



**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 30.09.2021 RM'000	Preceding Year Corresponding Quarter 30.09.2020 RM'000	Current Year To Date 30.09.2021 RM'000	Preceding Year Corresponding Period 30.09.2020 RM'000
<b>Revenue</b>		461,331	396,687	1,121,654	1,602,703
Cost of inventories sold		(4,963)	(10,295)	(20,943)	(79,900)
Other income		29,000	30,725	120,575	169,517
Employee benefits expenses		(169,344)	(180,779)	(502,436)	(540,616)
Depreciation and amortisation		(164,814)	(146,508)	(382,407)	(377,014)
Other expenses		(226,267)	(278,113)	(651,633)	(920,081)
<b>Operating loss</b>		(75,057)	(188,283)	(315,190)	(145,391)
Finance costs		(177,967)	(186,362)	(509,715)	(535,145)
Share of results:					
- associates		(2,015)	(6,056)	(4,346)	(7,569)
- joint ventures		162	(4,156)	3,348	(646)
<b>Loss before tax and zakat</b>	7	(254,877)	(384,857)	(825,903)	(688,751)
Taxation and zakat	22	72,561	65,139	196,197	257,578
<b>Loss net of tax</b>		(182,316)	(319,718)	(629,706)	(431,173)
<b>Attributable to:</b>					
Owners of the Company		(182,316)	(319,718)	(629,706)	(431,173)
Loss per share attributable to Owners of the Company (sen):	31	(11.86)	(20.14)	(40.54)	(28.59)

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

**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2021 RM'000	Preceding Year Corresponding Quarter 30.09.2020 RM'000	Current Year To Date 30.09.2021 RM'000	Preceding Year Corresponding Period 30.09.2020 RM'000
Loss for the period, net of tax	(182,316)	(319,718)	(629,706)	(431,173)
Other comprehensive income:				
- Foreign currency translation	(13,597)	24,743	(11,937)	112,695
- Unrealised gain on derivative financial instruments	3,219	1,481	11,116	4,980
- Actuarial (loss)/gain on retirement benefits	(336)	1,490	2,173	2,765
Other comprehensive (loss)/income for the period, net of tax	(10,714)	27,714	1,352	120,440
Total comprehensive loss for the period, net of tax	(193,030)	(292,004)	(628,354)	(310,733)
<b>Attributable to:</b>				
Owners of the Company	(193,030)	(292,004)	(628,354)	(310,733)

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



**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2021**

	<b>30.09.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	421,631	433,670
Right-of-use assets	67,523	93,874
Intangible assets	15,581,230	15,894,104
Investments in associates	125,948	110,989
Investments in joint ventures	107,516	104,167
Financial assets at fair value through profit or loss	341,194	328,489
Other receivables	399,905	404,648
Employee loans	18,414	21,487
Deferred tax assets	613,855	465,033
	<u>17,677,216</u>	<u>17,856,461</u>
<b>Current assets</b>		
Inventories	130,204	163,672
Biological assets	4,040	3,257
Trade receivables	375,225	394,989
Other receivables	124,214	138,825
Tax recoverable	8,578	27,496
Financial assets at fair value through profit or loss	374,885	720,558
Cash and cash equivalents	1,060,603	973,657
	<u>2,077,749</u>	<u>2,422,454</u>
<b>Total assets</b>	<b><u>19,754,965</u></b>	<b><u>20,278,915</u></b>



**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2021**

	<b>30.09.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>Equity and liabilities</b>		
<b>Equity attributable to Owners of the Company</b>		
Share capital	5,114,341	5,114,341
Perpetual Sukuk	997,842	997,842
Retained earnings	1,272,185	1,944,898
Hedging reserve	(25,105)	(36,221)
Other reserves	6,204	4,098
Foreign exchange reserve	62,450	74,387
<b>Total equity</b>	<b>7,427,917</b>	<b>8,099,345</b>
<b>Non-current liabilities</b>		
Borrowings	4,449,867	4,550,430
Derivative financial instruments	23,043	36,166
Lease liabilities	44,654	62,506
Deferred tax liabilities	635,048	702,492
Trade payables	4,484,297	4,794,550
Other payables	553,709	555,691
	<b>10,190,618</b>	<b>10,701,835</b>
<b>Current liabilities</b>		
Borrowings	192,565	94,298
Derivative financial instruments	12,787	13,000
Lease liabilities	24,222	31,354
Trade payables	1,158,299	727,558
Other payables	738,736	597,417
Income tax payable	9,821	14,108
	<b>2,136,430</b>	<b>1,477,735</b>
<b>Total liabilities</b>	<b>12,327,048</b>	<b>12,179,570</b>
<b>Total equity and liabilities</b>	<b>19,754,965</b>	<b>20,278,915</b>

