

**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD 31 MARCH 2024**

	Note	INDIVIDUAL QUARTER	
		Current quarter ended 31.03.2024 RM'000	Corresponding quarter ended 31.03.2023 RM'000
Revenue		1,351,334	1,034,396
Cost of inventories sold		(85,585)	(58,263)
Other income		87,377	53,453
Employee benefits expenses		(213,926)	(188,582)
Depreciation and amortisation		(311,770)	(236,062)
Other expenses		(467,361)	(399,101)
Operating profit		<u>360,069</u>	<u>205,841</u>
Finance costs		(159,844)	(147,784)
Share of results:			
- associates		9,530	2,621
- joint ventures		4,887	2,578
Profit before tax and zakat	7	<u>214,642</u>	<u>63,256</u>
Taxation and zakat	21	(24,653)	(5,071)
Profit net of tax		<u>189,989</u>	<u>58,185</u>
Attributable to:			
Owners of the Company		<u>189,989</u>	<u>58,185</u>
Profit per share attributable			
to Owners of the Company (sen):	30	<u>10.53</u>	<u>2.65</u>

The condensed unaudited consolidated of profit or loss should be read in conjunction with the audited financial statement for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 31 MARCH 2024**

	INDIVIDUAL QUARTER	
	Current quarter ended 31.03.2024 RM'000	Corresponding quarter ended 31.03.2023 RM'000
Profit for the period, net of tax	189,989	58,185
Other comprehensive income:		
- Foreign currency translation	16,122	36,944
- Unrealised gain/(loss) on derivative financial instruments	4,131	(43)
- Actuarial loss on retirement benefits	(3,319)	(11,612)
Other comprehensive income for the period, net of tax	16,934	25,289
Total comprehensive profit for the period, net of tax	206,923	83,474
Attributable to:		
Owners of the Company	206,923	83,474

The condensed unaudited consolidated of other comprehensive income should be read in conjunction with the audited financial statement for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	31.03.2024	31.12.2023
	RM'000	RM'000
	Unaudited	Audited
Assets		
Non-current assets		
Property, plant and equipment	461,454	461,976
Right-of-use assets	128,451	141,338
Intangible assets and goodwill	14,498,187	14,662,718
Investments in associates	180,867	171,337
Investments in joint ventures	102,335	97,447
Derivative financial instruments	11,259	5,785
Financial assets at fair value through profit or loss	3,009	462,014
Other receivables	445,978	362,083
Employee loans	11,493	11,814
Deferred tax assets	759,705	768,918
	<u>16,602,738</u>	<u>17,145,430</u>
Current assets		
Inventories	118,561	127,366
Biological assets	3,142	2,342
Trade receivables	788,117	675,231
Other receivables	207,290	113,918
Tax recoverable	26,540	26,963
Derivative financial instruments	16,721	16,688
Financial assets at fair value through profit or loss	411,461	501,951
Cash and cash equivalents	1,621,175	1,845,101
	<u>3,193,007</u>	<u>3,309,560</u>
Total assets	<u>19,795,745</u>	<u>20,454,990</u>

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	31.03.2024	31.12.2023
	RM'000	RM'000
	Unaudited	Audited
Equity and liabilities		
Equity attributable to Owners of the Company		
Share capital	5,170,749	5,170,749
Perpetual Sukuk	997,842	997,842
Retained earnings	1,847,099	1,671,446
Hedging reserve	20,985	16,854
Other reserves	266	3,573
Foreign exchange reserve	155,825	139,703
Total equity	8,192,766	8,000,167
Non-current liabilities		
Borrowings	3,358,099	3,337,690
Lease liabilities	100,764	104,728
Deferred tax liabilities	563,605	560,985
Trade payables	3,232,447	3,767,112
Other payables	742,353	771,859
	7,997,268	8,542,374
Current liabilities		
Borrowings	1,259,422	1,249,450
Lease liabilities	24,171	30,702
Trade payables	1,335,866	1,552,039
Other payables	937,919	1,037,935
Income tax payable	48,333	42,323
	3,605,711	3,912,449
Total liabilities	11,602,979	12,454,823
Total equity and liabilities	19,795,745	20,454,990

The condensed unaudited consolidated statement of financial position should be read in conjunction with the audited financial statement for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2024**

