

MULPHA INTERNATIONAL BHD

Registration No. 197401002704 (19764-T)

PART A1 : QUARTERLY REPORT

Quarterly report on consolidated results for the fourth financial quarter ended 31 December 2020

The figures have not been audited

I(A) CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		CURRENT QUARTER ENDED <u>31.12.2020</u> RM'000	COMPARATIVE QUARTER ENDED <u>31.12.2019</u> RM'000	12 MONTHS CUMULATIVE TO <u>31.12.2020</u> RM'000	12 MONTHS CUMULATIVE TO <u>31.12.2019</u> RM'000
Revenue		225,153	319,243	617,374	850,011
Operating expenses		(218,666)	(375,047)	(717,336)	(1,238,556)
Other operating income		31,097	259,267	112,723	384,706
Profit/(Loss) from operations		<u>37,584</u>	<u>203,463</u>	<u>12,761</u>	<u>(3,839)</u>
Finance costs		(17,148)	(23,504)	(69,092)	(96,484)
Share of loss of associates		(7,526)	(7,406)	(13,076)	(113,623)
Share of profit/(loss) of joint ventures		933	(959)	(9,471)	(911)
Profit/(Loss) before tax	<i>B5</i>	<u>13,843</u>	<u>171,594</u>	<u>(78,878)</u>	<u>(214,857)</u>
Tax benefit	<i>B6</i>	<u>1,074</u>	<u>13,252</u>	<u>21,749</u>	<u>3,739</u>
Profit/(Loss) for the year		<u>14,917</u>	<u>184,846</u>	<u>(57,129)</u>	<u>(211,118)</u>
Attributable to:					
Owners of the Company		14,741	184,553	(58,366)	(211,875)
Non-controlling interests		<u>176</u>	<u>293</u>	<u>1,237</u>	<u>757</u>
Profit/(Loss) for the year		<u>14,917</u>	<u>184,846</u>	<u>(57,129)</u>	<u>(211,118)</u>
Profit/(Loss) per share (sen):-					
- Basic/Diluted	<i>B11</i>	<u>4.61</u>	<u>57.77</u>	<u>(18.27)</u>	<u>(66.32)</u>

(The Condensed Consolidated Profit or Loss should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)

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I(B) CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	CURRENT QUARTER ENDED 31.12.2020 <u>RM'000</u>	COMPARATIVE QUARTER ENDED 31.12.2019 <u>RM'000</u>	12 MONTHS CUMULATIVE TO 31.12.2020 <u>RM'000</u>	12 MONTHS CUMULATIVE TO 31.12.2019 <u>RM'000</u>
Profit/(Loss) for the year	14,917	184,846	(57,129)	(211,118)
Exchange reserves transfer to profit or loss upon disposal of an associate	-	(92,185)	-	(92,185)
Foreign currency translation differences for foreign operations	113,796	45,924	180,657	(41,015)
Net change in fair value of equity instruments designated at FVOCI	25,638	-	(13,710)	-
Share of other comprehensive income/ (expense) of associates	(22)	12	(24)	12
Other comprehensive income/(expense) for the year, net of tax	<u>139,412</u>	<u>(46,249)</u>	<u>166,923</u>	<u>(133,188)</u>
Total comprehensive income/(expense) for the year	<u>154,329</u>	<u>138,597</u>	<u>109,794</u>	<u>(344,306)</u>
Attributable to:				
Owners of the Company	152,504	138,313	107,403	(345,058)
Non-controlling interests	<u>1,825</u>	<u>284</u>	<u>2,391</u>	<u>752</u>
Total comprehensive income/(expense) for the year	<u>154,329</u>	<u>138,597</u>	<u>109,794</u>	<u>(344,306)</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)

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PART A1 : QUARTERLY REPORT

II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		UNAUDITED	AUDITED
		AS AT	AS AT
	<i>Note</i>	31.12.2020	31.12.2019
		RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	<i>A10</i>	1,123,445	1,022,286
Right-of-use assets		14,269	13,658
Investment properties		1,199,693	1,051,756
Investment in associates		119,043	126,985
Investment in joint ventures		55,530	59,199
Investment securities		575,784	534,296
Other investments		5,086	5,086
Goodwill		2,129	2,705
Inventories		603,341	496,403
Trade and other receivables		44,588	52,028
Other non-current assets		14,430	15,851
Deferred tax assets		-	12,935
		<u>3,757,338</u>	<u>3,393,188</u>
Current assets			
Inventories		806,135	878,885
Contract assets		-	492
Trade and other receivables		230,490	396,962
Other current assets		19,496	34,867
Investment securities		161,200	166,994
Income tax recoverable		15,505	2,380
Cash and cash equivalents		296,566	351,851
		<u>1,529,392</u>	<u>1,832,431</u>
Assets classified as held for sale		79,839	79,757
		<u>1,609,231</u>	<u>1,912,188</u>
TOTAL ASSETS		<u>5,366,569</u>	<u>5,305,376</u>

