

**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2022 RM'000	Preceding Year Corresponding Quarter 31.12.2021 RM'000	Current Year To Date 31.12.2022 RM'000	Preceding Year Corresponding Period 31.12.2021 RM'000
<b>Revenue</b>	1,002,811	551,339	3,127,023	1,672,993
Cost of inventories sold	(52,299)	(12,948)	(128,125)	(33,891)
Other income	59,505	101,956	259,597	222,531
Employee benefits expenses	(244,784)	(173,298)	(751,424)	(675,734)
Depreciation and amortisation	(279,188)	(232,248)	(837,150)	(614,655)
Other expenses	(438,791)	(300,243)	(1,320,712)	(965,662)
<b>Operating profit/(loss)</b>	<b>47,254</b>	<b>(65,442)</b>	<b>349,209</b>	<b>(394,418)</b>
Finance costs	377,120	(138,131)	(193,601)	(634,060)
Share of results:				
- associates	16,197	(829)	16,802	(5,175)
- joint ventures	4,659	(10,641)	12,211	(7,293)
<b>Profit/(loss) before tax and zakat</b>	<b>445,230</b>	<b>(215,043)</b>	<b>184,621</b>	<b>(1,040,946)</b>
Taxation and zakat	(86,091)	78,310	2,575	274,507
<b>Profit/(loss) net of tax</b>	<b>359,139</b>	<b>(136,733)</b>	<b>187,196</b>	<b>(766,439)</b>
<b>Attributable to:</b>				
Owners of the Company	359,139	(136,733)	187,196	(766,439)
Profit/(loss) per share attributable to Owners of the Company (sen):	30 20.77	(9.11)	7.82	(49.66)

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



**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2022 RM'000	Preceding Year Corresponding Quarter 31.12.2021 RM'000	Current Year To Date 31.12.2022 RM'000	Preceding Year Corresponding Period 31.12.2021 RM'000
Profit/(loss) for the year, net of tax	359,139	(136,733)	187,196	(766,439)
Other comprehensive income:				
- Foreign currency translation	24,804	(31,521)	(6,251)	(43,458)
- Unrealised gain on derivative financial instruments	7,055	5,363	52,327	16,479
- Actuarial gain/(loss) on retirement benefits	596	2,097	(1,905)	4,269
Other comprehensive income/(loss) for the year, net of tax	32,455	(24,061)	44,171	(22,710)
Total comprehensive profit/(loss) for the year, net of tax	391,594	(160,794)	231,367	(789,149)
<b>Attributable to:</b>				
Owners of the Company	391,594	(160,794)	231,367	(789,149)

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



**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	418,272	432,456
Right-of-use assets	132,128	61,781
Intangible assets and goodwill	14,579,700	15,215,413
Investments in associates	141,921	125,119
Investments in joint ventures	109,085	96,874
Derivative financial instruments	24,159	-
Financial assets at fair value through profit or loss	351,475	339,632
Other receivables	409,507	367,613
Employee loans	14,766	17,866
Deferred tax assets	684,017	691,205
	<u>16,865,030</u>	<u>17,347,959</u>
<b>Current assets</b>		
Inventories	97,726	116,254
Biological assets	1,986	3,427
Trade receivables	446,689	275,127
Other receivables	89,284	119,692
Tax recoverable	10,547	11,264
Derivative financial instruments	16,572	-
Financial assets at fair value through profit or loss	392,574	705,619
Cash and cash equivalents	1,529,590	1,583,220
	<u>2,584,968</u>	<u>2,814,603</u>
<b>Total assets</b>	<b><u>19,449,998</u></b>	<b><u>20,162,562</u></b>



**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>Equity and liabilities</b>		
<b>Equity attributable to Owners of the Company</b>		
Share capital	5,114,341	5,114,341
Perpetual Sukuk	997,842	997,842
Retained earnings	1,250,655	1,120,959
Hedging reserve	32,585	(19,742)
Other reserves	6,243	8,170
Foreign exchange reserve	24,678	30,929
<b>Total equity</b>	<b>7,426,344</b>	<b>7,252,499</b>
<b>Non-current liabilities</b>		
Borrowings	4,144,439	3,566,038
Derivative financial instruments	-	14,423
Lease liabilities	96,287	35,857
Deferred tax liabilities	568,729	615,000
Trade payables	3,720,553	4,950,675
Other payables	636,260	588,844
	<b>9,166,268</b>	<b>9,770,837</b>
<b>Current liabilities</b>		
Borrowings	697,319	1,745,765
Derivative financial instruments	-	10,254
Lease liabilities	33,487	19,331
Trade payables	1,220,916	668,835
Other payables	895,608	680,194
Income tax payable	10,056	14,847
	<b>2,857,386</b>	<b>3,139,226</b>
<b>Total liabilities</b>	<b>12,023,654</b>	<b>12,910,063</b>
<b>Total equity and liabilities</b>	<b>19,449,998</b>	<b>20,162,562</b>

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

	Attributable to Owners of the Company						Total equity RM'000
	Non-distributable					Distributable	
	Share capital RM'000	Perpetual sukuk RM'000	Foreign exchange reserve RM'000	Hedging reserve RM'000	Other reserve RM'000	Retained earnings RM'000	
<b>At 1 January 2021</b>	5,114,341	997,842	74,387	(36,221)	4,098	1,944,898	8,099,345
Total comprehensive (loss)/income	-	-	(43,458)	16,479	4,269	(766,439)	(789,149)
Legal reserve	-	-	-	-	(197)	-	(197)
Distribution to Perpetual Sukuk holder	-	-	-	-	-	(57,500)	(57,500)
<b>At 31 December 2021</b>	<b>5,114,341</b>	<b>997,842</b>	<b>30,929</b>	<b>(19,742)</b>	<b>8,170</b>	<b>1,120,959</b>	<b>7,252,499</b>
<b>At 1 January 2022</b>	5,114,341	997,842	30,929	(19,742)	8,170	1,120,959	7,252,499
Total comprehensive (loss)/income	-	-	(6,251)	52,327	(1,905)	187,196	231,367
Legal reserve	-	-	-	-	(22)	-	(22)
Distribution to Perpetual Sukuk holder	-	-	-	-	-	(57,500)	(57,500)
<b>At 31 December 2022</b>	<b>5,114,341</b>	<b>997,842</b>	<b>24,678</b>	<b>32,585</b>	<b>6,243</b>	<b>1,250,655</b>	<b>7,426,344</b>

