

**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2018 RM'000	Preceding Year Corresponding Quarter 31.12.2017 RM'000 Restated	Current Year To Date 31.12.2018 RM'000	Preceding Year Corresponding Period 31.12.2017 RM'000 Restated
Revenue	1,251,671	1,246,099	4,851,702	4,651,287
Cost of inventories sold	(109,788)	(120,012)	(421,343)	(448,977)
Other income	73,441	73,940	547,045	230,935
Employee benefits expenses	(264,069)	(260,482)	(836,085)	(852,144)
Construction costs	2,589	(57,905)	(65,557)	(57,905)
Depreciation and amortisation	(233,375)	(192,764)	(887,479)	(880,824)
Other expenses	(535,089)	(439,759)	(1,692,218)	(1,603,593)
Operating profits	185,380	249,117	1,496,065	1,038,779
Finance costs	(171,028)	(197,001)	(745,591)	(720,614)
Share of results:				
- associates	7,330	1,726	12,821	5,801
- joint ventures	5,791	3,515	17,297	14,824
Profit before tax and zakat from continuing operations	7 27,473	57,357	780,592	338,790
Taxation and zakat	22 623	(25,073)	(53,289)	(98,421)
Profit from continuing operations, net of tax and zakat	28,096	32,284	727,303	240,369
Attributable to:				
Owners of the Company	28,096	32,284	727,303	239,757
Non-controlling interests	-	-	-	612
	28,096	32,284	727,303	240,369
(Loss)/profit per share attributable to				
Owners of the Company (sen):	31 (0.05)	0.20	40.37	10.98

The condensed unaudited consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

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	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2018 RM'000	Preceding Year Corresponding Quarter 31.12.2017 RM'000 Restated	Current Year To Date 31.12.2018 RM'000	Preceding Year Corresponding Period 31.12.2017 RM'000 Restated
Profit for the year, net of tax and zakat	28,096	32,284	727,303	240,369
Other comprehensive income:				
- Foreign currency translation	(29,756)	(80,772)	(29,911)	41,955
- Unrealised (loss)/gain on derivative financial instruments	(2,795)	8,268	3,689	8,826
- Actuarial loss on retirement benefits	(2,812)	-	(2,812)	-
Other comprehensive (loss)/income for the year, net of tax and zakat	(35,363)	(72,504)	(29,034)	50,781
Total comprehensive (loss)/income for the year	(7,267)	(40,220)	698,269	291,150
Attributable to:				
Owners of the Company	(7,267)	(40,220)	698,269	290,538
Non-controlling interests	-	-	-	612
	(7,267)	(40,220)	698,269	291,150

The condensed unaudited consolidated of other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	31.12.2018 RM'000 Unaudited	31.12.2017 RM'000 Restated	01.01.2017 RM'000 Restated
ASSETS			
Non-current assets			
Property, plant and equipment	418,849	417,083	448,355
Land use rights	6,926	7,034	7,141
Intangible assets	16,764,994	17,409,638	17,230,972
Investment in associates	113,783	44,962	36,161
Investment in joint ventures	96,818	92,031	82,720
Financial assets at fair value through profit or loss	353,573	149,698	234,475
Trade receivables	71	48,536	205
Other receivables	37,515	389,732	410,906
Employee loans	26,785	27,711	31,710
Deferred tax assets	190,913	245,587	226,244
	<u>18,010,227</u>	<u>18,832,012</u>	<u>18,708,889</u>
Current assets			
Inventories	127,896	140,591	135,235
Biological assets	1,641	2,532	3,583
Trade receivables	595,978	595,112	707,742
Other receivables	687,553	163,416	120,656
Tax recoverable	95,622	10,181	10,958
Financial assets at fair value through profit or loss	1,303,715	1,167,589	635,019
Cash and bank balances	1,450,471	1,293,391	936,857
	<u>4,262,876</u>	<u>3,372,812</u>	<u>2,550,050</u>
Assets of disposal group classified as held for disposal	-	-	151
TOTAL ASSETS	<u>22,273,103</u>	<u>22,204,824</u>	<u>21,259,090</u>

**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	31.12.2018	31.12.2017	01.01.2017
	RM'000	RM'000	RM'000
	Unaudited	Restated	Restated
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	5,114,341	5,114,341	1,659,192
Perpetual sukuk	997,842	997,842	997,842
Share premium	-	-	3,455,149
Retained earnings	3,037,416	2,583,308	2,580,976
Hedging reserve	(24,902)	(28,591)	(37,417)
Other reserve	3,985	6,891	6,801
Foreign exchange reserve	12,044	41,955	-
	<u>9,140,726</u>	<u>8,715,746</u>	<u>8,662,543</u>
Non-controlling interests	-	-	2,031
Total equity	<u>9,140,726</u>	<u>8,715,746</u>	<u>8,664,574</u>
Non-current liabilities			
Borrowings	4,930,929	5,126,028	5,386,142
Derivative financial instruments	49,600	37,462	43,393
Deferred income	235,235	151,488	56,574
Deferred tax liabilities	919,643	919,049	938,684
Trade payables	4,454,198	4,605,296	3,962,106
Other payables	410,126	423,378	441,853
	<u>10,999,731</u>	<u>11,262,701</u>	<u>10,828,752</u>
Current liabilities			
Borrowings	212,357	423,258	193,638
Derivative financial instruments	7,497	8,644	3,389
Trade payables	856,850	867,490	781,790
Other payables	1,040,100	877,599	756,781
Income tax payable	15,842	49,386	30,147
	<u>2,132,646</u>	<u>2,226,377</u>	<u>1,765,745</u>
Liabilities of disposal group classified as held for disposal	-	-	19
Total liabilities	<u>13,132,377</u>	<u>13,489,078</u>	<u>12,594,516</u>
TOTAL EQUITY AND LIABILITIES	<u>22,273,103</u>	<u>22,204,824</u>	<u>21,259,090</u>

The condensed unaudited consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Attributable to equity holders of the Company										
	Non-distributable							Distributable		Non-Controlling Interests	Total equity
	Share Capital	Perpetual Sukuk	Share Premium	Fair Value Adjustment Reserve	Foreign Exchange Reserve	Hedging Reserve	Other Reserve	Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
			Restated	Restated			Restated	Restated		Restated	
At 1 January 2017 (as previously reported)	1,659,192	997,842	3,455,149	8,268	283,835	(37,417)	6,801	2,321,187	8,694,857	2,031	8,696,888
Effect of adoption of MFRS	-	-	-	(8,268)	(283,835)	-	-	259,789	(32,314)	-	(32,314)
At 1 January 2017 (as restated)	1,659,192	997,842	3,455,149	-	-	(37,417)	6,801	2,580,976	8,662,543	2,031	8,664,574
Total comprehensive income for the year	-	-	-	-	41,955	8,826	-	239,757	290,538	612	291,150
Legal reserve	-	-	-	-	-	-	90	-	90	-	90
Distribution to perpetual sukuk holder	-	-	-	-	-	-	-	(57,500)	(57,500)	-	(57,500)
Transactions with owners											
Dividends	-	-	-	-	-	-	-	(182,512)	(182,512)	-	(182,512)
Effect arising from acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	2,612	2,612	(2,612)	-
Effect arising from liquidation of subsidiary	-	-	-	-	-	-	-	(25)	(25)	(31)	(56)
Total transactions with owners	-	-	-	-	-	-	-	(179,925)	(179,925)	(2,643)	(182,568)
Transfer pursuant to Companies Act, 2016	3,455,149	-	(3,455,149)	-	-	-	-	-	-	-	-
At 31 December 2017 (as restated)	5,114,341	997,842	-	-	41,955	(28,591)	6,891	2,583,308	8,715,746	-	8,715,746
At 1 January 2018 (as previously reported)	5,114,341	997,842	-	272,636	325,790	(28,591)	6,891	2,320,248	9,009,157	-	9,009,157
Effect of adoption of MFRS	-	-	-	(272,636)	(283,835)	-	-	263,060	(293,411)	-	(293,411)
At 1 January 2018 (as restated)	5,114,341	997,842	-	-	41,955	(28,591)	6,891	2,583,308	8,715,746	-	8,715,746
Total comprehensive income for the year	-	-	-	-	(29,911)	3,689	(2,812)	727,303	698,269	-	698,269
Legal reserve	-	-	-	-	-	-	(94)	-	(94)	-	(94)
Distribution to perpetual sukuk holder	-	-	-	-	-	-	-	(57,500)	(57,500)	-	(57,500)
Transaction with owners											
Dividends	-	-	-	-	-	-	-	(215,695)	(215,695)	-	(215,695)
Total transaction with owners	-	-	-	-	-	-	-	(215,695)	(215,695)	-	(215,695)
At 31 December 2018	5,114,341	997,842	-	-	12,044	(24,902)	3,985	3,037,416	9,140,726	-	9,140,726