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



**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

	Attributable to Owners 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	
<b>At 1 January 2020</b>	5,114,341	997,842	(54,205)	(18,031)	758	3,284,671	9,325,376
Total comprehensive income/(loss)	-	-	112,695	4,980	2,765	(431,173)	(310,733)
Legal reserve	-	-	-	-	247	-	247
Distribution to Perpetual Sukuk holder	-	-	-	-	-	(43,164)	(43,164)
<b>Transaction with Owners of the Company</b>							
Dividends	-	-	-	-	-	(165,919)	(165,919)
<b>At 30 September 2020</b>	<b>5,114,341</b>	<b>997,842</b>	<b>58,490</b>	<b>(13,051)</b>	<b>3,770</b>	<b>2,644,415</b>	<b>8,805,807</b>
<b>At 1 January 2021</b>	5,114,341	997,842	74,387	(36,221)	4,098	1,944,898	8,099,345
Total comprehensive (loss)/income	-	-	(11,937)	11,116	2,173	(629,706)	(628,354)
Legal reserve	-	-	-	-	(67)	-	(67)
Distribution to Perpetual Sukuk holder	-	-	-	-	-	(43,007)	(43,007)
<b>At 30 September 2021</b>	<b>5,114,341</b>	<b>997,842</b>	<b>62,450</b>	<b>(25,105)</b>	<b>6,204</b>	<b>1,272,185</b>	<b>7,427,917</b>

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

**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

	<b>30.09.2021</b>	<b>30.09.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>Cash flows from operating activities</b>		
Loss before tax and zakat	(825,903)	(688,751)
Adjustments for:		
Interest income	(26,991)	(21,458)
Unrealised gain on fair value for:		
- quoted unit trust	(930)	(5,515)
- unquoted shares	(12,927)	(5,323)
Interest expense	499,019	516,720
Swap expense	10,696	18,425
Provision for liabilities	17,820	4,848
Writeback of provision for liabilities	(4,049)	(6,350)
(Writeback)/allowance for inventories	(4,694)	3,585
Gain on fair value of biological assets	(783)	(450)
Amortisation of:		
- intangible assets	323,410	310,157
Depreciation of:		
- property, plant and equipment	38,064	38,725
- right-of-use assets	20,933	28,132
Net (writeback)/allowance of impairment on receivables	(21,700)	80,559
Loss/(gain) on disposal of:		
- property, plant and equipment	5	-
- intangible assets	(613)	(14)
Property, plant and equipment written off	22	261
Intangible assets written off	46	306
Inventories written off	1,659	316
Investment income	(11,584)	(43,025)
Share of results of:		
- associates	4,346	7,569
- joint ventures	(3,348)	646
Operating profit before working capital changes	2,498	239,363
Decrease/(increase) in inventories	36,536	(8,032)
Decrease in receivables	97,135	114,460
Decrease in payables	(180,671)	(478,605)
Decrease in concession liabilities	(24,045)	(21,031)
Decrease in provisions on liabilities	(6,379)	(5,091)
Cash used in operations	(74,926)	(158,936)
Taxes and zakat paid	(18,644)	(33,964)
<b>Net cash used in operating activities</b>	<b>(93,570)</b>	<b>(192,900)</b>



**MALAYSIA AIRPORTS HOLDINGS BERHAD 199901012192(487092-W)**  
**(Incorporated in Malaysia)**

**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

	<b>30.09.2021</b>	<b>30.09.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>Cash flows from investing activities</b>		
Purchase of:		
- property, plant and equipment	(11,380)	(11,631)
- intangible assets	(48,296)	(41,321)
- quoted unit trust	(398,378)	(628,324)
Proceeds from disposal of:		
- intangible assets	613	14
- quoted unit trust	745,849	1,727,278
Investment income received	10,940	42,704
Interest received	1,250	1,811
Additional investment in an associate	(19,305)	-
Dividend received from:		
- joint ventures	-	4,455
<b>Net cash generated from investing activities</b>	<b>281,293</b>	<b>1,094,986</b>
<b>Cash flows from financing activities</b>		
Drawdown of borrowings	-	300,000
Repayment of borrowings	-	(1,096,600)
Swap payment	(7,665)	(13,038)
Concession payment	-	(517,623)
Lease liabilities payment	(25,268)	(31,278)
Interest paid	(76,440)	(139,136)
Dividends paid to shareholders of the Company	-	(165,919)
Distribution paid to Perpetual Sukuk holder	(28,671)	(28,671)
<b>Net cash used in financing activities</b>	<b>(138,044)</b>	<b>(1,692,265)</b>
<b>Net movement in cash and cash equivalents</b>	<b>49,679</b>	<b>(790,179)</b>
Effects of foreign currency translation	37,267	119,900
Cash and cash equivalents at beginning of year	973,657	1,453,136
<b>Cash and cash equivalents at end of period</b>	<b>1,060,603</b>	<b>782,857</b>

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

## 1. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements, for the period ended 30 September 2021, have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS) 134 Interim Financial Reporting, International Accounting Standards (IAS) 34 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia).

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

## 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

### **Standard issued but not yet effective**

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

### Effective for financial periods beginning on or after 1 January 2022

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

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

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

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



**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)****Standard issued but not yet effective (cont'd.)**

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

Effective for financial periods beginning on or after 1 January 2023

MFRS 17 : Insurance Contracts

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

MFRS 108: Definition of Accounting Estimates

MFRS 112: Deferred Tax related to Assets and Liabilities arising from a single transaction

Effective for annual periods to be announced by MASB

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

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

**3. AUDITORS' REPORT ON PRECEDING FINANCIAL STATEMENTS**

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

**4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

Airport services, duty free and non-dutiable goods segments, being the core businesses of the Group were not materially affected by any seasonality or cyclicity during the current quarter and financial period-to-date under review other than as disclosed in note 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 Turkey and to provide airport related services.
- b) Project and repair maintenance  
To provide facilities management services and airport special system maintenance, works for building maintenance and general contracting activities at Hamad International Airport (HIA).



