

Mega First Corporation Berhad
Registration No. 196601000210 (6682-V)
Incorporated in Malaysia

Interim Financial Report
31 December 2020

Mega First Corporation Berhad
Registration No. 196601000210 (6682-V)

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other
Comprehensive Income
For The 12-Month Period Ended 31 December 2020**

	4th Quarter Ended 31.12.2020	4th Quarter Ended 31.12.2019	Financial Year Ended 31.12.2020	Financial Year Ended 31.12.2019
Note	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	213,971	195,531	767,126	701,933
Cost of sales	(76,556)	(85,939)	(316,334)	(471,783)
Gross profit	137,415	109,592	450,792	230,150
Other expenses	(7,504)	(4,392)	(10,075)	(6,892)
Operating expenses	(8,397)	(7,519)	(29,378)	(26,421)
Profit from operations	121,514	97,681	411,339	196,837
Finance costs	(5,365)	(3,191)	(22,331)	(8,433)
Share of results in joint venture, net of tax	(11)	-	(11)	-
Profit before tax	116,138	94,490	388,997	188,404
Income tax expense	(6,263)	4,065	(10,787)	(11,984)
Profit after tax from continuing operations	109,875	98,555	378,210	176,420
Discontinued operations				
Loss after tax from discontinued operation A7	(111)	(316)	(30)	(1,311)
Profit after tax for the period	109,764	98,239	378,180	175,109
Other comprehensive (expenses)/income	(11,690)	(17,969)	10,532	(12,242)
Total comprehensive income for the period	98,074	80,270	388,712	162,867
Profit after tax attributable to:				
Owners of the Company	93,052	83,176	321,290	153,668
Non-controlling interests	16,712	15,063	56,890	21,441
	109,764	98,239	378,180	175,109
Total comprehensive income attributable to:				
Owners of the Company	86,445	67,515	336,025	142,564
Non-controlling interests	11,629	12,755	52,687	20,303
	98,074	80,270	388,712	162,867
EPS - Basic (sen)				
- Continuing operations B11	19.67	20.55	70.60	36.93
- Discontinued operations	(0.03)	0.12	(0.02)	0.47
	19.64	20.67	70.58	37.40

The notes set out on pages 7 to 32 form an integral part and should be read in conjunction with this interim financial report.

**Unaudited Condensed Consolidated Statement of Financial Position
As at 31 December 2020**

	Unaudited As At 31.12.2020 RM'000	Audited As At 31.12.2019 RM'000
ASSETS		
Non-Current Assets		
Intangible asset	1,932,044	2,048,137
Property, plant and equipment	250,229	222,770
Right of use assets	104,298	95,989
Investment properties	177,212	177,212
Inventories	43,443	43,443
Investment in quoted shares	98,790	49,385
Associate and joint venture	3,988	4,000
Investment in unquoted shares	524	335
Goodwill on consolidation	8,357	8,357
	2,618,885	2,649,628
Current Assets		
Inventories	61,802	66,974
Receivables	307,798	97,347
Contract assets	404	104
Assets classified as held for sale	3	2
Bank balances and deposits	92,804	91,031
	462,811	255,458
TOTAL ASSETS	3,081,696	2,905,086
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share capital	743,121	593,586
Treasury shares	(30,046)	(30,046)
Reserves	1,221,223	971,706
	1,934,298	1,535,246
Non-Controlling Interests	231,314	176,642
Total Equity	2,165,612	1,711,888
Non-Current Liabilities		
Payables	492	444
Lease liabilities	8,987	9,711
Long-term borrowings	534,404	27,929
Deferred tax liabilities	100,536	95,935
	644,419	134,019
Current Liabilities		
Payables	125,055	314,899
Short-term borrowings	123,471	718,211
Derivative liability	-	4,391
Lease liabilities	5,481	4,117
Liabilities of assets classified as held for sale	16,650	16,650
Taxation	1,008	911
	271,665	1,059,179
Total Liabilities	916,084	1,193,198
TOTAL EQUITY AND LIABILITIES	3,081,696	2,905,086
Net Assets Per Ordinary Share (RM)	4.08	3.67

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Unaudited Condensed Consolidated Statement of Changes in Equity
For the 12-month period ended 31 December 2020

	← Non-Distributable					Distributable →						
	Share Capital RM'000	Treasury Shares RM'000	Employees' Share Option Reserve RM'000	Translation Reserve/(Deficit) RM'000	Fair Value Reserve RM'000	Capital Reserve RM'000	Warrant Reserve RM'000	Hedge Reserve RM'000	Retained Profits RM'000	Attributable To Owners Of The Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance at 1.1.2019	540,667	(30,046)	17,597	(6,811)	(15,673)	-	14,583	647	831,816	1,352,780	172,756	1,525,536
Total comprehensive income for the period	-	-	-	(12,200)	6,134	-	-	(5,038)	153,668	142,564	20,303	162,867
Contributions by and distributions to owners of the Company:-												
Dividends paid to:												
- shareholders of the Company	-	-	-	-	-	-	-	-	(7,999)	(7,999)	-	(7,999)
- subsidiaries' non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,751)	(2,751)
Issuance of ordinary shares arising from:												
- conversion of Warrants	48,215	-	-	-	-	-	(5,329)	-	-	42,886	-	42,886
- exercise of ESOS options	4,704	-	(1,145)	-	-	-	-	-	-	3,559	-	3,559
Total transactions with owners of the Company	52,919	-	(1,145)	-	-	-	(5,329)	-	(7,999)	38,446	(2,751)	35,695
Change in ownership interest in subsidiaries	-	-	-	-	-	-	-	-	(1,117)	(1,117)	(11,543)	(12,660)
Subscription of shares in subsidiary by non-controlling interest	-	-	-	-	-	-	-	-	-	-	450	450
Transfer to legal reserve	-	-	-	-	-	12,867	-	-	(10,294)	2,573	(2,573)	-
Balance at 31.12.2019	593,586	(30,046)	16,452	(19,011)	(9,539)	12,867	9,254	(4,391)	966,074	1,535,246	176,642	1,711,888

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Unaudited Condensed Consolidated Statement of Changes in Equity (Cont'd)
For the 12-month period ended 31 December 2020