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

**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax and zakat	184,621	(1,040,946)
Adjustments for:		
Interest income	(51,242)	(53,307)
Unrealised (gain)/loss on fair value for:		
- quoted unit trust	(1,457)	6,430
- unquoted shares	(16,728)	(11,406)
Interest expense	186,694	620,919
Swap expense	6,907	13,141
Unrealised loss on forex translation	29,790	41,949
Provision for liabilities	8,828	17,408
Writeback of provision for liabilities	-	(2,925)
Writeback for inventories	(2,060)	(7,474)
Loss/(gain) on fair value of biological assets	1,441	(170)
Gain on lease modification	(41)	(222)
Amortisation of:		
- intangible assets	758,583	536,707
Depreciation of:		
- property, plant and equipment	49,241	49,745
- right-of-use assets	29,326	28,203
Net allowances/(writeback) of impairment on receivables	26,399	(21,989)
Gain on disposal of:		
- property, plant and equipment	(9)	-
- intangible assets	(7)	-
Property, plant and equipment written off	92	258
Intangible assets written off	94	57
Inventories written off	4,530	3,461
Investment income	(33,229)	(15,537)
Share of results of:		
- associates	(16,802)	5,175
- joint ventures	(12,211)	7,293
Operating profit before working capital changes	1,152,760	176,770
Decrease in inventories	16,145	51,315
(Increase)/decrease in receivables	(203,101)	210,081
Increase/(decrease) in payables	157,843	(129,040)
Decrease in concession liabilities	(32,098)	(32,061)
Decrease in provisions for liabilities	(5,889)	(6,022)
Cash generated from operations	1,085,660	271,043
Taxes and zakat paid	(45,802)	(9,092)
<b>Net cash generated from operating activities</b>	<b>1,039,858</b>	<b>261,951</b>



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

**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>Cash flows from investing activities</b>		
Purchase of:		
- property, plant and equipment	(37,972)	(18,810)
- intangible assets	(101,908)	(120,624)
- quoted unit trust	(2,202,328)	(1,059,808)
Proceeds from disposal of:		
- property, plant and equipment	135	-
- intangible assets	7	-
- quoted unit trust	2,516,598	1,068,580
- quoted bond	4,689	-
Investment income received	32,408	14,983
Interest received	26,874	10,611
Additional investment in an associate	-	(19,305)
<b>Net cash generated from/(used in) investing activities</b>	<b>238,503</b>	<b>(124,373)</b>
<b>Cash flows from financing activities</b>		
Drawdown of borrowings	1,273,279	796,687
Repayment of borrowings	(1,750,350)	(47,600)
Swap payment	(6,932)	(13,076)
Concession payment	(564,759)	-
Lease liabilities payment	(32,935)	(31,380)
Interest paid	(220,954)	(175,958)
Distribution paid to Perpetual Sukuk holder	(57,500)	(57,500)
<b>Net cash (used in)/generated from financing activity</b>	<b>(1,360,151)</b>	<b>471,173</b>
<b>Net movement in cash and cash equivalents</b>	<b>(81,790)</b>	<b>608,751</b>
Effects of foreign currency translation	28,160	812
Cash and cash equivalents at beginning of year	1,583,220	973,657
<b>Cash and cash equivalents at end of year</b>	<b>1,529,590</b>	<b>1,583,220</b>

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

## 1. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements, for the year ended 31 December 2022, have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS) 134 Interim Financial Reporting, International Accounting Standards (IAS) 34 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia).

These unaudited condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021. The explanatory notes attached to these unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2021.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing these unaudited condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2021.

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

### Amendments to MFRSs effective for financial periods beginning on or after 1 January 2022

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

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

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

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

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

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

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

### Effective for financial periods beginning on or after 1 January 2023

MFRS 17: Insurance Contracts

MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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

#### Effective for financial periods beginning on or after 1 January 2024

MFRS 16: Lease Liability in a Sale and Leaseback

MFRS 101: Non-current Liabilities with Covenants

#### Effective for annual periods to be announced by MASB

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

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

## 3. AUDITORS' REPORT ON PRECEDING FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2021 was not qualified.

## 4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

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

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

There were no unusual items, affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial 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 services in respect of food and beverage outlets at airports in Malaysia.

Non-airport operations:

- a) **Project and repair maintenance**  
To provide facilities management services, mechanical, electrical, civil engineering services, maintenance and technical services.
- b) **Hotel**  
To manage and operate hotels, known as Sama-Sama Hotel, Sama-Sama Express KLIA and Sama-Sama Express klia2.
- c) **Agriculture and horticulture**  
To cultivate and sell oil palm and other agricultural products and to carry out horticulture activities.
- d) **Others**  
Investment holdings and dormant companies.

### Overseas Operations

- a) **Airport services**  
To manage, operate and maintain the Istanbul Sabiha Gokcen International Airport (ISGIA) in Türkiye and to provide airport related services.
- b) **Project and repair maintenance**  
To provide facilities management services and airport special system maintenance, works for building maintenance and general contracting activities at Hamad International Airport (HIA).