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II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	UNAUDITED AS AT 31.12.2020 RM'000	AUDITED AS AT 31.12.2019 RM'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		2,036,698	2,037,459
Treasury shares	A6	-	(318)
Reserves		127,417	(36,376)
Retained earnings		810,908	868,946
		<u>2,975,023</u>	<u>2,869,711</u>
Non-controlling interests		22,761	20,898
Total equity		<u>2,997,784</u>	<u>2,890,609</u>
Non-current liabilities			
Trade and other payables		6,828	4,808
Provision for liabilities		6,911	6,404
Deferred tax liabilities		60,007	95,732
Loans and borrowings	B8	583,086	645,631
Lease liabilities		47,909	46,027
		<u>704,741</u>	<u>798,602</u>
Current liabilities			
Trade and other payables		178,391	154,994
Contract liabilities		57,805	45,811
Provision for liabilities		26,820	28,106
Loans and borrowings	B8	1,392,087	1,340,966
Lease liabilities		3,490	3,096
Current tax liabilities		5,451	43,192
		<u>1,664,044</u>	<u>1,616,165</u>
Total liabilities		<u>2,368,785</u>	<u>2,414,767</u>
TOTAL EQUITY AND LIABILITIES		<u>5,366,569</u>	<u>5,305,376</u>
Net assets per share (RM)		<u>9.31</u>	<u>8.98</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)

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III CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

< ----- *Attributable to owners of the Company* ----- >

< ----- *Non-distributable* ----- > *Distributable*

	Share Capital	Exchange Reserve	Revaluation Reserve	Other Reserve	Treasury Shares	Retained Earnings	Total	Non- Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	2,037,459	(100,663)	68,545	(4,258)	(318)	868,946	2,869,711	20,898	2,890,609
Foreign currency translation differences for foreign operations	-	178,970	-	-	-	-	178,970	1,687	180,657
Net change in fair value of equity instruments designated at FVOCI	-	-	-	(13,177)	-	-	(13,177)	(533)	(13,710)
Share of other comprehensive expense of associates	-	(24)	-	-	-	-	(24)	-	(24)
Total other comprehensive income/(expense) for the year	-	178,946	-	(13,177)	-	-	165,769	1,154	166,923
(Loss)/Profit for the year	-	-	-	-	-	(58,366)	(58,366)	1,237	(57,129)
Total comprehensive income/(expense) for the year	-	178,946	-	(13,177)	-	(58,366)	107,403	2,391	109,794
Cancellation of treasury shares	(761)	-	-	-	318	443	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(528)	(528)
Total transactions with owners of the Company	(761)	-	-	-	318	443	-	(528)	(528)
Share of other reserve of associates	-	-	-	(2,091)	-	-	(2,091)	-	(2,091)
Transfer upon the disposal of equity investment designated at FVOCI	-	-	-	115	-	(115)	-	-	-
At 31 December 2020	2,036,698	78,283	68,545	(19,411)	-	810,908	2,975,023	22,761	2,997,784

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III CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

< ----- *Attributable to owners of the Company* ----- >

< ----- *Non-distributable* ----- > *Distributable*

	Share Capital	Exchange Reserve	Revaluation Reserve	Other Reserve	Treasury Shares	Retained Earnings	Total	Non- Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2019, restated	2,037,459	32,520	68,545	(62,205)	(318)	1,141,339	3,217,340	(81)	3,217,259
Exchange reserve transfer to profit or loss upon disposal of an associate	-	(92,185)	-	-	-	-	(92,185)	-	(92,185)
Foreign currency translation differences for foreign operations	-	(41,010)	-	-	-	-	(41,010)	(5)	(41,015)
Share of other comprehensive income of associates	-	12	-	-	-	-	12	-	12
Total other comprehensive expense for the year	-	(133,183)	-	-	-	-	(133,183)	(5)	(133,188)
(Loss)/Profit for the year	-	-	-	-	-	(211,875)	(211,875)	757	(211,118)
Total comprehensive (expense)/income for the year	-	(133,183)	-	-	-	(211,875)	(345,058)	752	(344,306)
Acquisition of a subsidiary	-	-	-	-	-	-	-	20,721	20,721
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(494)	(494)
Transfer within reserve	-	-	-	60,518	-	(60,518)	-	-	-
Share of other reserve of associates	-	-	-	(2,571)	-	-	(2,571)	-	(2,571)
Total transactions with owners of the Company	-	-	-	57,947	-	(60,518)	(2,571)	20,227	17,656
At 31 December 2019	2,037,459	(100,663)	68,545	(4,258)	(318)	868,946	2,869,711	20,898	2,890,609

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)