	← Non-Distributable					→ Distributable						
	Share Capital RM'000	Treasury Shares RM'000	Employees' Share Option Reserve RM'000	Translation Reserve/ (Deficit) RM'000	Fair Value Reserve RM'000	Capital Reserve RM'000	Warrant Reserve RM'000	Hedge Reserve RM'000	Retained Profits RM'000	Attributable To Owners Of The Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance at 1.1.2020	593,586	(30,046)	16,452	(19,011)	(9,539)	12,867	9,254	(4,391)	966,074	1,535,246	176,642	1,711,888
Total comprehensive income for the period	-	-	-	(33,779)	44,123	-	-	4,391	321,290	336,025	52,687	388,712
Contributions by and distributions to owners of the Company:-												
Dividends paid to:												
- shareholders of the Company	-	-	-	-	-	-	-	-	(56,841)	(56,841)	-	(56,841)
- subsidiaries' non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,318)	(2,318)
Issuance of ordinary shares arising from:												
- conversion of Warrants	82,201	-	-	-	-	-	(9,062)	-	-	73,139	-	73,139
- exercise of ESOS options	67,334	-	(16,452)	-	-	-	-	-	-	50,882	-	50,882
Warrants lapsed	-	-	-	-	-	-	(192)	-	192	-	-	-
Total transactions with owners of the Company	149,535	-	(16,452)	-	-	-	(9,254)	-	(56,649)	67,180	(2,318)	64,862
Loss on accretion of interest in subsidiaries	-	-	-	-	-	-	-	-	(8,416)	(8,416)	8,566	150
Gain arising from disposal of equity investments recycled to retained profits	-	-	-	-	(629)	-	-	-	629	-	-	-
Transfer to legal reserve	-	-	-	-	-	21,315	-	-	(17,052)	4,263	(4,263)	-
Balance at 31.12.2020	743,121	(30,046)	-	(52,790)	33,955	34,182	-	-	1,205,876	1,934,298	231,314	2,165,612

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Mega First Corporation Berhad
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Unaudited Condensed Consolidated Statement of Cash Flows
For the 12-month period ended 31 December 2020

	Financial Year Ended	
	31.12.2020	31.12.2019
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax		
- Continuing operations	388,997	188,404
- Discontinued operations	268	590
Adjustments for non-cash flow - Non-cash items	120,951	(131,545)
- Non-operating items	17,044	5,605
Operating profit before working capital changes	527,260	63,054
Changes in working capital - Net change in assets	(220,209)	(16,040)
- Net change in liabilities	(8,215)	(3,443)
Cash from operations	298,836	43,571
Income tax paid	(5,051)	(1,669)
Net cash from operating activities	293,785	41,902
Cash flows for investing activities		
Cash outflow for Don Sahong Hydropower Project	(190,335)	(223,414)
Dividends received	1,000	1,060
Interest received	4,200	1,756
Payments for purchase of:		
- property, plant and equipment	(52,308)	(26,702)
- right of use assets	(14,042)	(991)
- quoted shares	(9,869)	-
Proceeds from disposal of:		
- property, plant and equipment	119	50
- quoted shares	4,398	-
Subscription of additional shares in a subsidiary	-	(12,690)
Net cash for investing activities	(256,837)	(260,931)

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Unaudited Condensed Consolidated Statement of Cash Flows (Cont'd)
For the 12-month period ended 31 December 2020

	Financial Year Ended	
	31.12.2020	31.12.2019
	RM'000	RM'000
Cash flows (for)/from financing activities		
Dividends paid to:		
- shareholders of the Company	(56,841)	(7,999)
- subsidiary's non-controlling interests	(2,318)	(2,751)
Interest paid	(22,331)	(8,334)
Net (repayment)/drawdown of:		
- Revolving credits and bankers' acceptances	(707,957)	619,162
- Lease liabilities	640	(4,425)
- Loans	632,514	(457,333)
Proceeds from issuance of shares arising from:		
- Exercise of ESOS options	50,882	3,559
- Conversion of Warrants	73,139	42,886
Proceeds from issuance of shares by subsidiaries to non-controlling interests	150	480
Placement of short-term deposits pledged with banks	(1,003)	(50)
Net cash (for)/from financing activities	(33,125)	185,195
Effect of foreign exchange translation	(1,631)	(330)
Net increase/(decrease) in cash and cash equivalents	2,192	(34,164)
Cash and cash equivalents at beginning of the period	87,954	122,118
Cash and cash equivalents at end of the period	90,146	87,954
Cash and cash equivalents included in the statement of cash flows comprise the following amounts:		
<u>Continuing operations</u>		
Bank balances and deposits	92,104	69,857
Bank overdrafts	-	(1,422)
<u>Discontinued operations</u>		
Bank balances and deposits	700	21,174
	92,804	89,609
Less:		
- Deposits pledged to licensed banks	(2,658)	(1,655)
	90,146	87,954

The notes set out on pages 7 to 32 form an integral part and should be read in conjunction with this interim financial report.

Notes to the interim financial report

A EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and Issuers Communication No. 1/2017 - Guidance on Disclosures in Notes to Quarterly Report issued by Bursa Malaysia.

These interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019.

- (a) During the current quarter and financial year ended 31 December 2020, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments):

MFRSs and/or IC Interpretations (including the Consequential Amendments)

Amendment to MFRS 3: Definition of a Business

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any impact on the Group’s financial statements.

A1. Basis of preparation (Cont'd)

- (b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the MASB but are not yet effective for the financial year ended 31 December 2020:

MFRSs and/or IC Interpretations (including the Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: COVID-19 - Related Rent Concessions	1 June 2020
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

Other than as disclosed above, the accounting policies and methods of computation adopted by the Group in preparing this interim financial report are consistent with those in the financial statements for the financial year ended 31 December 2019.

A2. Qualification of financial statements

The auditors' report of the Group's annual financial statements for the financial year ended 31 December 2019 was not subject to any qualification.

A3. Seasonal or cyclical factors

The Group's principal business operations were not significantly affected by seasonal or cyclical factors.

A4. Unusual item

There was no item affecting assets, liabilities, equity, net income, or cash flows that is unusual because of their nature, size or incidence in these financial statements.

A5. Nature and amount of changes in estimates

There was no change in estimates of amounts reported in prior periods that have a material effect in the period under review.