The condensed unaudited consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	31.12.2018	31.12.2017
	RM'000	RM'000
	Unaudited	Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax and zakat from:		
Continuing operations	780,592	338,790
Adjustments for:		
Interest income	(51,277)	(43,736)
Interest expense	732,745	714,071
Loss from derivative instrument	12,846	6,543
Provision for liabilities	4,857	12,461
Writeback of provision of liabilities	(1,900)	(5,991)
Loss on fair value of biological assets	891	1,051
Amortisation of:		
- Intangible assets	828,241	819,000
- land use rights	108	107
Depreciation of property, plant and equipment	59,130	61,729
Reversal of allowance for property, plant & equipment	-	(1,391)
Net allowance for doubtful debts	18,035	38,220
Net bad debts written off	9,128	413
Net (gain)/loss on disposal of:		
- property, plant and equipment	(8)	3
- investment in associate	(28,178)	-
Unrealised gain on fair value on financial assets at fair value through profit or loss (FVTPL)	(258,399)	-
Property, plant and equipment written off	1,072	4,020
Intangible assets written off	8,797	13,507
Inventories written off	3,410	3,730
Investment income	(54,138)	(41,412)
Share of results of:		
- associates	(12,821)	(5,801)
- joint ventures	(17,297)	(14,824)
Operating profit before working capital changes	2,035,834	1,900,490
Decrease/(increase) in inventories	9,380	(9,780)
(Increase)/decrease in receivables	(72,257)	37,519
Increase in payables	192,535	180,905
Decrease in concession liabilities	(29,094)	(30,070)
Decrease in provision for liabilities	(4,252)	(4,748)
Cash generated from operations	2,132,146	2,074,316
Tax and zakat paid	(103,494)	(137,050)
Net cash generated from operating activities	2,028,652	1,937,266

**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	31.12.2018	31.12.2017
	RM'000	RM'000
	Unaudited	Restated
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of:		
- property, plant and equipment	(54,591)	(33,020)
- intangibles assets	(407,663)	(251,405)
- quoted unit trusts	(137,260)	(544,695)
- quoted bonds	-	(3,000)
Proceed from disposal of property, plant and equipment	11	34
Proceed from disposal of quoted unit trusts	69,661	91,122
Additional investment in an associate	(62,000)	(3,000)
Investment income received	54,138	41,412
Interest received	3,060	5,428
Dividend received from:		
- associate	6,000	-
- joint ventures	12,510	5,513
Net cash used in investing activities	(516,134)	(691,611)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(367,950)	(72,600)
Swap payment	(8,723)	(6,543)
Concession payment	(452,394)	(451,440)
Interest paid	(233,023)	(241,105)
Dividends paid to shareholders of the Company	(215,695)	(182,512)
Distribution paid to Perpetual Sukuk Holder	(57,815)	(57,500)
Net cash used in financing activities	(1,335,600)	(1,011,700)
Net increase in cash and cash equivalents	176,918	233,955
Effects of foreign currency translation	(19,838)	122,428
Cash and cash equivalents at beginning of year	1,293,391	937,008
Cash and cash equivalents at end of year	1,450,471	1,293,391
Cash and cash equivalents comprising:		
Cash and bank balances	412,670	378,100
Short term deposits	1,037,801	915,291
	1,450,471	1,293,391

The condensed unaudited consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

1. BASIS OF PREPARATION

These condensed consolidated interim financial statements, for the year ended 31 December 2018, have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS) 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by International Accounting Standards Board. For all period up to and including the year ended 31 December 2017, the Group prepared its financial statements in accordance with Financial Reporting Standards (FRS).

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ended 31 December 2018. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2017 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial position, financial performance and cash flows is set out in Note 2 below. These notes include reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of cash flows.

2. SIGNIFICANT ACCOUNTING POLICIES

The audited financial statements of the Group for the year ended 31 December 2017 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2017 except as discussed below:

a) Foreign currency translation reserve

Under FRS, the Group recognised translation differences on foreign operations in a separate component of equity. As part of its transition to MFRS, the Group elected to apply the optional exemption whereby the cumulative foreign currency translation differences for all foreign operations are deemed to be zero as at the date of transition. Accordingly, as of the date of transition to MFRS, the cumulative foreign currency translation differences of RM283.8 million were adjusted to retained earnings.

b) MFRS 9 Financial Instruments

In these financial statements, the Group has applied MFRS 9 Financial instruments (MFRS 9) effective for annual periods beginning on or after 1 January 2018. MFRS 9 replaces MFRS 139 Financial Instruments: Recognition and Measurement, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

b) MFRS 9 Financial Instruments (cont'd.)

With the exception of hedge accounting, the Group has applied MFRS 9 retrospectively, with the initial application date of 1 January 2018 and adjusting the comparative information for the period beginning 1 January 2017.

i. Changes to classification and measurement

To determine their classification and measurement category, MFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the Group's business model for managing the assets and the instruments' contractual cash flow characteristics.

The FRS 139 measurement categories of financial assets (fair value through profit or loss (FVTPL), available-for-sale (AFS), held-to-maturity and amortised cost) have been replaced by:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income (FVOCI), with gains or losses recycled to profit or loss on derecognition;
- Equity instruments at FVOCI, with no recycling of gains or losses on profit or loss on derecognition; and
- Financial assets at FVTPL

The assessment on the Group's business model was made as of the date of initial application, 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018. The assessment on whether contractual cash flows on debt instruments are solely comprised of principal and interest (SPPI) was made based on the facts and circumstances as at the initial recognition of the assets.

Certain investments in quoted unit trust and quoted bonds that do not meet the criteria to be classified either as at FVOCI or at amortised cost will have to be reclassified to financial assets at FVTPL. Certain equity instruments held by the Group that were previously classified as available-for-sales were elected to be classified as fair value through profit or loss under MFRS 9.

The accounting for the Group's financial liabilities remains largely the same as it was under FRS 139. Similar to the requirements of FRS 139, MFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognised in the statement of profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

b) MFRS 9 Financial Instruments (cont'd.)

ii. Changes to impairment

The adoption of MFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing FRS 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. MFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVTPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For contract assets and trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit losses experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payment are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The adoption of the ECL requirements of MFRS 9 resulted an increase in impairment allowances of the Group's debt financial assets. The increase in allowance resulted in retrospective adjustment to retained earnings.

The statement of profit or loss for the year ended 31 December 2017 was also restated, resulting in a decrease in other expenses by RM9.8million.

	31.12.2017	1.1.2017
	RM'000	RM'000
Consolidated statement of financial position		
Increase in deferred tax assets	8,009	10,358
Decrease in trade receivables	(22,574)	(31,623)
Decrease in other receivables	(10,798)	(11,534)
Decrease in retained earnings	(25,363)	(32,800)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)c) MFRS 15 Revenue from Contracts with Customers

MFRS 15 supersedes MFRS 111 Construction Contracts, MFRS 118 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted MFRS 15 using the full retrospective method.

