	68,146	-	-	68,146
Non-airport operations	-	-	6,776	44,516	15,300	-	4,181	69,204	-	139,977
Inter-segment sales	138,612	409	34,392	721	3,124	-	34,904	-	(212,162)	-
Total revenue	1,383,743	417,398	41,168	45,237	18,424	-	607,474	69,204	(212,162)	2,370,486
Segment Results										
Operating profits before depreciation and amortisation	621,049	32,128	11,678	12,291	5,776	391,837	384,291	11,943	(96,013)	1,374,980
Depreciation and amortisation	(155,736)	(4,736)	(234)	(6,117)	(2,232)	(6,761)	(151,944)	(1,624)	(99,657)	(429,041)
Finance costs	(115,379)	-	25	10	10	(74,982)	(256,489)	-	85,942	(360,863)
Share of results of associates:										
- associates	5,734	-	-	-	-	-	-	-	-	5,734
- joint ventures	-	-	-	-	-	7,517	-	-	-	7,517
Profit/(loss) before tax and zakat	355,668	27,392	11,469	6,184	3,554	317,611	(24,142)	10,319	(109,728)	598,327
Taxation and Zakat	(70,321)	(7,123)	(2,766)	(1,546)	(1,545)	(6,247)	1,131	(929)	21,734	(67,612)
Profit/(loss) for the period	285,347	20,269	8,703	4,638	2,009	311,364	(23,011)	9,390	(87,994)	530,715
As at 30 June 2018										
Assets and Liabilities										
Segment assets	10,696,409	220,709	139,295	121,344	97,267	12,410,568	6,843,046	105,635	(9,036,407)	21,597,866
Investment in associates	50,698	-	-	-	-	-	-	-	-	50,698
Investment in joint ventures	-	-	-	-	-	161,547	-	-	-	161,547
Total assets	10,747,107	220,709	139,295	121,344	97,267	12,572,115	6,843,046	105,635	(9,036,407)	21,810,111
Segment liabilities representing total liabilities										
	6,273,734	131,058	39,839	23,996	19,131	6,076,615	7,977,700	91,305	(7,848,833)	12,784,545

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

7. PROFIT BEFORE TAX AND ZAKAT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2019 RM'000	Preceding Year Corresponding Quarter 30.06.2018 RM'000	Current Year To Date 30.06.2019 RM'000	Preceding Year Corresponding Period 30.06.2018 RM'000
Included in other income:				
Interest income				
-Unquoted investments	532	421	1,102	826
-Employee loans	302	318	607	654
-Other loans and receivables	6,389	9,660	15,859	18,785
Gain on financial instruments at FVTPL	1,107	(185)	4,195	194
Investment income	15,501	15,136	36,407	29,495
Net realised foreign exchange gain	517	645	1,037	883
Unrealised gain on fair value on financial assets at FVTPL	-	-	-	258,399
Gain on disposal of unquoted shares	-	-	-	28,178
Recoupment of expenses	27,556	22,840	51,712	46,504
Included in other expenses:				
Net allowance/(writeback) of doubtful debts	(24,925)	1,902	(514)	(10,618)
Bad debts written off	-	3,904	68	3,904
Property, plant and equipment written off	-	232	-	232
Intangible assets written off	-	-	4	2
Inventories written off	808	1,195	1,661	1,960
User fee	109,049	98,830	221,310	204,705
Included in finance cost:				
Interest expenses:				
-Concession payables and borrowings	54,996	58,953	109,439	117,781
-Financial liabilities	125,962	122,231	237,581	243,082
-Interest on lease liabilities	1,239	-	2,033	-

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 period-to-date under review.

9. DEBT AND EQUITY SECURITIES

On 24 June 2019, the Group has paid EUR15.0 million, equivalent to RM70.7 million of the Senior Term Facility which matured on 25 June 2019.

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 period-to-date under review.

10. DIVIDENDS PAID

A single-tier final dividend of 9.00 sen per ordinary share amounting to RM149.3 million in respect of the financial year ended 31 December 2018 was approved by the Shareholders at its Annual General Meeting held on 2 May 2019. The final dividend was paid on 31 May 2019.