A6. Debt and equity securities

	Number of Ordinary Shares		← Amount →	
	Share Capital (Issued and Fully Paid) '000	Treasury Shares '000	Share Capital (Issued and Fully Paid) RM'000	Treasury Shares RM'000
At 1.1.2020	438,342	(20,497)	593,586	(30,046)
New ordinary shares issued arising from:				
- Exercise of ESOS options	22,889	-	67,334	-
- Conversion of Warrants	32,945	-	82,201	-
At 31.12.2020	<u>494,176</u>	<u>(20,497)</u>	<u>743,121</u>	<u>(30,046)</u>

During the financial year ended 31 December 2020, the Company issued new ordinary shares in the following manner:

	<u>Issue Price</u>	<u>No. of Shares</u>
Exercise of ESOS options	1.34	135,862
Exercise of ESOS options	2.00	11,834,549
Exercise of ESOS options	2.41	9,898,000
Exercise of ESOS options	2.89	600,000
Exercise of ESOS options	3.40	120,000
Exercise of ESOS options	3.45	300,000
Conversion of Warrants 2016/2020	2.22	32,945,377

The Company's Warrants 2016/2020 expired on 8 April 2020. There are no warrants which remained outstanding as at 31 December 2020 (31.12.2019: 33,533,849).

The Company's ESOS 2010/2020 expired on 31 July 2020. There are no share options granted to the Group's employees and directors which remained outstanding as at 31 December 2020 (31.12.2019: 22,888,411).

Of the total 494,176,051 (31.12.2019: 438,342,263) issued ordinary shares as at 31 December 2020, 20,497,300 (31.12.2019: 20,497,300) ordinary shares were held as treasury shares by the Company. The number of outstanding ordinary shares in issue as at 31 December 2020 was therefore 473,678,751 (31.12.2019: 417,844,963).

Other than as disclosed above, there was no issuance and repayment of debt and equity securities, share cancellations, shares held as treasury shares and resale of treasury shares in these financial statements.

A7. Discontinued operations

The discontinued operations relate to the power plant in Tawau, Sabah operated by 51%-owned Serudong Power Sdn Bhd (“SPSB”). The Power Purchase Agreement (“PPA”) expired on 2 December 2017.

Accordingly, the Group has presented and disclosed in these financial statements (including comparative information) the results of SPSB under discontinued operations in accordance to MFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), separately from continuing operations. The results of discontinued operations for the current quarter and financial year ended 31 December 2020 are presented as follows:

	4th Quarter Ended 31.12.2020 RM'000	4th Quarter Ended 31.12.2019 RM'000	Financial Year Ended 31.12.2020 RM'000	Financial Year Ended 31.12.2019 RM'000
Revenue	-	-	-	-
Cost of sales	(8)	(47)	(38)	(168)
Gross loss	(8)	(47)	(38)	(168)
Other income	247	438	1,294	1,898
Operating expenses	(290)	(222)	(988)	(1,140)
(Loss)/Profit from operations	(51)	169	268	590
Finance costs	-	-	-	-
(Loss)/Profit before tax	(51)	169	268	590
Income tax expense	(60)	(485)	(298)	(1,901)
Loss after tax for the period/year	(111)	(316)	(30)	(1,311)
Other comprehensive expenses	-	-	-	-
Total comprehensive expenses for the period/year	(111)	(316)	(30)	(1,311)
Loss after tax attributable to:				
Owners of the Company	(129)	496	(69)	1,933
Non-controlling interests	18	(812)	39	(3,244)
	(111)	(316)	(30)	(1,311)
Total comprehensive expenses attributable to:				
Owners of the Company	(129)	496	(69)	1,933
Non-controlling interests	18	(812)	39	(3,244)
	(111)	(316)	(30)	(1,311)

A7. Discontinued operations (Cont'd)

The following amounts have been included in arriving at profit/(loss) before tax of the discontinued operations:

	4th Quarter Ended 31 December		Financial Year Ended 31 December	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
After crediting:				
Gain on disposal of property, plant and equipment	-	-	-	8
Interest income:				
- External parties	21	17	95	91
- Intra-group of companies	225	440	1,198	1,349
After charging:				
Writedown in value of inventories	-	-	-	10

A8. Segment information

Financial Year Ended 31 December 2020	Power RM'000	Resources RM'000	Packaging RM'000	Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External revenue						
- Continuing operations	510,214	142,819	97,775	16,318	-	767,126
- Discontinued operations	-	-	-	-	-	-
	510,214	142,819	97,775	16,318	-	767,126
Inter-segment revenue	-	-	-	116,554	(116,554)	-
Consolidated revenue	510,214	142,819	97,775	132,872	(116,554)	767,126
Results						
Profit from operations						
- Continuing operations	389,897	19,977	11,718	106,836	(117,089)	411,339
- Discontinued operations	268	-	-	-	-	268
	390,165	19,977	11,718	106,836	(117,089)	411,607
Finance costs						(22,331)
Share of results in joint venture / associate						(11)
Profit before tax						389,265
Income tax expense						(11,085)
Profit after tax						378,180
Total assets						
At 31 December 2020	2,256,923	322,119	101,281	562,729	(161,356)	3,081,696

A8. Segment information (Cont'd)

Financial Year Ended 31 December 2019	Power RM'000	Resources RM'000	Packaging RM'000	Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External revenue						
- Continuing operations	470,375	143,522	68,970	19,066	-	701,933
- Discontinued operations	-	-	-	-	-	-
	470,375	143,522	68,970	19,066	-	701,933
Inter-segment revenue	-	-	-	177,189	(177,189)	-
Consolidated revenue	470,375	143,522	68,970	196,255	(177,189)	701,933
Results						
Profit from operations						
- Continuing operations	183,836	16,039	7,101	169,495	(179,634)	196,837
- Discontinued operations	590	-	-	-	-	590
	184,426	16,039	7,101	169,495	(179,634)	197,427
Finance costs						(8,433)
Profit before tax						188,994
Income tax expense						(13,885)
Profit after tax						175,109
Total assets						
At 31 December 2019	2,163,742	315,123	78,468	1,743,510	(1,395,757)	2,905,086

A9. Dividend paid

The details of dividend paid during the current quarter and financial year ended 31 December 2020 are disclosed in B9 to these financial statements.

A10. Valuation of property, plant and equipment

There was no revaluation of property, plant and equipment during the period reported up to 19 February 2021, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

A11. Significant event during the reporting period

On 30 August 2020, Bayangan Sutera Sdn Bhd (“BSSB”), an indirect wholly-owned subsidiary of the Company, entered into a Supplemental Agreement with Menteri Besar Incorporated (Perak) (“MB Inc”) to vary the terms and conditions of the Option Agreement dated 13 August 2019 between the same parties.

