



MAGNUM BERHAD (24217-M)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	3 months ended		12 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	527,350	630,932	1,673,153	2,705,685
Cost of sales	(436,197)	(515,954)	(1,372,844)	(2,212,000)
Gross profit	91,153	114,978	300,309	493,685
Other income	6,951	8,374	12,445	20,204
Administrative expenses	(6,615)	(9,354)	(35,540)	(38,151)
Other expenses	(36,136)	(21,590)	(85,318)	(81,906)
Operating profit	55,353	92,408	191,896	393,832
Finance costs	(11,435)	(12,443)	(47,898)	(50,625)
Profit before tax	43,918	79,965	143,998	343,207
Income tax expense	(84,637)	(24,724)	(122,445)	(102,064)
(Loss)/profit for the financial year	(40,719)	55,241	21,553	241,143
Other comprehensive income				
Foreign currency translation	8	4	3	16
Change in fair value of financial assets at fair-value-through-other comprehensive income	(25)	28,020	255	28,276
	(17)	28,024	258	28,292
Total comprehensive (loss)/income for the financial year	(40,736)	83,265	21,811	269,435
(Loss)/profit for the financial year attributable to:				
Owners of the Company	(40,853)	56,288	21,334	238,725
Non-controlling interests	134	(1,047)	219	2,418
	(40,719)	55,241	21,553	241,143
Total comprehensive (loss)/ income for the financial year attributable to:				
Owners of the Company	(40,870)	84,312	21,592	267,017
Non-controlling interests	134	(1,047)	219	2,418
	(40,736)	83,265	21,811	269,435
(Loss)/earnings per share attributable to owners of the Company (sen per share) :				
Basic	(2.86)	3.96	1.50	16.78

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

CONDENSED CONSOLIDATED STATEMENTS 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		
Property, plant and equipment	65,743	62,612
Right-of-use assets	17,731	15,703
Investment properties	533	540
Investment securities	398,985	398,730
Intangible assets	2,738,317	2,738,332
Deferred tax assets	5,488	8,691
	<u>3,226,797</u>	<u>3,224,608</u>
Current assets		
Inventories	2,071	1,367
Investment securities	23,094	27,599
Receivables	44,181	36,380
Tax recoverable	7,124	6,590
Deposits, cash and bank balances	272,540	306,861
	<u>349,010</u>	<u>378,797</u>
Total Assets	<u>3,575,807</u>	<u>3,603,405</u>
Equity and liabilities		
Equity attributable to owners of the Company		
Share capital	2,154,357	2,154,357
Treasury Shares	(1,163)	(30,205)
Reserves	238,656	353,112
Shareholders' equity	<u>2,391,850</u>	<u>2,477,264</u>
Non-controlling interests	22,862	22,645
Total equity	<u>2,414,712</u>	<u>2,499,909</u>
Non-current liabilities		
Borrowings	758,517	674,530
Lease liability	6,029	3,599
Deferred tax liabilities	1,031	1,578
	<u>765,577</u>	<u>679,707</u>
Current liabilities		
Borrowings	189,996	224,471
Lease liability	1,327	1,322
Payables	198,136	194,612
Tax payable	6,059	3,384
	<u>395,518</u>	<u>423,789</u>
Total liabilities	<u>1,161,095</u>	<u>1,103,496</u>
Total equity and liabilities	<u>3,575,807</u>	<u>3,603,405</u>
Net assets per share attributable to owners of the Company (RM)	<u>1.66</u>	<u>1.74</u>

These condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	----- Attributable to Owners of the Company -----					NON- CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
	-----Non-distributable ----						
	SHARE CAPITAL RM'000	OTHER RESERVES RM'000	TREASURY SHARES RM'000	RETAINED PROFITS RM'000			
At 1 January 2019	2,154,357	(595,411)	(30,205)	923,207		40,722	2,492,670
Effect of adoption of MFRS 16	-	-	-	(299)		-	(299)
	2,154,357	(595,411)	(30,205)	922,908		40,722	2,492,371
Total comprehensive income for the financial year	-	28,292	-	238,725		2,418	269,435
Dividends paid	-	-	-	(241,902)		-	(241,902)
Dividends paid to non-controlling interests	-	-	-	-		(19,995)	(19,995)
At 31 December 2019	2,154,357	(567,119)	(30,205)	919,731		23,145	2,499,909
At 1 January 2020	2,154,357	(567,119)	(30,205)	920,231		22,645	2,499,909
Total comprehensive income for the financial year	-	258	-	21,334		219	21,811
Dividends paid	-	-	-	(107,006)		-	(107,006)
Distribution of treasury shares as share dividend	-	-	29,042	(29,042)		-	-
Purchase of additional shares in a subsidiary	-	-	-	-		(2)	(2)
At 31 December 2020	2,154,357	(566,861)	(1,163)	805,517		22,862	2,414,712

These condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

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

	12 months ended	
	31.12.2020	31.12.2019
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	143,998	343,207
Adjustments for:		
Non-cash items	17,558	17,919
Non-operating items	35,885	30,795
Operating cash flows before working capital changes	197,441	391,921
Changes in working capital:		
Inventories	(704)	(291)
Receivables	(2,348)	(4,676)
Payables	4,622	(69,683)
Cash flows generated from operations	199,011	317,271
Net income tax paid	(117,648)	(156,790)
Finance costs paid	(348)	(345)
Net cash flows generated from operating activities	81,015	160,136
INVESTING ACTIVITIES		
Proceeds from disposal of :		
- property, plant and equipment	5	172
Purchase of :		
- property, plant and equipment	(14,629)	(19,006)
- additional shares in a subsidiary	(2)	-
Dividend received from quoted shares	246	466
Net movement in fixed deposits with licensed bank	-	260
Movement in cash deposits pledged	(395)	68
Interest received	6,351	14,092
Net cash flows used in investing activities	(8,424)	(3,948)
FINANCING ACTIVITIES		
Dividends paid to shareholders	(107,006)	(241,902)
Dividends paid to the non-controlling interests of subsidiaries	-	(19,995)
Repayment of lease liability	(1,504)	(1,552)
Interest paid	(47,549)	(49,445)
Net Draw down (repayment) of medium term notes	50,000	(40,000)
Transaction cost paid	(1,248)	-
Net cash flows used in financing activities	(107,307)	(352,894)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(34,716)	(196,706)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	279,484	476,190
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	244,768	279,484
Cash and cash equivalents consist of :		
Deposits, cash and bank balances	272,540	306,861
Cash deposits pledged	(27,772)	(27,377)
	244,768	279,484

These condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

A EXPLANATORY NOTES PURSUANT TO MFRS 134**A1 Basis of Preparation**

The interim financial statements are unaudited and have been prepared in compliance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134 : Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9 paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019. The explanatory notes attached to the unaudited 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 financial year ended 31 December 2019.

A2 Significant Accounting Policies

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statement for the year ended 31 December 2019, except for the adoption of the following amendments to MFRSs and IC Interpretation during the current financial year :

Effective for financial periods beginning on or after 1 January 2020

Amendments to MFRS 2	Share-based Payment
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 134	Interim Financial Reporting
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 138	Intangible Assets
Amendments to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to IC Interpretation 132	Intangible Assets - Web Site Costs

The adoption of the above does not have a material impact on the financial statements of the Group in the period of initial application.

At the date of authorisation of this unaudited interim financial statements, the following amendments to MFRSs have been issued by the MASB but are not yet effective and have not been adopted by the Group :

Effective for financial periods beginning on or after 1 January 2021

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 & MFRS 16	Interest Rates Benchmark Reform - Phase 2
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Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 116	Property, Plant and Equipment - Proceeds Before Intended Use
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Amendments to MFRSs effective for a date yet to be confirmed

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The directors expect that the adoption of the above standards will have no material impact on the financial statements of the Group upon their initial application.