The Group is in the business of providing airport related services, operating retail outlets, selling agricultural products, engaging in horticultural activities, operating and maintaining hotel and providing maintenance and technical services. The Group's revenue affected by the adoption of MFRS 15 are as follows:

i. Agriculture commission

As stipulated in the sales and purchase agreement with palm oil mills contracted by the Group, the fresh fruits bunch (FFB) sold to the palm oil mills will entitle the Group to receive a commission of 30% on the profit before tax generated by the palm oil mills from the FFB collected from the Group. The commission gives rise to variable consideration as the Group's entitlement to the consideration is dependent on the performance of the palm oil mills. As the amount of commission is highly susceptible to factors outside the Group's influence, the Group shall estimate the variable consideration to which it will be entitled to the extent that it is highly probable that a significant reversal in the amount of the commission will not occur when the uncertainty is subsequently resolved. The adoption of MFRS 15 for agriculture commission has no material impact to the Group's financial results.

ii. Horticulture and projects revenue

Under MFRS 15, the Group concluded that horticulture and projects revenue will continue to be recognised over time, using an output method to measure progress towards complete satisfaction of the service similar to the previous accounting policy, because the customer simultaneously receives and consumes the benefits provided by the Group.

In addition, any earned consideration that is conditional should be recognised as a contract asset rather than receivable. Therefore, upon adoption of MFRS 15, the Group reclassified the remaining accrued revenue for services rendered to contract assets. The adoption of MFRS 15 for horticulture and project revenue has no material impact to the Group's financial results.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

d) MFRS 141 Agriculture

Prior to the adoption of MFRS 141, the Group capitalised plantation development expenditure which is subsequently amortised in at a rate of 4% per annum. Upon adoption of MFRS, biological assets related to agricultural activity will be accounted under MFRS 141 and requires the separation of biological assets from the bearer plants.

The Group measured biological assets (FFB) at its fair value less costs to sell on initial recognition and for subsequent measurement, any gain or loss arising from fair value changes will be recognised in profit or loss.

The statement of profit or loss for the year ended 31 December 2017 was also restated, resulting in a decrease in fair value gain on biological assets (FFB) by RM1.1 million.

	31.12.2017	1.1.2017
	RM'000	RM'000
Consolidated statement of financial position		
Increase in biological assets	2,532	3,583
Increase in deferred tax liabilities	608	860
Increase in retained earnings	1,924	2,723

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

e) Restatement of comparative figures

The impact of the changes in accounting policy on the financial statements as a result of the transition to the MFRS Framework are as follows:

i. Reconciliation of profit or loss and comprehensive income

	31.12.2017			
	Previously reported under			Reported under MFRS
	FRS RM'000	MFRS 9 RM'000	MFRS 141 RM'000	under MFRS RM'000
Revenue	4,652,338	-	(1,051)	4,651,287
Cost of inventories sold	(448,977)	-	-	(448,977)
Other income	230,935	-	-	230,935
Employee benefits expenses	(852,144)	-	-	(852,144)
Construction costs	(57,905)	-	-	(57,905)
Depreciation and amortisation	(880,824)	-	-	(880,824)
Other expenses	(1,613,378)	9,785	-	(1,603,593)
Operating profits	1,030,045	9,785	(1,051)	1,038,779
Finance costs	(716,185)	(4,429)	-	(720,614)
Share of results:				
- associates	5,801	-	-	5,801
- joint ventures	14,824	-	-	14,824
Profit before tax and zakat from continuing operations	334,485	5,356	(1,051)	338,790
Taxation and zakat	(97,387)	(1,286)	252	(98,421)
Profit from continuing operations, net of tax and zakat	237,098	4,070	(799)	240,369
Other comprehensive income:				
Available-for-sale financial assets				
- Gain on fair value changes	264,368	(264,368)	-	-
Foreign currency translation	41,955	-	-	41,955
Unrealised gain on derivative financial instruments	8,826	-	-	8,826
Other comprehensive income for the year, net of tax and zakat	315,149	(264,368)	-	50,781
Total comprehensive income for the year	552,247	(260,298)	(799)	291,150
Profit per share attributable to owner of the Company (sen)	10.79			10.98

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

ii. Reconciliation of statement of financial position

	31.12.2017						1.1.2017							
	Previously reported under		MFRS 1 RM'000	MFRS 9 RM'000	MFRS 15 RM'000	MFRS 141 RM'000	Reported under		Previously reported under		MFRS 15 RM'000	MFRS 141 RM'000	Reported under	
	FRS RM'000	MFRS 9 RM'000					FRS RM'000	MFRS 141 RM'000	FRS RM'000	MFRS 15 RM'000			FRS RM'000	MFRS 141 RM'000
ASSETS														
Non-current Assets														
Property, plant and equipment	349,847	-	-	-	67,236	417,083	381,665	-	-	-	66,690	448,355		
Plantation development expenditure	67,236	-	-	-	(67,236)	-	66,690	-	-	-	(66,690)	-		
Land use rights	7,034	-	-	-	-	7,034	7,141	-	-	-	-	7,141		
Intangible assets	17,409,638	-	-	-	-	17,409,638	17,230,972	-	-	-	-	17,230,972		
Investment in associates	44,962	-	-	-	-	44,962	36,161	-	-	-	-	36,161		
Investment in joint ventures	92,031	-	-	-	-	92,031	82,720	-	-	-	-	82,720		
Available-for-sale investment	418,749	-	(418,749)	-	-	-	234,729	-	(234,729)	-	-	-		
Financial assets at fair value through profit or loss	-	-	149,698	-	-	149,698	-	-	234,475	-	-	234,475		
Trade receivables	48,536	-	-	-	-	48,536	205	-	-	-	-	205		
Other receivables	389,732	-	-	-	-	389,732	410,906	-	-	-	-	410,906		
Employee loans	27,711	-	-	-	-	27,711	31,710	-	-	-	-	31,710		
Deferred tax assets	236,515	-	9,072	-	-	245,587	215,886	-	10,358	-	-	226,244		
	19,091,991	-	(259,979)	-	-	18,832,012	18,698,785	-	10,104	-	-	18,708,889		
Current Assets														
Inventories	140,591	-	-	-	-	140,591	135,235	-	-	-	-	135,235		
Biological assets	-	-	-	-	2,532	2,532	-	-	-	-	3,583	3,583		
Trade receivables	617,686	-	(22,574)	-	-	595,112	739,365	-	(31,623)	-	-	707,742		
Other receivables	174,214	-	(10,798)	-	-	163,416	132,190	-	(11,534)	-	-	120,656		
Tax recoverable	10,181	-	-	-	-	10,181	10,958	-	-	-	-	10,958		
Financial assets at fair value through profit or loss	-	-	1,167,589	-	-	1,167,589	-	-	635,019	-	-	635,019		
Cash and bank balances	2,460,980	-	(1,167,589)	-	-	1,293,391	1,571,876	-	(635,019)	-	-	936,857		
	3,403,652	-	(33,372)	-	2,532	3,372,812	2,589,624	-	(43,157)	-	3,583	2,550,050		
Assets of disposal group classified as held for disposal	-	-	-	-	-	-	151	-	-	-	-	151		
TOTAL ASSETS	22,495,643	-	(293,351)	-	2,532	22,204,824	21,288,560	-	(33,053)	-	3,583	21,259,090		

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

ii. Reconciliation of statement of financial position (cont'd.)

