



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

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31.12.2020 RM'000	Preceding Year Corresponding Quarter 31.12.2019 RM'000	Current Year To Date 31.12.2020 RM'000	Preceding Year Corresponding Period 31.12.2019 RM'000
Revenue		263,642	1,344,429	1,866,345	5,213,107
Cost of inventories sold		(11,017)	(110,272)	(90,917)	(435,628)
Other income		16,708	67,756	186,225	265,539
Employee benefits expenses		(202,002)	(296,723)	(742,618)	(919,960)
Depreciation and amortisation		(232,737)	(241,442)	(609,751)	(941,578)
Impairment on intangible assets		(500,380)	-	(500,380)	-
Other expenses		(277,337)	(530,123)	(1,197,418)	(1,831,046)
Operating (loss)/profit		(943,123)	233,625	(1,088,514)	1,350,434
Finance costs		(128,626)	(201,606)	(663,771)	(726,001)
Share of results :					
- associates		(8,419)	8,564	(15,988)	15,294
- joint ventures		5,058	5,563	4,412	19,424
(Loss)/profit before tax and zakat	7	(1,075,110)	46,146	(1,763,861)	659,151
Taxation and zakat	22	390,087	(16,633)	647,665	(122,109)
(Loss)/profit net of tax		(685,023)	29,513	(1,116,196)	537,042
Attributable to:					
Owners of the Company		(685,023)	29,513	(1,116,196)	537,042
(Loss)/profit per share attributable to Owners of the Company (sen):	31	(42.16)	0.91	(70.75)	28.90

The condensed unaudited consolidated of profit or loss should be read in conjunction with the audited financial statement for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2020 RM'000	Preceding Year Corresponding Quarter 31.12.2019 RM'000	Current Year To Date 31.12.2020 RM'000	Preceding Year Corresponding Period 31.12.2019 RM'000
(Loss)/profit for the year, net of tax	(685,023)	29,513	(1,116,196)	537,042
Other comprehensive income:				
- Foreign currency translation	15,897	(7,447)	128,592	(66,249)
- Unrealised (loss)/gain on derivative financial instruments	(23,170)	12,116	(18,190)	6,871
- Actuarial gain/(loss) on retirement benefits	271	(3,258)	3,035	(3,103)
Other comprehensive (loss) /income for the year, net of tax	(7,002)	1,411	113,437	(62,481)
Total comprehensive (loss)/income for the year	(692,025)	30,924	(1,002,759)	474,561
Attributable to:				
Owners of the Company	(692,025)	30,924	(1,002,759)	474,561

The condensed unaudited consolidated of other comprehensive income should be read in conjunction with the audited financial statement for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	31.12.2020	31.12.2019
	RM'000	RM'000
	Unaudited	Audited
Assets		
Non-current assets		
Property, plant and equipment	433,670	455,048
Right-of-use assets	93,874	137,242
Intangible assets	15,894,104	16,062,606
Investments in associates	110,989	126,977
Investments in joint ventures	104,167	104,210
Financial assets at fair value through profit or loss	328,489	332,898
Trade receivables	-	10
Other receivables	404,648	365,578
Employee loans	21,487	24,759
Deferred tax assets	465,033	172,373
	<u>17,856,461</u>	<u>17,781,701</u>
Current assets		
Inventories	163,672	169,809
Biological assets	3,257	2,365
Trade receivables	394,989	674,809
Other receivables	138,825	298,844
Tax recoverable	27,496	46,173
Financial assets at fair value through profit or loss	720,558	1,755,820
Cash and cash equivalents	973,657	1,453,136
	<u>2,422,454</u>	<u>4,400,956</u>
Total assets	<u>20,278,915</u>	<u>22,182,657</u>



CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	31.12.2020	31.12.2019
	RM'000	RM'000
	Unaudited	Audited
Equity and liabilities		
Equity attributable to Owners of the Company		
Share capital	5,114,341	5,114,341
Perpetual Sukuk	997,842	997,842
Retained earnings	1,944,898	3,284,671
Hedging reserve	(36,221)	(18,031)
Other reserves	4,098	758
Foreign exchange reserve	74,387	(54,205)
Total equity	8,099,345	9,325,376
Non-current liabilities		
Borrowings	4,550,430	3,685,721
Derivative financial instruments	36,166	33,861
Lease liabilities	62,506	95,586
Deferred tax liabilities	702,492	901,183
Trade payables	4,794,550	4,222,364
Other payables	555,691	629,446
	10,701,835	9,568,161
Current liabilities		
Borrowings	94,298	1,247,012
Derivative financial instruments	13,000	16,198
Lease liabilities	31,354	37,250
Trade payables	727,558	854,408
Other payables	597,417	1,102,385
Income tax payable	14,108	31,867
	1,477,735	3,289,120
Total liabilities	12,179,570	12,857,281
Total equity and liabilities	20,278,915	22,182,657

The condensed unaudited consolidated statement of financial position should be read in conjunction with the audited financial statement for the year ended 31 December 2019 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 2020