**6. SEGMENT INFORMATION (CONT'D.)**

	Continuing Operations									
	Malaysia Operations						Overseas Operations		Consolidation adjustments	TOTAL
	Airport Operations		Non-Airport Operations				Airport Operations	Non-Airport Operations		
	Airport services	Duty free and non-dutiable goods	Project and repair maintenance	Hotel	Agriculture and horticulture	Others	Airport services	Project and repair maintenance		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>For the year ended 31 December 2022</b>										
<b>Segment Revenue</b>										
External:										
Aeronautical	868,049	-	-	-	-	-	789,328	-	-	1,657,377
Non-aeronautical:										
Retail	-	262,375	-	-	-	-	-	-	-	262,375
Others	420,090	3,765	-	-	-	-	520,233	-	-	944,088
Non-airport operations	-	-	30,452	72,267	45,889	120	16,103	98,352	-	263,183
Inter-segment sales	78,825	459	125,111	1,986	6,533	7,360	102,073	-	(322,347)	-
Inter-segment dividends	35,000	-	35,000	-	-	195,280	-	-	(265,280)	-
<b>Total revenue</b>	<b>1,401,964</b>	<b>266,599</b>	<b>190,563</b>	<b>74,253</b>	<b>52,422</b>	<b>202,760</b>	<b>1,427,737</b>	<b>98,352</b>	<b>(587,627)</b>	<b>3,127,023</b>
<b>Segment Results</b>										
Operating profit before depreciation and amortisation	130,937	29,245	59,588	19,127	20,224	414,772	939,434	12,943	(439,911)	1,186,359
Depreciation and amortisation	(302,053)	(12,684)	(1,664)	(11,707)	(4,863)	(12,299)	(320,507)	(534)	(170,839)	(837,150)
Finance costs	(195,145)	(1,490)	(24)	(873)	-	(176,137)	24,483	-	155,585	(193,601)
Share of results of:										
- associates	23,967	-	-	-	-	(7,165)	-	-	-	16,802
- joint ventures	-	-	-	-	-	12,211	-	-	-	12,211
(Loss)/profit before tax and zakat	(342,294)	15,071	57,900	6,547	15,361	231,382	643,410	12,409	(455,165)	184,621
Taxation and zakat	91,146	(3,742)	(6,119)	(1,556)	(3,954)	(396)	(112,854)	(920)	40,970	2,575
(Loss)/profit for the year	(251,148)	11,329	51,781	4,991	11,407	230,986	530,556	11,489	(414,195)	187,196
<b>As at 31 December 2022</b>										
<b>Assets and Liabilities</b>										
Segment assets	10,106,668	212,961	139,625	171,777	74,571	12,566,099	5,507,584	57,760	(9,638,053)	19,198,992
Investment in associates	77,982	-	-	-	-	63,939	-	-	-	141,921
Investment in joint ventures	-	-	-	-	-	109,085	-	-	-	109,085
Total assets	<b>10,184,650</b>	<b>212,961</b>	<b>139,625</b>	<b>171,777</b>	<b>74,571</b>	<b>12,739,123</b>	<b>5,507,584</b>	<b>57,760</b>	<b>(9,638,053)</b>	<b>19,449,998</b>
Segment liabilities representing total liabilities	6,664,745	169,810	60,222	60,125	19,966	5,862,543	6,286,465	33,398	(7,133,620)	12,023,654

**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	RM'000	RM'000	
<b>For the year ended 31 December 2021</b>										
<b>Segment Revenue</b>										
External:										
Aeronautical	239,468	-	-	-	-	-	558,600	-	-	798,068
Non-aeronautical:										
Retail	-	39,264	-	-	-	-	-	-	-	39,264
Others	285,429	38	-	-	-	-	343,784	-	-	629,251
Non-airport operations	-	-	16,571	41,259	51,674	118	7,711	89,077	-	206,410
Inter-segment sales	22,734	599	89,488	393	5,928	7,487	77,214	-	(203,843)	-
Inter-segment dividends	20,000	-	-	-	-	140,000	-	-	(160,000)	-
<b>Total revenue</b>	<b>567,631</b>	<b>39,901</b>	<b>106,059</b>	<b>41,652</b>	<b>57,602</b>	<b>147,605</b>	<b>987,309</b>	<b>89,077</b>	<b>(363,843)</b>	<b>1,672,993</b>
<b>Segment Results</b>										
Operating (loss)/profit before depreciation and amortisation	(444,197)	(40,364)	19,534	7,711	24,380	332,856	658,539	10,940	(349,162)	220,237
Depreciation and amortisation	(137,023)	(11,235)	(1,662)	(12,276)	(6,070)	(16,063)	(285,991)	(2,720)	(141,615)	(614,655)
Finance costs	(202,185)	(1,276)	(51)	(1,069)	(4)	(119,069)	(465,237)	-	154,831	(634,060)
Share of results of:										
- associates	(2,266)	-	-	-	-	(2,909)	-	-	-	(5,175)
- joint ventures	-	-	-	-	-	(7,293)	-	-	-	(7,293)
(Loss)/profit before tax and zakat	(785,671)	(52,875)	17,821	(5,634)	18,306	187,522	(92,689)	8,220	(335,946)	(1,040,946)
Taxation and zakat	234,678	13,335	(4,697)	788	(3,379)	(92)	82	(1,424)	35,216	274,507
(Loss)/profit for the year	(550,993)	(39,540)	13,124	(4,846)	14,927	187,430	(92,607)	6,796	(300,730)	(766,439)
<b>As at 31 December 2021</b>										
<b>Assets and Liabilities</b>										
Segment assets	10,007,792	177,244	178,320	157,432	101,637	12,644,439	5,733,050	69,397	(9,128,742)	19,940,569
Investment in associates	54,013	-	-	-	-	71,106	-	-	-	125,119
Investment in joint ventures	-	-	-	-	-	96,874	-	-	-	96,874
<b>Total assets</b>	<b>10,061,805</b>	<b>177,244</b>	<b>178,320</b>	<b>157,432</b>	<b>101,637</b>	<b>12,812,419</b>	<b>5,733,050</b>	<b>69,397</b>	<b>(9,128,742)</b>	<b>20,162,562</b>
Segment liabilities representing total liabilities	6,142,962	145,423	44,963	49,871	23,543	6,101,831	7,105,421	56,722	(6,760,673)	12,910,063

**7. PROFIT/(LOSS) BEFORE TAX AND ZAKAT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2022 RM'000	Preceding Year Corresponding Quarter 31.12.2021 RM'000	Current Year To Date 31.12.2022 RM'000	Preceding Year Corresponding Period 31.12.2021 RM'000
Included in other income:				
Interest income				
-unquoted investments	272	4	699	546
-employee loans	185	218	782	925
-other loans and receivables	10,381	26,095	49,761	51,836
Net unrealised gain/(loss) on fair value for:				
-quoted unit trust	194	(2,602)	1,457	(6,430)
-unquoted shares	(18,251)	(1,521)	16,728	11,406
Investment income	13,455	3,952	33,229	15,537
Net realised foreign exchange gain/(loss)	3,911	(91)	4,586	159
Gain on disposal of:				
-property, plant and equipment	9	-	9	-
-intangible assets	7	-	7	-
Recoupment of expenses	45,785	66,472	118,280	108,063
Included in other expenses:				
Net allowances/(writeback) of impairment on receivables	35,979	(289)	26,399	(21,989)
Unrealised loss on forex translation	16,518	28,191	29,790	41,949
Property, plant and equipment written off	-	236	92	258
Intangible assets written off	1	11	94	57
Inventories written off	2,152	1,802	4,530	3,461
Writeback for inventories	(681)	(2,780)	(2,060)	(7,474)
User fee	76,483	28,886	216,945	83,733
Included in finance costs:				
Interest expenses:				
-Concession payables and borrowings	70,677	38,305	262,196	196,128
-Financial liabilities*	(457,812)	79,813	(95,032)	413,333
-Interest arising from revenue contract	4,606	19,470	18,405	19,470
-Interest on lease liabilities	5,409	543	8,032	5,129