	31.12.2017						1.1.2017					
	Previously reported under FRS	MFRS 1	MFRS 9	MFRS 15	MFRS 141	Reported under MFRS	Previously reported under FRS	MFRS 1	MFRS 9	MFRS 15	MFRS 141	Reported under MFRS
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES												
Equity attributable to equity holders of the Company												
Share capital	5,114,341	-	-	-	-	5,114,341	1,659,192	-	-	-	-	1,659,192
Perpetual sukuk	997,842	-	-	-	-	997,842	997,842	-	-	-	-	997,842
Share premium	-	-	-	-	-	-	3,455,149	-	-	-	-	3,455,149
Retained earnings	2,320,248	283,835	(22,699)	-	1,924	2,583,308	2,321,187	283,835	(26,769)	-	2,723	2,580,976
Fair value adjustment reserve	272,636	-	(272,636)	-	-	-	8,268	-	(8,268)	-	-	-
Hedging reserve	(28,591)	-	-	-	-	(28,591)	(37,417)	-	-	-	-	(37,417)
Other reserve	6,891	-	-	-	-	6,891	6,801	-	-	-	-	6,801
Foreign exchange reserve	325,790	(283,835)	-	-	-	41,955	283,835	(283,835)	-	-	-	-
	9,009,157	-	(295,335)	-	1,924	8,715,746	8,694,857	-	(35,037)	-	2,723	8,662,543
Non-controlling interests	-	-	-	-	-	-	2,031	-	-	-	-	2,031
Total equity	9,009,157	-	(295,335)	-	1,924	8,715,746	8,696,888	-	(35,037)	-	2,723	8,664,574
Non-current Liabilities												
Borrowings	5,126,028	-	-	-	-	5,126,028	5,386,142	-	-	-	-	5,386,142
Derivative financial instruments	37,462	-	-	-	-	37,462	43,393	-	-	-	-	43,393
Deferred income	156,678	-	-	(5,190)	-	151,488	56,574	-	-	-	-	56,574
Deferred tax liabilities	916,457	-	1,984	-	608	919,049	935,840	-	1,984	-	860	938,684
Trade payables	4,605,296	-	-	-	-	4,605,296	3,962,106	-	-	-	-	3,962,106
Other payables	410,914	-	-	12,464	-	423,378	441,853	-	-	-	-	441,853
	11,252,835	-	1,984	7,274	608	11,262,701	10,825,908	-	1,984	-	860	10,828,752
Current Liabilities												
Borrowings	423,258	-	-	-	-	423,258	193,638	-	-	-	-	193,638
Derivative financial instruments	8,644	-	-	-	-	8,644	3,389	-	-	-	-	3,389
Trade payables	867,490	-	-	-	-	867,490	781,790	-	-	-	-	781,790
Other payables	884,873	-	-	(7,274)	-	877,599	756,781	-	-	-	-	756,781
Income tax payable	49,386	-	-	-	-	49,386	30,147	-	-	-	-	30,147
	2,233,651	-	-	(7,274)	-	2,226,377	1,765,745	-	-	-	-	1,765,745
Liabilities of disposal group classified as held for disposal	-	-	-	-	-	-	19	-	-	-	-	19
Total liabilities	13,486,486	-	1,984	-	608	13,489,078	12,591,672	-	1,984	-	860	12,594,516
TOTAL EQUITY AND LIABILITIES	22,495,643	-	(293,351)	-	2,532	22,204,824	21,288,560	-	(33,053)	-	3,583	21,259,090

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)**

The adoption of the amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions that comes into effect on 1 January 2018 did not have any significant impact on the unaudited condensed consolidation financial statements upon their initial application.

Effective for financial periods beginning on or after 1 January 2019

MFRS 16 : Leases

MFRS 119 : Employee Benefits

MFRS 128 : Long-term Interest in Associates and Joint Ventures

Effective for financial periods beginning on or after 1 January 2021

MFRS 17 : Insurance Contracts

Effective for annual periods to be announced by MASB

Amendments to FRS 10 and FRS 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. The effect of MFRS 16 has been assessed by the Group and there is no material impact to the statement of profit or loss. The Group will recognise a right-of-use asset with a corresponding liability and are expected to have an impact on the amounts recognised in the Group's statement of financial position.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2017 was not qualified.

4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

Airport services segment and duty free and non-dutiable goods segment, being the core businesses of the Group were not materially affected by any seasonality or cyclicity during the current quarter and financial year-to-date under review.

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

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

6. SEGMENT INFORMATION

The Group is organised into business segments and geographical segments which is then further classified under airport operations 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 and non-duty free outlets and provide services in respect of food and beverage outlets at designated airports in Malaysia.

Non-airport operations:-

- a) **Project and repair maintenance**
To provide consultancy, operations and maintenance, mechanical and civil engineering services in connection with the airport industry.
- b) **Hotel**
To manage and operate a group of hotel, known as Sama-Sama Hotel, Sama-Sama Express KLIA and Sama-Sama Express klia2.
- c) **Agriculture and horticulture**
To cultivate oil palm and sell palm oil and other agricultural products and to carry out horticulture activities.
- d) **Others**
Investment holding and dormant companies.

Overseas Operations

- a) **Airport operations**
To manage, operate and maintain the Istanbul Sabiha Gokcen International Airport (ISGIA) in Turkey and to provide airport related services.
- b) **Project and repair maintenance**
To provide consultancy and facilities management services at Hamad International Airport (HIA).

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

6. SEGMENT INFORMATION (cont'd.)

	Continuing Operations									TOTAL
	Malaysia Operations					Overseas Operations		Consolidation adjustments	TOTAL	
	Airport Operations		Non Airport Operations			Airport operations	Project & repair and maintenance			
Airport services	Duty free and non-dutiable goods	Project & repair and maintenance	Hotel	Agriculture & horticulture	Others			RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
For the year ended 31 December 2018										
Segment Revenue										
External:										
Aeronautical	1,797,044	-	-	-	-	-	607,297	-	-	2,404,341
Non-aeronautical:										
Retail	-	831,299	-	-	-	-	-	-	-	831,299
Others	784,907	1,816	-	-	-	-	472,474	-	-	1,259,197
Construction	-	-	-	-	-	-	65,557	-	-	65,557
Non airport operations	-	-	13,109	90,210	30,085	-	8,772	149,132	-	291,308
Inter-segment sales	285,450	1,092	78,036	2,313	6,787	-	74,530	-	(448,208)	-
Inter-segment dividends	-	-	-	-	-	345,000	-	-	(345,000)	-
Total revenue	2,867,401	834,207	91,145	92,523	36,872	345,000	1,228,630	149,132	(793,208)	4,851,702
Segment Results										
Operating profits before depreciation and amortisation	1,112,795	75,455	18,249	24,038	8,102	840,979	862,114	22,059	(580,247)	2,383,544
Depreciation and amortisation	(330,747)	(9,405)	(504)	(11,420)	(4,549)	(15,883)	(312,783)	(5,059)	(197,129)	(887,479)
Finance costs	(228,426)	-	21	10	(6)	(147,649)	(540,937)	-	171,396	(745,591)
Share of results of:										
- associates	12,821	-	-	-	-	-	-	-	-	12,821
- joint ventures	-	-	-	-	-	17,297	-	-	-	17,297
Profit/(loss) before tax and zakat	566,443	66,050	17,766	12,628	3,547	694,744	8,394	17,000	(605,980)	780,592
Taxation and zakat	(72,601)	(11,065)	(4,269)	(987)	112	(205)	(6,267)	(1,508)	43,501	(53,289)
Profit/(loss) for the year	493,842	54,985	13,497	11,641	3,659	694,539	2,127	15,492	(562,479)	727,303
As at 31 December 2018										
Assets and Liabilities										
Segment assets	10,477,698	233,169	162,147	130,274	100,523	12,329,658	6,445,179	100,961	(7,917,107)	22,062,502
Investment in associates	113,783	-	-	-	-	-	-	-	-	113,783
Investment in joint ventures	-	-	-	-	-	96,818	-	-	-	96,818
Total assets	10,591,481	233,169	162,147	130,274	100,523	12,426,476	6,445,179	100,961	(7,917,107)	22,273,103
Segment liabilities representing total liabilities	6,011,993	108,802	57,888	25,924	21,609	5,687,182	7,555,941	79,679	(6,416,641)	13,132,377

