

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 JUNE 2022

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|--|---|---|
| | Current Year Quarter 30.06.2022 RM'000 | Preceding Year Corresponding Quarter 30.06.2021 RM'000 | Current Year To Date 30.06.2022 RM'000 | Preceding Year Corresponding Period 30.06.2021 RM'000 |
| Revenue | 689,755 | 323,416 | 1,260,601 | 660,323 |
| Cost of inventories sold | (24,654) | (5,479) | (34,271) | (15,980) |
| Other income | 75,325 | 37,862 | 116,925 | 91,575 |
| Employee benefits expenses | (166,514) | (162,890) | (332,350) | (333,092) |
| Depreciation and amortisation | (185,610) | (119,089) | (342,096) | (217,593) |
| Other expenses | (289,173) | (215,292) | (539,225) | (441,395) |
| Operating profit/(loss) | 99,129 | (141,472) | 129,584 | (256,162) |
| Finance costs | (193,688) | (152,112) | (376,222) | (315,719) |
| Share of results: | | | | |
| - associates | (40) | (1,549) | 1,817 | (2,331) |
| - joint ventures | 3,505 | 4,595 | 3,344 | 3,186 |
| Loss before tax and zakat | 7 (91,094) | (290,538) | (241,477) | (571,026) |
| Taxation and zakat | 22 32,944 | 64,445 | 78,569 | 123,636 |
| Loss net of tax | (58,150) | (226,093) | (162,908) | (447,390) |
| Attributable to: | | | | |
| Owners of the Company | (58,150) | (226,093) | (162,908) | (447,390) |
| Loss per share attributable to Owners of the Company (sen) | 31 (4.37) | (14.49) | (11.54) | (28.68) |

The condensed unaudited consolidated of profit or loss should be read in conjunction with the audited financial statement for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2022

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|--|---|---|
| | Current Year Quarter 30.06.2022 RM'000 | Preceding Year Corresponding Quarter 30.06.2021 RM'000 | Current Year To Date 30.06.2022 RM'000 | Preceding Year Corresponding Period 30.06.2021 RM'000 |
| Loss for the period, net of tax | (58,150) | (226,093) | (162,908) | (447,390) |
| Other comprehensive income: | | | | |
| - Foreign currency translation | (13,372) | 15,412 | (24,798) | 1,660 |
| - Unrealised gain on derivative financial instruments | 13,475 | 7,384 | 29,937 | 7,897 |
| - Actuarial gain/(loss) on retirement benefits | 67 | 1,420 | (599) | 2,509 |
| Other comprehensive income for the period, net of tax | 170 | 24,216 | 4,540 | 12,066 |
| Total comprehensive loss for the period, net of tax | (57,980) | (201,877) | (158,368) | (435,324) |
| Attributable to: | | | | |
| Owners of the Company | (57,980) | (201,877) | (158,368) | (435,324) |

The condensed unaudited consolidated of other comprehensive income should be read in conjunction with the audited financial statement for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

| | 30.06.2022 | 31.12.2021 |
|---|--------------------------|--------------------------|
| | RM'000 | RM'000 |
| | Unaudited | Audited |
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 410,056 | 432,456 |
| Right-of-use assets | 49,267 | 61,781 |
| Intangible assets | 14,809,106 | 15,215,413 |
| Investments in associates | 126,936 | 125,119 |
| Investments in joint ventures | 100,219 | 96,874 |
| Derivative financial instruments | 12,744 | - |
| Financial assets at fair value through profit or loss | 352,705 | 339,632 |
| Other receivables | 360,388 | 367,613 |
| Employee loans | 17,550 | 17,866 |
| Deferred tax assets | 761,086 | 691,205 |
| | <u>17,000,057</u> | <u>17,347,959</u> |
| Current assets | | |
| Inventories | 92,089 | 116,254 |
| Biological assets | 4,629 | 3,427 |
| Trade receivables | 338,525 | 275,127 |
| Other receivables | 152,710 | 119,692 |
| Tax recoverable | 10,918 | 11,264 |
| Financial assets at fair value through profit or loss | 1,422,987 | 705,619 |
| Cash and cash equivalents | 1,571,443 | 1,583,220 |
| | <u>3,593,301</u> | <u>2,814,603</u> |
| Total assets | <u>20,593,358</u> | <u>20,162,562</u> |



CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

| | 30.06.2022 | 31.12.2021 |
|---|-------------------|-------------------|
| | 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 | 929,537 | 1,120,959 |
| Hedging reserve | 10,195 | (19,742) |
| Other reserves | 7,480 | 8,170 |
| Foreign exchange reserve | 6,131 | 30,929 |
| Total equity | 7,065,526 | 7,252,499 |
| Non-current liabilities | | |
| Borrowings | 4,226,585 | 3,566,038 |
| Derivative financial instruments | - | 14,423 |
| Lease liabilities | 24,923 | 35,857 |
| Deferred tax liabilities | 584,573 | 615,000 |
| Trade payables | 4,558,008 | 4,950,675 |
| Other payables | 569,069 | 588,844 |
| | 9,963,158 | 9,770,837 |
| Current liabilities | | |
| Borrowings | 1,770,394 | 1,745,765 |
| Derivative financial instruments | - | 10,254 |
| Lease liabilities | 20,364 | 19,331 |
| Trade payables | 1,122,410 | 668,835 |
| Other payables | 635,726 | 680,194 |
| Income tax payable | 15,780 | 14,847 |
| | 3,564,674 | 3,139,226 |
| Total liabilities | 13,527,832 | 12,910,063 |
| Total equity and liabilities | 20,593,358 | 20,162,562 |