	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 2023	5,114,341	997,842	24,678	32,585	6,243	1,250,655	7,426,344
Total comprehensive income/(loss)	-	-	36,944	(43)	(11,612)	58,185	83,474
Legal reserve	-	-	-	-	116	-	116
Distribution to Perpetual Sukuk holder	-	-	-	-	-	(14,178)	(14,178)
At 31 March 2023	5,114,341	997,842	61,622	32,542	(5,253)	1,294,662	7,495,756
At 1 January 2024	5,170,749	997,842	139,703	16,854	3,573	1,671,446	8,000,167
Total comprehensive income/(loss)	-	-	16,122	4,131	(3,319)	189,989	206,923
Legal reserve	-	-	-	-	12	-	12
Distribution to Perpetual Sukuk holder	-	-	-	-	-	(14,336)	(14,336)
At 31 March 2024	5,170,749	997,842	155,825	20,985	266	1,847,099	8,192,766

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 2023 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2024

	31.03.2024	31.03.2023
	RM'000	RM'000
	Unaudited	Unaudited
Cash flows from operating activities		
Profit before tax and zakat	214,642	63,256
Adjustments for:		
Interest income	(7,633)	(4,075)
Net unrealised gain on fair value for:		
- quoted unit trust	(945)	(1,963)
- unquoted shares	-	(2,281)
Interest expense	166,831	147,784
Swap gain	(6,987)	-
Net unrealised (gain)/loss on forex translation	(5,508)	13,679
Provision for liabilities	2,337	2,514
(Writeback)/provision for inventories	(227)	269
Gain on fair value of biological assets	(799)	(357)
Amortisation of intangible assets	285,152	217,647
Depreciation of:		
- property, plant and equipment	10,630	10,586
- right-of-use assets	15,988	7,829
Net allowance/(writeback) of impairment on receivables	7,410	(13,320)
Inventories written off	540	25
Investment income	(5,259)	(3,642)
Share of results of:		
- associates	(9,530)	(2,621)
- joint ventures	(4,887)	(2,578)
Operating profit before working capital changes	661,755	432,752
Decrease/(increase) in inventories	8,558	(37,805)
Decrease/(increase) in receivables	184,546	(83,355)
Decrease in payables	(463,645)	(263,509)
Decrease in concession liabilities	(11,273)	(8,030)
Decrease in provisions for liabilities	(3,611)	(4,579)
Cash generated from operations	376,330	35,474
Taxes and zakat paid	(13,409)	(3,684)
Net cash generated from operating activities	362,921	31,790

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2024

	31.03.2024	31.03.2023
	RM'000	RM'000
	Unaudited	Unaudited
Cash flows from investing activities		
Purchase of:		
- property, plant and equipment	(3,592)	(5,773)
- intangible assets	(63,583)	(25,036)
- quoted unit trust	(363,060)	(216,982)
Proceeds from disposal of:		
- quoted unit trust	454,500	166,000
Investment income received	3,342	2,120
Interest received	6,997	2,950
Dividend received from joint ventures	-	9,110
Net cash generated from/(used in) investing activities	34,604	(67,611)
Cash flows from financing activities		
Concession payment	(679,815)	(533,691)
Lease liabilities payment	(11,369)	(12,180)
Interest paid	(3,839)	-
Net cash used in financing activity	(695,023)	(545,871)
Net movement in cash and cash equivalents	(297,498)	(581,692)
Effects of foreign currency translation	73,572	82,954
Cash and cash equivalents at beginning of year	1,845,101	1,529,590
Cash and cash equivalents at end of period	1,621,175	1,030,852

The condensed unaudited consolidated of cash flows statement should be read in conjunction with the audited financial statement for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

1. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements, for the period ended 31 March 2024, 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 2023. 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 2023.

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 2023.

On 1 January 2024, the Group adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2024.

Effective for financial periods beginning on or after 1 January 2024

MFRS 7: Financial Instruments - Disclosure (Supplier Finance Arrangements)

MFRS 16: Lease Liability in a Sale and Leaseback

MFRS 101: Non-current Liabilities with Covenants

MFRS 107: Statement of Cash Flows (Supplier Finance Arrangements)

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 2025

MFRS 121: The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)

PART A : EXPLANATORY NOTES PURSUANT TO MFRS 134

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 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 2023 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 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 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 Terminal 1, Terminal 2 and the designated airports in Malaysia and to provide airport related services.

6. SEGMENT INFORMATION (CONT'D.)

The Group is organised into business and geographical segments which is then further classified under airport and non-airport operations activities: (cont'd.)

Malaysia Operations (cont'd.)