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IV CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	<---12 MONTHS ENDED-->	
		31.12.2020	31.12.2019
		RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(78,878)	(214,857)
Adjustments for non-cash items:			
Bad debts written off		943	3,301
Change in fair value of investment properties		5,295	(62,895)
Dividend income		(177)	(157)
Exchange reserve transfer to profit or loss upon disposal of an associate		-	(92,185)
Fair value loss/(gain) on financial assets at fair value through profit or loss		2,293	(1,180)
(Gain)/Loss on disposal of investment securities		(91)	31
Impairment loss on assets classified as held for sale		6,117	-
Impairment loss on investment in an associate		-	312,710
Impairment loss on financial assets:			
- Investment securities		-	35
- Trade and other receivables		4,500	1,859
Interest income		(25,511)	(20,690)
Interest expense		69,092	96,484
Inventories written down		10,235	2,117
Investment properties			
- Loss on disposal		9,959	-
- Written off		-	49
Net unrealised foreign exchange gain		(166)	(12)
Other non-current assets:			
- Amortisation		2,704	2,513
- Impairment loss		-	343
- Written off		-	18
Property, plant and equipment:			
- Depreciation		49,400	45,074
- Impairment loss		5,949	75,264
- Loss/(Gain) on disposal		63	(82,968)
- Written off		69	36
Provision for staff benefits		24,481	30,227
Provision for repairs		1,889	910
Right-of-use assets:			
- Depreciation		3,471	3,734
- Impairment loss		-	3,416
Reversal of impairment loss on trade and other receivables		-	(228)
Share of loss of associates		13,076	113,623
Share of loss of joint ventures		9,471	911
Operating profit before changes in working capital		<u>114,184</u>	<u>217,483</u>

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IV CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	<---12 MONTHS ENDED-->	
		31.12.2020	31.12.2019
		RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (Cont'd)			
Changes in working capital			
Contract assets		492	81
Contract liabilities		7,786	26,898
Inventories		15,178	31,057
Other current assets		16,920	(6,180)
Other non-current assets		404	1,370
Other non-current liabilities		1,530	1,530
Payables		15,880	464
Receivables		165,384	(18,923)
Net change in working capital		<u>223,574</u>	<u>36,297</u>
Cash generated from operations		337,758	253,780
Interest paid		(69,100)	(98,337)
Interest received		15,538	19,671
Income tax paid		(56,241)	(14,904)
Staff benefits paid		(29,681)	(25,278)
Net cash from operating activities		<u>198,274</u>	<u>134,932</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of business		-	(5,554)
Acquisition of investment properties		(59,450)	-
Acquisition of joint ventures, net of cash and cash equivalents acquired		(70)	(42,132)
Additional investment in a joint venture		(3,857)	-
Additional investment in an associate		(4,455)	-
Acquisition of property, plant and equipment		(92,948)	(189,843)
Acquisition of subsidiary, net of cash and cash equivalents acquired		-	(3,595)
Acquisition of other investments		-	(2)
Capital expenditure of investment properties		(21,932)	(18,035)
Dividend received from investment securities		177	157
Dividend received from associates and joint ventures		9,764	25,916
Government investment grants received		10,502	-
Proceeds from disposal of:			
- Property, plant and equipment		26	182,286
- Investment in an associate		-	280,420
- Investment securities		2,090	218
Redemption of investment securities		-	82,800
Net cash (used in)/from investing activities		<u>(160,153)</u>	<u>312,636</u>

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IV CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	<---12 MONTHS ENDED-->	
		31.12.2020	31.12.2019
		RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid to non-controlling interests of subsidiaries		(528)	(494)
Payment of lease liabilities		(3,270)	(3,958)
Placement of pledged deposits		(1,627)	(7,585)
Net repayment of borrowings		(102,695)	(236,068)
Net cash used in financing activities		<u>(108,120)</u>	<u>(248,105)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(69,999)	199,463
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY		318,310	124,031
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		11,049	(5,184)
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	Note A	<u>259,360</u>	<u>318,310</u>

Note A

Included in cash and cash equivalents as at 31 December are the following:

- Cash and deposits with licensed banks	296,566	351,851
- Bank overdrafts	(3,066)	(1,028)
- Pledge bank balances and deposits	(34,140)	(32,513)
	<u>259,360</u>	<u>318,310</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited Annual Financial Statements of the Group for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)

PART A

Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (MFRS) 134: Interim Financial Reporting

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134, "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2019.

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2019 except for the adoption of the following:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, Business Combinations - Definition of a Business
- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material
- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures - Interest Rate Benchmark Reform
- Amendment to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current - Deferral of Effective Date

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- Amendment to MFRS 16, Leases – Covid-19-Related Rent Concessions

At the date of these interim unaudited financial statements, the following Standards and amendments to Standards have been issued by MASB but are not yet effective. These pronouncements are either not relevant to, or are not expected to have a material impact on, the financial statements of the Group.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)

A1. Basis of Preparation (Cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022 (Cont'd)

- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

A2. Audit Report of Preceding Annual Financial Statements

The audit 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 Cyclicity of Operations

Except for the hotel division whose performance is influenced by the festive and holiday periods, the other businesses of the Group are generally not subject to seasonal or cyclical fluctuations.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

Apart from the COVID-19 impacts as disclosed in Part B Explanatory Notes, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the financial year.

A5. Changes in 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

On 22 December 2020, the Company had cancelled 152,210 units of treasury shares amounting to RM317,944.21 pursuant to Section 127 of the Companies Act 2016. As at 31 December 2020, there are no treasury shares held by the Company.

Other than the above, there were no changes in debts or equity securities for the financial year.