Save for the above, there were no other dividends paid or declared during the current quarter and financial period-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 period-to-date under review.

13. CHANGES IN GUARANTEES, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**a) Guarantees**

- i) ISG has given 18 letters of guarantee to Tax Authority in Turkey for Value Added Tax (VAT) refund amounting to EUR1.6 million, equivalent to RM7.5 million (2018: EUR1.1 million, equivalent to RM5.2 million).

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

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

- i) 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 that both parties to exchanged witness statements before the next case management on 26 September 2019.

On 12 July 2019, SPASB had increased its amount of claim from RM59.9 million to RM66.8 million. 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 of this case in November 2019.

- ii) Tax Authorities of Turkey has requested ISG to revise the Value Added Tax (VAT) refund requests and apply a different methodology for the periods from 1 July 2012 to 30 September 2014. ISG has submitted the revised refund request and filed the court case contesting the claim arising out of the revised refund request as the management of ISG is of the opinion that the initial refund request for the said period is valid. The Court decided that the tax office cannot reject ISG's calculation without conducting a tax investigation therefore the litigations are concluded in favour of ISG and ISG collected the missing VAT refund amounts.

b) Contingent Liabilities (cont'd.)

- ii) The tax office took a further action at Supreme Court level and in the meantime carried out comprehensive VAT audits for ISG in year 2016 and 2017 covering periods from 2012-2014.

The tax auditors claimed a principal of TL7.1 million, equivalent to EUR1.0 million or RM4.9 million, late payment interest of TL5.5 million, equivalent to EUR0.8 million or RM3.8 million and tax penalties of TL10.7 million, equivalent to EUR1.6 million or RM7.4 million for that tax issue mentioned above. ISG has booked a provision of late payment interest TL5.5 million, equivalent to EUR0.8 million or RM3.8 million in statement of profit or loss for the year 2017.

ISG applied to Tax Authority for settlement of the tax penalty. However, the Tax Authority postponed the ISG's settlement date and informed ISG to wait for the Tax Amnesty Law which was enacted and published in the Official Gazette on 18 May 2018.

ISG applied for Tax Amnesty on 26 July 2018 and received the confirmation for the application from Tax Authority on 9 August 2018. On 17 September 2018, ISG paid TL3.5 million, equivalent to EUR0.5 million or RM2.4 million which is half of the principal amount (TL7.1 million, equivalent to EUR1.0 million or RM4.9 million) and increased VAT receivables carried forward and paid an additional TL99.7 thousand, equivalent to EUR14.6 thousand or RM68.6 thousand for the late payment interest. The tax penalty has been waived by the Tax Authority and ISG has reversed the provision amounting to EUR1.3 million, equivalent to RM6.5 million in 2018.

The Supreme Court rendered a decision of reversal on 13 December 2018 stating that the VAT should not be refunded in accordance with the related regulations. Subsequently, ISG appealed to the Supreme Court with the request of revision of the reversed judgment based on a ruling of Constitutional Court dated 27 February 2019. The final decision from Supreme Court is still pending. If the Supreme Court's ruling will be against ISG, ISG may have to pay the original tax base amount together with interest although benefited from the Tax Amnesty. If such a case will occur in the future ISG may have to pay the original tax amount of TL7.1 million, equivalent to EUR1.0 million or RM4.9 million plus interest and apply for the deduction of the TL3.6 million, equivalent to EUR0.5 million or RM2.5 million tax amnesty payment from the total payable amount. The TL7.1 million, equivalent to EUR1.0 million or RM4.9 million tax base amount will be added to the VAT receivables in the statement of financial position that will be carried forward and recovered in the following years.