Airport operations: (cont'd.)

- 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 Terminal 1 and Sama-Sama Express KLIA Terminal 2.
- 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	RM'000	
For the period ended 31 March 2024										
Segment Revenue										
External:										
Aeronautical	447,449	-	-	-	-	-	286,443	-	-	733,892
Non-aeronautical:										
Retail	-	165,637	-	-	-	-	-	-	-	165,637
Others	185,084	1,977	-	-	-	-	179,084	-	-	366,145
Non-airport operations	-	-	16,102	29,253	7,662	32	6,363	26,248	-	85,660
Inter-segment sales	54,172	133	31,220	1,324	2,911	4,951	36,964	-	(131,675)	-
Total revenue	686,705	167,747	47,322	30,577	10,573	4,983	508,854	26,248	(131,675)	1,351,334
Segment Results										
Operating profit before depreciation and amortisation	292,256	29,918	9,583	10,427	2,753	44,383	343,270	2,490	(63,241)	671,839
Depreciation and amortisation	(135,518)	(17,603)	(515)	(2,546)	(1,725)	(2,708)	(107,708)	(42)	(43,405)	(311,770)
Finance costs	(50,378)	(2,477)	(22)	(222)	(249)	(31,808)	(115,731)	-	41,043	(159,844)
Share of results of:										
- associates	5,569	-	-	-	-	3,961	-	-	-	9,530
- joint ventures	-	-	-	-	-	4,887	-	-	-	4,887
Profit before tax and zakat	111,929	9,838	9,046	7,659	779	18,715	119,831	2,448	(65,603)	214,642
Taxation and zakat	(18,463)	(2,475)	(2,202)	(1,719)	(176)	(57)	(11,950)	(142)	12,531	(24,653)
Profit for the period	93,466	7,363	6,844	5,940	603	18,658	107,881	2,306	(53,072)	189,989
As at 31 March 2024										
Assets and Liabilities										
Segment assets	10,875,227	433,444	118,285	155,172	99,514	12,681,201	5,347,431	59,641	(10,257,372)	19,512,543
Investment in associates	112,936	-	-	-	-	67,931	-	-	-	180,867
Investment in joint ventures	-	-	-	-	-	102,335	-	-	-	102,335
Total assets	10,988,163	433,444	118,285	155,172	99,514	12,851,467	5,347,431	59,641	(10,257,372)	19,795,745
Segment liabilities representing total liabilities	7,352,808	366,650	43,517	34,064	42,805	5,725,062	5,698,127	39,709	(7,699,763)	11,602,979

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 period ended 31 March 2023										
Segment Revenue										
External:										
Aeronautical	328,310	-	-	-	-	-	225,466	-	-	553,776
Non-aeronautical:										
Retail	-	120,328	-	-	-	-	-	-	-	120,328
Others	138,839	1,110	-	-	-	-	146,623	-	-	286,572
Non-airport operations	-	-	12,937	23,650	7,006	31	5,303	24,793	-	73,720
Inter-segment sales	30,762	105	31,951	1,169	2,386	2,421	31,640	-	(100,434)	-
Total revenue	497,911	121,543	44,888	24,819	9,392	2,452	409,032	24,793	(100,434)	1,034,396
Segment Results										
Operating profit before depreciation and amortisation	137,107	20,790	7,959	7,547	2,618	75,754	249,056	3,240	(62,168)	441,903
Depreciation and amortisation	(101,077)	(13,034)	(418)	(2,940)	(1,139)	(2,970)	(79,179)	(47)	(35,258)	(236,062)
Finance costs	(50,828)	(305)	(2)	(201)	-	(32,459)	(108,930)	-	44,941	(147,784)
Share of results of:										
- associates	3,693	-	-	-	-	(1,072)	-	-	-	2,621
- joint ventures	-	-	-	-	-	2,578	-	-	-	2,578
(Loss)/profit before tax and zakat	(11,105)	7,451	7,539	4,406	1,479	41,831	60,947	3,193	(52,485)	63,256
Taxation and zakat	1,918	(1,756)	(1,811)	(1,046)	(370)	(10)	(14,437)	(171)	12,612	(5,071)
(Loss)/profit for the period	(9,187)	5,695	5,728	3,360	1,109	41,821	46,510	3,022	(39,873)	58,185
As at 31 March 2023										
Assets and Liabilities										
Segment assets	10,235,698	396,540	134,095	186,731	74,337	12,596,897	5,112,178	58,933	(9,907,393)	18,888,016
Investment in associates	81,675	-	-	-	-	62,866	-	-	-	144,541
Investment in joint ventures	-	-	-	-	-	102,554	-	-	-	102,554
Total assets	10,317,373	396,540	134,095	186,731	74,337	12,762,317	5,112,178	58,933	(9,907,393)	19,135,111
Segment liabilities representing total liabilities	6,804,255	347,694	48,300	71,719	18,623	5,859,710	5,877,943	30,802	(7,419,691)	11,639,355