6. SEGMENT INFORMATION (CONT'D.)

	Continuing Operations									
	Malaysia Operations						Overseas Operations		Consolidation adjustments	TOTAL
	Airport Operations		Non-Airport Operations				Airport Operations	Non-Airport Operations		
	Airport services	Duty free and non-dutiable goods	Project and repair maintenance	Hotel	Agriculture and horticulture	Others	Airport services	Project and repair maintenance		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>For the period ended 30 September 2021</b>										
<b>Segment Revenue</b>										
External:										
Aeronautical	149,635	-	-	-	-	-	379,696	-	-	529,331
Non-aeronautical:										
Retail	-	23,515	-	-	-	-	-	-	-	23,515
Others	189,459	220	-	-	-	-	231,554	-	-	421,233
Non-airport operations	-	-	11,524	29,016	38,134	88	5,126	63,687	-	147,575
Inter-segment sales	19,650	479	70,489	273	4,490	7,263	57,912	-	(160,556)	-
Inter-segment dividends	-	-	-	-	-	25,000	-	-	(25,000)	-
<b>Total revenue</b>	<b>358,744</b>	<b>24,214</b>	<b>82,013</b>	<b>29,289</b>	<b>42,624</b>	<b>32,351</b>	<b>674,288</b>	<b>63,687</b>	<b>(185,556)</b>	<b>1,121,654</b>
<b>Segment Results</b>										
Operating (loss)/profit before depreciation and amortisation	(408,906)	(29,983)	21,950	2,389	19,315	163,179	455,513	7,830	(164,070)	67,217
Depreciation and amortisation	(51,243)	(8,320)	(1,235)	(9,235)	(4,368)	(12,628)	(192,940)	(2,033)	(100,405)	(382,407)
Finance costs	(151,486)	(1,105)	(41)	(772)	(3)	(88,908)	(382,776)	-	115,376	(509,715)
Share of results of:										
- associates	(806)	-	-	-	-	(3,540)	-	-	-	(4,346)
- joint ventures	-	-	-	-	-	3,348	-	-	-	3,348
(Loss)/profit before tax and zakat	(612,441)	(39,408)	20,674	(7,618)	14,944	61,451	(120,203)	5,797	(149,099)	(825,903)
Taxation and zakat	173,702	10,409	(5,212)	2,226	(3,497)	(1,083)	(5,282)	(522)	25,456	196,197
(Loss)/profit for the period	(438,739)	(28,999)	15,462	(5,392)	11,447	60,368	(125,485)	5,275	(123,643)	(629,706)
<b>As at 30 September 2021</b>										
<b>Assets and Liabilities</b>										
Segment assets	9,972,459	169,637	201,320	158,039	120,861	11,748,119	5,860,415	76,221	(8,785,570)	19,521,501
Investment in associates	55,104	-	-	-	-	70,844	-	-	-	125,948
Investment in joint ventures	-	-	-	-	-	107,516	-	-	-	107,516
Total assets	10,027,563	169,637	201,320	158,039	120,861	11,926,479	5,860,415	76,221	(8,785,570)	19,754,965
Segment liabilities representing total liabilities	5,903,345	127,275	45,711	51,025	26,247	5,339,121	7,316,864	63,818	(6,546,358)	12,327,048



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	RM'000	
<b>For the period ended 30 September 2020</b>										
<b>Segment Revenue</b>										
External:										
Aeronautical	505,255	-	-	-	-	-	271,240	-	-	776,495
Non-aeronautical:										
Retail	-	140,820	-	-	-	-	-	-	-	140,820
Others	415,664	1,380	-	-	-	-	132,981	-	-	550,025
Non-airport operations	-	-	12,956	34,294	25,069	-	3,634	59,410	-	135,363
Inter-segment sales	144,354	505	84,168	1,249	5,049	6,864	65,427	-	(307,616)	-
<b>Total revenue</b>	<b>1,065,273</b>	<b>142,705</b>	<b>97,124</b>	<b>35,543</b>	<b>30,118</b>	<b>6,864</b>	<b>473,282</b>	<b>59,410</b>	<b>(307,616)</b>	<b>1,602,703</b>
<b>Segment Results</b>										
Operating profit/(loss) before depreciation and amortisation	27,352	(122,756)	30,179	2,698	8,554	177,268	278,635	4,518	(174,825)	231,623
Depreciation and amortisation	(146,732)	(10,369)	(873)	(10,926)	(3,702)	(11,629)	(122,674)	(2,839)	(67,270)	(377,014)
Finance costs	(165,312)	(256)	(10)	(960)	(36)	(101,414)	(389,002)	-	121,845	(535,145)
Share of results of:										
- associates	(6,132)	-	-	-	-	(1,437)	-	-	-	(7,569)
- joint ventures	-	-	-	-	-	(646)	-	-	-	(646)
(Loss)/profit before tax and zakat	(290,824)	(133,381)	29,296	(9,188)	4,816	62,142	(233,041)	1,679	(120,250)	(688,751)
Taxation and zakat	205,262	30,432	(7,269)	2,058	(965)	(321)	8,329	(151)	20,203	257,578
(Loss)/profit for the period	(85,562)	(102,949)	22,027	(7,130)	3,851	61,821	(224,712)	1,528	(100,047)	(431,173)
<b>As at 30 September 2020</b>										
<b>Assets and Liabilities</b>										
Segment assets	10,108,910	243,140	203,765	169,368	105,537	11,305,151	5,834,348	75,520	(7,627,788)	20,417,951
Investment in associates	59,903	-	-	-	-	59,505	-	-	-	119,408
Investment in joint ventures	-	-	-	-	-	99,110	-	-	-	99,110
<b>Total assets</b>	<b>10,168,813</b>	<b>243,140</b>	<b>203,765</b>	<b>169,368</b>	<b>105,537</b>	<b>11,463,766</b>	<b>5,834,348</b>	<b>75,520</b>	<b>(7,627,788)</b>	<b>20,636,469</b>
Segment liabilities representing total liabilities	5,461,544	190,354	55,200	57,757	23,721	4,862,585	7,055,071	67,327	(5,942,897)	11,830,662