A7. Dividend Paid

There was no dividend paid during the financial year.

MULPHA INTERNATIONAL BHD**Registration No. 197401002704 (19764-T)****FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2020****A8. Segment Information**

Segment analysis for the year ended 31 December 2020 and 2019 are set out below:

Business Segment	Revenue		Profit/(Loss) Before Tax	
	12 months ended	12 months ended	12 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
Property	345,607	347,659	78,960	147,339
Hospitality	191,881	408,246	(43,198)	109,308
Investment and others	79,886	94,106	(23,001)	(260,486)
	617,374	850,011	12,761	(3,839)
Finance costs	-	-	(69,092)	(96,484)
Share of results of associates/joint ventures	-	-	(22,547)	(114,534)
	617,374	850,011	(78,878)	(214,857)

Business Segment	Total Assets		Total Liabilities	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Property	2,432,731	2,405,584	852,047	1,100,470
Hospitality	1,267,393	1,099,917	440,669	505,882
Investment and others	3,186,380	3,143,286	3,039,812	2,559,495
	6,886,504	6,648,787	4,332,528	4,165,847
Adjustment and eliminations	(1,519,935)	(1,343,411)	(1,963,743)	(1,751,080)
	5,366,569	5,305,376	2,368,785	2,414,767

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets ^	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Australia	604,387	800,370	2,304,205	1,965,817
Malaysia	6,040	38,332	389,618	402,031
New Zealand	6,947	11,309	249,054	218,960
	617,374	850,011	2,942,877	2,586,808

^Non-current assets information presented above consist of property, plant and equipment, right-of-use assets, investment properties, goodwill and inventories.

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FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2020**A9. Related Party Disclosures**

Below are the significant related party transactions, which were carried out on terms and conditions negotiated amongst the related parties:

	4th Quarter Ended		12 Months Ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
A. Associates				
Dividend income	-	7,318	-	25,799
Director fees received	53	94	203	449
Rental income	-	745	-	4,044
Rental expense	-	388	-	1,588
Share service expense	-	-	-	198
B. Joint Ventures				
Dividend income	1,474	-	2,280	117
C. Other related parties				
Companies related to directors				
- Interest expenses	3,132	-	3,132	-
- Rendering of services	-	1,177	2,913	4,061
- Rental expense	178	53	717	344
- Share service income	113	111	441	439
Companies related to a person connected to a director				
- Rendering of services	-	-	1,459	803
- Rental income	100	41	387	380

These transactions have been entered into in the normal course of business and established under negotiated terms.

A10. Valuation Of Property, Plant And Equipment

The carrying value of the property, plant and equipment is stated at cost less depreciation and impairment losses.

A11. Capital Commitments

Capital commitments for the purchase of property, plant and equipment as at 31 December 2020 are as below:

	RM'000
(a) Approved and contracted for	236,653
(b) Approved but not contracted for	32,591

A12. Material Events Subsequent To The Reporting Date

There were no material events subsequent to 31 December 2020 that the Directors believe warrant disclosure.

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A13. Changes in The Composition Of the Group

On 30 November 2020, Mulpha Capital Markets Sdn Bhd, an indirect wholly-owned subsidiary of the Company has subscribed for 10 ordinary shares of AUD1.00 each, representing 50% of the total issued and paid-up share capital of HUB OS Australia Pty Limited ("HUB") for a total consideration of AUD10.00, resulting in HUB becoming 50% owned joint venture company of the Group. The principal activity of HUB is to distribute and license the use of IT hospitality software (HUB Buildings) to third party hotels.

Other than the above, there were no changes in the composition of the Group during the current quarter.

A14. Changes in Contingent Liabilities or Contingent Assets

There are no contingent assets and liabilities as at the date of this report.

PART B

Explanatory Notes Pursuant to paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of performance

(i) Profit or Loss Analysis

	INDIVIDUAL PERIOD		CHANGES		CUMULATIVE PERIOD		CHANGES	
	CURRENT QUARTER ENDED 31.12.2020	COMPARATIVE QUARTER ENDED 31.12.2019			12 MONTHS ENDED 31.12.2020	12 MONTHS ENDED 31.12.2019		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	225,153	319,243	(94,090)	(29%)	617,374	850,011	(232,637)	(27%)
Profit/(Loss) from operations	37,584	203,463	(165,879)	(82%)	12,761	(3,839)	16,600	>100%
Profit/(Loss) before interest and tax	30,991	195,098	(164,107)	(84%)	(9,786)	(118,373)	108,587	92%
Profit/(Loss) before tax	13,843	171,594	(157,751)	(92%)	(78,878)	(214,857)	135,979	63%
Profit/(Loss) after tax	14,917	184,846	(169,929)	(92%)	(57,129)	(211,118)	153,989	73%
Profit/(Loss) attributable to: Owners of the Company	14,741	184,553	(169,812)	(92%)	(58,366)	(211,875)	153,509	72%

(a) Current Year Quarter vs. Previous Year Corresponding Quarter

The Group reported revenue of RM225.15 million and pre-tax profit of RM13.84 million for the current quarter ended 31 December 2020 as compared to revenue of RM319.24 million and pre-tax profit of RM171.59 million in the previous year's corresponding quarter. The decrease in the Group's revenue by 29% was primarily attributed to the hospitality division. The Group's pre-tax profit reduced by RM157.75 million mainly due to underperformance in investment, property and hospitality divisions by RM86.12 million, RM56.25 million and RM23.51 million respectively.