\*The impact of the reduction of Utilisation Fees amounting to EUR116.7 million, equivalent to RM546.2 million granted by the Presidency of Defence Industries of Türkiye (SSB) on 28 December 2022 for Force Majeure event in 2020 and 2021 (COVID-19 period) has reduced the future liabilities on concession payment to be paid by Istanbul Sabiha Gokcen Uluslararası Havalimani Yatırım Yapım ve İşletme A.S. (ISG). Accordingly, the utilisation fee liability was re-assessed which has resulted in decrease in the finance cost by EUR115.0 million, equivalent to RM535.9 million.

**8. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES**

There were no changes in estimates that have had a material effect in the result for the current quarter and financial year-to-date under review other than as disclosed in Note 7.

**9. DEBT AND EQUITY SECURITIES**

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

On 14 December 2022, the Company had paid its twelve (12) years Islamic Medium Term Notes Programme (IMTN Programme) tranche amounting to RM1.5 billion which matured on 16 December 2022.

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

On 22 December 2022, the Group had paid EUR25.0 million, equivalent to RM117.8 million of the Senior Term Facility which matured on 24 December 2022.

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

**10. DIVIDENDS PAID**

There were no dividends paid or declared during the current quarter and financial year-to-date under review other than as disclosed in Note 29.

**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 11 October 2022, Malaysia Airports (Subang) Sdn. Bhd., a wholly-owned subsidiary of the Company, completed the Share Sale and Purchase Agreement (SSPA) with BP Aerotech (Subang) Sdn. Bhd. for the acquisition of the remaining 70% equity in BP Malaysia Airports Subang Aerotech Sdn. Bhd. (BPMA Subang) for a total sale consideration of RM7. Consequently, BPMA Subang is reclassified as Subsidiary.

The acquisition above did not have material impact to the Group during the financial year-to-date under review.

## 13. CHANGES IN GUARANTEES, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### a) Guarantees

- i) Istanbul Sabiha Gokcen Uluslararası Havalimani Yatırım Yapım ve İşletme A.Ş. (ISG) has given 14 (2021: 26) letters of guarantee to the Tax Authority in Türkiye for Value Added Tax (VAT) refund amounting to EUR1.2 million, equivalent to RM5.6 million (2021: EUR1.4 million, equivalent to RM6.6 million).

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

### b) Contingent Liabilities

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

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

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.

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

## i) cont'd.

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

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

On 7 September 2021, a meeting was held between KAF and MAP for a further discussion on the documents required. On 8 and 24 November 2021, KAF submitted some of the documents required by MAP.

Currently, both MAHB and KAF are still in discussion to reach a mutually agreed settlement sum. Management have been informed by KAF that following their Board of Directors' instruction in December 2022, they will be appointing a third party Quantity Surveyor to assist them before any further negotiation with MAHB. MAP has made an additional RM6.2 million in the current financial year totalling to RM27.8 million that has been recognised, subject to final Arbitral Tribunal decision.

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

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

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



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

## ii) cont'd.

Since then various extensions were granted based on MAP's request. Recently, MAP via letter dated 25 November 2022, requested for a further extension till 30 June 2023 to facilitate the negotiation on the Operating Agreements between MAHB and GoM. KAF via a letter dated 8 December 2022, has agreed with MAP's request.

## iii) Syarikat Pembinaan Anggerik Sdn. Bhd. (SPASB) via a Writ of Summons claims from MAHB for the sum of RM44.0 million for damages and other claims and interest in respect of the alleged losses and damages pertaining to the works carried out by SPASB for the 'Proposed Development and Upgrading Works at Penang International Airport, Bayan Lepas, Pulau Pinang' and the 'Proposed Construction and Completion of Site Office, Central Utilities Building and Airside Drainage Works at Penang International Airport'. MAHB had filed an application for stay of proceedings in light of the arbitration provisions in the contract and on 23 August 2017, the court had allowed MAHB's 'Stay Application' with cost of RM10,000 to be paid by SPASB to MAHB.

On 21 September 2017, SPASB filed its Notice of Appeal in respect of the court's decision on the 'Stay Application'. The Court of Appeal however had allowed SPASB's appeal with costs on 30 March 2018.

In furtherance to the Court of Appeal's decision, MAHB had filed the 'Application for Leave to Appeal' (Application) at the Federal Court on 27 April 2018. Such Application nonetheless was dismissed by the Federal Court on 1 August 2018 and therefore SPASB's claim against MAHB shall be heard in the High Court instead of arbitration.

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

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

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

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

## iii) cont'd.

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

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

On 18 October 2021, SPASB has issued a demand letter requesting for MAHB to pay within 10 days on all High Court's judgement items which are not subjected to SPASB appeal, amounting to approximately RM8.2 million (including interest) which was paid to SPASB on 1 November 2021.

On 12 November 2021, the Court has awarded net cost of RM95,000 and allocator of RM3,800 to SPASB. On 29 November 2021, SPASB filed Notice of Appeal in respect of Court's decision on the cost. On 30 November 2021, SPASB issued a letter to MAHB to demand the cost and allocator in the sum of RM98,800 of which MAHB has paid it accordingly.

On 7 December 2021, MAHB has filed Notice on Appeal in respect of Court's decision on the cost. The Court of Appeal has on 4 February 2022, allowed SPASB's application for the consolidation of the appeals with no order as to costs. Case management was set on 16 March 2022.

Subsequently, the next case management was set on 29 August 2022. The hearing date for SPASB and MAHB's consolidated appeals and cost appeals that has been set on 12 September 2022, postponed to 7 December 2022.

On 7 December 2022, the Court has fixed a date on 21 February 2023 for its decision and to hear submission on costs, which was subsequently postponed to 30 March 2023.