The condensed unaudited consolidated statement of financial position should be read in conjunction with the audited financial statement for the year ended 31 December 2021 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 2022

| | 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 | RM'000 |
| At 1 January 2021 | 5,114,341 | 997,842 | 74,387 | (36,221) | 4,098 | 1,944,898 | 8,099,345 |
| Total comprehensive income/(loss) | - | - | 1,660 | 7,897 | 2,509 | (447,390) | (435,324) |
| Legal reserve | - | - | - | - | 1 | - | 1 |
| Distribution to Perpetual Sukuk holder | - | - | - | - | - | (28,514) | (28,514) |
| At 30 June 2021 | 5,114,341 | 997,842 | 76,047 | (28,324) | 6,608 | 1,468,994 | 7,635,508 |
| At 1 January 2022 | 5,114,341 | 997,842 | 30,929 | (19,742) | 8,170 | 1,120,959 | 7,252,499 |
| Total comprehensive (loss)/income | - | - | (24,798) | 29,937 | (599) | (162,908) | (158,368) |
| Legal reserve | - | - | - | - | (91) | - | (91) |
| Distribution to Perpetual Sukuk holder | - | - | - | - | - | (28,514) | (28,514) |
| At 30 June 2022 | 5,114,341 | 997,842 | 6,131 | 10,195 | 7,480 | 929,537 | 7,065,526 |

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2022

| | 30.06.2022 | 30.06.2021 |
|---|-------------------|-------------------|
| | RM'000 | RM'000 |
| | Unaudited | Unaudited |
| Cash flows from operating activities | | |
| Loss before tax and zakat | (241,477) | (571,026) |
| Adjustments for: | | |
| Interest income | (22,250) | (19,545) |
| Unrealised gain on fair value for: | | |
| - quoted unit trust | (1,802) | (1,746) |
| - unquoted shares | (18,250) | (9,885) |
| Interest expense | 372,062 | 308,273 |
| Swap expense | 4,160 | 7,446 |
| Unrealised loss on forex translation | 12,288 | 16,029 |
| Provision for liabilities | 3,131 | 9,135 |
| Writeback of provision for liabilities | - | (2,029) |
| Writeback for inventories | (2,381) | (2,534) |
| Gain on fair value of biological assets | (1,202) | (519) |
| Gain on lease modification | (371) | - |
| Amortisation of: | | |
| - intangible assets | 306,413 | 178,727 |
| Depreciation of: | | |
| - property, plant and equipment | 21,581 | 24,654 |
| - right-of-use assets | 14,102 | 14,212 |
| Net writeback of impairment on receivables | (25,289) | (20,058) |
| Property, plant and equipment written off | 68 | 22 |
| Intangible assets written off | 53 | 33 |
| Inventories written off | 2,239 | 864 |
| Investment income | (9,310) | (7,423) |
| Share of results of: | | |
| - associates | (1,817) | 2,331 |
| - joint ventures | (3,344) | (3,186) |
| Operating profit/(loss) before working capital changes | 408,604 | (76,225) |
| Decrease in inventories | 24,401 | 28,326 |
| (Increase)/decrease in receivables | (49,134) | 90,233 |
| Decrease in payables | (177,714) | (171,916) |
| Decrease in concession liabilities | (16,030) | (16,030) |
| Decrease in provisions for liabilities | (4,926) | (4,099) |
| Cash generated from/(used in) operations | 185,201 | (149,711) |
| Taxes and zakat paid | (14,750) | (12,736) |
| Net cash generated from/(used in) operating activities | 170,451 | (162,447) |

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2022

| | 30.06.2022 | 30.06.2021 |
|---|-------------------|-------------------|
| | RM'000 | RM'000 |
| | Unaudited | Unaudited |
| Cash flows from investing activities | | |
| Purchase of: | | |
| - property, plant and equipment | (2,994) | (5,660) |
| - intangible assets | (29,633) | (16,230) |
| - quoted unit trust | (1,326,481) | (345,682) |
| Proceeds from disposal of quoted unit trust | 615,781 | 553,772 |
| Investment income received | 8,714 | 6,851 |
| Interest received | 662 | 851 |
| Additional investment in an associate | - | (3,600) |
| Net cash (used in)/generated from investing activities | (733,951) | 190,302 |
| Cash flows from financing activity | | |
| Drawdown of borrowings | 818,279 | - |
| Repayment of borrowings | (102,600) | - |
| Swap payment | (4,126) | (7,665) |
| Lease liabilities payment | (15,384) | (13,160) |
| Interest paid | (101,335) | (76,440) |
| Distribution paid to Perpetual Sukuk holder | (28,671) | (28,671) |
| Net cash generated from/(used in) financing activity | 566,163 | (125,936) |
| Net movement in cash and cash equivalents | 2,663 | (98,081) |
| Effects of foreign currency translation | (14,440) | 54,384 |
| Cash and cash equivalents at beginning of year | 1,583,220 | 973,657 |
| Cash and cash equivalents at end of period | 1,571,443 | 929,960 |

The condensed unaudited consolidated of cash flows statement should be read in conjunction with the audited financial statement for the year ended 31 December 2021 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 2022, 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 2021. 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 2021.

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 2021.

On 1 January 2022, the Group adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2022.

Amendments to MFRSs 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

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 2023

MFRS 17 : Insurance Contracts

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

MFRS 101: Disclosure of Accounting Policies

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 (cont'd.)