PART A : EXPLANATORY NOTES PURSUANT TO MFRS 134

7. PROFIT BEFORE TAX AND ZAKAT

	INDIVIDUAL QUARTER	
	Current quarter ended 31.03.2024 RM'000	Corresponding quarter ended 31.03.2023 RM'000
Included in other income:		
Interest income		
-unquoted investments	1,872	379
-employee loans	144	176
-other loans and receivables	5,617	3,520
Net unrealised gain on fair value for:		
-quoted unit trust	945	1,963
-unquoted shares	-	2,281
Investment income	5,259	3,642
Net realised foreign exchange gain	667	510
Recoupment of expenses	52,695	38,189
Included in other expenses:		
Net allowance/(writeback) of impairment on receivables	7,410	(13,320)
Net unrealised (gain)/loss on forex translation	(5,508)	13,679
Inventories written off	540	25
(Writeback)/provision for inventories	(227)	269
User fee	111,761	81,475
Included in finance costs:		
-Concession payables and borrowings	63,508	50,931
-Financial liabilities	89,812	90,862
-Interest arising from revenue contract	4,614	4,483
-Interest on lease liabilities	1,910	1,508

PART A : EXPLANATORY NOTES PURSUANT TO MFRS 134

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 under review.

9. DEBT AND EQUITY SECURITIES

There were no unusual items affect the debt and equity securities for the current quarter under review.

10. DIVIDENDS PAID

A single-tier final dividend of 10.80 sen per ordinary share amounting to RM180.2 million in respect of the financial year ended 31 December 2023 was approved by the Board of Directors on 29 February 2024 and was paid on 8 April 2024.

Save for the above, there were no dividends paid or declared during the current quarter under review.

11. CARRYING AMOUNT OF REVALUED ASSETS

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

12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current quarter under review.

PART A : EXPLANATORY NOTES PURSUANT TO MFRS 134

13. CHANGES IN GUARANTEES, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

a) Guarantees

- i) ISG has given 5 (2023: 5) letters of guarantee amounting to the Administration (representing 6% of the total amount payable to the Administration for the right to operate the Facility as set out in the Implementation Agreement) as follows:

Details	31.03.2024		31.12.2023	
	EUR'million	RM'million	EUR'million	RM'million
Guarantee Letter 1	39.1	199.0	47.2	239.6
Guarantee Letter 2	13.0	66.2	13.0	66.1
Guarantee Letter 3	1.6	8.1	1.6	8.3
Guarantee Letter 4	20.1	102.3	20.1	102.9
Guarantee Letter 5	0.3	1.5	0.3	1.6

- ii) ISG has given 21 (2023: 18) letters of guarantee to the Tax Authority in Türkiye for Value Added Tax ("VAT") refund amounting to EUR1.2 million, equivalent to RM6.1 million (2023: EUR1.0 million, equivalent to RM4.9 million).

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

b) Contingent Liabilities

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

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

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

Since then various extensions were granted based on MAP's request. MAP via letter dated 6 December 2023, requested for a further extension till 30 June 2024 to facilitate the negotiation on the Operating Agreements between MAHB and GoM. KAF via a letter dated 19 March 2024, has agreed with MAP's request.

PART A : EXPLANATORY NOTES PURSUANT TO MFRS 134

14. RELATED PARTY TRANSACTIONS AND BALANCES

Related Party Transactions:

	INDIVIDUAL QUARTER	
	Current quarter ended 31.03.2024 RM'000	Corresponding quarter ended 31.03.2023 RM'000
Revenue:		
<u>Associates:</u>		
Lease rental		
- KL Aviation Fuelling System Sdn. Bhd.	1,485	1,485
- MFMA Development Sdn. Bhd.	2,472	2,472
- Alibaba KLIA Aeropolis Sdn. Bhd.	579	573
- Cooling Energy Supply Sdn. Bhd.	559	559
Service fee		
- KL Aviation Fuelling System Sdn. Bhd.	138	134
- MFMA Development Sdn. Bhd.	478	478
- Alibaba KLIA Aeropolis Sdn. Bhd.	118	118
- Cooling Energy Supply Sdn. Bhd.	82	82
Concession fee		
- MFMA Development Sdn. Bhd.	142	142
- Cooling Energy Supply Sdn. Bhd.	196	196
Recoupment of utilities and quit rent		
- KL Aviation Fuelling System Sdn. Bhd.	460	400
- MFMA Development Sdn. Bhd.	3,148	3,148
- Alibaba KLIA Aeropolis Sdn. Bhd.	356	240
- Cooling Energy Supply Sdn. Bhd.	13,927	1,240
<u>Joint ventures:</u>		
Lease rental		
- Segi Astana Sdn. Bhd.	318	318
- Airport Cooling Energy Supply Sdn. Bhd.	153	153
Service fee		
- Airport Cooling Energy Supply Sdn. Bhd.	26	26
Concession fee		
- Airport Cooling Energy Supply Sdn. Bhd.	43	43

PART A : EXPLANATORY NOTES PURSUANT TO MFRS 134

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

Related Party Transactions: (cont'd.)

	INDIVIDUAL QUARTER	
	Current quarter ended 31.03.2024 RM'000	Corresponding quarter ended 31.03.2023 RM'000
Revenue: (cont'd.)		
<u>Joint ventures:</u>		
Recoupment of utilities		
- Segi Astana Sdn. Bhd.	3,793	3,552
- Airport Cooling Energy Supply Sdn. Bhd.	4,670	4,033
Expenses:		
<u>Associate:</u>		
Cooling Energy Supply Sdn. Bhd.		
- Utilities (Fixed)	4,435	4,560
- Utilities (Variable)	10,896	19,575
<u>Joint ventures:</u>		
Airport Cooling Energy Supply Sdn. Bhd.		
- Utilities (Fixed)	16,047	16,047
- Utilities (Variable)	3,316	2,621
- Less: Rebate	(1,603)	(888)
Related Party Balances:		
	As at 31.03.2024 RM'000 Unaudited	As at 31.12.2023 RM'000 Audited
<u>Associates:</u>		
Amount owing by	10,782	9,138
Amount owing to	10,089	-
<u>Joint ventures:</u>		
Amount owing by	2,915	2,730

PART A : EXPLANATORY NOTES PURSUANT TO MFRS 134

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 March 2024 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	1,069,449	759,644	1,829,093
(ii) Approved but not contracted for:			
Capital expenditure	606,852	-	606,852
(iii) Other investments:			
Investment in MFMA Development Sdn. Bhd.	29,325	-	29,325
	<u>1,705,626</u>	<u>759,644</u>	<u>2,465,270</u>

16. SUBSEQUENT EVENTS

- i) On 15 May 2024, MAHB announced that the Board had been notified by AmInvestment Bank Berhad, on behalf of Gateway Development Alliance Sdn. Bhd., Pantai Panorama Sdn. Bhd., Kwasa Aktif Sdn. Bhd. and GIP Aurea Pte Ltd (collectively, the "Joint Offerors"), of a pre-conditional voluntary conditional take-over offer. Further details as disclosed in the Bursa announcement dated 15 May 2024.
- ii) On 28 May 2024, MAHB and its wholly-owned subsidiary, Malaysia Airports (Sepang) Sdn. Bhd. ("MA Sepang"), entered into a supplemental agreement with WCT Berhad ("WCTB"), WCT Land Sdn. Bhd. ("WCTL") and Segi Astana Sdn. Bhd. ("SASB") ("Supplemental Agreement"). The purpose of the Supplemental Agreement is to vary the terms and conditions of the principal agreements in conjunction with MAHB's agreement on the proposed extension of the concession period of gateway@klia2 in favour of SASB for a further period of twenty-two (22) years ("Second Extension"), subject to the terms and conditions as stipulated in the Principal Concession Agreement, Principal Sub-Lease Annexure and Principal Shareholders Agreement.

Subject to the conditions precedent as set out in the Supplemental Agreement ("Condition"), MAHB to grant the Second Extension in favor of SASB upon the expiry of the first extension on 31 August 2047 ("First Extension") in consideration of the issuance and allotment by SASB to MAHB of 34,019,246 new fully paid up Ordinary Shares in the capital of SASB ("Additional Shares") with the total amount of RM34,019,246 in lieu of the lease rental payable by SASB. Consequently, the percentage of shareholding by MAHB in SASB will increase from 30% to 47%.