**7. LOSS BEFORE TAX AND ZAKAT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 30.09.2021 RM'000	Preceding Year Corresponding Quarter 30.09.2020 RM'000	Current Year To Date 30.09.2021 RM'000	Preceding Year Corresponding Period 30.09.2020 RM'000
Included in other income:				
Interest income				
-unquoted investments	173	227	543	943
-employee loans	225	287	707	868
-other loans and receivables	7,046	6,437	25,741	19,647
Unrealised (loss)/gain on fair value for:				
-quoted unit trust	(816)	2,855	930	5,515
-unquoted shares	3,042	(9,125)	12,927	5,323
Investment income	4,162	6,650	11,584	43,025
Net realised foreign exchange (loss)/gain	(194)	(220)	251	438
(Loss)/gain on disposal of:				
- property, plant and equipment	-	-	(5)	-
- intangible assets	-	(271)	613	14
Recoupment of expenses	13,002	16,909	41,591	59,500
Included in other expenses:				
Net (writeback)/allowance of impairment on receivables	(1,643)	23,544	(21,700)	80,559
Property, plant and equipment written off	-	259	22	261
Intangible assets written off	13	4	46	306
Inventories written off	795	481	1,659	316
(Writeback)/allowance for inventories	(2,160)	271	(4,694)	3,585
User fee	17,924	33,296	54,847	138,149
Included in finance cost:				
Interest expenses:				
- Concession payables and borrowings	54,566	50,852	157,824	158,235
- Financial liabilities	122,296	133,349	347,306	370,203
- Interest on lease liabilities	1,105	2,161	4,585	6,707

**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**

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**

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 ASSETS**a) Guarantees

- i) ISG has given 26 (2020: 17) letters of guarantee to the Tax Authority in Turkey for Value Added Tax (VAT) refund amounting to EUR1.9 million, equivalent to RM9.2 million (2020: EUR1.4 million, equivalent to RM6.7 million).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- iii) Syarikat Pembinaan Anggerik Sdn. Bhd. (SPASB) via a Writ of Summons claims for 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.



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

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

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

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

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

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

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

**14. RELATED PARTY TRANSACTIONS AND BALANCES**
**Related Party Transactions:**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2021 RM'000	Preceding Year Corresponding Quarter 30.09.2020 RM'000	Current Year To Date 30.09.2021 RM'000	Preceding Year Corresponding Period 30.09.2020 RM'000
<b>Revenue:</b>				
<u>Associates:</u>				
Lease rental				
- KL Aviation Fuelling System Sdn. Bhd.	1,575	1,575	4,727	4,727
- MFMA Development Sdn. Bhd.	1,098	1,038	3,294	3,112
- Alibaba KLIA Aeropolis Sdn. Bhd.*	585	585	1,737	1,743
- Cooling Energy Supply Sdn. Bhd.**	641	-	641	-
Concession fee				
- MFMA Development Sdn. Bhd.	142	142	426	426
- Cooling Energy Supply Sdn. Bhd.**	196	-	196	-
Recoupment of water, electricity, sewerage and quit rent				
- MFMA Development Sdn. Bhd.	405	1,746	2,961	4,757
- Alibaba KLIA Aeropolis Sdn. Bhd.*	242	101	573	101
<u>Joint ventures:</u>				
Lease rental				
- Segi Astana Sdn. Bhd.	319	319	955	955
- Airport Cooling Energy Supply Sdn. Bhd.	222	222	666	666
<b>Expenses:</b>				
<u>Associate</u>				
Cooling Energy Supply Sdn. Bhd. **				
- Utilities (Fixed)	3,100	-	3,100	-
- Utilities (Variable usage)	4,311	-	4,311	-
<u>Joint ventures:</u>				
Airport Cooling Energy Supply Sdn. Bhd.				
- Utilities (Fixed)	8,031	8,031	24,093	24,093
- Utilities (Variable usage)	2,073	2,159	6,275	7,801
- Less: Rebate	(858)	(908)	(2,574)	(2,815)
- Interest on concession payable	5,340	5,340	16,020	16,020
<b>Other Transactions:</b>				
<u>Joint ventures:</u>				
Airport Cooling Energy Supply Sdn. Bhd.				
- Payment on concession payable	2,675	2,675	8,025	8,025
<b>Related Party Balances:</b>				
			<b>As at 30.09.2021 RM'000 Unaudited</b>	<b>As at 31.12.2020 RM'000 Audited</b>
Amount owing by associated companies			584	727
Amount owing to joint ventures			76,886	33,124

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

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

**15. COMMITMENTS**

The amount of commitments for the lease rental, purchase of intangible asset, property, plant and equipment and other investment not provided for, in the interim condensed consolidated financial statements as at 30 September 2021 were as follows:

	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Total RM'000
(i) Approved and contracted for:			
Capital expenditure	154,861	-	154,861
(ii) Approved but not contracted for:			
Capital expenditure	110,299	-	110,299
(iii) Other investments:			
Investment in MFMA Development Sdn. Bhd.	33,375	-	33,375
	<u>298,535</u>	<u>-</u>	<u>298,535</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**

- (i) 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.