	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	
At 1 January 2019	5,114,341	997,842	12,044	(24,902)	3,985	3,037,416	9,140,726
Total comprehensive income	-	-	(66,249)	6,871	(3,103)	537,042	474,561
Legal reserve	-	-	-	-	(124)	-	(124)
Distribution to Perpetual Sukuk holder	-	-	-	-	-	(57,500)	(57,500)
Transaction with Owners of the Company							
Dividends	-	-	-	-	-	(232,287)	(232,287)
At 31 December 2019	5,114,341	997,842	(54,205)	(18,031)	758	3,284,671	9,325,376
At 1 January 2020	5,114,341	997,842	(54,205)	(18,031)	758	3,284,671	9,325,376
Total comprehensive income	-	-	128,592	(18,190)	3,035	(1,116,196)	(1,002,759)
Legal reserve	-	-	-	-	305	-	305
Distribution to Perpetual Sukuk holder	-	-	-	-	-	(57,658)	(57,658)
Transaction with Owners of the Company							
Dividends	-	-	-	-	-	(165,919)	(165,919)
At 31 December 2020	5,114,341	997,842	74,387	(36,221)	4,098	1,944,898	8,099,345

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	31.12.2020	31.12.2019
	RM'000	RM'000
	Unaudited	Audited
Cash flows from operating activities		
(Loss)/profit before tax and zakat	(1,763,861)	659,151
Adjustments for:		
Interest income	(29,009)	(32,648)
Unrealised (gain)/loss on fair value for:		
- quoted unit trust	(2,490)	(5,009)
- unquoted shares	5,323	3,802
Interest expense	692,969	728,074
Gain from derivative financial instruments	(29,198)	(2,073)
Provision for liabilities	10,924	13,747
Writeback of provision for liabilities	(24,012)	(3,677)
Allowance for inventories	3,997	1,171
Gain on fair value of biological assets	(892)	(724)
Amortisation of:		
- intangible assets	518,892	845,070
Depreciation of:		
- property, plant and equipment	53,816	60,601
- right-of-use assets	37,043	35,907
Impairment on intangible assets	500,380	-
Net allowance/(writeback) of impairment on receivables	80,245	(18,968)
Gain on disposal of:		
- quoted unit trust	-	(1,005)
- property, plant and equipment	(415)	-
- intangible assets	(18)	-
Right-of-use assets written off	72	-
Property, plant and equipment written off	50	-
Intangible assets written off	305	13
Inventories written off	356	419
Investment income	(52,115)	(69,731)
Share of results of:		
- associates	15,988	(15,294)
- joint ventures	(4,412)	(19,424)
Operating profit before working capital changes	13,938	2,179,402
Decrease/(increase) in inventories	2,264	(43,776)
Decrease in receivables	384,106	32,947
(Decrease)/increase in payables	(410,552)	75,043
Increase/(decrease) in concession liabilities	5,336	(15,182)
Decrease in provisions on liabilities	(5,213)	(5,107)
Cash (used in)/generated from operations	(10,121)	2,223,327
Taxes and zakat paid	(57,132)	(98,601)
Net cash (used in)/generated from operating activities	(67,253)	2,124,726

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	31.12.2020	31.12.2019
	RM'000	RM'000
	Unaudited	Audited
Cash flows from investing activities		
Purchase of:		
- property, plant and equipment	(30,990)	(64,048)
- intangible assets	(158,757)	(425,838)
- quoted unit trust	(1,379,872)	(1,518,885)
Proceeds from disposal of:		
- property, plant and equipment	509	-
- intangible assets	18	-
- quoted unit trust	2,426,308	1,132,255
Investment income received	42,519	29,739
Interest received	2,278	3,276
Dividend received from:		
- associates	-	2,100
- joint ventures	4,455	12,032
Net cash generated from/(used in) investing activities	906,468	(829,369)
Cash flows from financing activities		
Drawdown of borrowings	1,000,000	-
Repayment of borrowings	(1,396,600)	(162,600)
Swap payment	(28,143)	(17,980)
Concession payment	(517,623)	(539,430)
Lease liabilities payment	(38,928)	(42,685)
Interest paid	(185,676)	(228,743)
Loan amendment fee	(33,461)	-
Dividends paid to shareholders of the Company	(165,919)	(232,287)
Distribution paid to Perpetual Sukuk holder	(57,500)	(57,342)
Net cash used in financing activities	(1,423,850)	(1,281,067)
Net movement in cash and cash equivalents	(584,635)	14,290
Effects of foreign currency translation	105,156	(11,625)
Cash and cash equivalents at beginning of year	1,453,136	1,450,471
Cash and cash equivalents at end of year	973,657	1,453,136

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

1. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements, for the year ended 31 December 2020, 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 2019. 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 2019.

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 2019.

On 1 January 2020, the Group adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2020.

Amendments to MFRSs effective for financial periods beginning on or after 1 January 2020

MFRS 3: Business Combinations (Definition of a Business)
MFRS 101: Presentation of Financial Statements (Definition of Material)
MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Material)
MFRS 16: Leases (COVID-19 Related Rent Concessions)
Revised Conceptual Framework for Financial Reporting

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 2021

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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)

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

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 2019 was not qualified.