The property division recorded revenue of RM141.32 million and pre-tax profit of RM40.30 million for the current quarter ended 31 December 2020 as compared to revenue of RM174.46 million and pre-tax profit of RM96.54 million in the previous year's corresponding quarter. The underperformance was mainly due to lower settlements in the developments in Malaysia and Australia in the current quarter.

The hospitality division registered revenue of RM63.47 million and pre-tax profit of RM4.10 million for the current quarter ended 31 December 2020 as compared to revenue of RM122.83 million and pre-tax profit of RM27.61 million in the previous year's corresponding quarter. The decline in performance was caused by the COVID-19 pandemic which led to global and local travel restrictions, and consequently adversely impacted the Group's hospitality division with closure of all hotels in March except for InterContinental Sydney that operated as a quarantine hotel. InterContinental Sanctuary Cove reopened on 1 July 2020 and InterContinental Hayman Island re-opened on 1 September 2020 while InterContinental Sydney re-opened on 20 November 2020 to the public.

The investment and other activities division recorded a pre-tax loss of RM6.81 million for the current quarter ended 31 December 2020 as compared to a pre-tax profit of RM79.31 million in the previous year's corresponding quarter. The Group's pre-tax profit reduced by RM86.12 million mainly due to an exchange reserve transferred to profit or loss upon disposal of an associate, AVEO in the previous year's corresponding quarter.

B1. Review of performance (Cont'd)

(i) Profit or Loss Analysis (Cont'd)

(b) Current Year-to-date vs. Previous Year-to-date

The Group reported revenue of RM617.37 million and pre-tax loss of RM78.88 million for the year ended 31 December 2020 as compared to revenue of RM850.01 million and pre-tax loss of RM214.86 million in the previous year. The underperformance in the Group's revenue by 27% was primarily attributed to the hospitality and investment divisions. The Group recorded a lower pre-tax loss by RM135.98 million mainly due to the loss relating to the disposal of an associate, AVEO amounting to RM220.53 million in the previous financial year.

The property division registered revenue of RM345.61 million and pre-tax profit of RM78.96 million for the year ended 31 December 2020 as compared to revenue of RM347.66 million and pre-tax profit of RM147.34 million in the previous year. The slight decrease in revenue was mainly due to lower settlements from the Sanctuary Cove developments in Australia and the Leisure Farm development in Malaysia, offset by higher settlements from the Mulpha Norwest developments in Australia. However, the lower pre-tax profit was due to poorer performance at Sanctuary Cove and fair value loss on investment properties that offset the improved profits at Norwest.

The hospitality division reported revenue of RM191.88 million and pre-tax loss of RM43.20 million for the year ended 31 December 2020 as compared to revenue of RM408.25 million and pre-tax profit of RM109.31 million in the previous year. The decline in performance was mainly attributed to the COVID-19 outbreak with the closure of hotels during the lockdown as mentioned in B1(i)(a). The previous year's results were also boosted by the receipt of insurance recoveries of RM87.05 million.

The investment and other activities division recorded pre-tax loss of RM23.00 million for the year ended 31 December 2020 as compared to pre-tax loss of RM260.49 million in the previous year mainly due to the disposal of AVEO as mentioned above.

(ii) Financial Position Analysis

	AS AT 31.12.2020	AS AT 31.12.2019
Total Assets	RM'000	RM'000
Property, plant and equipment	1,123,445	1,022,286
Right-of-use assets	14,269	13,658
Inventories	1,409,476	1,375,288
Investment in associates	119,043	126,985
Investment properties	1,199,693	1,051,756
Investment securities	736,984	701,290
Cash and cash equivalents	296,566	351,851
Trade and other receivables	275,078	448,990
Assets classified as held for sale	79,839	79,757
Others	112,176	133,515
Total	5,366,569	5,305,376

The Group's assets increased by 1% to RM5.37 billion as at 31 December 2020 mainly attributable to the increase in investment properties and property, plant and equipment. This was partially offset by decrease in trade receivables and cash and cash equivalents.

B1. Review of performance (Cont'd)

(ii) Financial Position Analysis (Cont'd)

The increase in investment properties was mainly due to acquisition of Norwest Swim School properties and capitalised expenditure primarily attributed to the Nesuto Stadium Apartments Hotel in New Zealand. The increase in property, plant and equipment was mainly due to the Sanctuary Cove Marina's dredging and expansion of Marina berths and the commencement of InterContinental Sydney refurbishment.

The decrease in trade and other receivables was mainly due to lesser business transactions caused by the COVID-19 pandemic and withholding tax refunded by the ATO. The decrease in cash and cash equivalents was attributed to the repayment of loans and borrowings, an expansion of the marina in Sanctuary Cove, an acquisition of new investment properties and the refurbishment of an investment property, Nesuto Stadium Apartments Hotel, Auckland during the financial year.