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 2021 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 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 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 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 Türkiye 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 period ended 30 June 2022 | | | | | | | | | | |
| Segment Revenue | | | | | | | | | | |
| External: | | | | | | | | | | |
| Aeronautical | 311,692 | - | - | - | - | - | 351,331 | - | - | 663,023 |
| Non-aeronautical: | | | | | | | | | | |
| Retail | - | 68,644 | - | - | - | - | - | - | - | 68,644 |
| Others | 177,289 | 1,524 | - | - | - | - | 226,538 | - | - | 405,351 |
| Non-airport operations | - | - | 12,250 | 29,207 | 29,947 | 59 | 6,437 | 45,683 | - | 123,583 |
| Inter-segment sales | 25,457 | 100 | 55,989 | 1,106 | 3,764 | 4,843 | 43,660 | - | (134,919) | - |
| Inter-segment dividends | 35,000 | - | - | - | - | 57,400 | - | - | (92,400) | - |
| Total revenue | 549,438 | 70,268 | 68,239 | 30,313 | 33,711 | 62,302 | 627,966 | 45,683 | (227,319) | 1,260,601 |
| Segment Results | | | | | | | | | | |
| Operating (loss)/profit before depreciation and amortisation | (21,297) | 1,385 | 15,213 | 6,495 | 18,013 | 172,133 | 438,961 | 5,799 | (165,022) | 471,680 |
| Depreciation and amortisation | (106,724) | (5,916) | (801) | (5,660) | (2,430) | (6,245) | (138,051) | (430) | (75,839) | (342,096) |
| Finance costs | (101,321) | (771) | (15) | (447) | - | (80,520) | (272,952) | - | 79,804 | (376,222) |
| Share of results of: | | | | | | | | | | |
| - associates | 4,208 | - | - | - | - | (2,391) | - | - | - | 1,817 |
| - joint ventures | - | - | - | - | - | 3,344 | - | - | - | 3,344 |
| (Loss)/profit before tax and zakat | (225,134) | (5,302) | 14,397 | 388 | 15,583 | 86,321 | 27,958 | 5,369 | (161,057) | (241,477) |
| Taxation and zakat | 70,757 | 1,178 | (3,540) | (113) | (3,680) | (374) | (4,024) | (188) | 18,553 | 78,569 |
| (Loss)/profit for the period | (154,377) | (4,124) | 10,857 | 275 | 11,903 | 85,947 | 23,934 | 5,181 | (142,504) | (162,908) |
| As at 30 June 2022 | | | | | | | | | | |
| Assets and Liabilities | | | | | | | | | | |
| Segment assets | 10,031,035 | 192,640 | 169,748 | 165,104 | 84,657 | 13,458,521 | 5,739,684 | 62,115 | (9,537,301) | 20,366,203 |
| Investment in associates | 57,801 | - | - | - | - | 69,135 | - | - | - | 126,936 |
| Investment in joint ventures | - | - | - | - | - | 100,219 | - | - | - | 100,219 |
| Total assets | 10,088,836 | 192,640 | 169,748 | 165,104 | 84,657 | 13,627,875 | 5,739,684 | 62,115 | (9,537,301) | 20,593,358 |
| Segment liabilities representing total liabilities | 6,363,998 | 164,944 | 46,396 | 57,269 | 29,558 | 6,862,424 | 7,027,208 | 42,275 | (7,066,240) | 13,527,832 |

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 period ended 30 June 2021 | | | | | | | | | | |
| Segment Revenue | | | | | | | | | | |
| External: | | | | | | | | | | |
| Aeronautical | 104,532 | - | - | - | - | - | 191,398 | - | - | 295,930 |
| Non-aeronautical: | | | | | | | | | | |
| Retail | - | 18,569 | - | - | - | - | - | - | - | 18,569 |
| Others | 118,449 | 30 | - | - | - | - | 134,393 | - | - | 252,872 |
| Non-airport operations | - | - | 7,590 | 17,574 | 23,480 | 59 | 2,676 | 41,573 | - | 92,952 |
| Inter-segment sales | 11,999 | 453 | 48,726 | 273 | 3,062 | 4,842 | 34,375 | - | (103,730) | - |
| Total revenue | 234,980 | 19,052 | 56,316 | 17,847 | 26,542 | 4,901 | 362,842 | 41,573 | (103,730) | 660,323 |
| Segment Results | | | | | | | | | | |
| Operating (loss)/profit before depreciation and amortisation | (281,375) | (21,596) | 17,950 | (522) | 12,282 | 96,663 | 220,457 | 4,856 | (87,284) | (38,569) |
| Depreciation and amortisation | (38,207) | (5,602) | (829) | (6,065) | (2,367) | (7,639) | (106,395) | (1,346) | (49,143) | (217,593) |
| Finance costs | (100,849) | (720) | (30) | (512) | (3) | (58,947) | (230,961) | - | 76,303 | (315,719) |
| Share of results of: | | | | | | | | | | |
| - associates | (619) | - | - | - | - | (1,712) | - | - | - | (2,331) |
| - joint ventures | - | - | - | - | - | 3,186 | - | - | - | 3,186 |
| (Loss)/profit before tax and zakat | (421,050) | (27,918) | 17,091 | (7,099) | 9,912 | 31,551 | (116,899) | 3,510 | (60,124) | (571,026) |
| Taxation and zakat | 115,397 | 7,121 | (4,221) | 1,774 | (2,203) | (792) | (6,338) | (316) | 13,214 | 123,636 |
| (Loss)/profit for the period | (305,653) | (20,797) | 12,870 | (5,325) | 7,709 | 30,759 | (123,237) | 3,194 | (46,910) | (447,390) |
| As at 30 June 2021 | | | | | | | | | | |
| Assets and Liabilities | | | | | | | | | | |
| Segment assets | 10,012,169 | 173,292 | 194,087 | 154,612 | 117,966 | 11,653,048 | 5,907,585 | 71,030 | (8,582,306) | 19,701,483 |
| Investment in associates | 55,291 | - | - | - | - | 56,967 | - | - | - | 112,258 |
| Investment in joint ventures | - | - | - | - | - | 107,353 | - | - | - | 107,353 |
| Total assets | 10,067,460 | 173,292 | 194,087 | 154,612 | 117,966 | 11,817,368 | 5,907,585 | 71,030 | (8,582,306) | 19,921,094 |
| Segment liabilities representing total liabilities | 5,785,343 | 122,730 | 41,069 | 47,855 | 27,089 | 5,246,653 | 7,388,216 | 61,754 | (6,435,123) | 12,285,586 |