The variations were made to enable and accommodate the participation of BSSB and Pekat Teknologi Sdn Bhd (“PTSB”) in the fourth bidding exercise for the development of large scale solar photovoltaic plant in Malaysia (“LSS 4”). The salient variations are as follows:

(a) Extension of the Option Period

The expiry of the Option Period was extended from 31 December 2020 to 30 June 2021.

(b) Variation to Option to Lease

The Option to Lease was changed from “the whole, a part or parts of the Land” to “Portion A and/or Portion B” of the Land as delineated in the Supplemental Agreement.

(c) Right to assign the Option to Lease

BSSB will be permitted to assign the Option to Lease on either Portion A or Portion B of the Land to PTSB in the event that PTSB is successful in its LSS 4 bid. Such assignment was prohibited under the Option Agreement.

Other than the above, there was no significant event during the reporting period.

The Coronavirus Disease 2019 (“COVID-19”) outbreak and the various governmental measures to contain the spread of the virus in Malaysia and elsewhere in the world did not have an adverse material impact to the earnings of the Group in the current quarter and financial year ended 31 December 2020, as detailed in B1, B2 and B3 to these financial statements.

A12. Significant event subsequent to the end of the reporting period

There was no significant event subsequent to the end of the period reported up to 19 February 2021, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

The ongoing COVID-19 outbreak and governmental measures are not expected to have a material impact to the overall earnings of the Group.

A13. Changes in composition of the Group

The change in the composition of the Group for financial year ended 31 December 2020 is disclosed below:

- (a) On 2 March 2020, MFP Solar International Limited, a wholly-owned subsidiary of MFCB incorporated a 100% owned subsidiary, namely MFP Solar (Cambodia) Co. Ltd. with a registered capital of 140,000,000 Riels (equivalent to USD35,000); and
- (b) On 16 July 2020, MFP Solar Sdn Bhd (“MFP Solar”), an indirect 55%-owned subsidiary of MFCB acquired 100 ordinary shares representing the entire issued and paid-up share capital of MF Solar Sdn Bhd (“MFS”) for a total cash consideration of RM100.

with the objective to undertake solar photovoltaic investment business activities, as part of the Group’s plans and strategy to grow the renewable energy within its Power Division.

A14. Changes in contingent liabilities and assets

- (a) Contingent liability

On 5 October 2016, Idaman Harmoni Sdn. Bhd. (“IHSB”), an indirect 65% owned subsidiary of the Company, was served with the following notices of assessment showing additional taxes and penalties totaling RM22,795,912:

- (i) Notice of Additional Assessment dated 20 September 2016 for Year of Assessment (“YA”) 2010 whereby additional tax (inclusive of penalty of 50%) of RM37,763.50 has been imposed by the Inland Revenue Board of Malaysia (“IRBM”) (“Form JA”).
- (ii) Notice of Reduced Assessment dated 23 September 2016 for YA 2009 whereby tax of RM35,429.00 has been reduced by IRBM (“Form JR”).
- (iii) Notice of Assessment dated 23 September 2016 for YA 2009 whereby tax (inclusive of penalty of 100%) of RM22,793,577.50 has been imposed by IRBM (“Form J”).

There will be additional late payment penalty imposition of up to 15.5% on the above unpaid taxes and penalties.

A14. Changes in contingent liabilities and assets (Cont'd)

(a) Contingent liability (Cont'd)

The abovementioned taxes and penalties imposed by IRBM are in relation to a joint venture entered into by IHSB as the landowner with a property developer for the construction of an office and residential property known as PJ8 pursuant to an agreement dated 23 April 2004.

The IRBM has taken the view that there is a deemed disposal of the PJ8 property by IHSB which is subject to income tax. This transaction was treated by IHSB as a capital transaction which was liable to Real Property Gains Tax in Year 2004. IHSB is a property investment company and has not disposed of any of its PJ8 properties since completion.

Based on advice from both its tax consultants and solicitors, IHSB is of the view that the assessment raised by IRBM are statute barred and erroneous in law. IHSB has filed its appeals against the assessments to the Special Commissioners of Income Tax ("SCIT") on 28 October 2016.

On 1 September 2020, SCIT has dismissed IHSB's appeals. IHSB has been advised by its solicitors that there are strong and valid grounds for an appeal to be made against the SCIT's decision. IHSB has registered the appeal with the High Court on 15 September 2020. The Court has fixed the next case management hearing on 24 March 2021.

By virtue of the consent judgment with the Government dated 5 October 2018, IHSB does not have to pay the taxes imposed by IRBM under the Assessments until IHSB's appeal to the High Court (and any appeal to the Court of Appeal, if any) has been finally determined.

Other than as disclosed above, there was no material contingent liability as at 19 February 2021, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

(b) Contingent asset

The Group has no contingent asset as at 19 February 2021, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

A15. Capital commitments

As at 31 December 2020, the Group has the following commitments:

	RM'000
Property, plant and equipment	
Authorised but not provided for:	
- Contracted	92,109
- Non-contracted	1,435
	93,544
	93,544

A16. Significant related party transactions

	4th Quarter Ended 31.12.2020 RM'000	Financial Year Ended 31.12.2020 RM'000
Sales of lime products to a joint venture company	677	689
	677	689
	677	689

Other than as disclosed above, there was no significant related party transaction during the current quarter and financial year ended 31 December 2020.

A17. Derivative financial instruments

	31.12.2020 RM'000	31.12.2019 RM'000
<u>Derivative liability</u>		
Interest rate swap	-	4,391
	-	4,391
	-	4,391

The Interest Rate Swap (“IRS”) was executed in 2017 with credit-worthy financial institution in order to partially hedge against potential increases in the LIBOR arising from the LIBOR-pegged US Dollar loan facility which was obtained for the purpose of part financing the construction of the Don Sahong Hydropower Project (“Don Sahong”).

With the IRS, it effectively swaps out the LIBOR with a fixed interest rate of 2.5% per annum. The IRS has the same maturity terms as the underlying principal instrument and is settled every month which is consistent to latter’s interest repayment schedule.

The Group fully settled the above LIBOR-pegged US Dollar facility in July 2020 and the IRS was terminated concurrently. Accordingly, the cumulative derivative liability balance up to termination date is recycled through profit or loss in the financial year ended 31 December 2020.