	AS AT 31.12.2020	AS AT 31.12.2019
	RM'000	RM'000
Total Liabilities		
Loans and Borrowings	1,975,173	1,986,597
Others	393,612	428,170
Total	2,368,785	2,414,767

The Group's total liabilities decreased by 2% to RM2.37 billion as at 31 December 2020, mainly attributable to repayment of loan and borrowings and tax liabilities paid during the financial year.

	AS AT 31.12.2020	AS AT 31.12.2019
	RM'000	RM'000
Total Equity attributable to Owners of the Company		
Share capital	2,036,698	2,037,459
Treasury shares	-	(318)
Reserves	127,417	(36,376)
Retained earnings	810,908	868,946
Total	2,975,023	2,869,711

The Group's total equity increased by 4% to RM2.98 billion as at 31 December 2020 mainly attributable to the increase in foreign exchange reserves arising from the translation gain of foreign subsidiaries. This was partially offset by the loss for the financial year of RM58.37 million.

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FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2020**B2. Comparisons With Preceding Quarter's Results**

	CURRENT	PRECEDING	CHANGES	
	QUARTER	QUARTER		
	ENDED	ENDED		
	31.12.2020	30.09.2020		
	RM'000	RM'000	RM'000	%
Revenue	225,153	139,768	85,385	61%
Profit/(Loss) from operations	37,584	(11,623)	49,207	>100%
Profit/(Loss) before interest and tax	30,991	(11,668)	42,659	>100%
Profit/(Loss) before tax	13,843	(28,247)	42,090	>100%
Profit/(Loss) after tax	14,917	(24,879)	39,796	>100%
Profit/(Loss) attributable to: owners of the Company	14,741	(25,394)	40,135	>100%

The Group recorded revenue of RM225.15 million and pre-tax profit of RM13.84 million for the 4th quarter of 2020 compared with revenue of RM139.77 million and pre-tax loss of RM28.25 million for the 3rd quarter of 2020. The better performance was mainly due to higher pre-tax profits from the property and hospitality divisions by RM30.67 million and RM23.50 million respectively, offset by higher pre-tax loss from the investment division by RM4.97 million.

The property division recorded revenue of RM141.32 million and pre-tax profit of RM40.30 million for the 4th quarter of 2020 compared with revenue of RM82.66 million and pre-tax profit of RM9.62 million for the 3rd quarter of 2020. The better performance was mainly due to higher settlements in the Mulpha Norwest and Sanctuary Cove developments in Australia as compared to the preceding quarter.

The hospitality division recorded revenue of RM63.47 million and pre-tax profit of RM4.10 million for the 4th quarter 2020 compared with revenue of RM33.59 million and pre-tax loss of RM19.40 million for the 3rd quarter of 2020. The better performance was mainly related to the reopening of hotels and travel restrictions eased in the current quarter.

The investment and others division recorded pre-tax loss of RM6.81 million for the 4th quarter 2020, which was an unfavourable change as compared to the pre-tax loss of RM1.84 million for the 3rd quarter of 2020, mainly due to the impairment loss on an operating asset in the current quarter.

B3. Prospects

As previously advised the outbreak of COVID-19 has resulted in significant disruption to the Group's hospitality division with closure of all Hotels in late March with the exception of InterContinental Sydney which remained open to provide accommodation for guests being quarantined under the Australian Government's 14 days isolation requirements. InterContinental Sanctuary Cove re-opened on 1 July 2020 and InterContinental Hayman Island re-opened on 1 September 2020 while InterContinental Sydney re-opened as planned on 20 November 2020. While it was anticipated that lockdown restrictions would be relaxed in the final quarter of 2020 further outbreaks in southern states resulted in border closures and placed greater uncertainty around the timing of a recovery in travel trends. Following the effective control of clusters in Melbourne in September/October, a new Sydney cluster saw borders once again close to New South Wales residents in late December. As a result of these outbreaks trading in the final quarter of 2020 was once again heavily impacted in all Hotel properties. It is now anticipated that international travel will not resume until the first half of 2022 following the increase in infection rates in USA and Europe.

B3. Prospects (Cont'd)

Refurbishment of the InterContinental Sydney has commenced with works currently in line with our construction program. Completion of these works is anticipated in April/May of 2022. In order for the property to remain competitive the refurbishment includes a full upgrade of all rooms, restaurants, bars and public areas. Completion of the works will assist the Hotel to secure a strong market share of business when the market is expected to return to more normalised trading in 2022.

Stronger Sydney real estate sales that were achieved in the second half of 2019 have continued throughout 2020. After slow real estate sales at Sanctuary Cove in the first three quarters of 2020, stronger sales momentum was achieved from domestic buyers in the final quarter of 2020. The Group anticipates that this trend of increased domestic interest will strengthen with the recent opening of borders to Southern States. The first waterfront apartment building of 48 apartments is due to be released for public sale in the first quarter of 2021 and the Group anticipates strong demand from people wishing to downside from larger family homes in Sanctuary Cove and adjoining suburbs. Planning has also commenced for the release of our next apartment project at Norwest business park.