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

6. SEGMENT INFORMATION (cont'd.)

	Continuing Operations									
	Malaysia Operations						Overseas Operations		Consolidation adjustments	TOTAL
	Airport Operations		Non Airport Operations				Airport operations	Project & repair and maintenance		
	Airport services	Duty free and non-dutiable goods	Project & repair and maintenance	Hotel	Agriculture & horticulture	Others				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
For the year ended 31 December 2017 (as restated)										
Segment Revenue										
External:										
Aeronautical	1,689,426	-	-	-	-	-	564,199	-	-	2,253,625
Non-aeronautical:										
Retail	-	853,679	-	-	-	-	-	-	-	853,679
Others	733,106	1,531	-	-	-	-	454,879	-	-	1,189,516
Construction	-	-	-	-	-	-	57,905	-	-	57,905
Non airport operations	-	-	17,694	94,457	38,162	-	8,694	137,555	-	296,562
Inter-segment sales	272,142	1,119	71,235	1,828	6,430	-	73,139	-	(425,893)	-
Inter-segment dividends	-	-	-	-	-	254,000	-	-	(254,000)	-
Total revenue	2,694,674	856,329	88,929	96,285	44,592	254,000	1,158,816	137,555	(679,893)	4,651,287
Segment Results										
Operating profits before depreciation and amortisation	1,086,892	51,773	31,396	25,405	11,158	397,346	770,666	6,121	(461,154)	1,919,603
Depreciation and amortisation	(302,172)	(10,204)	(401)	(15,119)	(4,291)	(16,104)	(337,537)	(3,748)	(191,248)	(880,824)
Finance costs	(233,942)	14	(1)	5	7	(155,452)	(508,458)	-	177,213	(720,614)
Share of results of associates:										
- associates	5,801	-	-	-	-	-	-	-	-	5,801
- joint ventures	-	-	-	-	-	14,824	-	-	-	14,824
Profit/(loss) before tax and zakat	556,579	41,583	30,994	10,291	6,874	240,614	(75,329)	2,373	(475,189)	338,790
Taxation and Zakat	(144,780)	(11,182)	(5,069)	(2,767)	(1,585)	(2,885)	24,711	(147)	45,283	(98,421)
Profit/(loss) for the year	411,799	30,401	25,925	7,524	5,289	237,729	(50,618)	2,226	(429,906)	240,369
As at 31 December 2017 (as restated)										
Assets and Liabilities										
Segment assets	10,565,038	218,725	145,373	129,119	97,031	12,138,304	7,420,841	94,343	(8,740,943)	22,067,831
Investment in associates	44,962	-	-	-	-	-	-	-	-	44,962
Investment in joint ventures	-	-	-	-	-	92,031	-	-	-	92,031
Total assets	10,610,000	218,725	145,373	129,119	97,031	12,230,335	7,420,841	94,343	(8,740,943)	22,204,824
Segment liabilities representing total liabilities	6,416,528	149,344	55,028	36,409	21,776	5,951,403	8,559,426	88,912	(7,789,748)	13,489,078

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
7. PROFIT BEFORE TAX AND ZAKAT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2018 RM'000	Preceding Year Corresponding Quarter 31.12.2017 RM'000 Restated	Current Year To Date 31.12.2018 RM'000	Preceding Year Corresponding Period 31.12.2017 RM'000 Restated
Included in Other Income:				
Interest income:				
-Unquoted investment, quoted bond and employee loan	812	3,271	3,060	5,428
-Other loan and receivables	15,799	11,260	46,995	38,122
- (Loss)/gain on financial instrument at FVTPL	(332)	(114)	1,222	186
Investment income	5,109	22,661	54,138	41,412
Net realised foreign exchange gain	998	1,033	2,313	3,372
Unrealised gain on fair value on financial assets at FVTPL	-	-	258,399	-
Net gain/(loss) on disposal of property, plant and equipment	8	(7)	8	(3)
Net gain on disposal of investment in associate	-	-	28,178	-
Recoupment of expenses	28,574	26,181	109,287	90,519
Included in Other Expenses:				
Net allowance of doubtful debts	45,012	(5,824)	18,035	38,220
Net bad debts written (back)/off	(162)	-	9,128	413
Reversal of impairment of intangible assets	-	-	-	(1,391)
Property, plant and equipment written off	835	2,906	1,072	4,020
Intangible assets written off	8,797	12,180	8,797	13,507
Inventories written off/(back)	369	(542)	3,410	3,730
User fee	110,123	104,922	417,619	391,780
Included in Finance Cost:				
Interest expense:				
- Concession payables and borrowings	56,526	60,560	233,023	241,105
- Financial liabilities	114,502	136,441	512,568	479,509

8. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

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

9. DEBT AND EQUITY SECURITIES

On 22 June 2018, the Group had repaid EUR10.0 million, equivalent to RM47.0 million of the Senior Term Facility which matured on 25 June 2018.

On 6 September 2018, the Company had repaid its five (5) years Senior Sukuk (Sukuk Musharakah) tranche amounting to RM250.0 million which matured on 6 September 2018.

On 21 December 2018, the Group had repaid EUR15.0 million, equivalent to RM71.0 million of the Senior Term Facility which matured on 27 December 2018.

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

10. DIVIDENDS PAID

A single-tier final dividend of 8.00 sen per ordinary share amounting to RM132.7 million in respect of the financial year ended 31 December 2017 was approved by the shareholders at its Annual General Meeting held on 5 May 2018. The final dividend was paid on 6 June 2018.

A single-tier interim dividend of 5.00 sen per ordinary share in respect of the financial year ended 31 December 2018 amounting to RM82.9 million was paid on 28 September 2018.

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

11. CARRYING AMOUNT OF REVALUED ASSETS

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

12. CHANGES IN COMPOSITION OF THE GROUP

On 7 December 2018, Malaysia Airports Holdings Berhad (MAHB) had incorporated a wholly-owned subsidiary, Malaysia Airports (Subang) Sdn Bhd (MA Subang). The issued and paid-up capital amounted to RM100. Its intended principal activity is to undertake all businesses relating to the Subang Airport regeneration.

Save for the above, there were no changes in the composition of the Group during the current quarter and financial year-to-date under review.

13. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR DISPOSAL

Sama-Sama Hospitality Management Sdn Bhd (SSHM) has been dissolved pursuant to Section 490 and 491 of the Companies Act, 2016 on 16 April 2018. The dissolution has no financial impact to the financial results of the Group for the current quarter and financial year-to-date under review.

14. CHANGES IN GUARANTEES, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

a) Guarantees

- i) As of 31 December 2018, ISG has given five (2017: five) letters of guarantee to the Administration (representing 6% of total amount payable to the Administration for the right to operate the Facility as set out in the Implementation Agreement). The details are as follows:

No.	2018	2017
1	EUR74.6 million (RM352.9 million)	EUR80.3 million (RM388.9 million)
2	EUR13.0 million (RM61.5 million)	EUR13.0 million (RM63.0 million)
3	EUR1.6 million (RM7.7 million)	EUR1.6 million (RM7.9 million)
4	EUR20.1 million (RM95.2 million)	EUR20.1 million (EUR 97.4 million)
5	EUR0.3 million (RM1.5 million)	EUR0.3 million (RM1.5 million)

- ii) ISG has given 14 letters of guarantee to Tax Authority in Turkey for Value Added Tax (VAT) refund amounting to EUR1.1 million, equivalent to RM5.2 million (2017: EUR1.3 million, equivalent to RM6.3 million).
- iii) Malaysia Airports Consultancy Services Sdn Bhd (MACS) has provided the following guarantees for customers of MACS Middle East LLC (MACS ME):
- a) Performance Bank Guarantee (PBG) totalling to QAR35.4 million, equivalent to RM40.2 million (2017: QAR39.7 million, equivalent to RM50.0 million).

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

14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS (cont'd.)**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 RM456,000,000 pertaining to inter alia, the changes of the concession period under the Airport Facilities Agreement dated 26 September 2007 (AFA). 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 MAHB and the Government of Malaysia.

As an update, 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 Government of Malaysia.

- ii) Syarikat Pembinaan Anggerik Sdn. Bhd. (SPASB) via a Writ of Summons dated 18 April 2017 had claimed from MAHB for the sum of RM44,000,000 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 has 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.

14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS (cont'd.)b) Contingent Liabilities (cont'd.)

- ii) On 9 August 2018, SPASB had filed its Amended Statement of Claim (Amended SOC). In the Amended SOC, SPASB had raised its claim to RM59,853,000. 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.

The next Case Management has been fixed on 11 March 2019 and the trial has been fixed from 5 to 7 August 2019.