4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

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

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

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

6. SEGMENT INFORMATION

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

Malaysia Operations

Airport operations:

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

Non-airport operations:

- a) **Project and repair maintenance**
To provide consultancy, operations and maintenance of information and communication technology business ventures and provision of mechanical and electrical engineering.
- b) **Hotel**
To manage and operate 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 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	RM'000	
For the year ended 31 December 2020										
Segment Revenue										
External:										
Aeronautical	518,937	-	-	-	-	-	367,303	-	-	886,240
Non-aeronautical:										
Retail	-	153,222	-	-	-	-	-	-	-	153,222
Others	464,647	1,489	-	-	-	-	176,845	-	-	642,981
Non-airport operations	-	-	18,605	42,269	34,703	-	5,572	82,753	-	183,902
Inter-segment sales	117,603	654	110,406	1,476	7,738	9,152	91,012	-	(338,041)	-
Total revenue	1,101,187	155,365	129,011	43,745	42,441	9,152	640,732	82,753	(338,041)	1,866,345
Segment Results										
Operating (loss)/profits before depreciation and amortisation	(247,461)	(89,235)	35,329	2,821	10,322	199,496	357,224	5,020	(251,899)	21,617
Depreciation and amortisation	(268,471)	(12,853)	(1,715)	(14,298)	(4,883)	(18,676)	(204,973)	(4,030)	(79,852)	(609,751)
Impairment on intangible assets	-	-	-	-	-	-	-	-	(500,380)	(500,380)
Finance costs	(206,489)	(2,061)	(62)	(1,064)	(12)	(131,133)	(478,993)	-	156,043	(663,771)
Share of results of:										
- associates	(13,725)	-	-	-	-	(2,263)	-	-	-	(15,988)
- joint ventures	-	-	-	-	-	4,412	-	-	-	4,412
(Loss)/profit before tax and zakat	(736,146)	(104,149)	33,552	(12,541)	5,427	51,836	(326,742)	990	(676,088)	(1,763,861)
Taxation and zakat	510,689	20,028	(7,228)	5,884	(224)	(2,539)	(3,544)	(503)	125,102	647,665
(Loss)/profit for the year	(225,457)	(84,121)	26,324	(6,657)	5,203	49,297	(330,286)	487	(550,986)	(1,116,196)
As at 31 December 2020										
Assets and Liabilities										
Segment assets	10,157,293	205,415	193,464	156,547	108,229	11,607,762	5,828,578	64,726	(8,258,255)	20,063,759
Investment in associates	52,310	-	-	-	-	58,679	-	-	-	110,989
Investment in joint ventures	-	-	-	-	-	104,167	-	-	-	104,167
Total assets	10,209,603	205,415	193,464	156,547	108,229	11,770,608	5,828,578	64,726	(8,258,255)	20,278,915
Segment liabilities representing total liabilities	5,634,642	133,800	40,604	44,464	25,062	5,200,192	7,196,167	58,856	(6,154,217)	12,179,570

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	
For the year ended 31 December 2019										
Segment Revenue										
External:										
Aeronautical	1,993,486	-	-	-	-	-	771,165	-	-	2,764,651
Non-aeronautical:										
Retail	-	850,224	-	-	-	-	-	-	-	850,224
Others	797,878	2,696	-	-	-	-	510,730	-	-	1,311,304
Non-airport operations	-	-	15,158	88,577	26,932	-	9,675	146,586	-	286,928
Inter-segment sales	284,525	1,547	125,410	4,734	6,992	-	90,808	-	(514,016)	-
Inter-segment dividends	-	-	-	-	-	317,214	-	-	(317,214)	-
Total revenue	3,075,889	854,467	140,568	93,311	33,924	317,214	1,382,378	146,586	(831,230)	5,213,107
Segment Results										
Operating profits before depreciation and amortisation	1,240,117	53,166	56,350	32,334	5,018	467,162	955,278	13,660	(531,073)	2,292,012
Depreciation and amortisation	(367,677)	(8,452)	(1,145)	(18,272)	(5,086)	(17,776)	(325,126)	(7,757)	(190,287)	(941,578)
Finance costs	(266,133)	(171)	(2,580)	(1,784)	(32)	(141,640)	(485,139)	-	171,478	(726,001)
Share of results of:										
- associates	16,217	-	-	-	-	(923)	-	-	-	15,294
- joint ventures	-	-	-	-	-	19,424	-	-	-	19,424
Profit/(loss) before tax and zakat	622,524	44,543	52,625	12,278	(100)	326,247	145,013	5,903	(549,882)	659,151
Taxation and zakat	(128,305)	(13,174)	(7,658)	2,113	(850)	(66)	(15,769)	(1,388)	42,988	(122,109)
Profit/(loss) for the year	494,219	31,369	44,967	14,391	(950)	326,181	129,244	4,515	(506,894)	537,042
As at 31 December 2019										
Assets and Liabilities										
Segment assets	10,989,018	292,035	187,946	174,104	98,825	12,212,689	6,221,657	86,256	(8,311,060)	21,951,470
Investment in associates	66,033	-	-	-	-	60,944	-	-	-	126,977
Investment in joint ventures	-	-	-	-	-	104,210	-	-	-	104,210
Total assets	11,055,051	292,035	187,946	174,104	98,825	12,377,843	6,221,657	86,256	(8,311,060)	22,182,657
Segment liabilities representing total liabilities	6,329,295	136,299	61,410	55,363	20,862	5,570,271	7,168,443	81,209	(6,565,871)	12,857,281