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

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

## iv) cont'd.

Hearing dates of 17 to 20, 23 to 27 and 30 November 2020 have been vacated pursuant to the direction from the Tribunal during the virtual pre-hearing held on 3 November 2020. Subsequently, the hearing dates was set from 21 June to 25 June 2021, 11 October to 15 October 2021 and 25 October to 29 October 2021. The Tribunal vacated the hearing dates in June and fixed 23 August 2021 till 26 August 2021 for the hearing of the arbitration. The second tranche of hearing dates in October 2021 has been retained by the Court. The solicitors and internal legal department are of the view that MA (Sepang) has a fair prospect of success in defending the amount claimed.

The hearing has been completed and the oral submissions was held on 30 June 2022. The parties have filed their responses to the Tribunal queries and the oral submission was held on 18 July 2022.

The final award related to this arbitration was issued by the Tribunal on 21 November 2022 whereby MA (Sepang) is to pay SASB the final settlement sum of RM4.6 million, subject to pre-award interests of 5% per annum, calculated from the date of the Notice of Arbitration dated 21 March 2019, and post-award interests of 5% per annum from the date of the Final Award to full and final settlement sum and costs for the arbitration amounting to RM1.3 million.

MAHB via a letter dated 20 December 2022 proposed to SASB to offset the total settlement of RM6.7 million against amount owing by SASB and requested to waive MAHB's post-award interest of RM0.1 million (from 22 November until 30 April 2023). Subsequently, on 4 January 2023, MAHB received SASB's concurrence and acceptance to its proposal on the payment offset and interest waiver. Accordingly, the total settlement amount has been provided in the financial statements.

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2022 RM'000	Preceding Year Corresponding Quarter 31.12.2021 RM'000	Current Year To Date 31.12.2022 RM'000	Preceding Year Corresponding Period 31.12.2021 RM'000
<b>Revenue:</b>				
<u>Associates:</u>				
Lease rental				
- KL Aviation Fuelling System Sdn. Bhd.	1,485	1,442	5,854	5,767
- MFMA Development Sdn. Bhd.	722	695	2,888	2,780
- Alibaba KLIA Aeropolis Sdn. Bhd.	585	585	2,322	2,322
- Cooling Energy Supply Sdn. Bhd.*	559	559	2,236	1,118
Service fee				
- KL Aviation Fuelling System Sdn. Bhd.	134	134	536	536
- MFMA Development Sdn. Bhd.	419	403	1,676	1,612
- Cooling Energy Supply Sdn. Bhd.*	82	82	328	164
Concession fee				
- MFMA Development Sdn. Bhd.	142	142	568	568
- Cooling Energy Supply Sdn. Bhd.*	196	196	784	392
Recoupment of utilities and quit rent				
- KL Aviation Fuelling System Sdn. Bhd.	195	237	992	814
- MFMA Development Sdn. Bhd.	2,131	1,650	8,067	4,611
- Alibaba KLIA Aeropolis Sdn. Bhd.	217	215	862	788
- Cooling Energy Supply Sdn. Bhd.*	2,167	399	11,617	987
<u>Joint ventures:</u>				
Lease rental				
- Segi Astana Sdn. Bhd.	318	318	1,273	1,273
- Airport Cooling Energy Supply Sdn. Bhd.	153	153	611	611
Service fee				
- Airport Cooling Energy Supply Sdn. Bhd.	26	26	104	104
Concession fee				
- Airport Cooling Energy Supply Sdn. Bhd.	43	43	173	173
Recoupment of utilities				
- Segi Astana Sdn. Bhd.	2,441	1,182	8,304	3,665
- Airport Cooling Energy Supply Sdn. Bhd.	2,445	1,410	9,226	4,742
<b>Expenses:</b>				
<u>Associate</u>				
Cooling Energy Supply Sdn. Bhd.*				
- Utilities (Fixed)	4,073	4,519	15,756	8,923
- Utilities (Variable usage)	27,074	14,290	57,398	27,334

**14. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D.)**

**Related Party Transactions: (cont'd.)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2022 RM'000	Preceding Year Corresponding Quarter 31.12.2021 RM'000	Current Year To Date 31.12.2022 RM'000	Preceding Year Corresponding Period 31.12.2021 RM'000
<b>Expenses: (cont'd.)</b>				
<u>Joint ventures:</u>				
Airport Cooling Energy Supply Sdn. Bhd.				
- Utilities (Fixed)	16,047	16,047	64,187	64,187
- Utilities (Variable usage)	2,627	2,242	10,252	8,517
- Less: Rebate	(888)	(1,035)	(3,530)	(3,609)

**Related Party Balances:**

	As at 31.12.2022 RM'000 Unaudited	As at 31.12.2021 RM'000 Audited
<u>Associates:</u>		
Amount owing by	4,783	1,689
Amount owing to	18,508	23,550
<u>Joint ventures:</u>		
Amount owing by	3,137	6,396
Amount owing to	55,377	66,570

Note:

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

**15. COMMITMENTS**

The amount of commitments for the lease rental, purchase of intangible asset, property, plant and equipment and other investment not provided for, in the interim condensed consolidated financial statements as at 31 December 2022 were as follows:

	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Total RM'000
(i) Approved and contracted for:			
Capital expenditure	1,049,793	767,777	1,817,570
(ii) Approved but not contracted for:			
Capital expenditure	429,260	-	429,260
(iii) Other investments:			
Investment in MFMA Development Sdn. Bhd.	34,950	-	34,950
	1,514,003	767,777	2,281,780

**16. SUBSEQUENT EVENTS**

- (a) On 9 February 2023, the Company had announced that the Government of Malaysia (GoM) had approved in principle the new material terms for the Operating Agreements between the GoM and MAHB to operate, manage, maintain and develop 39 airports and STOLports until 2069 (OA 2023).

The approval is a welcome development and affirms the Operating Agreements under two (2) operating frameworks as follows:

- (i) Operating Agreement and Lease Agreement for KL International Airport (KLIA) between the GoM and MAHB and Malaysia Airports (Sepang) Sdn. Bhd.; and
- (ii) Operating Agreement and Lease Agreement for Designated Airports between the GoM and MAHB and Malaysia Airports Sdn. Bhd.

Pursuant to the above approval, MAHB and the GoM will proceed to finalise the relevant documents to effect the OA 2023 and the relevant terms to be incorporated prior to their execution.