- (ii) On 22 October 2020, MA (Sepang) had filed a Writ of Summons and Statement of Claim at the Kuala Lumpur High Court ('the Civil Suit') against AAX claiming the sum of RM78.2 million for the outstanding amount for various aeronautical charges pursuant to the Malaysian Aviation Commission (Aviation Services Charges) Regulations 2016 and/or the Conditions of Use for Kuala Lumpur International Airport. The outstanding aeronautical charges are comprised of passenger service charges (PSC), passenger service security charges, aerobridge charges, aircraft parking charges, check-in counter charges, landing charges and late payment charges.

MA (Sepang) had on 11 November 2020, filed a summary judgement application in respect of the outstanding PSC only, which amounts to approximately RM62.9 million.

On 17 December 2020, AAX had filed an application to stay the proceedings of this civil suit pending the outcome of the PSC Appeals which will be heard before the Court of Appeal on 24 March 2021 and AAX's proposed debt restructuring scheme. The case management was held on 1 March 2021.

On 1 March 2021, the Court had fixed a new case management on 25 March 2021 for the parties to update the Court on the status of AAX's restraining order hearing on 17 March 2021 and the PSC Appeals hearing on 24 March 2021. AAX had, during the case management on 24 March 2021, withdrew the stay of proceeding application.

The Court had fixed 21 September 2021 for the hearing of Intervention and Stay Application. The Court has fixed 7 October 2021 for case management with regards to MA (Sepang)'s summary Judgement Application. Subsequently, the Court fixed case management on 28 January 2022 for parties to update the Court on the outcome of the AAX's Appeal against the Court's decision in granting the Judgement on PSC in favour of MA (Sepang). A hearing date for the summary judgement application will be fixed at the next case management.

**17. SIGNIFICANT EVENTS (CONT'D.)**

- (iii) On 7 October 2020, AAX had filed an Originating Summons at the Kuala Lumpur High Court for leave to convene a meeting with its unsecured creditors for purposes of considering its proposed debt restructuring scheme. In this application, AAX had named MA (Sepang) as one of its unsecured creditors.

On 23 October 2020, MA (Sepang) had filed an application to intervene and be excluded from AAX's proposed debt restructuring scheme ('the Intervention Application').

The Intervention Application seeks to exclude MA (Sepang) from this proposed debt restructuring scheme on the basis that, pursuant to the express terms of the Conditions of Use for Kuala Lumpur International Airport ('the Conditions of Use'), MA (Sepang) is a secured creditor of AAX. In particular, MA (Sepang) is a lienholder whose debt is secured by a contractual lien over the User Properties of AAX.

On 4 November 2020, AAX filed an amendment application to the Scheme. On 1 December 2020, the Court allowed AAX's amendment application with costs to be borne by AAX.

On 22 December 2020, AAX had served on MA (Sepang) the Notice of Application for a restraining order pursuant to Section 368 of the Companies Act 2016.

On 19 February 2021, the Court granted the leave for AAX to convene a creditors' meeting with changes to the classification of creditors. MA (Sepang) remains as secured creditors under the Scheme. The Court also granted an ad interim restraining order to all parties except to MA (Sepang) and BOC Aviation. The interim restraining order is valid until 17 March 2021 i.e. the hearing date of the restraining order.

On 17 March 2021, the Court had granted AAX its restraining order application. However, the restraining order shall not apply to the pending legal proceedings between MA (Sepang) and AAX. On 17 April 2021, MA (Sepang) has submitted the Proof of Debt form to AAX. MA (Sepang) will then scrutinize the liabilities of the creditors in Class A prior to the creditors' meeting. AAX is due to convene the creditors' meeting by 18 August 2021.

On 17 June 2021, the Court allowed an application from AAX to extend the restraining order and granted the extension for a period of 9 months from 17 June 2021 with a condition that AAX must file an affidavit to report on the progress of the scheme at the end of 6 months from 17 June 2021. However, the legal action (except for the execution of any judgement) between AAX and MA (Sepang) are not affected by this restraining order.

On 10 August 2021, AAX filed an application to extend the time limited to convene the creditors' meeting until 17 March 2022 (same date in which the Restraining Order lapses) from the original date i.e. 18 August 2021.

On 15 September 2021, the High Court allowed AAX's application to extend the creditors' meeting until 17 March 2022.

On 12 November 2021, the meeting for Class A creditors was convened by way of virtual platform. The AAX Debt Restructuring Scheme has been passed by their creditors as it achieved more than 75% votes in favour of the Scheme, as announced by AAX. AAX will apply to the Court to sanction the proposed debt restructuring and will execute the Scheme upon Court's sanction.