- iii) Tax Authorities of Turkey has requested ISG to revise the Value Added Tax (VAT) refund requests and apply a different methodology for the periods from 1 July 2012 to 30 September 2014. ISG has submitted the revised refund request and filed the court case contesting the claim arising out of the revised refund request as the management of ISG is of the opinion that the initial refund request for the said period is valid. The Court decided that the tax office cannot reject ISG's calculation without conducting a tax investigation therefore the litigations are concluded in favour of ISG and ISG collected the missing VAT refund amounts. The tax office took a further action at Supreme Court level and in the meantime carried out comprehensive VAT audits for ISG in year 2016 and 2017 covering periods from 2012-2014.

The tax auditors claimed a principal of TL7.1 million, equivalent to EUR1.2 million or RM5.7 million, late payment interest of TL5.5 million, equivalent to EUR0.9 million or RM4.4 million and tax penalties of TL10.7 million, equivalent to EUR1.8 million or RM8.5 million for that tax issue mentioned above. ISG has booked a provision of late payment interest TL5.5 million, equivalent to EUR0.9 million or RM4.4 million in statement of profit or loss for the year 2017.

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

ISG applied for Tax Amnesty on 26 July 2018 and received the confirmation for the application from Tax Authority on 9 August 2018. On 17 September 2018, ISG paid TL3.5 million, equivalent to EUR0.6 million or RM2.8 million which is half of the principal amount (TL7.1 million, equivalent to EUR1.2 million or RM5.7 million) and increased VAT receivables carried forward and paid an additional TL99.7 thousand, equivalent to EUR17.0 thousand or RM79.0 thousand has been waived by the Tax Authority.

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

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15. RELATED PARTY TRANSACTIONS AND BALANCES

Related Party Transaction:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Revenue:				
<u>Associates:</u>				
Lease rental				
- KL Aviation Fuelling System Sdn. Bhd.	1,530	1,528	6,120	6,118
- MFMA Development Sdn. Bhd.	1,007	761	4,029	3,044
Concession fee				
- MFMA Development Sdn. Bhd.	142	142	568	568
Recoupment of water, electricity & sewerage				
- MFMA Development Sdn. Bhd.	1,536	1,627	5,792	6,263
<u>Joint ventures:</u>				
Lease rental				
- Segi Astana Sdn. Bhd.	318	318	1,273	1,273
- Airport Cooling Energy Supply Sdn. Bhd.	222	222	888	888
- Cainiao KLIA Aeropolis Sdn. Bhd.	585	-	1,540	-
Expenses:				
<u>Joint ventures:</u>				
Airport Cooling Energy Supply Sdn. Bhd.				
- Utilities (Fixed)	8,031	8,032	32,124	32,125
- Utilities (Variable usage)	3,689	3,704	14,555	14,404
- Less: Rebate	(1,475)	(65)	(4,961)	(4,414)
- Interest on concession payable	5,340	5,341	21,361	21,362
Segi Astana Sdn. Bhd.				
- Rental of shops and warehouse	-	-	-	447
- Recoupment of water and electricity	-	-	-	46
- Car park	-	-	-	10
Other Transactions:				
<u>Joint ventures:</u>				
Airport Cooling Energy Supply Sdn. Bhd.				
- Payment on concession payable	2,676	2,675	10,699	10,699
<u>Other Related Party:</u>				
Korn Ferry International (M) Sdn. Bhd.				
- Professional fees	-	450	268	815

Related Party Balances:

	As at	As at
	31.12.2018	31.12.2017
	RM'000	RM'000
	Unaudited	Audited
Amount owing by associated companies	30	1,857
Amount owing to joint ventures	-	14,013
Amount owing to other related party	-	450

16. COMMITMENTS

The amount of commitments for the lease rental, purchase of intangible asset, property, plant and equipment and other investment not provided for in the interim condensed consolidated financial statements as at 31 December 2018 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 but not contracted for:			
Capital expenditure	1,394,363	-	1,394,363
(ii) Other investments:			
Investment in MFMA Development Sdn. Bhd.	46,057	-	46,057
	<u>1,440,420</u>	<u>-</u>	<u>1,440,420</u>

17. SUBSEQUENT EVENTS

- a) Proposed Disposal by MAHB of its entire 11% equity interest in GMR Hyderabad International Airport Limited (GHIAL)

On 2 January 2019, MAHB announced that the Sale Purchase Agreement (SPA) in relation to the Proposed Disposal of its entire 11% equity interest in GHIAL has been automatically terminated due to failure of the purchaser to complete their obligation in accordance with the terms of the SPA by 31 December 2018. Therefore, MAHB and MAHB (Mauritius) Private Limited shall remain as shareholders of GHIAL accordingly.

- b) Proposed Disposal by Malaysia Airports (Labuan) Private Limited (MALPL) of its entire 23% equity interest in GMR Male International Airport Limited (GMIAL)

On 11 January 2019, pursuant to the approval of the Board of Directors of MAHB, MAHB announced that the parties have agreed that the payment of the purchase consideration shall be settled within the next six months commencing 1 January 2019. The extension is subject to an interest of 6% per annum calculated on annual basis until full payment is received.

17. SUBSEQUENT EVENTS (cont'd.)

- c) Letter from Solicitors of AirAsia Berhad (AAB) and AirAsia X Berhad (AAX)

On 31 January 2019, Malaysia Airports (Sepang) Sdn Bhd (MA(S) SB), a wholly owned subsidiary of the Company, has been served by the solicitors of AirAsia Berhad (AAB) and AirAsia X Berhad (AAX) with a copy of its letter dated 31 January 2019 (the Letter).

The Letter alleged, among others, AAX and AAB has suffered loss and damages amounting to RM479,781,000. The letter further stated that notice therefore given to MA(S) SB that mediation shall be convened pursuant to Section 74 of the Malaysia Aviation Commission Act 2015.

Save for the above, there were no material events subsequent to the end of the current quarter and financial year-to-date under review that requires disclosure or adjustments to the interim financial statements.

18. PERFORMANCE REVIEW

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER				
	Current Year	Preceding Year	Changes		Current Year	Preceding Year	Changes		
	Quarter	Corresponding			To Date	Corresponding			
	31.12.2018	Quarter	RM'000	%	31.12.2018	Period	RM'000	%	
		31.12.2017				31.12.2017			
		RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	1,251,671	1,246,099	5,572	0.4%	4,851,702	4,651,287	200,415	4.3%	
Profit before tax and zakat	27,473	57,357	(29,884)	-52.1%	780,592	338,790	441,802	130.4%	

Q4'2018 vs Q4'2017 (Q-on-Q)

Revenue

The Group's revenue for the current quarter under review grew 0.4% over the corresponding quarter last year to RM1,251.7 million.

Airport operations recorded a revenue growth of 0.4% to RM1,174.6 million. Aeronautical segment has increased by 11.1% to RM645.3 million over the corresponding quarter last year. Malaysia operations recorded passenger growth of 2.0% (international: +0.8%, domestic: +3.3%) to 25.5 million passengers as compared to the corresponding quarter last year of 25.0 million passengers.

The passenger traffic for the Turkey operations increased by 3.8% (international: +11.5%, domestic +0.0%) to 8.2 million passengers as compared to the corresponding quarter last year of 7.9 million passengers.

Non-aeronautical segment increased slightly by 0.2% to RM531.9 million due to higher non-aeronautical revenue from Turkey operations.

Non-airport operations also increased slightly by 1.1% or RM0.8 million due to higher revenue from Qatar operations.

Overall, Malaysia and Qatar operations recorded increase in revenues by 3.9% to RM936.2 million and 24.1% to RM43.2 million respectively. Turkey operation however recorded a decline in revenue by 12.3% to RM272.3 million due to the absence of construction revenue in the current quarter pursuant to the completion of boarding hall expansion of ISGIA.

18. PERFORMANCE REVIEW (cont'd.)**Q4'2018 vs Q4'2017 (Q-on-Q)(cont'd.)****Profit before tax and zakat (PBT)**

The Group recorded a PBT of RM27.5 million as compared to RM57.4 million in the previous corresponding quarter, an unfavourable variance of 52.1% or RM29.9 million. The unfavourable variance was contributed by higher Group cost.

Cost has increased by 3.4% or RM42.9 million as compared to the previous corresponding quarter mainly due to provision of doubtful debts, higher amortisation and depreciation, utilities as well as repair and maintenance cost.