7. (LOSS)/PROFIT BEFORE TAX AND ZAKAT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2020 RM'000	Preceding Year Corresponding Quarter 31.12.2019 RM'000	Current Year To Date 31.12.2020 RM'000	Preceding Year Corresponding Period 31.12.2019 RM'000
Included in other income:				
Interest income				
-unquoted investments	210	456	1,153	2,034
-employee loans	256	286	1,124	1,242
-other loans and receivables	7,085	7,544	26,732	29,372
Unrealised (loss)/gain on fair value for:				
-quoted unit trust	(3,025)	(3,380)	2,490	5,009
-unquoted shares	(10,646)	(7,604)	(5,323)	(3,802)
Investment income	9,090	20,512	52,115	69,731
Net realised foreign exchange gain	576	5,951	1,014	7,500
Gain on disposal of:				
- property, plant and equipment	415	-	415	-
- intangible assets	4	-	18	-
- quoted unit trust	-	1	-	1,005
Recoupment of expenses	17,419	27,901	76,919	107,981
Included in other expenses:				
Net (writeback)/allowance of impairment on receivables	(314)	1,162	80,245	(18,968)
Property, plant and equipment written off	-	-	50	-
Right-of-use assets written off	-	-	72	-
Intangible assets written off	-	-	305	13
Inventories written off	40	131	356	419
Allowance for inventories	412	(598)	3,997	1,171
Impairment on intangible assets	500,380	-	500,380	-
User fee	10,361	124,656	148,510	461,533
Included in finance cost:				
Interest expenses:				
- Concession payables and borrowings	41,047	54,711	199,282	218,978
- Financial liabilities	88,557	143,854	458,760	497,258
- Interest on lease liabilities	(978)	3,041	5,729	9,765

8. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

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

9. DEBT AND EQUITY SECURITIES

On 23 June 2020, the Group had paid EUR20.0 million, equivalent to RM96.6 million of the Senior Term Facility which matured on 25 June 2020.

On 24 August 2020, the Company had drawn down a Revolving Credit Facility of RM300.0 million with interest rate of 2.93% per annum, which subsequently paid on 23 November 2020.

On 28 August 2020, the Company had paid its ten (10) years Islamic Medium Term Notes Programme (IMTN Programme) tranche amounting to RM1.0 billion which matured on 28 August 2020.

On 6 November 2020, the Company had completed the issuance of RM700.0 million Senior Sukuk via a dual tranche offering pursuant to the Senior Sukuk Programme. The Senior Sukuk offering comprises a seven (7) years, RM480.0 million tranche and a ten (10) years, RM220.0 million tranche with a periodic distribution rate (per annum, payable semi-annually) of 3.30% and 3.60% respectively.

On 1 December 2020, ISG has signed an amendment and restatement agreement relating to the facility agreement dated 21 December 2014 (as amended and restated by an amendment and restatement agreement dated 23 June 2017) for its EUR385.0 million, equivalent to RM1,901.9 million loan facility. With the new agreement, the repayment schedule has been revised and there has been an extension of the loan facility's maturity by two years.

In addition, the financial covenants of the loan facility has been amended as below:

Historic debt service coverage ratio: Minimum of 1.05:1 (waiver of compliance for 31 December 2020, 30 June 2021 and 31 December 2021)

Loan life cover ratio: Minimum of 1.05:1 (waiver of compliance for 31 December 2020, 30 June 2021 and 31 December 2021)

The lenders of the loan facility also required ISG to maintain a minimum unencumbered cash balance of EUR105.0 million, equivalent to RM518.7 million from June 2022 onwards.

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 10.00 sen per ordinary share amounting to RM165.9 million in respect of the financial year ended 31 December 2019 was approved by the Board of Directors on 28 February 2020. The final dividend was paid on 21 May 2020.

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 23 December 2020, Airport Ventures Sdn. Bhd. (AVSB), a subsidiary of Malaysia Airports Holdings Berhad (MAHB), had entered into a Shareholders' Agreement with TNB Engineering Corporation Sdn. Bhd. (TNEC), to participate in a joint venture company under the name of Cooling Energy Supply Sdn. Bhd. (CES).

TNEC has been commissioned to operate a district cooling plant at Kuala Lumpur International Airport and supply energy in the form of chilled water and electricity to KUL's Main Terminal and its associated facilities under CES. Pursuant to the Shareholders' Agreement, AVSB holds 30% equity while TNEC holds the remaining 70% equity in CES.

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

- i) ISG has given 17 (2019: 11) letters of guarantee to the Tax Authority in Turkey for Value Added Tax (VAT) refund amounting to EUR1.4 million, equivalent to RM6.7 million (2019: EUR1.2 million, equivalent to RM5.5 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 26 February 2016, Malaysia Airports (Properties) Sdn. Bhd. (MAP) received a Notice of Arbitration from Kuala Lumpur Aviation Fuelling System Sdn. Bhd. (KAF) in respect of the alleged losses and damages in the estimated claim amount of RM456.0 million pertaining to inter alia, the changes of the concession period under the Airport Facilities Agreement (AFA) dated 26 September 2007. MAP has obtained a preliminary view from its solicitors who consider that MAP has a reasonably good prospect of defending the claims as MAP has complied with all the terms and conditions under the AFA. On 13 February 2017, MAP has informed KAF on the Operating Agreements' extension and requested KAF to withdraw the arbitration notice.

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

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

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

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

Subsequently, 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.

- ii) On 20 August 2015, MAP received a Notice of Arbitration from 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.

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

- ii) 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 team 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.

Currently, MAP is reviewing the documents submitted by KAF.

- 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.

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.

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

- iii) 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. The next Case Management was set on 6 July 2020. In light of the Conditional Movement Control Order (CMCO), the trial dates set on 22 October 2020 and 23 October 2020 was postponed to 24 February and 25 February 2021.

Subsequently, the court had fixed the next trial dates on 15 April to 16 April 2021, 26 April to 28 April 2021 and 19 May to 20 May 2021.