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

14. RELATED PARTY TRANSACTIONS AND BALANCES

Related Party Transactions:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2019 RM'000	Preceding Year Corresponding Quarter 30.06.2018 RM'000	Current Year To Date 30.06.2019 RM'000	Preceding Year Corresponding Period 30.06.2018 RM'000
Revenue:				
<u>Associates:</u>				
Lease rental				
- KL Aviation Fuelling System Sdn. Bhd.	1,534	1,530	3,068	3,060
- MFMA Development Sdn. Bhd.	1,037	761	2,074	1,522
Concession fee				
- MFMA Development Sdn. Bhd.	142	142	284	284
Recoupment of water, electricity & sewerage				
- MFMA Development Sdn. Bhd.	1,960	1,914	4,460	3,281
<u>Joint ventures:</u>				
Lease rental				
- Segi Astana Sdn. Bhd.	318	318	636	636
- Airport Cooling Energy Supply Sdn. Bhd.	222	222	444	444
- Cainiao KLIA Aeropolis Sdn. Bhd.	579	-	1,152	-
Expenses:				
<u>Joint ventures:</u>				
Airport Cooling Energy Supply Sdn. Bhd.				
- Utilities (Fixed)	8,031	8,031	16,062	16,062
- Utilities (Variable usage)	3,252	3,500	6,941	7,178
- Less: Rebate	(67)	(1,003)	(1,385)	(2,321)
- Interest on concession payable	5,340	5,340	10,680	10,680
Other Transactions:				
<u>Joint ventures:</u>				
Airport Cooling Energy Supply Sdn. Bhd.				
- Payment on concession payable	2,675	2,675	5,350	5,350
<u>Other Related Party:</u>				
Korn Ferry International (M) Sdn. Bhd.				
- Professional fees	-	144	-	268

Related Party Balances:

	As at 30.06.2019 RM'000 Unaudited	As at 31.12.2018 RM'000 Audited
Amount owing by associated companies	660	30

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 30 June 2019 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	300,870	-	300,870
(ii) Approved but not contracted for:			
Capital expenditure	1,036,585	-	1,036,585
(iii) Other investments:			
Investment in MFMA Development Sdn. Bhd.	45,000	-	45,000
	<u>1,382,455</u>	<u>-</u>	<u>1,382,455</u>

16. SUBSEQUENT EVENTS

a) On 3 July 2019, MAHB has announced that as at 30 June 2019, GMR Holdings (the Purchaser) had paid a sum of USD2.0 million, being part payment of the purchase consideration and the Purchaser still owed an outstanding amount of USD5.5 million (inclusive of late payment interest of 6% per annum) to Malaysia Airports (Labuan) Private Limited (MALPL). Subsequently, on 8 July 2019, the Purchaser had paid a sum of USD1.0 million.

Save for the above, 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. PERFORMANCE REVIEW

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	Current Year	Preceding Year	Changes		Current Year	Preceding Year	Changes	
	Quarter	Corresponding			To Date	Corresponding		
	30.06.2019	30.06.2018	30.06.2019	30.06.2018				
RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%	
Revenue	1,261,200	1,154,690	106,510	9.2%	2,513,518	2,370,486	143,032	6.0%
Profit before tax and zakat	201,600	125,610	75,990	60.5%	366,226	598,327	(232,101)	-38.8%

Q2 2019 vs Q2 2018 (Q-on-Q)

Revenue

The Group's revenue for the current quarter grew 9.2% over the corresponding quarter last year to RM1,261.2 million on the back of overall passenger growth of 4.9%.

Airport operations recorded a revenue growth of 9.6% to RM1,192.1 million. Revenue from the aeronautical segment increased by 23.3% to RM663.9 million over the corresponding quarter last year. Malaysia operations passenger grew by 5.3% (international: +2.4%, domestic: +8.4%) to 25.7 million passengers as compared to 24.4 million passengers recorded in the corresponding quarter last year. The passenger traffic for Turkey operations increased by 3.6% (international: +21.4%, domestic: -5.4%) to 8.7 million passengers as compared to 8.4 million passengers recorded in the corresponding quarter last year. Non-aeronautical segment increased by 4.2% to RM528.2 million as compared to the corresponding quarter last year.

Non-airport operations increased by 2.7% or RM69.1 million due to higher revenue from the project and repair maintenance business.