Save for the above, 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.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
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17. PERFORMANCE REVIEW

	INDIVIDUAL QUARTER		
	Current quarter ended 31.03.2024 RM'000	Corresponding quarter ended 31.03.2023 RM'000	%
Revenue	1,351,334	1,034,396	30.6%
Profit before tax and zakat	214,642	63,256	239.3%

1Q 2024 vs 1Q 2023 (Q-on-Q)

Revenue

The Group's revenue for the current quarter increased by 30.6% over the corresponding quarter in the prior year to RM1,351.3 million. This growth was driven by higher passenger volumes resulting from the new airlines operations, school holiday break, Chinese New Year festive season and the implementation of 30-day visa-free waiver for China and India travellers to Malaysia.

Revenue from airport operations increased by 31.7% from RM960.7 million to RM1,265.7 million. Aeronautical segment revenue increased from RM553.8 million to RM733.9 million as compared to the corresponding quarter in the prior year. This surge was driven by the growth in traffic, with total passenger numbers for the Group reaching 31.3 million from 26.8 million passengers in the corresponding quarter last year. Malaysia operations saw a surge in passenger traffic, reaching 21.8 million passengers compared to 18.7 million passengers in the corresponding quarter in the prior year. Similarly, Türkiye operations continued to show passenger traffic growth, increasing from 8.1 million to 9.5 million passengers during the same period. Non-aeronautical segment revenue increased from RM406.9 million to RM531.8 million, largely due to better contribution of commercial revenue from Malaysia and Türkiye operations.

Revenue from the non-airport operations increased by 16.1% or RM11.9 million from RM73.7 million to RM85.6 million due to higher revenue from hotel, agriculture, project and repair maintenance businesses.

Overall, Malaysia and Türkiye operations had recorded an increase in revenue by 35.0% from RM632.2 million to RM853.2 million and 25.0% from RM377.4 million to RM471.8 million, respectively. Whilst, Qatar operations recorded a marginal increase in revenue from RM24.8 million to RM26.3 million.

PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
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17. PERFORMANCE REVIEW (CONT'D.)

1Q 2024 vs 1Q 2023 (Q-on-Q) (cont'd.)

Profit before tax and zakat (PBT)

In the current quarter under review, the Group recorded a PBT of RM214.6 million, marking a significant increase from RM63.3 million in the corresponding quarter in the prior year. This notable improvement is due to higher revenue and other income, coupled with improved share of profits contributions from associate and joint venture companies. In line with the higher revenue, the Group's 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 and depreciation increased in line with the growth in passenger traffic and to fulfil operational necessities.

Malaysia and Türkiye operations showed a significant improvement, registering a PBT of RM160.8 million and RM51.3 million respectively, as compared to RM54.0 million and RM6.1 million recorded in the corresponding quarter in the prior year. Whilst, Qatar operations recorded PBT of RM2.5 million, a slight decrease of RM0.7 million compared to RM3.2 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 RM9.5 million, higher by RM6.9 million as compared to RM2.6 million for the corresponding quarter in the prior year. Higher share of profits were primarily driven by Cooling Energy Supply Sdn. Bhd. ("CES") which has turned from a loss of RM2.3 million to a profit of RM2.5 million, coupled with higher profits from KL Aviation Fuelling System Sdn. Bhd. ("KAF"), MFMA Development Sdn. Bhd. ("MFMA") and Alibaba KLIA Aeropolis Sdn. Bhd. ("Alibaba KLIA Aeropolis"), contributing RM3.8 million, RM1.7 million and RM1.5 million respectively.

Share of results of joint ventures in the current quarter under review recorded profits of RM4.9 million, higher by RM2.3 million as compared to RM2.6 million recorded in the corresponding quarter in the prior year. This is contributed by both its joint ventures, Airport Cooling Energy Supply Sdn. Bhd. ("ACES") and Segi Astana Sdn. Bhd. ("SASB"), contributing RM2.7 million and RM2.2 million respectively.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
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18. COMPARISON OF PERFORMANCE FOR THE CURRENT QUARTER AGAINST THE IMMEDIATE PRECEDING QUARTER

	INDIVIDUAL QUARTER		
	Current quarter ended 31.03.2024 RM'000	Immediate preceding quarter 31.12.2023 RM'000	
Revenue	1,351,334	1,371,525	-1.5%
Profit before tax and zakat	214,642	221,834	-3.2%

1Q 2024 vs 4Q 2023(Q-on-PQ)

Revenue

The Group's revenue for the current quarter under review decreased slightly by 1.5% to RM1,351.3 million, compared to RM1,371.5 million in the immediate preceding quarter, despite higher passenger movements recorded in the current quarter under review. This reduction is attributed to the recognition of an additional 60% Marginal Cost Support Sum for Passenger Service Charge ("MARCS PSC") for the financial year 2023 and the reversal of provision for airline incentive made in the preceding quarter. Excluding these two items, the Group revenue increased by 2.3% compared to the preceding quarter.