7. LOSS BEFORE TAX AND ZAKAT

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|--|---|---|
| | Current Year Quarter 30.06.2022 RM'000 | Preceding Year Corresponding Quarter 30.06.2021 RM'000 | Current Year To Date 30.06.2022 RM'000 | Preceding Year Corresponding Period 30.06.2021 RM'000 |
| Included in other income: | | | | |
| Interest income | | | | |
| -unquoted investments | 139 | 195 | 257 | 370 |
| -employee loans | 196 | 236 | 405 | 481 |
| -other loans and receivables | 12,785 | 11,137 | 21,588 | 18,694 |
| Net unrealised (loss)/gain on fair value for: | | | | |
| -quoted unit trust | (2,602) | 1,218 | 1,802 | 1,746 |
| -unquoted shares | 15,208 | - | 18,250 | 9,885 |
| Investment income | 5,707 | 3,589 | 9,310 | 7,423 |
| Net realised foreign exchange gain | 218 | 443 | 368 | 445 |
| Recoupment of expenses | 23,810 | 15,142 | 43,727 | 28,589 |
| Included in other expenses: | | | | |
| Net writeback of impairment on receivables | (12,847) | (19,002) | (25,289) | (20,058) |
| Unrealised loss on forex translation | 28,191 | 8,346 | 12,288 | 16,029 |
| Property, plant and equipment written off | 68 | - | 68 | 22 |
| Intangible assets written off | 53 | 33 | 53 | 33 |
| Inventories written off | 1,033 | 850 | 2,239 | 864 |
| Writeback for inventories | (897) | (1,099) | (2,381) | (2,534) |
| User fee | 45,019 | 15,917 | 78,974 | 36,923 |
| Included in finance costs: | | | | |
| Interest expenses: | | | | |
| - Concession payables and borrowings | 65,055 | 55,703 | 123,459 | 103,258 |
| - Financial liabilities | 123,136 | 96,184 | 241,763 | 208,981 |
| - Interest arising from revenue contract | 4,695 | - | 9,321 | - |
| - Interest on lease liabilities | 802 | 225 | 1,679 | 3,480 |

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 under review and financial period-to-date under review.

9. DEBT AND EQUITY SECURITIES

On 27 April 2022, the Company completed the issuance of RM800.0 million Senior Sukuk Wakalah from its Sukuk Wakalah Programme. The Senior Sukuk Wakalah offering comprises a three (3) years, RM500.0 million tranche and a five (5) years, RM300.0 million tranche with a periodic distribution rate (per annum, payable semi-annually) of 3.79% and 3.98% respectively.

On 23 June 2022, the Group had paid EUR20.0 million, equivalent to RM92.6 million of the Senior Term Facility which matured on 24 June 2022.

Save for the above, there were no unusual items affect the debt and equity securities for the current quarter and financial period to-date under review.

10. DIVIDENDS PAID

There were no 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 ASSETSa) Guarantees

- i) Istanbul Sabiha Gokcen Uluslararası Havalimanı Yatırım Yapım ve İşletme A.Ş. (ISG) has given 13 (2021: 26) letters of guarantee to the Tax Authority in Türkiye for Value Added Tax (VAT) refund amounting to EUR1.0 million, equivalent to RM4.6 million (2021: EUR1.4 million, equivalent to RM6.6 million).

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

b) Contingent Liabilities

- i) On 26 February 2016, 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 estimated claim amount of RM456.0 million pertaining to inter alia, the changes of the concession period under the Airport Facilities Arrangement (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.

Since then various extensions were granted based on MAP's request. Recently, MAP via letter dated 16 June 2022, requested for a further extension till 31 December 2022 to facilitate the negotiation on the Operating Agreements between MAHB and GoM. KAF via a letter dated 18 August 2022, has agreed with MAP's request.

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

- ii) 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 and the oral submissions was held on 30 June 2022. The parties have filed their responses to the Tribunal queries and the oral submission was held on 18 July 2022. The Tribunal has indicate that they will write to parties to declare proceedings closed and thereafter, the Tribunal will have 90 days or more to render their Award.