Overall, Malaysia operations recorded revenue of RM904.3 million with growth of 10.2%, whilst Turkey and Qatar operations recorded revenue growth of 6.1% to RM318.2 million and 12.5% to RM38.7 million respectively.

17. PERFORMANCE REVIEW (cont'd.)**Q2 2019 vs Q2 2018 (Q-on-Q) (cont'd.)****Profit before tax and zakat (PBT)**

The Group recorded a PBT of RM201.6 million as compared to RM125.6 million in the corresponding quarter last year mainly due to increase in revenue and other income by 9.2% and 14.3%, respectively. The Group cost increased by a lower rate of 3.3% as compared to the corresponding quarter last year.

PBT of the Malaysia operations increased by 21.7% to RM218.0 million. Turkey operations registered a loss before tax (LBT) of RM16.5 million, an improvement by 71.2% from the loss recorded in the corresponding quarter last year of RM57.3 million while the Qatar operations recorded a lower PBT of RM0.1 million as compared to the corresponding quarter last year of RM3.8 million.

Share of results of Associates and Joint Ventures (JV)

Share of associate's profits in the current quarter under review amounted to RM3.0 million, lower as compared to profits of RM6.1 million for the corresponding quarter last year, due to lower contribution from Kuala Lumpur Aviation Fuelling System Sdn. Bhd. (KAFS).

Share of joint venture's profits in the current quarter under review amounted to RM5.1 million, higher by 10.9% as compared to the profits of RM4.6 million for the corresponding quarter last year, mainly due to higher contribution from Segi Astana Sdn. Bhd. (SASB).

YTD June 2019 vs YTD June 2018 (Y-on-Y)**Revenue**

The Group recorded revenue of RM2,513.5 million, 6.0% higher than revenue of RM2,370.5 million recorded in the corresponding period last year. The positive results were underpinned by the growth in airport operations driven by sustained growth in passenger and aircraft movements.

Aeronautical revenue segment grew by 16.3% to RM1,310.3 million over the corresponding period last year backed by strong passenger growth. Malaysia operations recorded passenger growth of 4.7% (international: +2.0%, domestic: +7.7%) to 51.1 million passengers as compared to the corresponding period last year of 48.8 million passengers. The passenger traffic for Turkey operations increased by 3.1% (international: +18.9%, domestic: -4.6%) to 16.7 million passengers as compared to the corresponding period last year.

17. PERFORMANCE REVIEW (cont'd.)**YTD June 2019 vs YTD June 2018 (Y-on-Y) (cont'd.)****Revenue (cont'd.)**

The non-aeronautical revenue increased slightly by 1.8% to RM1,053.9 million, driven by the concessionaires and retailers from Turkey operation.

Non-airport operations revenue has increased by 6.6% over the corresponding last year to RM149.3 million, mainly contributed by project and repair maintenance business.

Overall, Malaysia operations recorded revenue of RM1,836.0 million with growth of 6.2%, whilst Turkey and Qatar operations recorded revenue growth of 4.4% to RM597.9 million and 15.0% to RM79.6 million, respectively.

Profit before tax and zakat (PBT)

The Group recorded a lower PBT of RM366.2 million as compared to RM598.3 million in the corresponding period last year, due to the one-off gains recorded in the corresponding period last year in relation to the fair valuation of investment in GMR Hyderabad International Airport Limited (GHIAL) amounting to RM258.4 million and gain on disposal of investment in GMR Male Private Limited (GMIAL) amounting to RM28.2 million.

Excluding the one-off gains, the Group's PBT increased by 17.2% or RM53.8 million as compared to the corresponding period last year due to higher revenue from both airport and non-airport operations recorded during the period.

PBT of the Malaysia operations excluding the one-off gains in the corresponding period last year decreased marginally by 1.2% or RM5.3 million. Turkey operations registered a loss before tax (LBT) of RM68.2 million, an improvement by 49.1% from the loss recorded in the corresponding period last year of RM133.9 million while Qatar operations recorded a lower PBT of RM3.7 million.