- (b) On 28 February 2023, the Company declared a single-tier final dividend in respect of the current financial year ended 31 December 2022 of 3.91 sen per ordinary share amounting to dividend payable of RM64,874,400 (based on 1,659,191,828 ordinary shares issued as at 31 December 2022). The details as disclosed in Note 29.

**17. PERFORMANCE REVIEW**

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	Current Year Quarter	Preceding Year	Changes		Current Year To Date	Preceding Year	Changes	
		Corresponding Quarter				Corresponding Period		
	31.12.2022	31.12.2021			31.12.2022	31.12.2021		
RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%	
Revenue	1,002,811	551,339	451,472	81.9%	3,127,023	1,672,993	1,454,030	86.9%
Profit/(loss) before tax and zakat	445,230	(215,043)	660,273	>100%	184,621	(1,040,946)	1,225,567	>100%

**4Q 2022 vs 4Q 2021 (Q-on-Q)**
**Revenue**

The Group's revenue for the current quarter increased significantly by 81.9% over the corresponding quarter in the prior year to RM1,002.8 million in tandem with the significant increase in passenger volumes for the Group, driven by further easing of travel protocols and further resumption of airline services and connectivity.

Revenue from airport operations increased significantly by 88.3% from RM492.6 million to RM927.5 million. Aeronautical segment revenue increased from RM268.8 million to RM544.4 million as compared to the corresponding quarter in the prior year on the back of traffic recovery with total passenger traffic of 25.8 million passengers for the Group as compared to 14.2 million passengers in the corresponding quarter in the prior year. Malaysia operations passenger traffic improved significantly to 17.5 million as compared to 6.7 million passengers in the corresponding quarter in the prior year. Türkiye operations continued to show passenger traffic recovery from 7.5 million to 8.3 million passengers during the same period. Non-aeronautical segment revenue increased from RM223.8 million to RM383.1 million, largely due to better contribution of commercial revenue from Malaysia and Türkiye operations.

Revenue from the non-airport operations increased by 28.3% or RM16.6 million from RM58.7 million to RM75.3 million due to higher revenue from the project and repair maintenance and hotel businesses.

Overall, Malaysia operations had recorded a significant increase in revenue by 157.3% from RM233.2 million to RM600.0 million. Whereas, Türkiye and Qatar operations recorded increase in revenue by 27.9% from RM293.7 million to RM375.6 million and 11.5% from RM24.4 million to RM27.2 million respectively.

## **17. PERFORMANCE REVIEW (CONT'D.)**

### **4Q 2022 vs 4Q 2021 (Q-on-Q)(cont'd.)**

#### **Profit/(loss) before tax and zakat (PBT/LBT)**

The Group registered a PBT of RM445.2 million in the quarter under review driven by higher revenue, reduction in utilisation fees and better share of results from joint venture and associates. In line with the higher revenue, the Group also registered an increase in cost due to higher user fees payable under the Operating Agreement and higher revenue share payable under ISG's concession, whilst other operational cost moderately increased to meet operational requirements with the increase in passenger traffic. Higher depreciation is in line with passenger traffic increase.

Malaysia operations LBT narrowed to RM61.1 million compared to LBT of RM193.7 million in the corresponding quarter in the prior year. Türkiye operations recorded higher profit of RM504.4 million as compared to LBT of RM22.3 million while Qatar operations recorded a PBT of RM1.9 million, higher than PBT of RM1.0 million recorded in the corresponding quarter in the prior year.

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

In the current quarter under review, the share of results from associates recorded profits of RM16.2 million, higher by RM17.0 million as compared to a loss of RM0.8 million for the corresponding quarter in the prior year. Higher share of profits were mainly contributed by MFMA Development Sdn.Bhd. (MFMA), KAF and Alibaba KLIA Aeropolis Sdn. Bhd. (Alibaba KLIA Aeropolis) of RM14.8 million, RM2.4 million and RM0.7 million respectively. However, this was offset by the share of losses from Cooling Energy Supply Sdn. Bhd. (CES) of RM1.7 million.

Share of results of joint ventures in the current quarter under review recorded profits of RM4.7 million, higher by RM15.3 million as compared to a loss of RM10.6 million for the corresponding quarter in the prior year. Higher share of profit was contributed by Segi Astana Sdn. Bhd. (SASB) from a loss of RM13.0 million registered in the corresponding quarter in the prior year to RM2.1 million profit, and share of profit from Airport Cooling Energy Supply Sdn. Bhd. (ACES) of RM2.6 million as compared to RM2.4 million profit recorded in the corresponding quarter in the prior year.

### **YTD 31 December 2022 vs YTD 31 December 2021 (Y-on-Y)**

#### **Revenue**

The Group recorded revenue of RM3,127.0 million, 86.9% higher than revenue of RM1,673.0 million recorded in the prior year in tandem with the significant increase in passenger movements by more than two-fold to 83.9 million passengers and a 60.0% recovery of pre-COVID volume. The recovery of the passenger movement is driven by the further easing of travel protocols and further resumption of airline services and connectivity.



## **17. PERFORMANCE REVIEW (CONT'D.)**

### **YTD 31 December 2022 vs YTD 31 December 2021 (Y-on-Y) (cont'd.)**

#### **Revenue (cont'd.)**

Revenue from airport operations increased significantly by 95.3% from RM1,466.6 million to RM2,863.8 million. Aeronautical segment revenue increased from RM798.1 million to RM1,657.3 million as compared to the prior year driven by recovery of passenger traffic from 36.1 million to 83.9 million. Malaysia operations passenger traffic improved significantly to 52.7 million as compared to 10.7 million passengers in the prior year. Whilst, Türkiye operations continued to show passenger traffic recovery from 25.4 million to 31.2 million passengers during the same period. International passenger in Türkiye for the current period exceeded the pre-COVID level by 1.7 million passengers. The non-aeronautical segment revenue increased from RM668.5 million to RM1,206.5 million, largely due to better contribution of commercial revenue from Malaysia and Türkiye operations.

Revenue from the non-airport operations increased by 27.5% or RM56.8 million from RM206.4 million to RM263.2 million due to higher revenue from the project and repair maintenance and hotel businesses.

Overall, Malaysia and Türkiye operations recorded a significant increase in revenue by 152.7% from RM673.8 million to RM1,703.0 million and 45.7% from RM910.1 million to RM1,325.7 million respectively. Whereas, Qatar operations recorded an increase in revenue by 10.3% from RM89.1 million to RM98.3 million.