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 | Preceding Year | Current Year | Preceding Year |
| | Quarter | Corresponding | To Date | Corresponding |
| | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue: | | | | |
| <u>Associates:</u> | | | | |
| Lease rental | | | | |
| - KL Aviation Fuelling System Sdn. Bhd. | 1,442 | 1,442 | 2,884 | 2,884 |
| - MFMA Development Sdn. Bhd. | 722 | 695 | 1,444 | 1,390 |
| - Alibaba KLIA Aeropolis Sdn. Bhd. | 579 | 579 | 1,152 | 1,152 |
| - Cooling Energy Supply Sdn. Bhd.* | 559 | - | 1,118 | - |
| Service fee | | | | |
| - KL Aviation Fuelling System Sdn. Bhd. | 134 | 134 | 268 | 268 |
| - MFMA Development Sdn. Bhd. | 419 | 403 | 838 | 806 |
| - Cooling Energy Supply Sdn. Bhd.* | 82 | - | 164 | - |
| Concession fee | | | | |
| - MFMA Development Sdn. Bhd. | 142 | 142 | 284 | 284 |
| - Cooling Energy Supply Sdn. Bhd.* | 196 | - | 392 | - |
| Recoupment of water, electricity, sewerage and quit rent | | | | |
| - MFMA Development Sdn. Bhd. | 2,132 | 1,391 | 3,781 | 2,556 |
| - Alibaba KLIA Aeropolis Sdn. Bhd. | 284 | 229 | 380 | 332 |
| - Cooling Energy Supply Sdn. Bhd.* | 7,031 | - | 7,031 | - |
| <u>Joint ventures:</u> | | | | |
| Lease rental | | | | |
| - Segi Astana Sdn. Bhd. | 318 | 318 | 636 | 636 |
| - Airport Cooling Energy Supply Sdn. Bhd. | 153 | 153 | 306 | 306 |
| Service fee | | | | |
| - Airport Cooling Energy Supply Sdn. Bhd. | 26 | 26 | 52 | 52 |
| Concession fee | | | | |
| - Airport Cooling Energy Supply Sdn. Bhd. | 43 | 43 | 86 | 86 |
| Expenses: | | | | |
| <u>Associate</u> | | | | |
| Cooling Energy Supply Sdn. Bhd.* | | | | |
| - Utilities (Fixed) | 3,469 | - | 6,770 | - |
| - Utilities (Variable usage) | 7,003 | - | 13,394 | - |

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 |
| | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Expenses: (cont'd.) | | | | |
| <u>Joint ventures:</u> | | | | |
| Airport Cooling Energy Supply Sdn. Bhd. | | | | |
| - Utilities (Fixed) | 8,031 | 8,031 | 16,062 | 16,062 |
| - Utilities (Variable usage) | 2,740 | 2,218 | 4,987 | 4,202 |
| - Less: Rebate | (885) | (858) | (1,752) | (1,716) |

Related Party Balances:

| | As at | As at |
|------------------------|------------|------------|
| | 30.06.2022 | 31.12.2021 |
| | RM'000 | RM'000 |
| | Unaudited | Audited |
| <u>Associates:</u> | | |
| Amount owing by | 7,094 | 1,493 |
| Amount owing to | 25,054 | 23,550 |
| <u>Joint ventures:</u> | | |
| Amount owing by | 1,846 | - |
| Amount owing to | 67,263 | 66,570 |

Note:

* 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 30 June 2022 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 | 424,395 | 372,304 | 796,699 |
| (ii) Approved but not contracted for: | | | |
| Capital expenditure | 276,855 | 643,251 | 920,106 |
| (iii) Other investments: | | | |
| Investment in MFMA Development Sdn. Bhd. | 37,200 | - | 37,200 |
| | <u>738,450</u> | <u>1,015,555</u> | <u>1,754,005</u> |

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.

On 25 March 2022, the High Court dismissed MA (Sepang)'s application to strike out this civil suit. MA (Sepang) filed the notice of appeal against the said High Court's striking out decision on 4 April 2022. The Court of Appeal has set the case management for the appeal on 27 June 2022.

On 9 August 2022, AirAsia filed a Notice of Discontinuance to withdraw without liberty to file afresh its civil suit againsts MA (Sepang) in respect of alleged losses and damages in the sum of RM479.8 million.

Further, on 9 August 2022, MA (Sepang) filed a Notice of Discontinuance to withdraw without liberty to file afresh its Notice of Appeal against the decision of the Kuala Lumpur High Court on 25 March 2022 to dismiss an application by MA (Sepang) to strike out the civil suit.

18. PERFORMANCE REVIEW

| | INDIVIDUAL QUARTER | | | | CUMULATIVE QUARTER | | | |
|---------------------------|--------------------|----------------|-----------|------------|--------------------|----------------|-----------|--------|
| | Current Year | Preceding Year | Changes | | Current Year | Preceding Year | Changes | |
| | Quarter | Corresponding | | | Year | Corresponding | | |
| | 30.06.2022 | Quarter | | | To Date | Period | | |
| | 30.06.2021 | RM'000 | % | 30.06.2022 | 30.06.2021 | RM'000 | % | |
| | RM'000 | RM'000 | RM'000 | % | RM'000 | RM'000 | RM'000 | % |
| Revenue | 689,755 | 323,416 | 366,339 | 113.3% | 1,260,601 | 660,323 | 600,278 | 90.9% |
| Loss before tax and zakat | (91,094) | (290,538) | (199,444) | -68.6% | (241,477) | (571,026) | (329,549) | -57.7% |

2Q 2022 vs 2Q 2021 (Q-on-Q)
Revenue

The Group's revenue for the current quarter increased significantly by 113.3% over the corresponding quarter in the prior year to RM689.8 million in tandem with the significant increase in passenger volumes for the Group, driven by the reopening of international borders effective 1 April 2022 and Aidilfitri long-week holiday in Malaysia coupled with summer and school holidays in Türkiye.

Revenue from airport operations increased significantly by 127.6% to RM626.9 million. Aeronautical segment revenue increased from RM153.3 million to RM368.2 million as compared to the corresponding quarter in the prior year on the back of traffic recovery with total passenger traffic of 19.4 million passengers for the Group as compared to 6.1 million passengers in the corresponding quarter in the prior year. Malaysia operations passenger traffic improved significantly to 12.0 million as compared to 1.3 million passengers in the corresponding quarter in the prior year. Whilst, Türkiye operations continued to show passenger traffic recovery from 4.8 million to 7.4 million passengers during the same period. The non-aeronautical segment revenue increased from RM122.1 million to RM258.7 million, largely due to better contribution of commercial revenue from Malaysia and Türkiye operations.