Share of results of Associates and Joint Ventures (JV)

Share of associate's profits in the financial period-to-date amounted to RM5.4 million, lower by 5.3% as compared to RM5.7 million recorded in the corresponding period last year. The unfavourable variance was due to lower contribution from KAFS, however cushioned by higher contribution from MFMA Development Sdn. Bhd. (MFMA).

Share of joint venture's profits in the financial period-to-date amounted to RM9.7 million, higher by 29.3% as compared to RM7.5 million recorded in the corresponding period last year. The favourable variance was mainly due to higher contribution from SASB.

17. PERFORMANCE REVIEW (cont'd.)

a) ECONOMIC PROFIT (EP) STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2019 RM'000	Preceding Year Corresponding Quarter 30.06.2018 RM'000	Current Year To Date 30.06.2019 RM'000	Preceding Year Corresponding Period 30.06.2018 RM'000
Net Operating Profit Less Adjusted Tax (NOPLAT) computation				
Earnings before interest and tax (EBIT*)	367,403	285,825	678,421	925,480
Adjusted Tax	(88,177)	(68,598)	(162,821)	(222,115)
NOPLAT	279,226	217,227	515,600	703,365
Economic charge computation				
Average invested capital	16,575,875	17,056,282	16,575,875	17,056,282
Weighted average cost of capital per annum	8.50%	9.74%	8.50%	9.74%
Economic Charge	352,237	415,320	704,475	830,641
Economic loss	(73,011)	(198,093)	(188,875)	(127,276)

* EBIT is earning before finance costs, interest income and share of results of associates and joint ventures.

The unfavourable variance in EBIT for the current period under review was in part due to unrealised gain on the fair value of investment in GHIAL amounting to RM258.4 million and gain on disposal of investment in GMIAL amounting to RM28.2 million that were recorded in the corresponding period last year.

The EP statement is disclosed on a voluntary basis. EP is a measure of value created by a business during a single period reflecting how much return a business makes over its cost of capital.

The Group recorded economic loss of RM73.0 million for the current quarter under review lower than economic loss of RM198.1 million recorded in the corresponding quarter last year.

Similarly, the Group recorded economic loss of RM188.9 million for the financial period-to-date under review higher than economic loss of RM127.3 million recorded in the corresponding period last year due to lower EBIT.

17. PERFORMANCE REVIEW (cont'd.)

b) HEADLINE KEY PERFORMANCE INDICATORS (KPIs)

The Group's financial and operational performances for the financial period-to-date under review against the Headline KPIs were as follows:-

	2019 Headline KPIs	Actual YTD 30 June 2019
i) EBITDA*		
Malaysia operations (RM'000)	1,210,129	706,731
Overseas business:		
Turkey operations (EUR'000)	185,858	96,300
** Turkey operations (RM'000)	927,429	447,759
Qatar operations (QAR'000)	24,149	8,648
** Qatar operations (RM'000)	26,081	9,793
ii) Airport Service Quality Rank	Above 40 mppa category: KLIA Ranking Top 13	Above 40 mppa category: KLIA ranked 17th out of 39 airports

* Earnings before interest, taxation, depreciation and amortisation

** 2019 Budgeted exchange rate : EUR1 : RM4.99, QAR1 : RM1.08

18. MATERIAL CHANGE IN PROFIT BEFORE TAX AND ZAKAT OF CURRENT QUARTER COMPARED WITH PRECEDING QUARTER

	INDIVIDUAL QUARTER			
	Current Year Quarter 30.06.2019 RM'000	Immediate Preceding Quarter 31.03.2019 RM'000	Changes	
			RM'000	%
Revenue	1,261,200	1,252,318	8,882	0.7%
Profit before tax and zakat	201,600	164,626	36,974	22.5%

Q2 2019 vs Q1 2019

Revenue

The Group's revenue for the current quarter under review increased slightly by RM8.9 million or 0.7% to RM1,261.2 million against RM1,252.3 million in the immediate preceding quarter contributed by higher revenue from airport operations business.