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Performance review - Current quarter ended 31 December 2020 ("4Q2020") versus ("vs") the corresponding quarter ended 31 December 2019 ("4Q2019")

Continuing Operations

	4Q2020	4Q2019	Changes	
	RM'000	RM'000	RM'000	%
Revenue	213,971	195,531	18,440	9.4%
Other expenses, net	(7,504)	(4,392)	(3,112)	70.9%
Operating profit	121,514	46,836	74,678	159.4%
Earning before interest, tax, depreciation and amortisation ("EBITDA")	144,817	102,746	42,071	40.9%
Profit before tax	116,138	94,490	21,648	22.9%
Profit after tax	109,875	98,555	11,320	11.5%
Profit after tax attributable to owners of the Company	93,181	82,680	10,501	12.7%
Revenue				
Power	139,008	139,302	(294)	-0.2%
Resources	40,660	32,319	8,341	25.8%
Packaging & Labels	28,805	18,658	10,147	54.4%
Sub-total	208,473	190,279	18,194	9.6%
Investment holding & others	5,498	5,252	246	4.7%
Total revenue	213,971	195,531	18,440	9.4%
Profit before tax				
Power	111,374	97,097	14,277	14.7%
Resources	5,446	3,158	2,288	72.5%
Packaging & Labels	3,824	184	3,640	1978.3%
Sub-total	120,644	100,439	20,205	20.1%
Investment holding & others	(4,506)	(5,949)	1,443	-24.3%
Total profit before tax	116,138	94,490	21,648	22.9%
Additional Information:				
Construction revenue	-	104,216	(104,216)	-100.0%
Construction profit	-	68,584	(68,584)	-100.0%

B1. Performance review - 4Q2020 vs 4Q2019 (Cont'd)

Continuing Operations

Group revenue in the current quarter improved 9.4% to RM214.0 million (4Q2019: RM195.5 million) mainly due to RM139.0 million energy sales revenue (4Q2019: RM35.1 million) and higher contribution from both the Resources Division (up 25.8% to RM40.7 million) and the Packaging & Labels Division (up 54.4% to RM28.8 million), partially offset by the absence of construction revenue (4Q2019: RM104.2 million).

Pre-tax profit increased 22.9% to RM116.1 million (4Q2019: RM94.5 million), underpinned by RM111.4 million pre-tax profit contribution from energy sales (4Q2019: RM28.5 million), coupled with higher profit contribution from both the Resources Division (up 72.5% to RM5.4 million) and the Packaging & Labels Division (up 20-fold to RM3.8 million), partially offset by the absence of construction profit in the current quarter.

Power Division

Revenue came in flat year-on-year at RM139.0 million, as higher energy sales of RM139.0 million in the current quarter (4Q2019: RM35.1 million) was offset by the absence of construction revenue (4Q2019: RM104.2 million). Construction of the Don Sahong Project was completed in 4Q2019. The hydropower plant was fully commissioned on 7 January 2020. Energy sales of RM35.1 million recorded in 4Q2019 represented actual power evacuated by Electricite du Laos (EDL) during the test phase before full commissioning.

Don Sahong achieved an average Energy Availability Factor ("EAF") of 95.5% in the current quarter, the highest level for the year. Energy sales from solar remained insignificant, contributing only RM0.1 million (4Q2019: nil) in revenue to the current quarter turnover.

Pre-tax profit increased 14.7% to RM111.4 million (4Q2019: RM97.1 million) on higher energy sale, partially offset by the absence of construction profit in the current quarter (4Q2019: RM68.6 million).

B1. Performance review - 4Q2020 vs 4Q2019 (Cont'd)

Resources Division

The Resources Division registered sales growth of 25.8% year-on-year from RM32.3 million to RM40.7 million, led by a 29.2% rise in sales of lime products to RM36.9 million (4Q2019: RM28.6 million). Revenue of other products (including calcium carbonate powder, quarry by-products and cement bricks) stayed flat at RM3.7 million.

Sales volume of lime products for the current quarter rose 31.6% year-on-year as orders from new customers more than offset overall weaker demand from existing customers impacted by the Covid-19 pandemic and higher freight costs in December 2020.

The average selling price ("ASP") of lime products was 1.9% lower year-on-year due to a change in the customer sales mix and the strengthening of Ringgit Malaysia ("RM") against United States Dollar ("USD").

Pre-tax profit improved 72.5% to RM5.4 million, against RM3.2 million recorded a year ago on higher customer demand and lower unit production cost (resulting from improved plant utilisation rate).

Packaging & Labels Division

The Packaging & Labels Division's revenue surged 54.4% to RM28.8 million (4Q2019: RM18.7 million) in the current quarter, underpinned by increased orders of flexible plastic and paper packaging products from both new and existing customers.

Consequently, the Division's pre-tax profit jumped 20-fold to RM3.8 million from RM0.2 million posted a year ago, on higher turnover, improved plant efficiency and lower wastage.

B2. Performance review - Financial Year Ended 31 December 2020 ("FY2020) versus ("vs") Financial Year Ended 31 December 2019 ("FY2019")

Continuing Operations

	Year 2020 RM'000	Year 2019 RM'000	Changes	
			RM'000	%
Revenue	767,126	701,933	65,193	9.3%
Other expenses, net	(10,075)	(6,892)	(3,183)	46.2%
Operating profit	411,339	196,837	214,502	109.0%
Earning before interest, tax, depreciation and amortisation ("EBITDA")	510,170	214,360	295,810	138.0%
Profit before tax	388,997	188,404	200,593	106.5%
Profit after tax	378,210	176,420	201,790	114.4%
Profit after tax attributable to owners of the Company	321,359	151,735	169,624	111.8%
Revenue				
Power	510,214	470,375	39,839	8.5%
Resources	142,819	143,624	(805)	-0.6%
Packaging & Labels	97,775	68,427	29,348	42.9%
Sub-total	750,808	682,426	68,382	10.0%
Investment holding & others	16,318	19,507	(3,189)	-16.3%
Total revenue	767,126	701,933	65,193	9.3%
Profit before tax				
Power	372,086	182,482	189,604	103.9%
Resources	18,766	16,460	2,306	14.0%
Packaging & Labels	9,461	(501)	9,962	1988.4%
Sub-total	400,313	198,441	201,872	101.7%
Investment holding & others	(11,316)	(10,037)	(1,279)	12.7%
Total profit before tax	388,997	188,404	200,593	106.5%
Additional Information:				
Construction revenue	-	435,289	(435,289)	-100.0%
Construction profit	-	157,506	(157,506)	-100.0%

B2. Performance review - FY2020 vs FY2019 (Cont'd)

The Group's turnover expanded 9.3% to RM767.1 million in 2020 from RM701.9 million recorded a year ago. The increase in turnover was mainly attributable to RM510.2 million energy sales revenue (2019: RM35.1 million) and higher revenue contribution from the Packaging & Labels Division (up 42.9% to RM97.8 million), partially offset by the absence of construction revenue in 2020 (2019: RM435.3 million).