Revenue from the non-airport operations increased by 31.0% or RM14.9 million due to higher revenue from the project and repair maintenance, agriculture and hotel businesses.

Overall, Malaysia and Türkiye operations had recorded a significant increase in revenue by 184.2% to RM357.5 million and 75.4% to RM309.2 million respectively. Whereas, Qatar operations recorded marginal increase in revenue by 8.5% to RM23.1 million.

18. PERFORMANCE REVIEW (CONT'D.)**2Q 2022 vs 2Q 2021 (Q-on-Q)(cont'd.)****(Loss)/profit before tax and zakat (LBT/PBT)**

The Group LBT narrowed to RM91.1 million as compared to LBT of RM290.5 million in the corresponding quarter in the prior year driven by the increase in revenue of RM366.3 million, albeit increase in depreciation in line with traffic and higher finance cost. Other cost increase primarily due to increase in user fees payable under the Operating Agreement and other revenue share payables to the Concessionaire in line with increase in revenue.

Malaysia operations recorded a LBT of RM64.8 million, whilst Türkiye operations recorded a LBT of RM28.6 million, both lower than the LBT in the corresponding quarter in the prior year of RM210.2 million and RM82.8 million respectively. Qatar operations recorded a PBT of RM2.3 million, slightly lower than PBT of RM2.5 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 RM58.1 million.

Share of results of Associates and Joint Ventures (JV)

In the current quarter under review, the share of results from associates recorded lower losses of RM0.04 million as compared to a loss of RM1.5 million for the corresponding quarter in the prior year. Share of losses was narrowed due to share of profits contributed from KAF, MFMA Development Sdn. Bhd. (MFMA) and Alibaba KLIA Aeropolis Sdn. Bhd. (Alibaba KLIA Aeropolis) of RM1.0 million, RM1.4 million and RM0.6 million respectively. However, offset by share of losses from Cooling Energy Supply Sdn. Bhd. (CES) of RM3.0 million.

Share of results of joint ventures in the current quarter under review recorded a profit amounting to RM3.5 million, lower by RM1.0 million as compared to RM4.5 million for the corresponding quarter in the prior year. Lower share of profit was contributed by the narrowing of share of profit from Segi Astana Sdn. Bhd. (SASB) from RM2.9 million registered in the corresponding quarter in the prior year to RM1.2 million, offset by higher share of profit from Airport Cooling Energy Supply Sdn. Bhd. (ACES) of RM2.3 million as compared to RM1.6 million profit recorded in the corresponding quarter in the prior year.

18. PERFORMANCE REVIEW (CONT'D.)

YTD 30 June 2022 vs YTD 30 June 2021 (Y-on-Y)

Revenue

The Group recorded revenue of RM1,260.6 million, 90.9% higher than revenue of RM660.3 million recorded in the corresponding period in the prior year in tandem with the significant increase in passenger movements by three-fold to 34.1 million passengers and a 50% recovery of pre-COVID-19 volume. The increase in passenger volumes for the Group, driven by the further easing of travel restrictions and quarantines, reopening of borders through Vaccinated Travel Lanes (VTL) arrangements by several countries and the gradual transition to an endemic phase.

Revenue from airport operations increased significantly by 100.4% to RM1,137.0 million. Aeronautical segment revenue increased from RM295.9 million to RM663.0 million as compared to the corresponding period in the prior year on the back of traffic recovery with total passenger traffic of 34.1 million passengers for the Group as compared to 12.0 million passengers in the corresponding period in the prior year. Malaysia operations passenger traffic improved significantly to 20.3 million as compared to 3.0 million passengers in the corresponding period in the prior year. Whilst, Türkiye operations continued to show passenger traffic recovery from 9.0 million to 13.8 million passengers during the same period. International passenger in Türkiye for the current period has exceeded the pre-COVID-19 level by 0.3 million passengers. The non-aeronautical segment revenue increased from RM271.4 million to RM474.0 million, largely due to better contribution of commercial revenue from Malaysia and Türkiye operations.

Revenue from the non-airport operations increased by 32.9% or RM30.6 million due to higher revenue from the project and repair maintenance, agriculture and hotel businesses.

Overall, Malaysia and Türkiye operations had recorded a significant increase in revenue by 118.0% to RM630.6 million and 77.9% to RM584.3 million respectively. Whereas, Qatar operations recorded marginal increase in revenue by 7.3% to RM45.7 million.

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

The Group LBT narrowed to RM241.5 million as compared to LBT of RM571.0 million in the corresponding period in the prior year driven by the increase in revenue by RM600.3 million, albeit increase in depreciation in line with traffic and higher finance cost. Other cost increase primarily due to increase in user fees payable under the Operating Agreement and other revenue share payables to the Concessionaire in line with increase in revenue.

18. PERFORMANCE REVIEW (CONT'D.)**YTD 30 June 2022 vs YTD 30 June 2021 (Y-on-Y) (cont'd.)****(Loss)/profit before tax and zakat (LBT/PBT) (cont'd.)**

Malaysia operations recorded a LBT of RM181.6 million, whilst Türkiye operations recorded a LBT of RM65.2 million, both lower than the LBT in the corresponding period in the prior year of RM390.7 million and RM183.6 million respectively. Qatar operations recorded a PBT of RM5.3 million as compared to RM3.3 million recorded in the corresponding period 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 RM162.9 million.