**18. PERFORMANCE REVIEW**

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	Current Year	Preceding Year	Changes		Current Year	Preceding Year	Changes	
	Quarter	Corresponding Quarter			To Date	Corresponding Period		
	30.09.2021	30.09.2020	30.09.2021	30.09.2020				
RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%	
Revenue	461,331	396,687	64,644	16.3%	1,121,654	1,602,703	(481,049)	-30.0%
Loss before tax and zakat	(254,877)	(384,857)	(129,980)	-33.8%	(825,903)	(688,751)	137,152	19.9%

**3Q 2021 vs 3Q 2020 (Q-on-Q)**
**Revenue**

The Group's revenue for the current quarter increased by 16.3% over the corresponding quarter in the prior year to RM461.3 million driven by higher passenger volumes for Turkey operations due to the relaxation of border and inter-city travel in Turkey.

Revenue from airport operations increased by 15.9% to RM406.7 million. Aeronautical segment revenue increased marginally from RM228.6 million to RM233.4 million as compared to the corresponding quarter in the prior year. Turkey operations showed signs towards normalisation as passenger traffic had increased from 4.9 million to 8.9 million passengers. Passenger traffic for the Malaysia operations contracted by 77.8% to 1.0 million passengers as compared to 4.5 million passengers in the corresponding quarter in the prior year, impacted by the continuation of the Movement Control Order (MCO) and renewed total lockdown from 1 June 2021. The non-aeronautical segment revenue increased by 41.7% to RM173.3 million as compared to the corresponding quarter in the prior year largely contributed from Turkey operations.

Revenue from the non-airport operations increased by 19.2% or RM8.8 million due to higher revenue from the project and repair maintenance, agriculture and hotel businesses.

Overall, Malaysia had recorded a decrease in revenue by 40.3% to RM151.3 million. However, Turkey operations recorded significant increase in revenue from RM121.2 million to RM287.9 million, whilst revenue from Qatar operations increased from RM21.9 million to RM22.1 million as compared to the corresponding quarter in the prior year.

**18. PERFORMANCE REVIEW (CONT'D.)****3Q 2021 vs 3Q 2020 (Q-on-Q)(cont'd.)****(Loss)/profit before tax and zakat (LBT/PBT)**

The Group LBT narrowed to RM254.9 million, an improvement as compared to a LBT of RM384.8 million in the corresponding quarter in the prior year due to higher revenue by 16.3% coupled with lower core operational expenses<sup>1</sup> by 12%.

Malaysia operations recorded a LBT of RM193.1 million, whilst Turkey operations recorded a LBT of RM64.1 million, both lower than the LBT in the corresponding quarter in the prior year of RM232.1 million and RM154.1 million respectively. Qatar operations recorded a higher PBT of RM2.3 million as compared to RM1.4 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 RM182.3 million.

**Share of results of Associates and Joint Ventures (JV)**

In the current quarter under review, the share of results from associates recorded losses narrowed to RM2.0 million, lower by RM4.1 million as compared to the losses of RM6.1 million for the corresponding quarter in the prior year. Lower losses was largely due to KAF registering a share of profit of RM0.2 million as compared to the losses of RM6.2 million for the corresponding quarter in the prior year.

Share of results of joint ventures in the current quarter under review recorded profits amounting to RM0.2 million as compared to the losses of RM4.1 million for the corresponding quarter in the prior year largely due to higher share of profit from Airport Cooling Energy Supply Sdn. Bhd. (ACES) of RM1.8 million as compared to RM2.9 million loss registered for the corresponding quarter in the prior year.

**YTD 30 September 2021 vs YTD 30 September 2020 (Y-on-Y)****Revenue**

The Group recorded revenue of RM1,121.6 million, 30.0% lower than revenue of RM1,602.7 million recorded in the corresponding period in the prior year due to 39.7% contraction in passenger movements largely as a result of prolonged Movement Control Order (MCO) and continued interstate and international travel restrictions that has impacted Malaysia operations.

<sup>1</sup> Core operational expenses are staff costs, utilities, maintenance and other administrative expenses

**18. PERFORMANCE REVIEW (CONT'D.)****YTD 30 September 2021 vs YTD 30 September 2020 (Y-on-Y) (cont'd.)****Revenue (cont'd.)**

Revenue from airport operations contracted by 33.6% to RM974.0 million. Aeronautical segment revenue declined by 31.8% to RM529.3 million over the corresponding period in the prior year due to passenger contraction of 39.7%. Malaysia operations recorded significant decrease in passenger movements by 83.1% (international: -91.4%, domestic: -77.8%) to 4.0 million passengers as compared to 23.7 million passengers recorded in the corresponding period in the prior year. However, Turkey operations showed signs towards normalisation as passenger traffic had increased by 42.1% (international: +42.5%, domestic: +41.9%) to 17.9 million as compared to 12.6 million recorded in the corresponding period in the prior year. Non-aeronautical segment revenue decreased by 35.6% to RM444.7 million as compared to the corresponding period in the prior year due to the lower commercial rental revenue for Malaysia operations.

Revenue from non-airport operations increased by 9.0% or RM12.2 million due to higher revenue from agriculture as a results of higher Fresh Fruits Bunches (FFB) price and higher project and repair maintenance businesses.

Overall, Malaysia operations had recorded a decrease in revenue by 61.2% to RM440.5 million. However, Turkey and Qatar operations recorded an increase in revenue by 51.1% to RM616.4 million and 8.9% to RM64.7 million respectively.

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

The Group recorded a LBT of RM825.9 million as compared to LBT of RM688.7 million in the corresponding period in the prior year in tandem with the decrease in revenue. However, the LBT was cushioned with the reduction in core operational expenses<sup>1</sup> by 12% as compared to the corresponding period in the prior year driven by the Group's continuous cost containment initiatives coupled with the marginal decrease in finance costs.