A3 Seasonal or Cyclical Factors

The business operations of the Group are generally dependent on the state of the overall economic environment.

A4 Unusual Items Affecting Interim Financial Report

There was no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial year ended 31 December 2020, except for the Covid-19 pandemic and the implementation of various forms of Movement Control Order since 18 March 2020 which had resulted cancellation of 40 draws in the first half of the year. The Government of Malaysia has on 10 June 2020 reduced the degree of movement control to Recovery Movement Control Order ("RMCO") where almost all the economic and social activities were allowed subject to conditions such as the implementation of standard operating procedures ("SOP"). Accordingly, the Group resumed its gaming business on 17 June 2020. In view of the movement restriction and implementation of SOP and also MCO was reimposed in certain states in October 2020 due to sudden increase of Covid-19 cases, the gaming business was negatively impacted and the overall gaming revenue for the year has reduced by approximately 38%.

A5 Accounting Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current financial year.

A6 Changes in Debt and Equity Securities

There were no changes in debt and equity securities in the current financial year.

A EXPLANATORY NOTES PURSUANT TO MFRS 134**A7 Dividends Paid**

During the financial year ended 31 December 2020, the Company has paid the following dividends:

- (i) a fourth interim single tier dividend of 3.0 sen per share in respect of financial year ended 31 December 2019, amounting to RM42.689 million on 27 March 2020;
- (ii) a first interim single tier dividend of 2.5 sen per share in respect of financial year ended 31 December 2020, amounting to RM35.574 million on 26 June 2020;
- (iii) a second interim share dividend via distribution of 14.224 million treasury shares on the basis of 1 treasury share for every 100 existing ordinary shares held in respect of the financial year ended 31 December 2020, amounting to RM29.042 million on 25 September 2020; and
- (iv) a third interim single tier dividend of 2.0 sen per share in respect of financial year ended 31 December 2020, amounting to RM28.743 million on 24 December 2020.

A8 Segmental Information

	12 months ended	
	31.12.2020	31.12.2019
	RM'000	RM'000
Segmental Revenue		
Gaming	1,672,816	2,705,039
Investment holdings & others	73,433	428,005
	1,746,249	3,133,044
Eliminations	(73,096)	(427,359)
Total	1,673,153	2,705,685
Segmental Results		
Gaming	163,363	347,674
Investment holdings & others	54,772	422,892
	218,135	770,566
Eliminations	(74,137)	(427,359)
Profit Before Tax	143,998	343,207

A9 Material Subsequent Events

There were no material subsequent events since the end of the current financial year.

A10 Changes in Composition of the Group

There were no changes in the composition of the Group during the financial year ended 31 December 2020.

A11 Fair Value Hierarchy

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

As at the reporting date, the Group held the following financial assets that are measured at fair value:

		Level 1	Level 2	Level 3	Total
		RM'000	RM'000	RM'000	RM'000
31 December 2020					
Current	FVTPL	23,094	-	-	23,094
Non-current	FVOCI	13,556	-	-	13,556
Non-current	FVOCI	-	-	385,429	385,429
		36,650	-	385,429	422,079
31 December 2019					
Current	FVTPL	27,599	-	-	27,599
Non-current	FVOCI	13,301	-	-	13,301
Non-current	FVOCI	-	-	385,429	385,429
		40,900	-	385,429	426,329

A12 Contingent Liabilities

Other than as disclosed in Note B9, there were no changes in contingent liabilities or contingent assets since the last audited reporting date as at 31 December 2019.