Revenue from airport operations decreased slightly by 1.6% from RM1,286.5 million to RM1,265.7 million over the immediate preceding quarter. Aeronautical segment revenue decreased marginally by RM17.8 million, from RM751.7 million to RM733.9 million, whilst non-aeronautical segment revenue remained strong at RM531.8 million compared to RM534.8 million over the immediate preceding quarter.

Revenue from the non-airport operations increased slightly to RM85.6 million from RM80.0 million due to higher revenue from the project and repair maintenance businesses.

Overall, Malaysia's revenue decreased marginally by 2.6% from RM875.6 million to RM853.2 million as compared to the immediate preceding quarter. Whereas, revenue from Türkiye and Qatar operations increased slightly to RM471.8 million and RM26.3 million respectively, from RM471.5 million and RM24.4 million recorded in the immediate preceding quarter.

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

The Group registered a PBT of RM214.6 million in the current quarter under review, which was slightly lower than the RM221.8 million recorded in the immediate preceding quarter. This reduction was primarily attributed to the gain on fair value of investment in GHIAL of RM102.4 million recorded in the immediate preceding quarter and lower operational cost and depreciation recorded in the current quarter under review. Excluding the one-off gain on fair value of investment in GHIAL, PBT increased by 79.7% or RM95.2 million compared to the preceding quarter.

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18. COMPARISON OF PERFORMANCE FOR THE CURRENT QUARTER AGAINST THE IMMEDIATE PRECEDING QUARTER (CONT'D.)

1Q 2024 vs 4Q 2023 (Q-on-PQ) (cont'd.)

Profit/(loss) before tax and zakat (PBT/LBT) (cont'd.)

In the current quarter under review, Malaysia operations recorded PBT of RM160.8 million, higher than RM157.1 million recorded in the immediate preceding quarter. Whereas, Türkiye operations recorded lower PBT of RM51.3 million as compared to RM65.8 million in the immediate preceding quarter. Qatar operations recorded PBT of RM2.5 million, improved as compared to LBT of RM1.1 million recorded in the immediate preceding quarter.

Share of results of Associates and Joint Ventures (JV)

In the current quarter under review, the share of results from associates recorded profits of RM9.5 million, lower as compared to RM15.4 million profit for the immediate preceding quarter. This reduction was primarily driven by a lower contribution from MFMA from RM12.3 million to RM1.7 million due to higher gain on fair value on investment properties, resulting from revaluation exercise undertaken at the financial year end in the immediate preceding quarter. However, offset by higher contributions from KAF, Alibaba KLIA Aeropolis and CES of RM3.8 million, RM1.5 million, RM2.5 million respectively.

Share of results of joint ventures in the current quarter under review recorded profits of RM4.9 million, slightly lower as compared to RM5.4 million profits for the immediate preceding quarter. Lower share of profits were mainly due to lower contributions from SASB and ACES of RM2.2 million and RM2.7 million, respectively.

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19. COMMENTARY ON PROSPECTS

MAHB has returned to and sustained its profitability and positive cashflows for the past 5 quarters, in line with traffic recovery. For FY2024, passenger traffic is expected to further recover closer to pre-pandemic levels, with International Air Transport Association ("IATA") and Airports Council International ("ACI") predicting global passengers to grow above 2019 levels by 9% and 6% respectively. Both bodies also predict Asia Pacific passenger numbers to recover beyond pre-pandemic levels by 2024, where IATA forecasts a 10% growth over 2019 while ACI expects a 3% growth. On the local front, the relaxation of visa requirements has helped to stimulate passenger arrivals and MAHB continue to work closely with the Malaysian Government to further facilitate passenger arrivals, including expanding the use of e-Gate to China and India passengers.