Malaysia operations recorded higher LBT of RM583.8 million as compared to LBT of RM338.9 million recorded in the corresponding period in the prior year, whilst Turkey operations recorded LBT of RM247.7 million, lower than LBT of RM351.5 million recorded in the corresponding period in the prior year. Qatar operations recorded a higher PBT of RM5.6 million as compared to RM1.7 million recorded in the corresponding period in the prior year.

The Group's LBT was however mitigated by the recognition of deferred tax asset recognised arising from the current year business losses. Accordingly, the Group recorded loss after taxation (LAT) of RM629.7 million.

<sup>1</sup> Core operational expenses are staff costs, utilities, maintenance and other administrative expenses



**18. PERFORMANCE REVIEW (CONT'D.)**
**YTD 30 September 2021 vs YTD 30 September 2020 (Y-on-Y) (cont'd.)**
**Share of results of Associates and Joint Ventures (JV)**

In the current financial period under review, the share of results from associates recorded losses amounting to RM4.3 million, lower by RM3.3 million as compared to the losses of RM7.6 million for the corresponding period in the prior year, largely due to share of profit from KAF of RM0.3 million as compared to RM6.3 million loss registered for corresponding period in the prior year.

Share of results of joint ventures in the current financial period under review recorded profits amounting to RM3.3 million, higher by RM3.9 million as compared to the losses of RM0.6 million for the corresponding period in the prior year largely attributed by the share of profit from ACES of RM5.3 million as compared to the losses of RM1.9 million for the corresponding period in the prior year.

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

	INDIVIDUAL QUARTER			
	Current Year	Immediate	Changes	
	Quarter	Preceding		
	30.09.2021	Quarter	RM'000	%
	RM'000	30.06.2021	RM'000	
Revenue	461,331	323,416	137,915	42.6%
Loss before tax and zakat	(254,877)	(290,538)	(35,661)	-12.3%

**3Q 2021 vs 2Q 2021 (Q-on-PQ)**
**Revenue**

The Group's revenue for the current quarter under review increased by 42.6% to RM461.3 million against RM323.4 million in the immediate preceding quarter primarily due to higher passenger volumes for Turkey operations due to the relaxation of border and inter-city travel in Turkey.

Revenue from airport operations increased by 47.7% to RM406.7 million over the immediate preceding quarter. Aeronautical segment revenue increased from RM153.3 million to RM233.4 million as compared to the immediate preceding quarter due to the increase in passenger traffic for Turkey operations by 85.4% from 4.8 million passengers to 8.9 million passengers, in line with further relaxation in travel restrictions in Turkey. Passenger traffic for the Malaysia operations contracted by 23.1% to 1.0 million passengers as compared to 1.3 million passengers recorded in the immediate preceding quarter impacted by the continuation of the MCO and renewed total lockdown from 1 June 2021.

**19. COMPARISON OF PERFORMANCE FOR THE CURRENT QUARTER AGAINST THE IMMEDIATE PRECEDING QUARTER (CONT'D.)****3Q 2021 vs 2Q 2021 (Q-on-PQ) (cont'd.)****Revenue (cont'd.)**

Revenue from the non-airport operations increased marginally by 13.8% or RM6.6 million due to higher revenue from the hotel, agriculture and project and repair maintenance businesses.

Overall, Malaysia had recorded an increase in revenue by 20.3% to RM151.3 million. Turkey operations had recorded increase in revenue by 63.3% to RM287.9 million while Qatar operations revenue registered RM22.1 million slightly higher than RM21.3 million recorded in the immediate preceding quarter.

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

The Group LBT of RM254.9 million narrowed as compared to LBT of RM290.5 million in the immediate preceding quarter due to increase in revenue by 42.6% coupled with marginal decrease in core operational expenses<sup>1</sup>. However, the share of results of associate and joint venture companies registered higher losses whilst finance cost, depreciation and amortisation registered marginal increase in the current quarter under review.

In the current quarter under review, Malaysia and Turkey operations recorded LBT of RM193.1 million and RM64.1 million as compared to LBT of RM210.2 million and RM82.8 million recorded in the immediate preceding quarter, respectively. Whereas, Qatar operations recorded slightly lower PBT of RM2.3 million as compared to RM2.5 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 RM182.3 million.

**Share of results of Associates and Joint Ventures (JV)**

In the current quarter under review, the share of results from associates recorded losses amounting to RM2.0 million, higher by RM0.5 million as compared to the losses of RM1.5 million for the immediate preceding quarter largely attributed by the share of loss from Cooling Energy Supply Sdn. Bhd. of RM1.7 million.

Share of results of joint ventures in the current quarter under review recorded profits amounting to RM0.2 million, lower by RM4.3 million as compared to RM4.5 million for the immediate preceding quarter largely due to share of loss from SASB of RM1.6 million as compared to a profit of RM2.9 million recorded in the immediate preceding quarter.

## **20. COMMENTARY ON PROSPECTS**

MAHB's network of airports recorded 21.9 million passengers in the current period under review from 1 January 2021 to 30 September 2021, a contraction of 39.7% over the corresponding period in the prior year. During the same period, the Group's traffic for international and domestic passengers contracted by 51.1% and 33.0% respectively. Correspondingly, the Group's aircraft movements decreased by 32.2% with both international and domestic aircraft movements decreasing by 28.6% and 33.8% respectively.