Group pre-tax profit more than doubled from RM188.4 million in 2019 to RM389.0 million in 2020, bolstered by profit from energy sales of RM372.1 million (2019: RM25.0 million) and higher profit contributions from the Packaging & Labels Division (RM9.5 million profit against a RM0.5 million loss in 2019) and the Resources Division (up 14% to RM18.8 million), partially offset by the absence of construction profit in the current year (2019: RM157.5 million).

Power Division

Don Sahong achieved an average EAF of 86.4% in its maiden full year of operation, translating into a revenue contribution of RM510.0 million. Together with solar energy sales of RM0.2 million from the Group's first 1.5 MW industrial rooftop solar project commissioned in August 2020, the Power Division posted a total revenue of RM510.2 million in 2020. Compared to 2019 revenue of RM470.4 million, which comprised RM435.3 million in construction revenue and RM35.1 million in energy sales, revenue of the Power Division registered an 8.5% year-on-year increase.

The division posted a pre-tax profit of RM372.1 million from energy sales in 2020. This represented a 103.9% increase from the previous year. 2019 pre-tax profit of the Power Division of RM182.5 million was derived from construction profit (RM157.5 million) and energy sales (RM25.0 million).

B2. Performance review - FY2020 vs FY2019 (Cont'd)

Resources Division

Revenue declined marginally by 0.6% from RM143.6 million to RM142.8 million. Although sale of lime products was 0.9% higher at RM130.3 million, the increase was more than offset by a 13.6% decline in sale of other products (including calcium carbonate powder, quarry by-products and cement bricks) to RM12.5 million.

Lime product sales volume rose 5.1%, driven by higher volume to new customers which more than offset slower offtake by existing customers impacted by the COVID-19 pandemic. The average selling price of lime products was 4% lower on changes in the customer sales mix.

Nonetheless, pre-tax profit rose 14.0% from RM16.5 million to RM18.8 million on lower unit production cost (led by lower fuel cost) and finance charges.

Packaging & Labels Division

Revenue increased 42.9% to RM97.8 million, underpinned by new customer orders for flexible packaging products and paper bags, which more than offset slower demand from existing customers negatively impacted by COVID-19 pandemic.

The division posted a pre-tax profit of RM9.5 million for 2020, compared to a loss position of RM0.5 million in 2019, on account of higher turnover, lower wastage and improved production capacity utilisation.

B2. Performance review - FY2020 vs FY2019 (Cont'd)

(a) Assets and Liabilities

Changes in key assets and liabilities during the FY2020 are explained below:

Asset/Liability Items	As At 31.12.2020 RM'000	As At 31.12.2019 RM'000	Changes RM'000	Explanation
Intangible asset	1,932,044	2,048,137	(116,093)	Decrease was due to RM81.7 million amortisation charge for the year and translation loss of RM34.4 million.
Property, plant and equipment ("PPE")	250,229	222,770	27,459	Increase was due to RM44.6 million CAPEX, comprising mainly: (a) RM19.1 million on plantation development in Cambodia; (b) RM15.7 million on solar photovoltaic power projects; (c) RM 5.0 million on facility improvement for Resources Division; and (d) RM 4.5 million to expand production capacity of Packaging & Labels Division. Partially offset by RM15.7 million depreciation charge and translation differences losses.
Right-Of-Use ("ROU") Assets	104,298	95,989	8,309	Increase was due mainly to RM14.0 million CAPEX, partially offset by RM5.6 million depreciation charge for the year.
Investment properties	177,212	177,212	-	No movement in the current year.
Inventories (non-current)	43,443	43,443	-	No movement in the current year.

B2. Performance review - FY2020 vs FY2019 (Cont'd)

(a) Assets and Liabilities (Cont'd)

Significant changes in key assets and liabilities during the FY2020 are explained below: (Cont'd)

Asset/Liability Items	As At 31.12.2020 RM'000	As At 31.12.2019 RM'000	Changes RM'000	Explanation
Investment in quoted shares	98,790	49,385	49,405	Increase was primarily due to fair value gain of quoted securities during the year.
Inventories (current)	61,802	66,974	(5,172)	Decrease was mainly due to lower inventory level held by the Resources Division.
Receivables	307,798	97,347	210,451	Increase was mainly due to a RM188.7 million increase in trade receivable from EDL which in turn was due to higher energy sales and a momentary increase in receivable turnover from the normal 3-4 months to 4-5 months. Trade receivable turnover has since returned to the normal 3-4 months in mid-February 2021.
Deferred tax liabilities	100,536	95,935	4,601	Increase was mainly due to deferred tax liability provided on intangible assets following a change in the income tax rate from 20% to 24%.
Payables (current)	125,055	314,899	(189,844)	Decrease was mainly due to RM190.3 million partial settlement of amount owing to Don Sahong's EPCC contractor.

B2. Performance review - FY2020 vs FY2019 (Cont'd)

(b) Group borrowings and debt securities

At 31 December 2020, total borrowings (exclude lease liabilities) amounted to RM657.9 million, a RM88.2 million decline from RM746.1 million at the beginning of the year. The Table below sets out the salient information on the Group's bank borrowings:

	Long-term		Short-term		Total
	USD RM'000	RM RM'000	USD RM'000	RM RM'000	As at 31.12.2020 RM'000
Secured					
Bankers' acceptance	-	-	-	14,693	14,693
Term loans	-	28,262	-	9,370	37,632
Revolving credits	-	-	-	3,000	3,000
	-	28,262	-	27,063	55,325
Unsecured Loan	506,142	-	96,408	-	602,550
Total Borrowings	506,142	28,262	96,408	27,063	657,875

The decrease in total borrowings since 31 December 2019 was primarily attributable to loan repayments with cash flow from operations and proceeds from the issue of new shares from the exercise of ESOS and warrant conversion (see below cash flow analysis).