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

Hearing dates of 17 to 20, 23 to 27 and 30 November 2020 have been vacated pursuant to the direction from the Tribunal during the virtual pre-hearing held on 3 November 2020. Tribunal will fix new dates for hearing and the hearing is estimated to be held in the second quarter of 2021. The solicitors and internal legal department are of the view that MA (Sepang) has a fair prospect of success in defending the amount claimed.

- v) As at to date, the request for Value Added Tax (VAT) refund by ISG is still ongoing and pending for final decision by the Supreme Court of Turkey.

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

14. RELATED PARTY TRANSACTIONS AND BALANCES
Related Party Transactions:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Revenue:				
<u>Associates:</u>				
Lease rental				
- KL Aviation Fuelling System Sdn. Bhd.	1,576	1,576	6,303	6,219
- MFMA Development Sdn. Bhd.	1,038	1,038	4,150	4,150
- Cainiao KLIA Aeropolis Sdn. Bhd.	585	585	2,328	2,322
Concession fee				
- MFMA Development Sdn. Bhd.	142	142	568	568
Recoupment of water, electricity & sewerage				
- MFMA Development Sdn. Bhd.	1,617	2,897	6,374	10,037
- Cainiao KLIA Aeropolis Sdn. Bhd.	335	-	436	-
<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
Expenses:				
<u>Joint ventures:</u>				
Airport Cooling Energy Supply Sdn. Bhd.				
- Utilities (Fixed)	8,031	8,031	32,124	32,124
- Utilities (Variable usage)	2,194	3,528	9,995	14,070
- Less: Rebate	(1,255)	(1,006)	(4,070)	(3,397)
- Interest on concession payable	5,341	5,341	21,361	21,361
Other Transactions:				
<u>Joint ventures:</u>				
Airport Cooling Energy Supply Sdn. Bhd.				
- Payment on concession payable	2,675	2,675	10,699	10,699
<u>Other Related Party:</u>				
Rakan Riang Sdn. Bhd.				
- License fee	-	-	200	-

Related Party Balances:

	As at 31.12.2020 RM'000 Unaudited	As at 31.12.2019 RM'000 Audited
Amount owing by associated companies	727	881
Amount owing to joint ventures	33,124	6,448

15. COMMITMENTS

The amount of commitments for the lease rental, purchase of intangible asset, property, plant and equipment and other investment not provided for, in the interim condensed consolidated financial statements as at 31 December 2020 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	290,709	-	290,709
(ii) Approved but not contracted for:			
Capital expenditure	231,334	-	231,334
(iii) Other investments:			
Investment in MFMA Development Sdn. Bhd.	36,750	-	36,750
	558,793	-	558,793

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. The decision on AirAsia's expungement application is fixed on 12 March 2021. The decision on MA (Sepang)'s application to strike out the RM479.8 million suit is fixed on 30 March 2021.

17. SIGNIFICANT EVENTS (CONT'D.)

- (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, 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 judgment 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 next case management is fixed on 1 March 2021.

The Civil Suit is not expected to have any material impact on the operational position of MA (Sepang).

- (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.

18. PERFORMANCE REVIEW

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	Current Year	Preceding Year	Changes		Current	Preceding Year	Changes	
	Quarter	Corresponding			Year	Corresponding		
	31.12.2020	31.12.2019	To Date	Period				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%	
Revenue	263,642	1,344,429	(1,080,787)	-80.4%	1,866,345	5,213,107	(3,346,762)	-64.2%
(Loss)/profit before tax and zakat	(1,075,110)	46,146	(1,121,256)	-2429.8%	(1,763,861)	659,151	(2,423,012)	-367.6%

4Q 2020 vs 4Q 2019 (Q-on-Q)
Revenue

The Group's revenue for the current quarter declined significantly by 80.4% over the corresponding quarter in the prior year to RM263.6 million in tandem with the significant contraction in passenger movements of 81.2% due to the global impact of COVID-19 pandemic and prolonged Movement Control Order (MCO) period in Malaysia and other countries.

Revenue from airport operations declined by 83.2% to RM215.2 million. Revenue from the aeronautical segment decreased by 85.2% to RM109.7 million over the corresponding quarter in the prior year. Passenger traffic for the Malaysia operations contracted by 92.3% (international: -98.6%, domestic: -85.8%) to 2.1 million passengers as compared to 27.3 million passengers recorded in the corresponding quarter in the prior year. The passenger traffic for Turkey operations contracted by 47.2% (international: -61.1%, domestic: -37.7%) to 4.7 million passengers as compared to 8.9 million passengers recorded in the corresponding quarter in the prior year. Non-aeronautical segment decreased by 80.6% to RM105.5 million as compared to the corresponding quarter in the prior year largely due to the rental rebate granted as part of assistance program to the tenants and airlines.

Revenue from the non-airport operations decreased by 20.8% or RM12.7 million due to lower revenue from the hotel business.

Overall, Malaysia and Turkey operations had recorded a significant decrease in revenue by 90.1% to RM98.5 million and 55.5% to RM141.8 million respectively. Qatar operations recorded a decrease in revenue from RM27.1 million to RM23.3 million.