PBT of the Malaysian operations decreased by 47.5% to RM62.2 million. Turkey operations registered a loss before tax (LBT) of RM36.8 million, lower by 40.5% from loss recorded in the previous corresponding quarter while Qatar operations recorded higher PBT by 134.6% to RM2.1 million.

Share of results of Associates and Joint Ventures (JV)

Share of associate's profits in the current quarter under review amounted to RM7.3 million as compared to profits of RM1.7 million for the corresponding quarter last year, mainly due to higher contribution from MFMA Development Sdn Bhd (MFMA).

Share of JV's profits in the current quarter under review was higher by RM2.3 million mainly due to higher contribution from Segi Astana Sdn Bhd (SASB).

YTD 2018 vs YTD 2017 (Y-on-Y)**Revenue**

Sustained growth in passenger and aircraft movements continued to impact positively to the Group's earnings for the financial year ended 31 December 2018. The Group recorded revenue of RM4,851.7 million, 4.3% higher than revenue of RM4,651.3 million recorded last year. The positive results were underpinned by the growth in airport operations.

Total revenue growth by both aeronautical and non-aeronautical segments were 4.7% from RM4,354.8 million to RM4,560.4 million.

Aeronautical revenue segment grew by 6.7% to RM2,404.3 million over last year on the back of strong passenger growth. Malaysia operations recorded passenger growth of 2.3% (international: +4.2%, domestic: +0.2%) to 99.0 million passengers as compared to 96.8 million passengers in the previous year.

18. PERFORMANCE REVIEW (cont'd.)**YTD 2018 vs YTD 2017 (Y-on-Y) (cont'd.)****Revenue (cont'd.)**

The passenger traffic for Turkey operations increased by 8.9% to 34.1 million passengers as compared to last year. Both international and domestic traffics increased by 13.6% and 6.7% respectively.

The non-aeronautical segment also recorded strong revenue growth of 2.3% to RM2,090.6 million, driven by stronger sales registered by the concessionaires and retailers.

However, non-airport operations revenue has declined slightly by 1.8% over the last year to RM291.4 million, mainly due to lower contributions from the agriculture business.

Overall, Malaysia operations recorded a revenue of RM3,548.5 million with growth of 3.5%, whilst Turkey and Qatar operations recorded revenue growth of 6.3% to RM1,154.1 million and 8.4% to RM149.1 million respectively.

Profit before tax and zakat (PBT)

The PBT of the Group has increased to RM780.6 million as compared to the PBT of RM338.8 million recorded last year. The higher Group PBT was in part due to unrealised gain on the fair value of investment in GMR Hyderabad International Airport Limited (GHIAL) amounting to RM258.4 million and higher revenue of RM200.4 million.

Cost has increased by 1.8% to RM4,648.3 million as compared to last year mainly due to higher utilities and administrative cost recorded during the year.

The PBT for Malaysia operations was higher by 58.1% to RM973.9 million. Qatar operations recorded a higher PBT by RM5.6 million to RM15.7 million whilst Turkey operations recorded an improvement in LBT to RM209.0 million, decreasing by RM78.5 million as compared to last year.

Share of results of Associates and Joint Ventures (JV)

Share of associate's profits in the financial year-to-date amounted to RM12.8 million as compared to RM5.8 million recorded last year due to higher contribution from MFMA and Kuala Lumpur Aviation Fuelling System Sdn Bhd (KAF) by RM3.9 million and RM3.2 million respectively.

Share of JV's profits in the financial year-to-date amounted to RM17.3 million as compared to RM14.8 million recorded last year mainly due to higher contributions from SASB by RM2.0 million.

18. PERFORMANCE REVIEW (cont'd.)

a) ECONOMIC PROFIT (EP) STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2018 RM'000	Preceding Year Corresponding Quarter 31.12.2017 RM'000 Restated	Current Year To Date 31.12.2018 RM'000	Preceding Year Corresponding Period 31.12.2017 RM'000 Restated
Net Operating Profit Less Adjusted Tax (NOPLAT) computation				
Earnings before interest and tax (EBIT*)	169,101	234,743	1,444,788	995,043
Adjusted Tax	(40,584)	(58,675)	(346,749)	(248,761)
NOPLAT	128,517	176,068	1,098,039	746,282
Economic charge computation				
Average invested capital	16,694,463	15,395,460	16,694,463	15,395,460
Weighted average cost of capital per annum	8.63%	8.29%	8.63%	8.29%
Economic Charge	360,183	319,071	1,440,732	1,276,284
Economic loss	(231,666)	(143,003)	(342,693)	(530,002)

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

The favourable variance in EBIT for financial year-to-date was in part due to unrealised gain on the fair value of investment in GHIAL amounting to RM258.4 million and higher revenue by RM200.4 million.

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

The Group recorded economic loss of RM231.7 million for the current quarter under review higher than RM143.0 million recorded in the corresponding quarter last year.

Similarly, the Group recorded economic loss of RM342.7 million for the financial year-to-date under review lower than the economic loss of RM530.0 million recorded last year due to higher EBIT.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
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18. PERFORMANCE REVIEW (cont'd.)

b) HEADLINE KEY PERFORMANCE INDICATORS (KPIs)

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

	2018 Headline KPIs	Actual 2018
i) EBITDA		
Malaysia operations (RM'000)	1,189,235	1,209,139
Overseas business:		
Turkey operations (EUR'000)	179,413	181,071
* Turkey operations (RM'000)	880,918	862,114
Qatar operations (QAR'000)	19,795	18,601
Qatar operations (RM'000)	21,788	20,692
ii) Airport Service Quality Awards	Above 40 mppa category: KLIA Ranking Top 10	Above 40 mppa category: KLIA ranked 14th out of 38 airports

* Lower EBITDA in RM term from Turkey operations was due to weakening of RM against EUR.

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

	INDIVIDUAL QUARTER			
	Current Year	Immediate	Changes	
	Quarter	Preceding		
	31.12.2018	30.09.2018	RM'000	%
	RM'000	RM'000		
Revenue	1,251,671	1,229,545	22,126	1.8%
Profit before tax and zakat	27,473	154,792	(127,319)	-82.3%

Q4'2018 vs Q3'2018

Revenue

The Group's revenue for the current quarter under review increased by RM22.1 million or 1.8% to RM1,251.7 million against RM1,229.5 million in the immediate preceding quarter mainly contributed by higher revenue from both airport operations and non-airport operations businesses.

Airport operations recorded a revenue growth of 1.7% to RM1,174.6 million. The aeronautical segment grew by 2.0% or RM12.9 million over the immediate preceding quarter while the non-aeronautical segment recorded an increase in revenue of 1.7% or RM9.0 million to RM531.9 million mainly from Malaysia operations.

**19. MATERIAL CHANGE IN PROFIT BEFORE TAX AND ZAKAT OF CURRENT QUARTER
COMPARED WITH PRECEDING QUARTER (cont'd.)****Q4'2018 vs Q3'2018****Revenue (Cont'd.)**

Non-airport operations revenue has increased by 4.0% over the immediate preceding quarter to RM77.1 million, mainly due to stronger contributions from the project and hotel businesses.

Overall, Malaysia operations has recorded increase in revenue by 6.0% to RM936.2 million. Qatar operation's revenue was higher by 17.4% to RM43.2 million whilst Turkey operation's revenue was lower by 11.9% to RM272.3 million.

Profit before tax and zakat (PBT)

The Group recorded a PBT of RM27.5 million in the current quarter, lower by RM127.3 million as compared to the PBT of RM154.8 million recorded in the immediate preceding quarter due to higher cost by RM157.1 million being recorded in the current quarter under review. The increased in cost was due to increased in repair and maintenance, utilities, employee benefits expenses and provision for doubtful debts.

The PBT for Malaysia operations was lower by 67.2% to RM62.2 million. Qatar operations recorded a lower PBT by RM1.2 million to RM2.1 million whilst Turkey operations had recorded an improvement in LBT by RM1.4 million to RM36.8 million as compared to the immediate preceding quarter.