Interest rate on the Group's bank borrowings is floating in nature.

The Group has no debt securities as at 31 December 2020.

(c) Cash flow analysis for the financial year ended 31 December 2020

The Group generated RM293.8 million cash from its operating activities during the financial year ended 31 December 2020, a marked improvement from RM41.9 million reported in previous year due mainly to the commencement of commercial operation of Don Sahong at the beginning of the year.

The Group raised RM124.0 million capital in 2020 from the issue of new ordinary shares arising from Warrants 2016/2020 conversion and the exercise of ESOS options.

The funds generated from operating activities and new equity during the year were mainly applied in the following areas:

1. RM190.3 million partial settlement of amount owing to Don Sahong's EPCC contractor;
2. RM 97.1 million for interests and principal repayment (net) of borrowings;
3. RM 66.4 million to defray capital expenditure incurred for the purchase of PPE and ROU assets; and
4. RM 59.2 million as dividend payments.

Accordingly, the Group's cash and cash equivalents increased marginally from RM87.9 million (at 31.12.2019) to RM90.1 million as at 31.12.2020.

B3. Variation of Current Quarter (“4Q2020”) versus (“vs”) Preceding Quarter (“3Q2020”)

Continuing Operations

	4Q2020 RM'000	3Q2020 RM'000	Changes	
			RM'000	%
Revenue	213,971	211,213	2,758	1.3%
Other (expenses)/income, net	(7,504)	(2,390)	(5,114)	214.0%
Operating profit	121,514	97,681	23,833	24.4%
Earning before interest, tax, depreciation and amortisation (“EBITDA”)	144,817	138,736	6,081	4.4%
Profit before tax	116,138	109,031	7,107	6.5%
Profit after tax	109,875	107,754	2,121	2.0%
Profit after tax attributable to owners of the Company	93,181	90,432	2,749	3.0%
Revenue				
Power	139,008	137,518	1,490	1.1%
Resources	40,660	41,066	(406)	-1.0%
Packaging & Labels	28,805	28,113	692	2.5%
Sub-total	208,473	206,697	1,776	0.9%
Investment holding & others	5,498	4,516	982	21.7%
Total revenue	213,971	211,213	2,758	1.3%
Profit before tax				
Power	111,374	102,356	9,018	8.8%
Resources	5,446	7,059	(1,613)	-22.9%
Packaging & Labels	3,824	3,499	325	9.3%
Sub-total	120,644	112,914	7,730	6.8%
Investment holding & others	(4,506)	(3,883)	(623)	16.0%
Total profit before tax	116,138	109,031	7,107	6.5%

B3. Variation of 4Q2020 vs 3Q2020 (Cont'd)

Group turnover improved 1.3% quarter-on-quarter from RM211.2 million to RM214.0 million, underpinned by an increase in energy sales (on higher EAF) and higher recorded sales in the Packaging & Labels Division, partially offset by a 1% decline in turnover of the Resources Division.

Group pre-tax profit rose 6.5% sequentially to RM116.1 million (3Q2020: 109.0 million), bolstered by improved profit contributions from both the Power Division (up 8.8%) and the Packaging & Labels Division, partially offset by lower profit from the Resources Division.

Power Division

The EAF rose from 92.5% in 3Q2020 to 95.5% in 4Q2020. EAF for 3Q2020 was negatively impacted by scheduled maintenance. Higher EAF in the current quarter was however partially negated by translation loss resulting from a stronger Ringgit Malaysia, resulting in only marginal 1.1% increase in revenue to RM139.0 million.

Pre-tax profit however rose 8.8% quarter-to-quarter to RM111.4 million (3Q2020: RM102.4 million) on higher revenue and over accrual of project cost.

Resources Division

Export sales of lime products were affected by sharp increases in freight rates and port congestion in December 2020. Consequently, sales volume of lime products fell 2.2% sequentially in the current quarter. Overall revenue of the Division declined 1% to RM40.7 million, as lower sales volume was partially mitigated by a 1.5% increase in the average selling price.

Pre-tax profit of the Division however declined 22.9% sequentially to RM5.4 million (3Q2020: RM7.1 million), as margins were adversely affected by sharp increases in freight rates for several of its export routes and higher unit production costs.

Packaging & Labels Division

Despite congestions experienced in port Klang in December, the Packaging & Labels Division was able to generate a 2.5% growth in revenue to RM28.8 million as demand for the Group's flexible packaging products and paper bags remains strong.

Pre-tax profit improved from RM3.5 million in previous quarter to RM3.8 million in the current quarter on higher turnover, productivity gains and lower wastage.

B4. Prospects

Power Division

Hydro - Don Sahong

Despite an unusually dry season in 1Q2020, Don Sahong achieved an average EAF of 86.4% in its first year of operation. Based on the higher water levels in the first two months of this year's dry season and better power distribution plan following the completion of EDL's 500KV transmission line from Ban Hut substation to the Cambodian border in November 2020, we expect the average EAF to be higher in 2021.

The recent strengthening of the Malaysia Ringgit against the US Dollar, if sustained, will however have a dampening effect on power earnings in Ringgit term when compared to a year ago. The average USD:RM exchange rate was 4.203 in 2020, compared to about 4.042 currently.

Due to the on-going Covid-19 pandemic and the ensuing travel restrictions, we have yet to finalise the construction plan for the 5th turbine. At the earliest, construction can only start in the next dry season in late 2021.

Solar – Large Scale Solar (LSS)

The Group has on 2 September 2020 submitted a bid to build a 50 MW large scale solar photovoltaic plant under the Energy Commission's 4th cycle Large-Scale Solar development scheme ("LSS4") in Malaysia.

Results of the bidding exercise is expected to be announced soon. If successful, the project, which carries a term of 21 years, is scheduled for commissioning in 2023.

Solar - Commercial & Industrial ("C&I") Projects

The Group has so far completed a 1.5 MW C&I rooftop solar in August 2020. Another 12MW is expected to come on stream in 2Q2021. Cumulatively, the Group has secured 15MW of C&I rooftop solar projects. We expect to continue selectively adding new projects to the pipeline in 2021.

Resources Division

Higher freight charges, container shortages and rising fuel and packaging costs are expected to pose challenges to the Resources Group in 2021.