18. PERFORMANCE REVIEW (CONT'D.)**4Q 2020 vs 4Q 2019 (Q-on-Q)(cont'd.)****(Loss)/profit before tax and zakat (LBT/PBT)**

The Group recorded a higher LBT of RM1,075.1 million as compared to PBT of RM46.1 million in the corresponding quarter in the prior year mainly due to the significant decrease in revenue by 80.4% coupled with an impairment of RM500.4 million in ISG's concession rights. The impairment arose due to a significant contraction in passenger movement impacted by COVID-19 pandemic. The impairment assessment was undertaken based on a review of the recoverable amount of concession rights of ISG based on cash flow projections up to August 2032 being the end of ISG's concession period. However, the core operational expenses¹ decreased by 38% as compared to the corresponding quarter in the prior year driven by cost containment initiatives executed during the period.

Malaysia and Qatar operations recorded LBT of RM448.1 million and RM0.2 million respectively as compared to PBT recorded in the corresponding quarter in the prior year. Turkey operations recorded a higher LBT of RM626.8 million as compared to LBT of RM40.4 million due to the impairment of ISG's concession rights amounting to RM500.4 million.

The higher losses however cushioned with the recognition of deferred tax asset arising from Investment Tax Allowance (ITA) amounting to RM246.5 million and from the current period business losses. Accordingly, the Group recorded loss after taxation (LAT) of RM685.0 million.

Share of results of Associates and Joint Ventures (JV)

In the current quarter under review, the share of results from associates recorded losses amounted to RM8.4 million, lower by RM17.0 million as compared to the profits of RM8.6 million for the corresponding quarter in the prior year, due to higher losses from MFMA Development Sdn. Bhd. (MFMA), KAF and Cainiao KLIA Aeropolis Sdn. Bhd. (CKASB).

Share of results of joint ventures in the current quarter under review recorded profits amounting to RM5.0 million, lower slightly by RM0.6 million as compared to the profits of RM5.6 million for the corresponding quarter in the prior year due to higher profit from Airport Cooling Energy Supply Sdn. Bhd. (ACES), however negated by loss from Segi Astana Sdn. Bhd. (SASB).

YTD 31 December 2020 vs YTD 31 December 2019 (Y-on-Y)**Revenue**

The Group recorded revenue of RM1,866.3 million, 64.2% lower than revenue of RM5,213.1 million recorded in the prior year in tandem with the contraction in passenger movements of 69.5% due to the unprecedented outbreak of COVID-19 which has resulted in large capacity cuts, travelling bans and border closures across the globe.

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

18. PERFORMANCE REVIEW (CONT'D.)**YTD 31 December 2020 vs YTD 31 December 2019 (Y-on-Y) (cont'd.)****Revenue (cont'd.)**

Revenue from airport operations contracted by 65.8% to RM1,682.5 million. Revenue from the aeronautical segment declined by 67.9% to RM886.2 million over the prior year due to significant passengers contraction of 69.5%. Malaysia operations recorded decreased in passenger of 75.5% (international: -82.2%, domestic: -68.7%) to 25.8 million passengers as compared to 105.3 million passengers recorded in the prior year. Similarly Turkey operations, the passenger traffic had decreased by 52.1% (international: -62.7%, domestic: -45.2%) to 17.2 million as compared to 35.9 million recorded in the prior year. Non-aeronautical segment decreased by 63.2% to RM796.3 million as compared to the prior year due to the closure of outlets, absence of royalty revenue, rental rebate granted as part of assistance program to the tenants and airlines and significant reduction in revenue contributed from duty free and non-dutiable business.

Revenue from non-airport operations decreased by 35.9% or RM103.1 million due to lower revenue from the project and repair maintenance business segment and hotel businesses.

Overall, Malaysia and Turkey operations had recorded a decrease in revenue by 67.3% to RM1,233.9 million and 57.4% to RM549.7 million respectively. Qatar operations recorded a decrease in revenue by 43.7% to RM82.7 million due to completion of a contract in the prior year.

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

The Group recorded a higher LBT of RM1,763.9 million as compared to PBT of RM659.2 million in the prior year mainly due to significant decrease in revenue by 64.2% coupled with an impairment of RM500.4 million in ISG's concession rights. The impairment arose due to a significant contraction in passenger movement impacted by COVID-19 pandemic. The impairment assessment was undertaken based on a review of the recoverable amount of concession rights of ISG based on cash flow projections up to August 2032 being the end of ISG's concession period. Overall group cost decreased by 21.6% as compared to the prior year whilst the core operational expenses¹ decreased by 26% as compared to the prior year driven by cost containment initiatives executed during the year.

Malaysia and Turkey operations recorded higher LBT of RM787.1 million and RM978.3 million respectively due to the global impact of COVID-19 pandemic to the air travel industry. Qatar operations recorded a lower PBT of RM1.5 million as compared to RM7.4 million recorded in the prior year.

The higher losses however cushioned with the recognition of prior year tax recoverable and deferred tax asset recognised arising from Investment Tax Allowance (ITA) and the current year business losses. Accordingly, the Group recorded loss after taxation (LAT) of RM1,116.2 million.

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

18. PERFORMANCE REVIEW (CONT'D.)

YTD 31 December 2020 vs YTD 31 December 2019 (Y-on-Y) (cont'd.)

Share of results of Associates and Joint Ventures (JV)

In the current financial year under review, the share of results from associates recorded losses amounting to RM16.0 million, lower by RM31.3 million as compared to the profits of RM15.3 million for the prior year, due to losses from KAF, MFMA, CKASB and BP Malaysia Airports Subang Aerotech Sdn. Bhd. (BPMA Subang).

Share of results of joint ventures in the current financial year under review recorded profits amounting to RM4.4 million, lower by RM15.0 million as compared to the profits of RM19.4 million for the prior year due to lower contribution from ACES and loss from SASB .