### Malaysia Operations

Passenger traffic at MAHB operated airports contracted by 83.1% to 4.0 million passengers in the current period under review. Traffic for international and domestic passengers contracted by 91.4% to 0.8 million passengers and 77.8% to 3.2 million passengers respectively. Malaysia domestic traffic performance registered encouraging improvements after the launch of Langkawi travel bubble programme from 16 September 2021. The recent Government announcement on the reopening of interstate borders and the relaxed rules for fully vaccinated Malaysian residents to travel abroad from 11 October onwards is positive news for the aviation sector to restart with better prospects for a gradual recovery.

### Overseas Operations

ISGIA passenger traffic improved by 42.1% to 17.9 million passengers in the current period under review. International passenger and domestic passenger higher by 42.5% and 41.9% respectively. ISGIA benefited from less rigorous travelling measures and the robust domestic market continued to experience traffic recovery.

### Outlook

National Immunisation Plan (PICK) vaccination drive had reached its milestone of 90% of adult population being fully vaccinated, a target that led to the much-awaited announcement from the Government to allow fully vaccinated Malaysian residents to travel interstate and relaxing travel restrictions to travel abroad. The encouraging announcement coupled with MAHB's initiatives ensuring health, safety and world-class passenger experience, would help elevate Malaysia's traffic prospect for a favourable recovery in the near term as the aviation sector restarts and ultimately reach normalisation.

ISGIA passenger movements continue to spearhead traffic recovery for the MAHB of airports, sustaining growth momentum with September 2021 passenger movements reaching 86% of September 2019 passenger volume.

### Group Cost Optimisation Initiatives

MAHB continues to take pre-emptive measures to mitigate its impact by implementing an aggressive cost optimisation plan. These measures include recalibrating operational efficiencies i.e. rebasing cost and prioritising capital expenditure to conserve cash reserves and ensure that the Group is able to meet its financial and operational obligations. As at 30 September 2021, the Group had achieved a reduction of 12% of the core operational expenses<sup>1</sup> or RM143.3 million as compared to the corresponding period in the prior year.

<sup>1</sup> Core operational expenses are staff costs, utilities, maintenance and other administrative expenses



## 21. PROFIT FORECAST

The Group did not publish any profit forecast.

## 22. TAXATION AND ZAKAT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2021 RM'000	Preceding Year Corresponding Quarter 30.09.2020 RM'000	Current Year To Date 30.09.2021 RM'000	Preceding Year Corresponding Period 30.09.2020 RM'000
Current tax	(6,464)	(6,062)	(16,838)	121,049
Deferred taxation	79,025	71,201	213,035	137,723
Zakat	-	-	-	(1,194)
	<u>72,561</u>	<u>65,139</u>	<u>196,197</u>	<u>257,578</u>

## 23. SALE OF PROPERTIES

There were no sales of properties since 31 December 2020.

## 24. INVESTMENTS IN QUOTED SECURITIES

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

## 25. STATUS OF CORPORATE PROPOSALS

There are no ongoing corporate proposals announced by the Group but not completed as at 29 November 2021 being a date not earlier than 7 days from the date of issuance of the quarterly report.

**26. BORROWINGS**

	As at 30.09.2021		As at 31.12.2020	
	EUR'000	RM'000	EUR'000	RM'000
	Unaudited		Audited	
<b>Short-term borrowings</b>				
Secured:				
Senior Term Facility	39,623	192,565	21,879	94,298
<b>Long-term borrowings</b>				
Unsecured:				
Islamic Medium Term Notes (IMTN)	-	2,100,000	-	2,100,000
Senior Sukuk	-	700,000	-	700,000
Secured:				
Senior Term Facility	339,479	1,649,867	351,548	1,750,430
Total long-term borrowings	339,479	4,449,867	351,548	4,550,430
Total borrowings	379,102	4,642,432	373,427	4,644,728

**27. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES**

	As at 31.12.2020	Non-cash changes			As at 30.09.2021
		Cash Flows	Foreign Exchange Movements	Fair Value Changes	
	RM'000	RM'000	RM'000	RM'000	RM'000
	Audited				Unaudited
Unsecured:					
Islamic Medium Term Notes (IMTN)	2,100,000	-	-	-	2,100,000
Senior Sukuk	700,000	-	-	-	700,000
Secured:					
Senior Term Facility	1,844,728	(29,021)	(29,874)	56,599	1,842,432
Derivative financial instruments	49,166	-	-	(13,336)	35,830
	4,693,894	(29,021)	(29,874)	43,263	4,678,262

## 28. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 30 September 2021.

## 29. CHANGES IN MATERIAL LITIGATION

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

## 30. DIVIDEND PAYABLE

There were no dividends paid or declared during the current quarter and financial 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 30.09.2021 RM'000	Preceding Year Corresponding Quarter 30.09.2020 RM'000	Current Year To Date 30.09.2021 RM'000	Preceding Year Corresponding Period 30.09.2020 RM'000
Loss attributable to Owners of the Company	(182,316)	(319,718)	(629,706)	(431,173)
Distribution to Perpetual Sukuk holder	(14,493)	(14,493)	(43,007)	(43,164)
Net loss attributable to Owners of the Company	(196,809)	(334,211)	(672,713)	(474,337)
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)	(11.86)	(20.14)	(40.54)	(28.59)



**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

29 November 2021