The Leisure Farm project in Iskandar Malaysia has also experienced lower sales volumes and increased competition. Leisure Farm anticipates tough market conditions will continue for some years as a result of significant over-supply in the Johor region.

The Group's investments in the education sector have continued to meet expectations. While the Hotel School has transitioned to on-line learning during this period of disruption, it is anticipated that there will be lower new international enrolments moving forward while international border restrictions remain in place. The Group's investment in Education Perfect, an on-line learning tool has experienced significant new demand as high schools in Australia and globally have needed to build their capacity to teach remotely. The Group anticipates that this trend will accelerate as a result of the COVID-19 pandemic.

Commercial real estate investment properties have been impacted from March 2020 as a result of Government self-isolation and social distancing requirements. Accordingly, a significant number of retail tenants were forced to cease trading until restrictions were eased. June and July saw a steady recovery in tenant revenues in New South Wales and Queensland while Victoria was impacted by more stringent lockdowns following a second wave of infections. The final quarter saw continued improvements in tenant trading although there remains significant risk around the impact of lockdowns if further clusters appear. Government guidelines require landlords to provide some rental abatements and deferrals to assist impacted tenants. While this disruption will impact trading results in 2020, the Group anticipates that trading will return to more normalised levels later in 2021.

While the Group remains cautious in relation to further real estate investments, good buying opportunities are likely to emerge over the following twelve months given the shortage of funding, the withdrawal of some foreign investment and the potential increase in the number of distressed sellers. The Group is actively looking to build its funds management capability in order to secure attractive real estate investments through attracting third party capital support.

The Group continues to explore opportunities to expand its interests in operating businesses particularly where the Group has established operational capability.

B4. Variance from Profit Forecast or Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued.

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FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2020**B5. Profit/(Loss) Before Tax**

	4th Quarter Ended		12 Months Ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is arrived at after charging/(crediting):				
Bad debts written off	887	3,096	943	3,301
Change in fair value of investment properties	(14,725)	(64,404)	5,295	(62,895)
Dividend income	-	(13)	(177)	(157)
Fair value loss/(gain) on financial assets at fair value through profit or loss	370	(599)	2,293	(1,180)
Exchange reserve transfer to profit or loss upon disposal of an associate	-	(92,185)	-	(92,185)
Impairment loss on assets classified as held for sale	6,117	-	6,117	-
Impairment loss/(Reversal of impairment loss) on:				
- Investment in an associate	-	(2,674)	-	312,710
- Investment securities	-	-	-	35
- Trade and other receivables	1,846	(2,102)	4,500	1,631
Investment properties:				
- Loss on disposal	9,959	-	9,959	-
- Written off	(63)	49	-	49
Interest income	(6,476)	(5,917)	(25,511)	(20,690)
Interest expense	17,148	23,504	69,092	96,484
Inventories written down	8,888	2,116	10,235	2,117
Insurance recoveries	(75)	(23)	(75)	(87,053)
Loss/(Gain) on disposal of investment securities	-	34	(91)	31
Net foreign exchange (gain)/loss	(5,479)	(1,273)	(6,451)	669
Other non-current assets:				
- Amortisation	774	2,513	2,704	2,513
- Impairment loss	-	343	-	343
- Written off	-	18	-	18
Property, plant and equipment:				
- Depreciation	4,022	12,457	49,400	45,074
- Loss/(Gain) on disposal	67	(83,544)	63	(82,968)
- Impairment loss	5,949	75,264	5,949	75,264
- Written off	1	22	69	36
Provision for staff benefits	9,740	9,995	24,481	30,227
Right-of-use assets:				
- Depreciation	857	1,054	3,471	3,734
- Impairment loss	-	3,416	-	3,416
Reversal provision for repairs	2,181	910	1,889	910
Rental income	(3,776)	(3,823)	(15,309)	(16,092)

B6. Tax benefit

	4th Quarter Ended		12 Months Ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian - current year	615	2,126	2,659	4,067
Malaysian - prior year	(67)	(35)	(67)	(35)
Overseas - current year	3,122	37,865	1,234	39,151
Overseas - prior year	3,234	(401)	1,942	(393)
	<u>6,904</u>	<u>39,555</u>	<u>5,768</u>	<u>42,790</u>
Deferred tax benefit				
Origination and reversal of temporary differences	1,032	(53,207)	(18,615)	(46,955)
Underprovision in prior year	(9,010)	400	(8,902)	426
	<u>(7,978)</u>	<u>(52,807)</u>	<u>(27,517)</u>	<u>(46,529)</u>
Tax benefit	<u>(1,074)</u>	<u>(13,252)</u>	<u>(21,749)</u>	<u>(3,739)</u>

The effective tax rate of the Group for the year ended 31 December 2020 under review is lower than the statutory rate of 24% was mainly due to deferred tax assets recognised on taxable losses.