Non-airport operations revenue had decreased by 13.8% over the immediate preceding quarter to RM69.1 million, mainly due to lower contributions from the project and repair maintenance business.

**18. MATERIAL CHANGE IN PROFIT BEFORE TAX AND ZAKAT OF CURRENT QUARTER
COMPARED WITH PRECEDING QUARTER (cont'd.)****Q2 2019 vs Q1 2019 (cont'd.)****Revenue (cont'd.)**

Airport operations' revenue increased slightly by 1.7% to RM1,192.1 million. The increase in revenue was due to higher aeronautical revenue by 2.7% mainly from the Turkey operations over the immediate preceding quarter.

Overall, Malaysia and Qatar operations have recorded a decrease in revenue by 2.9% to RM904.3 million and 5.4% to RM38.7 million respectively, whilst revenue for Turkey operations was higher by 13.8% to RM318.2 million.

Profit before tax and zakat (PBT)

The Group recorded a PBT of RM201.6 million in the current quarter, higher by RM37.0 million as compared to the PBT of RM164.6 million recorded in the immediate preceding quarter due to lower cost by 2.7% or RM32.0 million being recorded in the current quarter under review. The decrease in cost was due to the writeback of provision for doubtful debts for the current quarter under review.

The PBT for Malaysia operations was higher by 2.5% to RM218.0 million whilst Qatar operations recorded lower PBT by RM3.6 million to RM0.1 million. Turkey operations recorded a lower LBT of RM16.5 million as compared to RM51.7 million loss in the immediate preceding quarter.

Share of results of Associates and Joint Ventures (JV)

Share of associate's profits in the current quarter amounted to RM3.0 million, higher by 25.0% as compared to RM2.4 million for the immediate preceding quarter. The favourable variance was due to higher contribution from MFMA.

Share of joint venture's profits in the current quarter amounted to RM5.1 million, higher by 8.5% as compared to RM4.7 million in the immediate preceding quarter. The favourable variance was due to higher contribution from SASB.

19. COMMENTARY ON PROSPECTS

MAHB's network of airports (including ISGIA) recorded 67.8 million passengers in the current period under review from 1 January 2019 to 30 June 2019, representing a growth of 4.3% over the corresponding period last year. During the same period, the Group's traffic for international passengers improved by 4.9% while traffic for domestic passengers increased by 3.8%. Correspondingly, the Group's aircraft movements improved by 2.1% with both international and domestic aircraft movements increasing by 2.8% and 1.6% respectively.

Malaysia Operations

Passenger traffic at MAHB operated airports registered 4.7% in growth with 51.1 million passengers in the current period under review. International passengers traffic registered a 2.0% increase to 26.0 million passengers and domestic passenger traffic increased by 7.7% to 25.1 million passengers.

MAHB's passenger traffic growth was driven by the domestic sector, partly due to higher seat capacity offered by airlines to match air travel demand. The increase in passenger volume was due to Hari Raya holiday coincide with the school break in June 2019. International passenger movements at all regions registered a growth for June 2019 except for South West Pacific region.

International Air Transport Association (IATA) in its June 2019 report foresees a lower passenger growth moving forward due to economic growth weaknesses and fuel price increases. International Monetary Fund (IMF), World Bank, Malaysian Institute of Economic Research (MIER) and Rating Agency Malaysia have revised the Gross Domestic Product (GDP) growth range for Malaysia to 4.5% - 4.7% for 2019. IMF in April has also revised the global GDP downwards for 2019 to 3.3% from 3.9% as announced in October 2018.

While Malaysia's June traffic performance is encouraging, challenges and uncertainties continue to remain with respect to airlines performance, competition in the domestic environment as well as the local and global macro-economic outlook. MAHB remains positive on the achievement of the targeted growth for 2019. The immediate future airlines' seat capacity outlook remains optimistic especially for the domestic sector. The domestic traffic correction and consolidation is expected to continue while the international sector may improve.