#### **Profit/(loss) before tax and zakat (PBT/LBT)**

The Group registered a PBT of RM184.6 million compared to LBT of RM1,040.9 million in the prior year driven by higher revenue, reduction in utilisation fees and better share of results from joint venture and associates. In line with the higher revenue, the Group also registered an increase in cost due to higher user fees payable under the Operating Agreement and higher revenue share payable under ISG's concession, whilst other operational cost moderately increased to meet operational requirements with the increase in passenger traffic. Higher depreciation is in tandem with increase in passenger traffic.

Malaysia operations recorded a LBT of RM263.2 million, lower than the LBT in the prior year of RM777.5 million. Whilst Türkiye operations recorded a higher PBT of RM436.8 million as compared to a loss of RM270.0 million. Meanwhile Qatar operations recorded a PBT of RM11.0 million as compared to RM6.6 million recorded in the prior year.

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

In the current financial year under review, the share of results from associates recorded a profit of RM16.8 million, an improvement of RM22.0 million as compared to the losses of RM5.2 million recorded in the prior year, attributed by the share of profits from MFMA, KAF and Alibaba KLIA Aeropolis of RM17.7 million, RM6.3 million and RM2.9 million respectively. However, this was offset by the share of losses from CES of RM10.1 million.

**17. PERFORMANCE REVIEW (CONT'D.)**
**YTD 31 December 2022 vs YTD 31 December 2021 (Y-on-Y) (cont'd.)**
**Share of results of Associates and Joint Ventures (JV) (cont'd.)**

Share of results of joint ventures in the current financial year under review recorded a profit of RM12.2 million, higher by RM19.5 million as compared to a loss of RM7.3 million for the prior year, largely due to higher share of profits from SASB of RM4.1 million as compared to losses of RM15.0 million recorded in the prior year. ACES has contributed slightly higher share of profit of RM8.1 million as compared to RM7.7 million share of profit recorded in the prior year.

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

	INDIVIDUAL QUARTER			
	Current Year	Immediate	Changes	
	Quarter	Preceding		
	31.12.2022	Quarter	RM'000	%
	RM'000	30.09.2022	RM'000	
Revenue	1,002,811	863,611	139,200	16.1%
Profit/(loss) before tax and zakat	445,230	(19,132)	464,362	>100%

**4Q 2022 vs 3Q 2022 (Q-on-PQ)**
**Revenue**

The Group's revenue for the current quarter under review increased by 16.1% to RM1,002.8 million against RM863.6 million recorded in the immediate preceding quarter in line with the increase in passenger volume for the Group driven by further easing of travel protocols and further resumption of airline services and connectivity.

Revenue from airport operations increased by 16.0% from RM799.3 million to RM927.5 million over the immediate preceding quarter. Aeronautical segment revenue increased from RM449.8 million to RM544.4 million as compared to the immediate preceding quarter due to the increase in passenger traffic for Malaysia operations from 14.9 million passengers to 17.5 million passengers recorded in the immediate preceding quarter. The non-aeronautical segment revenue increased by 9.6% from RM349.5 million to RM383.1 million.

Revenue from the non-airport operations increased by 17.1% or RM11.0 million from RM64.3 million to RM75.3 million due to higher revenue from hotel and project and repair maintenance businesses.

**18. COMPARISON OF PERFORMANCE FOR THE CURRENT QUARTER AGAINST THE IMMEDIATE  
PRECEDING QUARTER (CONT'D.)****4Q 2022 vs 3Q 2022 (Q-on-PQ) (cont'd.)****Revenue (cont'd.)**

Overall, Malaysia had recorded an increase in revenue by 27.0% from RM472.4 million to RM600.0 million. Whilst, Türkiye and Qatar operations had recorded an increase in revenue by 2.7% from RM365.8 million to RM375.6 million and 7.1% from RM25.4 million to RM27.2 million respectively.

**Profit/(loss) before tax and zakat (PBT/LBT)**

The Group registered a PBT of RM445.2 million in the quarter under review as compared to LBT of RM19.1 million for immediate preceding quarter driven by higher revenue, reduction in utilisation fees and better share of results from joint venture and associates. In line with the higher revenue, the Group also registered an increase in cost due to higher user fees payable under the Operating Agreement, whilst other operational cost moderately increased to meet operational requirements with the increase in passenger traffic. Higher depreciation is in tandem with increase in passenger traffic.

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

In the current quarter under review, the share of results from associates recorded profits of RM16.2 million, higher by RM17.4 million as compared to RM1.2 million losses for the immediate preceding quarter, attributed by the share of profits from MFMA, KAF and Alibaba KLIA Aeropolis of RM14.8 million, RM2.4 million and RM0.7 million respectively. However, this was offset by the share of losses from CES of RM1.7 million.

Share of results of joint ventures in the current quarter under review recorded a profit of RM4.7 million, higher by RM0.5 million as compared to a profit of RM4.2 million for the immediate preceding quarter, largely due to share of profit from ACES and SASB of RM2.6 million and RM2.1 million respectively.

## 19. COMMENTARY ON PROSPECTS

MAHB network of airports recorded 83.9 million passenger movements in year 2022, marking the first full year of growing traffic towards recovery since the closure of border in March 2020. The recent announcement on China's reopening of borders provide optimism for a better growth in international sector in 2023 as traffic recovery growth could be accelerated with slots approvals in China. 17 airlines resumed services to 32 city pairs in 2022 with the highest traffic operated to Thailand, Indonesia, Philippines, South Korea, Vietnam, and India. The growth in passenger movements at airports in Malaysia were also supported by the introduction of new routes by 27 airlines to 38 city pairs. Among the city pair with the highest growth in 2022 over 2021 are Denpasar-Bali, Lahore, Ujung Padang, Male, Brisbane, Bangkok, Perth, Phuket, Batam and Bangalore. There were 59 airlines operating to 84 international and 35 domestic destinations at all airports managed by Malaysia Airports in Malaysia, compared to 48 airlines to 51 internationals and 32 domestic destinations in 2021.

Istanbul SGIA overall passenger movements also continued to register international passenger growth with the passenger mix ratio improving to 50.4:49.6 compared to 35.4:64.6 in 2021. This on-going structural change is a positive development in view of the capacity challenges. In addition, Pobeda Airlines resumed services to Moscow-Ynukovo with 8 flights weekly from 1 December 2022 which was suspended in March due to the Russia-Ukraine conflict.