Share of results of Associates and Joint Ventures (JV)

Share of associate's profits in the current quarter amounted to RM7.3 million as compared to losses of RM0.2 million for the immediate preceding quarter. The favourable variance was due to higher contribution from MFMA by RM6.2 million.

Share of JV's profits in the current quarter amounted to RM5.8 million as compared to RM4.0 million in the immediate preceding quarter. The favourable variance was due to higher contribution from SASB by RM1.6 million.

20. COMMENTARY ON PROSPECTS

MAHB's network of airports (including ISGIA) recorded 133.1 million passengers in the current year under review from 1 January 2018 to 31 December 2018, representing a growth of 3.9% over last year. During the year, traffic for international passengers improved by 5.9% while traffic for domestic passengers increased by 2.2%. Correspondingly, aircraft movements improved by 2.8% with international aircraft movements increased by 6.1% and domestic aircraft movements increased by 0.7%.

Malaysia Operations

Passenger traffic at MAHB operated airports registered 2.3% in growth with 99.0 million passengers in the current year under review. International passengers traffic registered a 4.2% increase to 51.6 million passengers and domestic passenger traffic increased by 0.2% to 47.4 million passengers.

International Monetary Fund (IMF) has projected a lower 3.7% global growth in 2019 in its October 2018 forecast as compared to 3.9% in its previous forecast. IMF has also revised Malaysia's economic growth downward to 4.7% and 4.6% for 2018 and 2019 from an earlier forecast of 5.3% and 5.0% respectively. Malaysian Institute of Economic Research (MIER) had in October last year revised 2018 Gross Domestic Product (GDP) growth to 4.7% from 5.5%. China and several Asian economies are projected to experience somewhat weaker growth in 2019 after the United States of America announcement of more restricted trade measures.

International Air Transport Association (IATA) has predicted a lower passenger demand over the next couple of years. IATA has forecasted global scheduled passenger traffic growth (in terms of Revenue Passenger Kilometres (RPKs)) for 2019 to be in the range of 6.0%. Airport Council International's (ACI) global forecast which is based on airport passenger traffic is slightly higher at 6.1%. Fuel price (Brent crude) has come down by 30% and is expected to remain relatively low for 2019. It is a positive factor for air travel. However, traffic growth is expected to remain vulnerable with significant changes in the macro-economic environment despite the expected lower fuel price. Based on prevailing economic conditions and the airlines seat capacity offered, Malaysia passenger traffic in 2019 is expected to grow by 4.9% with international and domestic passenger traffics growing at 2.4% and 7.6% respectively.

Overseas Operations

ISGIA recorded 34.1 million passengers in the current year under review, representing an increase of 8.9% over last year. International passenger traffic increased by 13.6% while domestic passenger traffic increased by 6.7%.

Passenger growth prospect for ISGIA in 2019 is expected to be moderate at 4.3%. The international and domestic passenger traffics are expected to grow by 5.2% and 3.8% respectively. The growth focus for ISG will be within the Middle East, Commonwealth of Independent State (CIS) and Central Eastern Europe (CEE) regions which is currently underserved from ISGIA. The moderate growth is also partly due to capacity limitations pending the opening of the second runway.

21. PROFIT FORECAST

The Group did not publish any profit forecast.

22. TAXATION AND ZAKAT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2018 RM'000	Preceding Year Corresponding Quarter 31.12.2017 RM'000 Restated	Current Year To Date 31.12.2018 RM'000	Preceding Year Corresponding Period 31.12.2017 RM'000 Restated
Current tax	(12,253)	(38,895)	21,098	(152,624)
Deferred taxation	12,876	13,794	(68,779)	58,642
Zakat	-	28	(5,608)	(4,439)
	<u>623</u>	<u>(25,073)</u>	<u>(53,289)</u>	<u>(98,421)</u>

23. SALE OF PROPERTIES

There were no sales of properties since 31 December 2017.

24. INVESTMENTS IN QUOTED SECURITIES

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

25. STATUS OF CORPORATE PROPOSALS

Save for the followings, there are no ongoing corporate proposals announced by the Group but not completed as at 28 February 2019 being a date not earlier than 7 days from the date of issuance of the quarterly report.

a) Proposed disposal of entire interest in GMR Hyderabad International Airport Limited (GHIAL)

On 2 February 2018, MAHB, via its wholly owned subsidiary, MAHB Mauritius Private Limited (MAMPL) entered into a Share Purchase Agreement (SPA) with GMR Airports Limited (GMR Airports) for the disposal of all of the 41,580,000 equity shares of Rs.10 each which represents 11% of the total issued paid-up share capital of GHIAL to GMR Airports, for a cash consideration of USD76.05 million subject to the terms and conditions contained in the SPA. The sale consideration is agreed based on the assumption that the completion date take place by 1 December 2018. The current update for this proposal is disclosed in note 17.

25. STATUS OF CORPORATE PROPOSALS (cont'd.)

b) Proposed disposal of entire interest in GMR Male International Airport Limited (GMIAL)

On 14 March 2018, MAHB had, via its wholly owned subsidiary, Malaysia Airports (Labuan) Private Limited (MALPL) entered into a Share Purchase Agreement (SPA) with GMR Holdings for the disposal of all of the 8,812,190 equity shares, which represents 23% of the total issued and paid-up share capital of GMIAL to GMR Holdings, for a cash consideration of USD7.3 million subject to the terms and conditions contained in the SPA. The sale consideration for the purchase of the shares to be satisfied on or before 31 December 2018. The current update for this proposal is disclosed in note 17.

26. BORROWINGS

	As at 31.12.2018		As at 31.12.2017	
	EUR'000	RM'000	EUR'000	RM'000
	Unaudited		Audited	
Short term borrowings				
Unsecured:				
Senior Sukuk	-	-	-	250,000
Secured:				
Senior Term Facility	44,896	212,357	35,797	173,258
Total short term borrowings	44,896	212,357	35,797	423,258
Long term borrowings				
Unsecured:				
Islamic Medium Term Notes (IMTN)	-	3,100,000	-	3,100,000
Secured:				
Senior Term Facility	387,088	1,830,929	418,601	2,026,028
Total long term borrowings	387,088	4,930,929	418,601	5,126,028
Total borrowings	431,984	5,143,286	454,398	5,549,286

27. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at	Cash Flows	Non-cash changes		As at
	31.12.2017		Foreign Exchange Movements	Fair Value Changes	31.12.2018
	RM'000				RM'000
	Audited				Unaudited
Unsecured:					
Islamic Medium Term Notes (IMTN)	3,100,000	-	-	-	3,100,000
Senior Sukuk	250,000	(250,000)	-	-	-
Secured:					
Senior Term Facility	2,199,286	(117,950)	(49,984)	11,934	2,043,286
Derivative financial instruments	46,106	-	1,048	9,943	57,097
	5,595,392	(367,950)	(48,936)	21,877	5,200,383

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
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28. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 31 December 2018.

29. CHANGES IN MATERIAL LITIGATION

There were no other material suits against the Group and its subsidiaries since 31 December 2017 other than those disclosed in note 14.

30. DIVIDEND PAYABLE

There were no other dividends paid or declared during the current quarter and financial year-to-date under review other than disclosed in note 10.

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 parent by the weighted average number of ordinary shares in issue during the current quarter and financial year-to-date under review.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2018 RM'000	Preceding Year Corresponding Quarter 31.12.2017 RM'000 Restated	Current Year To Date 31.12.2018 RM'000	Preceding Year Corresponding Period 31.12.2017 RM'000 Restated
Profit from continuing operations attributable to owners of the Company	28,096	32,284	727,303	239,757
Distribution to Perpetual Sukuk Holder	(28,986)	(28,986)	(57,500)	(57,500)
Net profit from continuing operations attributable to owners of the Company	(890)	3,298	669,803	182,257
Weighted average number of ordinary shares in issue ('000)	1,659,192	1,659,192	1,659,192	1,659,192
Profit per share attributable to owners of the Company (sen)	(0.05)	0.20	40.37	10.98

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

Azni Ariffin
Company Secretary
Sepang
28 February 2019