Overseas Operations

ISGIA recorded 16.7 million passengers in the current period under review, representing an increase of 3.1% over the corresponding period last year. International passenger traffic increased by 18.9% while domestic passenger traffic decreased by 4.6%.

ISGIA traffic was essentially driven by the international sector as some of the major airlines shifted certain operations from domestic to international sector. ISGIA performance will likely maintain its growth momentum in 2019 especially for international passenger traffic.

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

20. PROFIT FORECAST

The Group did not publish any profit forecast.

21. TAXATION AND ZAKAT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2019 RM'000	Preceding Year Corresponding Quarter 30.06.2018 RM'000	Current Year To Date 30.06.2019 RM'000	Preceding Year Corresponding Period 30.06.2018 RM'000
Current tax	(16,938)	(17,257)	(48,759)	(46,728)
Deferred taxation	(18,459)	(16,629)	(1,683)	(15,276)
Zakat	(6,125)	(5,608)	(6,125)	(5,608)
	<u>(41,522)</u>	<u>(39,494)</u>	<u>(56,567)</u>	<u>(67,612)</u>

22. SALE OF PROPERTIES

There were no sales of properties since 31 December 2018.

23. INVESTMENTS IN QUOTED SECURITIES

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

24. STATUS OF CORPORATE PROPOSALS

There are no ongoing corporate proposals announced by the Group but not completed as at 30 August 2019 being a date not earlier than 7 days from the date of issuance of the quarterly report.

25. BORROWINGS

	As at 30.06.2019		As at 31.12.2018	
	EUR'000	RM'000	EUR'000	RM'000
	Unaudited		Audited	
Short-term borrowings				
Secured:				
Senior Term Facility	25,049	117,981	44,896	212,357
Total short-term borrowings	25,049	117,981	44,896	212,357
Long-term borrowings				
Unsecured:				
Islamic Medium Term Notes (IMTN)	-	3,100,000	-	3,100,000
Secured:				
Senior Term Facility	393,068	1,851,357	387,088	1,830,929
Total long-term borrowings	393,068	4,951,357	387,088	4,930,929
Total borrowings	418,117	5,069,338	431,984	5,143,286

26. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at	Cash Flows	Non-cash changes		As at
	31.12.2018		Foreign Exchange Movements	Fair Value Changes	30.06.2019
	RM'000				RM'000
	Audited				Unaudited
Unsecured:					
Islamic Medium Term Notes (IMTN)	3,100,000	-	-	-	3,100,000
Secured:					
Senior Term Facility	2,043,286	(97,048)	(8,434)	31,534	1,969,338
Derivative financial instruments	57,097	-	1,289	10,371	68,757
	5,200,383	(97,048)	(7,145)	41,905	5,138,095

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

27. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 30 June 2019.

28. CHANGES IN MATERIAL LITIGATION

There were no other changes in material litigation against the Group and its subsidiaries since 31 December 2018 other than those disclosed in note 13.

29. DIVIDEND PAYABLE

The Directors recommend an interim dividend of approximately 5 sen per ordinary share totalling RM82.96 million in respect of the financial year ending 31 December 2019. The interim dividend will be paid on 1 October 2019 to shareholders registered on the Company's Register of Members at the close of business on 19 September 2019. An interim dividend of 5 sen per ordinary share was declared by the Directors for the corresponding period ended 30 June 2018.

30. 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 period-to-date under review.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2019 RM'000	Preceding Year Corresponding Quarter 30.06.2018 RM'000	Current Year To Date 30.06.2019 RM'000	Preceding Year Corresponding Period 30.06.2018 RM'000
Profit attributable to Owners of the Company	160,078	86,116	309,659	530,715
Distribution to Perpetual Sukuk Holder	(14,336)	(14,336)	(28,514)	(28,514)
Net profit attributable to Owners of the Company	145,742	71,780	281,145	502,201
Weighted average number of ordinary shares in issue ('000)	1,659,192	1,659,192	1,659,192	1,659,192
Profit per share attributable to Owners of the Company (sen)	8.78	4.33	16.94	30.27

30. 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.

31. 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

30 August 2019