B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES**B1 Review of Performance of the Group****Quarter ended 31 December 2020 versus the same quarter in 2019**

	3 months ended		Changes	
	31.12.2020 RM'000	31.12.2019 RM'000	RM'000	%
Revenue				
- Gaming	527,195	630,487	(103,292)	-16.4%
- Investment holdings and others	155	445	(290)	-65.2%
	527,350	630,932	(103,582)	-16.4%
Profit/(Loss) before tax				
- Gaming	56,532	74,694	(18,162)	-24.3%
- Investment holdings and others	(12,614)	5,271	(17,885)	-339.3%
	43,918	79,965	(36,047)	-45.1%

Overview

The Group registered a total revenue of RM527.3 million for the current quarter, which is RM103.6 million lower than the previous year's corresponding quarter of RM630.9 million. In line with lower revenue, the Group registered a lower profit before tax of RM43.9 million as compared to RM80.0 million profit before tax recorded in the previous year's corresponding quarter. The drop in profit before tax is mainly derived from both Gaming and Investment Holdings and Others division.

Gaming

Gaming sales for the current quarter at RM527.2 million is lower than the previous year's corresponding quarter by 16.4% or RM103.3 million. The decrease is mainly due to the imposition of the new Standard Operating Procedure on the sales outlets pursuant to the MCO in its various forms and lower disposable income of our players affected by the prolonged pandemic.

In line with the lower gaming sales, Gaming division recorded a lower pre-tax profit of RM56.5 million as compared to pre-tax profit of RM74.7 million recorded in the previous year's corresponding quarter.

Investment Holdings and Others

Investment Holdings and Others division recorded a loss of RM12.6 million as compared to profit of RM5.3 million in previous year's corresponding quarter. This is mainly due to tax penalty of RM16.7 million incurred and higher fair value loss on investments in current year quarter.

12 months ended 31 December 2020 versus the same period in 2019

	12 months ended		Changes	
	31.12.2020 RM'000	31.12.2019 RM'000	RM'000	%
Revenue				
- Gaming	1,672,816	2,705,039	(1,032,223)	-38.2%
- Investment holdings and others	337	646	(309)	-47.8%
	1,673,153	2,705,685	(1,032,532)	-38.2%
Profit/(Loss) before tax				
- Gaming	163,363	347,674	(184,311)	-53.0%
- Investment holdings and others	(19,365)	(4,467)	(14,898)	-333.5%
	143,998	343,207	(199,209)	-58.0%

Overview

The Group registered a lower revenue of RM1.673 billion in the current year as compared to RM2.706 billion in last year. The decrease is attributable to Gaming segment. As a result, the group profit before tax at RM144.0 million was lower by RM199.2 million when compared to RM343.2 million achieved in previous year.

Gaming

Gaming sales for the current year at RM1.673 billion is lower than the previous year by 38.2% or RM1.032 billion. The lower sales is attributable to the cancellation of 40 draws in the first and second quarters during the MCO and CMCO period.

In line with the lower gaming sales, current year's gaming pre-tax profit at RM163.4 million decreased by RM184.3 million from RM347.7 million recorded in the previous year.

Investment Holdings and Others

Investment Holdings and Others division's higher loss of RM19.4 million recorded in the current year mainly due to tax penalty incurred but mitigated by lower fair value loss on investments recorded in the current year.

B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES**B2 Material change in Profit Before Tax for the current quarter compared with the immediate preceding quarter****Quarter ended 31 December 2020 versus 30 September 2020**

	3 months ended		Changes	
	31.12.2020 RM'000	30.9.2020 RM'000	RM'000	%
Revenue				
- Gaming	527,195	485,570	41,625	8.6%
- Investment holdings and others	155	135	20	14.8%
	527,350	485,705	41,645	8.6%
Profit/(Loss) before tax				
- Gaming	56,532	49,631	6,901	13.9%
- Investment holdings and others	(12,614)	(2,352)	(10,262)	-436.3%
	43,918	47,279	(3,361)	-7.1%

Overview

The Group reported revenue of RM527.3 million, which RM41.6 million higher when compared to the immediate preceding quarter. Despite the higher revenue, the Group recorded a lower pre-tax profit of RM43.9 million for the current quarter as compared to pre-tax profit of RM47.3 million in the immediate preceding quarter. The lower pre-tax profit by RM3.4 million is mainly due higher pre-tax loss incurred by Investment and Others division but mitigated by higher pre-tax profit recorded by Gaming division.