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

	INDIVIDUAL QUARTER			
	Current Year	Immediate	Changes	
	Quarter	Preceding		
	31.12.2020	Quarter	RM'000	%
	RM'000	30.09.2020	RM'000	
Revenue	263,642	396,687	(133,045)	-33.5%
Loss before tax and zakat	(1,075,110)	(384,857)	(690,253)	-179.4%

4Q 2020 vs 3Q 2020 (Q-on-PQ)

Revenue

The Group's revenue for the current quarter under review decreased by 33.5% to RM263.6 million against RM396.7 million in the immediate preceding quarter due to reinforcement of Conditional Movement Control Order (CMCO) across Malaysia and curfew re-imposition in Turkey effective November due to resurgence in COVID-19 cases.

Revenue from airport operations declined by 38.7% to RM215.2 million over the immediate preceding quarter contributed by decrease from aeronautical segment by 52.0% from RM228.6 million to RM109.7 million and non-aeronautical segment by 13.7% from RM122.3 million to RM105.5 million. Passenger traffic for the Malaysia operations contracted by 53.3% (international: -33.3%, domestic: -54.8%) to 2.1 million passengers as compared to 4.5 million passengers recorded in the immediate preceding quarter. The passenger traffic for Turkey operations contracted slightly to 4.7 million passengers as compared to 4.8 million passengers recorded in the immediate preceding quarter.

19. MATERIAL CHANGE IN PROFIT BEFORE TAX AND ZAKAT OF CURRENT QUARTER COMPARED WITH PRECEDING QUARTER (CONT'D.)**4Q 2020 vs 3Q 2020 (Q-on-PQ) (cont'd.)****Revenue (cont'd.)**

Revenue from the non-airport operations increased marginally by 5.7% or RM2.6 million due to higher revenue from the project and repair maintenance business.

Overall, Malaysia operations had recorded decrease in revenue by 61.2% to RM98.5 million. Whereas, Turkey and Qatar operations had recorded an increase in revenue by 17.0% to RM141.8 million and 6.4% to RM23.3 million, respectively as compared to the immediate preceding quarter.

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

The Group recorded a wider LBT of RM1,075.1 million as compared to LBT of RM384.8 million in the immediate preceding quarter due to decrease in revenue by 33.5% coupled with impairment of RM500.4 million in ISG's concession rights. The impairment arose due to a significant contraction in passenger movement impacted by COVID-19 pandemic. The impairment assessment was undertaken based on a review of the recoverable amount of concession rights of ISG based on cash flow projections up to August 2032 being the end of ISG's concession period.

In the current quarter under review, Malaysia and Turkey operations recorded higher LBT of RM448.1 million and RM626.8 million respectively. Whilst Qatar operations recorded LBT of RM0.2 million as compared to the PBT of RM1.4 million recorded in the immediate preceding quarter.

The higher losses however cushioned with the recognition of deferred tax asset arising from Investment Tax Allowance (ITA) amounting to RM246.5 million and current period business losses. Accordingly, the Group recorded loss after taxation (LAT) of RM685.0 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 RM8.4 million, higher by RM2.3 million as compared to the losses of RM6.1 million for the immediate preceding quarter. The unfavourable variance was due to higher losses from MFMA and Cainiao KLIA Aeropolis Sdn. Bhd. (CKASB), cushioned by lower loss contributed from KAF.

Share of results of joint ventures in the current financial period under review recorded profits amounting to RM5.0 million, higher by RM9.1 million as compared to the losses of RM4.1 million for the immediate preceding quarter. The favourable variance was due to higher profit from ACES.

20. COMMENTARY ON PROSPECTS

MAHB's network of airports recorded 43.0 million passengers in the current year under review from 1 January 2020 to 31 December 2020, a contraction of 69.5% over the prior year. During the same year, the Group's traffic for international and domestic passengers contracted by 78.1% and 61.7% respectively. Correspondingly, the Group's aircraft movements decreased by 58.1% with both international and domestic aircraft movements decreasing by 68.7% and 51.0% respectively.

Malaysia Operations

Passenger traffic at MAHB operated airports contracted by 75.5% with 25.8 million passengers in the current year under review. Traffic for international and domestic passengers contracted by 82.2% to 9.5 million passengers and 68.7% to 16.3 million passengers respectively. The Reciprocal Green Lane (RGL) arrangement between Malaysia and Singapore allowing essential travels between the two countries beginning 17 August 2020 has registered 20% to 35% month-on-month passenger growth from September to December 2020. International sector remained weak due to the international border restrictions and domestic passenger movements was effected by reinforcement of CMCO across Malaysia due to resurgence in COVID-19 cases.

Overseas Operations

ISGIA passenger traffic contracted by 52.1% to 17.2 million passengers in the current year under review. International and domestic passenger contracted by 62.7% and 45.2%, respectively. ISGIA surpassed 1 million mark per month after the ease of travel restriction in June 2020. Nonetheless, subsequently passenger movements was effected due to the curfew re-imposition in November, a measure following the resurgence of COVID-19 cases in Turkey and neighbouring countries.