Share of results of Associates and Joint Ventures (JV)

In the current financial period under review, the share of results from associates recorded a profit of RM1.8 million, improved by RM4.1 million as compared to the losses of RM2.3 million recorded in the corresponding period in the prior year, attributed by the share of profits from KAF, MFMA and Alibaba KLIA Aeropolis of RM2.1 million, RM1.9 million and RM1.4 million respectively. However, this was offset by the share of losses from CES of RM3.6 million.

Share of results of joint ventures in the current period under review recorded a profit of RM3.3 million, slightly higher by RM0.1 million as compared to a profit of RM3.2 million for the corresponding period in the prior year, largely due to lower share of losses from SASB of RM0.2 million as compared to losses of RM0.3 million recorded in the corresponding period in the prior year. ACES has contributed consistent share of profit of RM3.5 million for the current period under review.

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

| | INDIVIDUAL QUARTER | | | |
|---------------------------|--------------------|------------|----------|--------|
| | Current Year | Immediate | Changes | |
| | Quarter | Preceding | | |
| | 30.06.2022 | Quarter | RM'000 | % |
| | RM'000 | 31.03.2022 | RM'000 | |
| Revenue | 689,755 | 570,846 | 118,909 | 20.8% |
| Loss before tax and zakat | (91,094) | (150,383) | (59,289) | -39.4% |

2Q 2022 vs 1Q 2022 (Q-on-PQ)

Revenue

The Group's revenue for the current quarter under review increased by 20.8% to RM689.8 million against RM570.8 million recorded in the immediate preceding quarter in line with the increase in passenger volume for the Group driven by the reopening international borders effective 1 April 2022 and Aidilfitri long-week holiday in Malaysia coupled with summer and school holidays in Türkiye.

Revenue from airport operations increased by 22.9% to RM626.9 million over the immediate preceding quarter. Aeronautical segment revenue increased from RM294.8 million to RM368.2 million as compared to the immediate preceding quarter due to the increase in passenger traffic for Malaysia operations from 8.3 million passengers to 12.0 million passengers and increase in passenger traffic for Türkiye operations by 15.6% (international: +16.1%, domestic: +15.2%) to 7.4 million passengers as compared to 6.4 million passengers recorded in the immediate preceding quarter. The non-aeronautical segment revenue increased by 20.1% to RM258.7 million as compared to the immediate preceding quarter.

Revenue from the non-airport operations increased slightly by 3.8% or RM2.3 million due to higher revenue from hotel and project and repair maintenance businesses.

Overall, Malaysia had recorded an increase in revenue by 30.9% to RM357.5 million. Whilst, Türkiye and Qatar operations had recorded an increase in revenue by 12.4% to RM309.2 million and 2.2% to RM23.1 million respectively.

19. COMPARISON OF PERFORMANCE FOR THE CURRENT QUARTER AGAINST THE IMMEDIATE PRECEDING QUARTER (CONT'D.)**2Q 2022 vs 1Q 2022 (Q-on-PQ) (cont'd.)****(Loss)/profit before tax and zakat (LBT/PBT)**

The Group LBT of RM91.1 million narrowed as compared to LBT of RM150.4 million in the immediate preceding quarter due to increase in revenue and other income coupled with better share of profits from associates and joint ventures companies.

In the current quarter under review, Malaysia operations recorded LBT of RM64.8 million, whilst Türkiye operations recorded a LBT of RM28.6 million, both lower than LBT in the immediate preceding quarter of RM116.8 million and RM36.6 million respectively. Whereas, Qatar operations recorded slightly lower PBT of RM2.3 million as compared to RM3.0 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 RM58.1 million.

Share of results of Associates and Joint Ventures (JV)

In the current quarter under review, the share of results from associates recorded losses of RM0.04 million as compared to the profit of RM1.9 million for the immediate preceding quarter, attributed by the share of losses from CES of RM3.0 million as compared to loss of RM0.6 million registered in the immediate preceding quarter. Higher share of losses however offset by share of profits from KAF, MFMA and Alibaba KLIA Aeropolis of RM1.0 million, RM1.4 million and RM0.6 million respectively.

Share of results of joint ventures in the current quarter under review recorded a profit of RM3.5 million, higher by RM3.7 million as compared to a loss of RM0.2 million for the immediate preceding quarter, largely due to higher share of profit from SASB of RM1.2 million as compared to losses of RM1.4 million recorded in the immediate preceding quarter coupled with share of profits contributed from ACES of RM2.3 million, increased by RM1.1 million as compared to RM1.2 million profits registered in the immediate preceding quarter.

20. COMMENTARY ON PROSPECTS

MAHB's network of airports recorded 34.1 million passengers in the current period under review from 1 January 2022 to 30 June 2022, a three-fold increase over the corresponding period in the prior year and 50% recovery of pre-COVID-19 volume. During the same period, the Group's traffic for international and domestic passengers increased by 7.5 million and 14.6 million passengers respectively. International passenger movements at both Malaysia and ISGIA continued to show improving trends in first half of this year, consistently recording higher passenger volumes each month respectively. Correspondingly, the Group's aircraft movements improved substantially by 112.2% with both international and domestic aircraft movements increasing by 93.7% and 120.3% respectively.

Malaysia Operations

Passenger traffic at MAHB operated airports recorded 20.3 million passengers in the current period under review, a six-fold increase over the corresponding period in the prior year. Traffic for international and domestic passengers improved from 0.5 million to 4.0 million passengers and from 2.5 million to 16.3 million passengers respectively. Malaysia transitioning to an endemic phase with international borders reopened from 1 April 2022 coupled with the Aidilfitri week-long holidays is a positive development that would facilitate international traffic recovery. International average load factor for June 2022 recorded above the 70% level at 72.9% for the first time. Though international traffic is still in the early stage of recovery at 30% of pre-COVID-19 levels, the encouraging trend in load factors provided optimism that long haul traffic is gradually gaining momentum.