Gaming

The Group recorded a higher gaming sales by RM41.6 million in the current quarter and notwithstanding the higher prize payout, the Group recorded a higher pre-tax profit by RM6.9 million.

Investment Holdings and Others

Investment Holdings and Others division recorded a higher pre-tax loss of RM12.6 million which is higher by RM10.3 million when compared to preceding quarter, mainly due to higher tax penalty incurred but mitigated by higher interest income from investments and lower fair value loss on investments in the current quarter.

B3 Prospects

The Government of Malaysia reimposed a second Movement Control Order ("MCO 2.0") from 13 to 26 January 2021 covering various states namely, Selangor, Penang, Melaka Johor, Sabah and Willayah Persekutuan, and later extended to the whole of Malaysia, except Sarawak until 18 February 2021. During this period, gaming revenue were significantly affected as we were not allowed to conduct sales for 18 draws in total in the above states. Nevertheless, our gaming business has resumed in all states on 16 February 2021 as approved by Ministry of Finance.

Based on the Ministry of Finance's guidance, the financial impact from MCO 2.0 shall be less severe than last year's MCO.

With the implementation of nationwide Covid-19 vaccination programme that was kicked off on 24 February 2021, it is expected that the business environment will gradually return to normalcy.

B4 Statement of the Board of Directors' opinion on achievability of revenue or profit estimate, forecast, projection and internal targets previously announced

Not applicable.

B5 Profit Forecast and Profit Guarantee

There was no profit forecast or profit guarantee issued by the Company.

B6 Income Tax Expense

	3 months ended		12 months ended	
	31.12.2020 RM'000	31.12.02019 RM'000	31.12.2020 RM'000	31.12.02019 RM'000
Current income tax	19,602	19,236	57,455	96,576
Under provision in prior year	62,378	2,329	62,333	2,329
	81,980	21,565	119,788	98,905
Deferred tax	2,657	3,159	2,657	3,159
Total income tax expense	84,637	24,724	122,445	102,064

The effective tax rate of the Group for the current quarter and current financial year were higher than the statutory tax rate mainly due to additional tax payable arising from the amicable settlement of the legal dispute with Director General of Inland Revenue ("DGIR") of RM63.9 million and non-deductibility of certain expenses. The penalty portion of the Consent Judgement with the DGIR, amounting to RM16.72 million, is reflected separately under Other Expenses.

B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES**B7 Corporate Proposals**

There is no corporate proposal announced but not completed as at the date of this announcement.

B8 Borrowings

The Group's borrowings as at 31 December 2020 are as follows:

	Secured RM'000
Long term	
Medium term notes	758,517
Short term	
Medium term notes	189,996
Total	<u><u>948,513</u></u>

The borrowings are denominated in Ringgit Malaysia.

B9 Material Litigation

On 29 November 2019 and 2 December 2019, Multi-Purpose International Limited ("MPIL"), a Labuan company which is wholly owned by Magnum Berhad (and which was set up pursuant to the Selective Capital Reduction ("SCR") exercise by Magnum Corporation Berhad), was served with notices of assessment with penalty for year of assessment 2014 to 2018, for a total amount of RM182,804,674.06.

The Inland Revenue Board ("IRB") claimed that MPIL should be taxed under the Income Tax Act 1967 instead of the Labuan Business Activity Tax Act 1990. Since its establishment, MPIL's income including its interest income had been duly assessed under the Labuan Business Activity Tax Act 1990, a position which the IRB had never questioned in the past. Upon consulting its tax solicitors, the Board of Directors was of the view that there were reasonable grounds to challenge the validity of the said notices and the penalty imposed.

On 3 January 2020, the High Court at Labuan had granted leave to MPIL to commence judicial review proceedings against the Director General of Inland Revenue to set aside the notices of assessment for the years of assessment 2014 to 2018.