Outlook

The global economy in 2020 was equally adversely affected by COVID-19. The uncertainties and degree of impact to the economy has caused the International Monetary Fund (IMF) to revise its 2020 global GDP downwards on several occasions. Nevertheless, IMF forecasted that global economy would rebound in 2021. IMF has forecasted Malaysia's GDP to grow by 7.8% in 2021 from a negative 6.0% estimated for the year 2020. Meanwhile, Bank Negara Malaysia forecasted Malaysia's GDP to be between 6.5% to 7.5%. The International Air Transport Association (IATA) in their latest report shows a contrast trend between air travel recovery and a strong rebound in the global economy and business confidence for the fourth quarter of 2020. On the other hand, the rebound in economy has positively pushed air cargo sector to perform better in comparison with passenger traffic.

IATA has projected 2021 global passenger volumes to improve by 56.5% over 2020, reaching 62% of pre-COVID levels. Airport Council International (ACI) meanwhile projected a baseline scenario of 72% growth for 2021 over 2020. The Malaysian Aviation Commission (MAVCOM) has estimated Malaysia's traffic growth for 2021 to be in the range of 94.2% and 100.3% with number of passengers between 51.7 million to 53.3 million.



20. COMMENTARY ON PROSPECTS (CONT'D.)

Outlook (cont'd.)

Continuous efforts and measures initiated by airports and airlines with the recommended guidelines by IATA and ACI as well as tightening of Standard Operating Procedures (SOPs) to ensure safety and health of passengers had helped to provide assurance for passengers to travel by air. The breakthrough in vaccines offers optimism for a turning point in air travel recovery while the economy picks up. Traffic recovery is expected to be gradual in line with the distribution of vaccines coupled with the ongoing recovery of the global economy. Travel bubbles arrangements and short haul travel is expected to pave the way and give air travel further momentum in 2021. In addition, the local airlines have made the strategic decision to provide new domestic routes to respond to the COVID-19 market demands. With international borders still closed, they are now focusing on enhancing local connectivity between the states, especially those with heavily frequented tourist destinations and business hubs.

Group Cost Optimisation Initiatives

With the aviation industry affected by the unprecedented travel restrictions and bans, MAHB had taken immediate and 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. The Group had also pared down non-essential operating costs with the aim of lowering it by at least 20%. As at 31 December 2020, the Group had achieved a reduction of 26% of the core operational expenses as compared to the prior year.

21. PROFIT FORECAST

The Group did not publish any profit forecast.

22. TAXATION AND ZAKAT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2020 RM'000	Preceding Year Corresponding Quarter 31.12.2019 RM'000	Current Year To Date 31.12.2020 RM'000	Preceding Year Corresponding Period 31.12.2019 RM'000
Current tax	(1,557)	(29,604)	119,492	(101,575)
Deferred taxation	391,945	12,971	529,668	(14,409)
Zakat	(301)	-	(1,495)	(6,125)
	<u>390,087</u>	<u>(16,633)</u>	<u>647,665</u>	<u>(122,109)</u>

23. SALE OF PROPERTIES

There were no sales of properties since 31 December 2019.

24. INVESTMENTS IN QUOTED SECURITIES

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

25. STATUS OF CORPORATE PROPOSALS

There are no ongoing corporate proposals announced by the Group but not completed as at 26 February 2021 being a date not earlier than 7 days from the date of issuance of the quarterly report.

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

	As at 31.12.2020		As at 31.12.2019	
	EUR'000	RM'000	EUR'000	RM'000
	Unaudited		Audited	
Short-term borrowings				
Unsecured:				
Islamic Medium Term Notes (IMTN)	-	-	-	1,000,000
Secured:				
Senior Term Facility	19,089	94,298	53,815	247,012
Total short-term borrowings	<u>19,089</u>	<u>94,298</u>	<u>53,815</u>	<u>1,247,012</u>
Long-term borrowings				
Unsecured:				
Islamic Medium Term Notes (IMTN)	-	2,100,000	-	2,100,000
Senior Sukuk	-	700,000	-	-
Secured:				
Senior Term Facility	354,338	1,750,430	345,473	1,585,721
Total long-term borrowings	<u>354,338</u>	<u>4,550,430</u>	<u>345,473</u>	<u>3,685,721</u>
Total borrowings	<u>373,427</u>	<u>4,644,728</u>	<u>399,288</u>	<u>4,932,733</u>

27. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at 31.12.2019	Non-cash changes			As at 31.12.2020
		Cash Flows	Foreign Exchange Movements	Fair Value Changes	
	RM'000	RM'000			RM'000
	Audited				Unaudited
Unsecured:					
Islamic Medium Term Notes (IMTN)	3,100,000	(1,000,000)	-	-	2,100,000
Senior Sukuk	-	700,000	-	-	700,000
Secured:					
Senior Term Facility	1,832,733	(179,189)	136,947	54,237	1,844,728
Derivative financial instruments	50,059	-	(1,079)	186	49,166
	<u>4,982,792</u>	<u>(479,189)</u>	<u>135,868</u>	<u>54,423</u>	<u>4,693,894</u>

28. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 31 December 2020.

29. CHANGES IN MATERIAL LITIGATION

There were no other changes in material litigation against the Group and its subsidiaries since 31 December 2019 other than those disclosed in note 13.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit attributable to Owners of the Company	(685,023)	29,513	(1,116,196)	537,042
Distribution to Perpetual Sukuk holder	(14,494)	(14,493)	(57,658)	(57,500)
Net (loss)/profit attributable to Owners of the Company	(699,517)	15,020	(1,173,854)	479,542
Weighted average number of ordinary shares in issue ('000)	1,659,192	1,659,192	1,659,192	1,659,192
(Loss)/profit per share attributable to Owners of the Company (sen)	(42.16)	0.91	(70.75)	28.90



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

26 February 2021