In line with the positive traffic outlook and growing demand for air travel, MAHB has put in important and significant investments to replace ageing assets and modernise the airports it operates. The recently signed Operating Agreements (new OAs) with the Government, which extend MAHB's operating tenure to 2069, also provide a clear investment recovery framework for MAHB to pursue viable airport developments that will be both beneficial to the passengers and the country, as well as provide valuable earning accretion opportunities to the Group. The expansion of Penang International Airport shall be the first deliverables under the new OAs for which the Group has agreed with the Government on the recovery mechanism, based upon a pre-agreed rate of return. Malaysian Aviation Commission ("MAVCOM") also recently gazetted new Aviation Service Charges for June 2024 to December 2026, with a supplemental Loss Capitalisation Mechanism embedded, before moving to cost-based regulations from 2027 onwards, ensuring improved cost recovery in running the network of airports.

The Group's performance may nevertheless be affected by the availability of aircraft and macroeconomic factors such as global inflation and potential increase in fuel prices as well as geopolitical risks. The Group remains steadfast in optimising its costs, with its core cost per passenger expected to further improve in tandem with passenger growth. The Group also closely monitors the prevailing conflict in West Asia and the possible impact on its operations and costs as airlines reroute flights to avoid specific airspace.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
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20. PROFIT FORECAST

The Group did not publish any profit forecast.

21. TAXATION AND ZAKAT

	INDIVIDUAL QUARTER	
	Current quarter ended	Corresponding quarter ended
	31.03.2024	31.03.2023
	RM'000	RM'000
Current tax	(19,842)	(7,607)
Deferred taxation	(4,811)	2,536
	<u>(24,653)</u>	<u>(5,071)</u>

22. SALE OF PROPERTIES

There were no sales of properties since 31 December 2023.

23. INVESTMENTS IN QUOTED SECURITIES

There were no investment in quoted securities during the current quarter under review.

24. STATUS OF CORPORATE PROPOSALS

There are no ongoing corporate proposals announced by the Group but not completed as at 30 May 2024 being a date not earlier than 7 days from the date.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
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25. BORROWINGS

	As at 31.03.2024		As at 31.12.2023	
	EUR'000	RM'000	EUR'000	RM'000
	Unaudited		Audited	
Short-term borrowings				
Unsecured:				
Islamic Medium Term Notes ("IMTN")	-	600,000	-	600,000
Revolving Credit Facilities	-	285,000	-	285,000
Secured:				
Senior Term Loan Facility	73,560	374,422	71,742	364,450
Total short-term borrowings	<u>73,560</u>	<u>1,259,422</u>	<u>71,742</u>	<u>1,249,450</u>
Long-term borrowings				
Unsecured:				
Senior Sukuk	-	2,297,046	-	2,296,781
Secured:				
Senior Term Loan Facility	208,458	1,061,053	204,903	1,040,909
Total long-term borrowings	<u>208,458</u>	<u>3,358,099</u>	<u>204,903</u>	<u>3,337,690</u>
Total borrowings	<u>282,018</u>	<u>4,617,521</u>	<u>276,645</u>	<u>4,587,140</u>

26. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at 31.12.2023	Non-cash changes			As at 31.03.2024
		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")	600,000	-	-	-	600,000
Revolving Credit Facilities	285,000	-	-	-	285,000
Senior Sukuk	2,296,781	-	-	265	2,297,046
Secured:					
Senior Term Loan Facility	1,405,359	-	2,766	27,350	1,435,475
	<u>4,587,140</u>	<u>-</u>	<u>2,766</u>	<u>27,615</u>	<u>4,617,521</u>

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

27. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 31 March 2024.

28. CHANGES IN MATERIAL LITIGATION

There were no other changes in material litigation against the Group and its subsidiaries since 31 December 2023 other than those disclosed in Note 13.

29. DIVIDEND PAYABLE

There were no dividends paid or declared during the current quarter under review other than those disclosed in Note 10.

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 under review.

	INDIVIDUAL QUARTER	
	Current quarter	Corresponding quarter
	ended	ended
	31.03.2024	31.03.2023
	RM'000	RM'000
Profit attributable to		
Owners of the Company	189,989	58,185
Distribution to Perpetual Sukuk		
holder	(14,336)	(14,178)
Net profit attributable to		
Owners of the Company	175,653	44,007
Weighted average number of		
ordinary shares in issue ('000)	1,668,554	1,659,192
Profit per share attributable		
to Owners of the Company (sen)	10.53	2.65

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
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30. 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.

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

Group Company Secretary

Sepang

30 May 2024