On 31 December 2020, MPIL through its legal counsel with the agreement of the IRB filed a Consent Order with the Labuan High Court to enter into a Consent Judgment for the following:-

- (1) IRB will set aside the notices of assessment for the years of assessment 2014 and 2015;
- (2) IRB will not subject the single tier dividend received by MPIL in the year of assessment 2018 to tax and IRB will issue the notification of reduced assessment for the said year to reflect the same;
- (3) IRB will waive in full the penalty imposed pursuant to Section 113(2) of the Income Tax Act 1967 in relation to the notice of assessment for the year of assessment 2016;
- (4) MPIL will make full and final settlement of tax and penalty of RM80,620,684.56 for the remaining taxes for the years of assessment 2016 to 2018, RM 60.0 million by 31 December 2020 and the remaining balance of RM 20,620,684.56 in four equal installments from January to April 2021;
- (5) In view of items (1) to (4) above, both parties agree that the Applicant's tax affairs for the years of assessment 2008 to 2018 are in order and have been settled accordingly;
- (6) IRB will:
 - (a) not raise any form of assessment against the MPIL's related company known as Asia 4D Company Limited, another 100%-owned Labuan Offshore subsidiary of Magnum Berhad, for the years of assessment 2008 up to 2018;
 - (b) not issue any form of assessment against Asia 4D Company Limited on the same audit issues for future years of assessment including the year of assessment 2019 until the winding up of Asia 4D Company Limited;
 - (c) not issue any form of assessment against the MPIL on the same audit issues as the matter of these proceedings for future years of assessment including the year of assessment 2019 until the winding up of the MPIL; and
 - (d) Upon submission of the relevant documents to IRB in the future, IRB will issue the letter of clearance for MPIL and Asia 4D Company Limited to facilitate their winding up process. This is on the basis that there are no other issues other than the same audit issues in the present proceedings.

Following the filing of the Consent Order, MPIL will not pursue its judicial review application before the Labuan High Court and the IRB will withdraw its corresponding appeal before the Court of Appeal.

With the above Consent Judgment, the dispute between MPIL and IRB had been settled amicably.

B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES**B10 Dividends**

The Board of Directors is pleased to declare a fourth interim single tier dividend of 2 sen per share (2019 : 3.0 sen per share) for the current financial period, bring the total cash dividend (6.50 sen per share) and share dividend (2.04 sen per share) declared to date for the financial year ended 31 December 2020 to 8.54 sen per share (2019 : 16.0 sen per share).

The fourth interim single tier dividend is to be paid on 26 March 2021 to shareholders registered on the Register of Depositors at the close of business on 15 March 2021.

B11 Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year, excluding treasury shares held by the Company.

	3 months ended		12 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
(Loss)/profit for the financial year attributable to owners of the Company (RM'000)	(40,853)	56,288	21,334	238,725
Weighted average number of ordinary shares in issue ('000)	1,426,725	1,422,955	1,426,725	1,422,955
Basic (loss)/earnings per share (sen)	(2.86)	3.96	1.50	16.78
Notes: The operational EPS after discounting the additional tax and penalty expense arising from MPIL's tax dispute of RM80.6 million are as follows :				
Basic Earnings per share (sen)	2.79	3.96	7.15	16.78

B12 Auditor's Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2019 was not qualified.

B13 Profit before tax

	ended 31.12.2020 RM'000	ended 31.12.2020 RM'000
The profit before taxation for the financial year is arrived at after charging/(crediting):		
Amortisation of intangible assets	3	15
Changes in fair value of investment securities	705	4,505
Depreciation of property, plant and equipment	3,911	11,456
Depreciation of investment properties	2	7
Depreciation of right-of-use assets	526	1,653
Gain on disposal of property, plant and equipment	-	(5)
Interest expense	11,435	47,898
Interest income	(6,934)	(11,804)
Property, plant and equipment written off	20	23
Unrealised gain on foreign exchange	150	(231)

B14 Derivatives

Not applicable.

B15 Fair value changes of financial liabilities

The carrying amounts of the Group's financial liabilities at amortised cost are reasonable approximations of fair values.

By Order Of The Board

Company Secretary
25 February 2021