Overseas Operations

ISGIA passenger traffic improved by 53.3% to 13.8 million passengers in the current period under review. International passenger and domestic passenger was higher by 148.1% and 12.7% respectively. Overall, ISGIA have reached 81.4% pre-COVID levels in first half of this year. Traffic in ISGIA continued to show similar seasonality trends over the pre-COVID period since travel procedures was relaxed for both domestic and international sector on 11 June 2021. ISGIA's head start in traffic recovery was supported by less stringent travel procedures, a reciprocal health certificate acceptance with the European Union and the much earlier reopening of borders among countries in the region. Highest international passenger volume was recorded in June 2022 driven by the Turkish and European summer and school holidays.

Outlook

The Airport Council International (ACI) forecasted 2022 passenger traffic for global and Asia Pacific at 77% and 62% of pre-COVID levels respectively. According to ACI, a jump in global air travel demand is expected in the second half of 2022 as many countries are taking steps towards the return of certain normality, lifting almost all health measures and travel restrictions.

20. COMMENTARY ON PROSPECTS (cont'd.)
Group Initiatives

MAHB is pivoting towards a propensity for growth, making concerted efforts in seeking out revenue generation and actively unlocking untapped opportunities to strengthen its financial position. In addition, MAHB continues to take pre-emptive measures in implementing cost optimisation plan as well as continue its cash conservation measures. These measures include recalibrating operational efficiencies i.e. rebasing cost, operational process flow review and prioritizing capital expenditure to conserve cash reserves to ensure that the Group is able to meet its financial and operational obligations.

21. PROFIT FORECAST

The Group did not publish any profit forecast.

22. TAXATION AND ZAKAT

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|-------------------|---|--|---|---|
| | Current Year Quarter 30.06.2022 RM'000 | Preceding Year Corresponding Quarter 30.06.2021 RM'000 | Current Year To Date 30.06.2022 RM'000 | Preceding Year Corresponding Period 30.06.2021 RM'000 |
| Current tax | (6,887) | (5,947) | (16,029) | (10,374) |
| Deferred taxation | 39,831 | 70,392 | 94,598 | 134,010 |
| | <u>32,944</u> | <u>64,445</u> | <u>78,569</u> | <u>123,636</u> |

23. SALE OF PROPERTIES

There were no sales of properties since 31 December 2021.

24. INVESTMENTS IN QUOTED SECURITIES

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

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**
25. STATUS OF CORPORATE PROPOSALS

There are no ongoing corporate proposals announced by the Group but not completed as at 25 August 2022 being a date not earlier than 7 days from the date of issuance of the quarterly report.

26. BORROWINGS

| | As at 30.06.2022 | | As at 31.12.2021 | |
|----------------------------------|----------------------|------------------|---------------------|------------------|
| | EUR'000 Unaudited | RM'000 | EUR'000 Audited | RM'000 |
| Short-term borrowings | | | | |
| Unsecured: | | | | |
| Islamic Medium Term Notes (IMTN) | - | 1,510,000 | - | 1,500,000 |
| Secured: | | | | |
| Senior Term Loan Facility | 56,607 | 260,394 | 52,179 | 245,765 |
| Total short-term borrowings | <u>56,607</u> | <u>1,770,394</u> | <u>52,179</u> | <u>1,745,765</u> |
| Long-term borrowings | | | | |
| Unsecured: | | | | |
| Islamic Medium Term Notes (IMTN) | - | 600,000 | - | 600,000 |
| Senior Sukuk | - | 2,295,227 | - | 1,496,687 |
| Secured: | | | | |
| Senior Term Loan Facility | 289,425 | 1,331,358 | 311,964 | 1,469,351 |
| Total long-term borrowings | <u>289,425</u> | <u>4,226,585</u> | <u>311,964</u> | <u>3,566,038</u> |
| Total borrowings | <u>346,032</u> | <u>5,996,979</u> | <u>364,143</u> | <u>5,311,803</u> |

27. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

| | As at 31.12.2021 RM'000 Audited | Non-cash changes Foreign | | | As at 30.06.2022 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 | 10,000 | - | - | 2,110,000 |
| Senior Sukuk | 1,496,687 | 798,279 | - | 261 | 2,295,227 |
| Secured: | | | | | |
| Senior Term Loan Facility | 1,715,116 | (118,933) | (39,285) | 34,854 | 1,591,752 |
| Derivative financial instruments | 24,677 | (4,126) | (3,819) | (29,476) | (12,744) |
| | <u>5,336,480</u> | <u>685,220</u> | <u>(43,104)</u> | <u>5,639</u> | <u>5,984,235</u> |

28. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 30 June 2022.

29. CHANGES IN MATERIAL LITIGATION

There were no other changes in material litigation against the Group and its subsidiaries since 31 December 2021 other than those disclosed in note 13.

30. DIVIDEND PAYABLE

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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--|--|--|---|
| | Current Year Quarter 30.06.2022 RM'000 | Preceding Year Corresponding Quarter 30.06.2021 RM'000 | Current Year To Date 30.06.2022 RM'000 | Preceding Year Corresponding Period 30.06.2021 RM'000 |
| Loss attributable to Owners of the Company | (58,150) | (226,093) | (162,908) | (447,390) |
| Distribution to Perpetual Sukuk holder | (14,336) | (14,336) | (28,514) | (28,514) |
| Net loss attributable to Owners of the Company | (72,486) | (240,429) | (191,422) | (475,904) |
| 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) | (4.37) | (14.49) | (11.54) | (28.68) |



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

25 August 2022