The International Air Transport Association (IATA) in their December 2022 latest revision indicated that Asia Pacific and global passengers in 2023 are expected to reach 70.8% and 85.5% pre-2019 levels respectively. Airport Council International (ACI) forecasted Asia Pacific region full recovery will be by the end of 2024 as the air recovery still lags other regions in the world. ACI also forecasted global passengers for 2023 to reach 74% of 2019 level. The Malaysia Aviation Commission's (MAVCOM) Waypoint Report issued in December 2022 forecasted passenger movements for 2023 to grow by 40% to 52% or between 74.6 million to 80.8 million passengers. The latest 2023 seat capacity filing for Malaysia just before China's announcement shows a 44% increase over 2021 or reaching 76% of 2019 levels, while Istanbul SGIA shows a 4.2% increase. The positive development in seat capacity filings provides optimism that 2023 traffic is on course for a continuing recovery. The return of Chinese travellers followed by the reopening of China borders is expected to boost international traffic as China continues to lift bans and ease travel restrictions.

### Group Initiatives

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

**20. PROFIT FORECAST**

The Group did not publish any profit forecast.

**21. TAXATION AND ZAKAT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2022 RM'000	Preceding Year Corresponding Quarter 31.12.2021 RM'000	Current Year To Date 31.12.2022 RM'000	Preceding Year Corresponding Period 31.12.2021 RM'000
Current tax	(3,682)	(7,894)	(40,333)	(24,732)
Deferred taxation	(81,014)	87,534	44,303	300,569
Zakat	(1,395)	(1,330)	(1,395)	(1,330)
	<u>(86,091)</u>	<u>78,310</u>	<u>2,575</u>	<u>274,507</u>

**22. SALE OF PROPERTIES**

There were no sales of properties since 31 December 2021.

**23. INVESTMENTS IN QUOTED SECURITIES**

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

**24. STATUS OF CORPORATE PROPOSALS**

There are no ongoing corporate proposals announced by the Group but not completed as at 28 February 2023 being a date not earlier than 7 days from the date of issuance of the quarterly report.

**25. BORROWINGS**

	As at 31.12.2022		As at 31.12.2021	
	EUR'000	RM'000	EUR'000	RM'000
	Unaudited		Audited	
<b>Short-term borrowings</b>				
Unsecured:				
Islamic Medium Term Notes (IMTN)	-	-	-	1,500,000
Revolving Credit Facilities	-	435,000	-	-
Secured:				
Senior Term Loan Facility	56,051	262,319	52,179	245,765
<b>Total short-term borrowings</b>	<b>56,051</b>	<b>697,319</b>	<b>52,179</b>	<b>1,745,765</b>
<b>Long-term borrowings</b>				
Unsecured:				
Islamic Medium Term Notes (IMTN)	-	600,000	-	600,000
Senior Sukuk	-	2,295,738	-	1,496,687
Secured:				
Senior Term Loan Facility	266,817	1,248,701	311,964	1,469,351
<b>Total long-term borrowings</b>	<b>266,817</b>	<b>4,144,439</b>	<b>311,964</b>	<b>3,566,038</b>
<b>Total borrowings</b>	<b>322,868</b>	<b>4,841,758</b>	<b>364,143</b>	<b>5,311,803</b>

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

	As at 31.12.2021	Non-cash changes			As at 31.12.2022
		Cash Flows	Foreign Exchange Movements	Fair Value Changes	
	RM'000	RM'000	RM'000	RM'000	RM'000
	Audited				Unaudited
Unsecured:					
Islamic Medium Term Notes (IMTN)	2,100,000	(1,500,000)	-	-	600,000
Revolving Credit Facilities	-	435,000	-	-	435,000
Senior Sukuk	1,496,687	798,279	-	772	2,295,738
Secured:					
Senior Term Loan Facility	1,715,116	(265,267)	(11,277)	72,448	1,511,020
Derivative financial instruments	24,677	-	(157)	(65,251)	(40,731)
	<b>5,336,480</b>	<b>(531,988)</b>	<b>(11,434)</b>	<b>7,969</b>	<b>4,801,027</b>



## **27. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There were no off balance sheet financial instruments as at 31 December 2022.

## **28. CHANGES IN MATERIAL LITIGATION**

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

## **29. DIVIDEND PAYABLE**

On 28 February 2023, the Company declared a single-tier final dividend in respect of the current financial year ended 31 December 2022 of 3.91 sen per ordinary share amounting to dividend payable of RM64,874,400 (based on 1,659,191,828 ordinary shares issued as at 31 December 2022).

The Final Dividend may consist of an electable portion which can be elected to be re-invested in new ordinary shares in accordance with the Dividend Reinvestment Plan (DRP), subject to the relevant regulatory approvals. The Board on 28 February 2023 has approved that the DRP shall apply to the Final Dividend and that the entire Final Dividend can be elected to be re-invested in new shares. Such dividend, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2023.

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

## **30. EARNINGS PER SHARE (EPS)**

### **Basic EPS**

Basic earnings per share amounts are calculated by dividing the profit for the period attributable to Owners of the Company by the weighted average number of ordinary shares in issue during the current quarter and financial year-to-date under review.

**30. EARNINGS PER SHARE (EPS) (CONT'D.)**
**Basic EPS (cont'd.)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2022 RM'000	Preceding Year Corresponding Quarter 31.12.2021 RM'000	Current Year To Date 31.12.2022 RM'000	Preceding Year Corresponding Period 31.12.2021 RM'000
Profit/(loss) attributable to Owners of the Company	359,139	(136,733)	187,196	(766,439)
Distribution to Perpetual Sukuk holder	(14,493)	(14,493)	(57,500)	(57,500)
Net profit/(loss) attributable to Owners of the Company	344,646	(151,226)	129,696	(823,939)
Weighted average number of ordinary shares in issue ('000)	1,659,192	1,659,192	1,659,192	1,659,192
Profit/(loss) per share attributable to Owners of the Company (sen)	20.77	(9.11)	7.82	(49.66)

Weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period.

**31. AUTHORISATION FOR ISSUE**

The interim condensed consolidated financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors.

**BY ORDER OF THE BOARD**
**Zawardi Mohamed Salleh**

Company Secretary

Sepang

28 February 2023