While demand for lime products is expected to grow year-on-year, the division is expected to face some margin pressure from higher fuel, freight and packaging costs. A stronger Ringgit versus the US Dollar, if sustained, is also expected to have a knock-on effect on export margins.

Barring unforeseen circumstances, the Resources Division is expected to perform satisfactorily in 2021 when compared to 2020.

B4. Prospects (Cont'd)

Packaging & Labels Division

Demand growth for the Group's packaging products, which are considered environmentally more friendly and sustainable, to remain robust in 2021.

To cope with an expected increase in demand, capacity expansion is currently underway. Upon completion by the end of 3Q2021, paper bag and flexible packaging capacities are expected to increase by 200% and 100%, respectively.

The division is expected to face multiple cost pressures in 2021 as a result of rising raw material prices, notably paper and resin costs, higher freight charges and higher fuel/transport costs. There is no assurance the Group will be able to pass on all these cost increases to customers.

Barring unforeseen circumstances, the Packaging & Label Division is expected to perform significantly better in 2021 when compared to 2020.

B5. Profit forecast

The Group did not issue any profit forecast or profit guarantee.

B6. Income tax expense

	4th Quarter Ended		Financial Year Ended	
	31 December		31 December	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
- Malaysian	1,069	1,160	5,593	4,582
- Overseas	5,194	(5,225)	5,194	7,402
	6,263	(4,065)	10,787	11,984
<u>Discontinued operations</u>				
- Malaysian	60	485	298	1,901
	6,323	(3,580)	11,085	13,885

The Group's effective tax rate for the current quarter and financial year ended 31 December 2020 was significantly lower than the Malaysia's statutory tax rate of 24% because the profit derived from energy sales in the Lao People's Democratic Republic ("Lao PDR") is exempted from income tax during the period until the end of the 5th anniversary of Don Sahong Plant's commercial operation date ("COD").

B7. Status of corporate proposal

There was no corporate proposal announced but not completed at 19 February 2021, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

B8. Material litigations

GOM vs IHSB

Details of this tax dispute are disclosed in Note A14(a).

Other than as disclosed above, there was no material litigation as at 19 February 2021, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

B9. Dividends

- (a) A final single-tier dividend of 6.0 sen per ordinary share for the financial year ended 31 December 2019 amounting to RM28,420,725 was paid on 25 August 2020.
- (b) A first single-tier dividend of 6.0 sen per ordinary share in respect of the financial year ended 31 December 2020 amounting to RM28,420,725 was paid on 2 December 2020;
- (c) The Board is declaring a second and final dividend of 6.5 sen per ordinary share for the financial year ended 31 December 2020. The dividend has not been included as a liability in these financial statements. The entitlement and payment dates will be announced later.
- (d) The total dividend declared to-date for the financial year ended 31 December 2020 is 12.5 sen (2019: 6.0 sen) per ordinary share.

B10. Detailed disclosure for consolidated statement of profit or loss and other comprehensive income

	4th Quarter Ended 31 December		Financial Year Ended 31 December	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<u>Continuing Operations</u>				
After crediting:				
Dividend income	249	146	1,000	1,060
Gain/(Loss) on disposal of:				
- property, plant and equipment	115	2	115	(1)
Gain on foreign exchange:				
- realised	-	20	-	1,715
- unrealised	2,041	-	1,846	-
Interest income	3,146	383	4,105	1,665
After charging:				
Allowance for impairment losses on:				
- right-of-use assets	-	(535)	-	(535)
- receivables, net	(7,180)	(1,078)	(8,336)	(2,074)
Amortisation of intangible asset	(19,953)	-	(81,675)	-
Depreciation of:				
- property, plant and equipment	(4,647)	(4,242)	(15,658)	(14,979)
- right-of-use assets	(1,861)	(1,378)	(5,614)	(6,114)
Finance costs	(5,365)	(3,191)	(22,331)	(8,433)
Loss on foreign exchange:				
- realised	(2,933)	(30)	(3,326)	-
- unrealised	-	(381)	-	(283)
Write-down in value of inventories	(283)	(256)	(1,754)	(557)
Allowance for impairment loss on				
- receivables, net	-	(1,381)	-	(1,381)
Plant and equipment written off	-	(1,381)	-	(1,381)
Fair value loss on interest rate swap designated as cash flow hedge - transfer from Other Comprehensive Income	-	-	(9,546)	-
After other comprehensive income/(expenses)				
Foreign currency translation difference for foreign operations	(52,225)	(26,991)	(37,982)	(13,338)
Fair value changes of equity investments	40,535	8,142	44,123	6,134
Interest rate swap:				
- Reclassified to profit or loss upon termination	-	-	9,546	-
- Fair value changes during the period	-	880	(5,155)	(5,038)

B11. Earnings per share

	4th Quarter Ended		Financial Year Ended	
	31 December		31 December	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Profit after tax attributable to owners of the Company:				
- Continuing operations	93,181	82,680	321,359	151,735
- Discontinued operations	(129)	496	(69)	1,933
	<u>93,052</u>	<u>83,176</u>	<u>321,290</u>	<u>153,668</u>
Weighted average number of ordinary shares ('000):				
Issued ordinary shares outstanding at beginning of the period	494,176	417,364	438,342	425,557
Effect of treasury shares held	(20,497)	(20,497)	(20,497)	(20,497)
Effect of new ordinary shares issued pursuant to:				
- ESOS options	-	636	11,415	238
- Warrants	-	4,778	25,935	5,524
	<u>473,679</u>	<u>402,281</u>	<u>455,195</u>	<u>410,822</u>
Basic earnings per share (sen):				
- Continuing operations	19.67	20.55	70.60	36.93
- Discontinued operations	(0.03)	0.12	(0.02)	0.47
- Total	<u>19.64</u>	<u>20.67</u>	<u>70.58</u>	<u>37.40</u>

The basic earnings per share is calculated by dividing the Group's profit after tax attributable to owners of the Company by the weighted average number of ordinary shares in issue during the current quarter and financial year ended 31 December 2020 excluding treasury shares held by the Company.

The diluted earnings per share is equal to the basic earnings per share as there is no outstanding dilutive potential equity instruments issued by the Company as at 31 December 2020.

B12. Authorised for issue

These interim financial statements were authorised for issue by the Board of Directors on 26 February 2021.