B7. Status of Corporate Proposals

i) AVEO's Privatisation Scheme

AVEO, a 24.39% indirectly owned Australian listed associate of the Company, announced on 14 August 2019 that it had entered into a Scheme Implementation Deed with Hydra RL BidCo Pty. Limited (“BidCo”) and Hydra RL TopCo Pty. Limited (“TopCo”), entities controlled by the Brookfield Property Group on behalf of its managed fund, under which BidCo undertook to acquire 100% of the outstanding securities of AVEO (“AVEO Securities”) by way of a trust scheme and a company scheme of arrangement (collectively, the “Schemes”).

Under the Schemes, BidCo undertook to acquire AVEO Securities for a cash consideration of AUD2.195 (including a AUD0.045 dividend announced on 24 June 2019) per AVEO Security, or a conditional scrip consideration, being 2.15 AOG L.P. units for every AVEO Security held as at the Scheme record date.

On 29 November 2019, the privatisation of AVEO was completed with the Group holding an indirect effective equity interest of approximately 15.5% in AVEO. The ownership structure is that the Group holds direct equity interest of approximately 96.1% in AOG L.P. which in turn holds a direct equity interest of approximately 16.1% in TopCo.

B7. Status of Corporate Proposals (Cont'd)

i) AVEO's Privatisation Scheme (Cont'd)

The Group received AUD178,580,181 in equivalent units in AOG L.P. and a cash consideration of approximately AUD125.89 million. As at 31 December 2020, the total proceeds of AUD125.89 million has been fully utilised in the following manner:

Purpose	Proposed Utilisation AUD million	Actual Utilisation AUD million	Timeframe for utilisation
1) Repayment of bank borrowings	92.37	90.20	May 2020
2) Future investment opportunities	20.00	22.19	January 2021
3) General working capital	13.29	13.29	January 2021
4) Estimated expenses in relation to the disposal of AVEO	0.23	0.21	January 2020
	125.89	125.89	

ii) Joint Venture between Leisure Farm Corporation Sdn Bhd and UEM Land Berhad

Leisure Farm Corporation Sdn Bhd (“LFC”), a wholly-owned subsidiary of the Company, had on 16 February 2016, entered into a joint venture cum shareholders' agreement (“JVA”) with UEM Land Berhad, a wholly-owned subsidiary of UEM Sunrise Berhad (“UEMS”) and JV Axis Sdn Bhd (“JVASB”) to work together as strategic joint development partners to jointly develop and optimise the value of 38 parcels of freehold lands located in Gerbang Nusajaya and near the Leisure Farm Resort within Mukim Pulai, District of Johor Bahru, Johor. LFC owns 36 land parcels (“LFC Lands”) whilst the balance land parcels (“UEMS Lands”) are owned by Nusajaya Seaview Sdn Bhd (“NSSB”) and Nusajaya Rise Sdn Bhd (“NRSB”), both being indirect wholly-owned subsidiaries of UEMS. [Both LFC Lands and UEMS Lands are collectively referred to as “JV Lands”]. LFC had on 16 February 2016, also entered into a master agreement (“MA”) with NSSB, NRSB and JVASB to record the agreed framework and parameters for the disposal of the JV Lands by LFC, NSSB and NRSB to JVASB. On 15 June 2016, JVASB changed its name to Gerbang Leisure Park Sdn Bhd (“GLP”). GLP is 50% owned by LFC whilst the remaining 50% is owned by UEM Land Berhad.

The MA is conditional upon certain conditions precedent to be fulfilled by the respective landowners within 24 months from the date of the MA. On 15 February 2020, both parties have agreed to extend the conditional period to 15 February 2021. Subsequently on 15 February 2021, both parties have mutually agreed not to continue with the Master Agreement since the conditions precedent as detailed out under the Master Agreement have not been fulfilled or waived during the extended conditional period. Hence, both parties have mutually agreed to terminate the Master Agreement, whereupon termination, shall become null and void, and of no effect whatsoever upon the expiry of the extended conditional period on 15 February 2021.

The termination of the Master Agreement does not have any effect on the Company's issued and paid-up share capital and shareholdings of the Company's substantial shareholders, as well as the Group's net assets, gearing and earnings per share.

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B8. Group Loans and Borrowings

The details of the loans and borrowings as at 31 December 2020 are as follows:-

	As at 4th Quarter Ended 2020											
	Long term				Short term				Total borrowings			
	Currency	Foreign denomination '000	Exch Rate	RM'000	Currency	Foreign denomination '000	Exch Rate	RM'000	Currency	Foreign denomination '000	Exch Rate	RM'000
Secured												
Overdraft	RM			-	RM			3,066	RM			3,066
Revolving Credit/Loan	RM			-	RM			114,000	RM			114,000
Revolving Credit/Loan	AUD	21,400	3.10	66,340	AUD	100,000	3.10	310,000	AUD	121,400	3.10	376,340
Revolving Credit/Loan	USD		4.03	-	USD	17,210	4.03	69,354	USD	17,210	4.03	69,354
Term Loan	RM			22,626	RM			13,520	RM			36,146
Term Loan	HKD		0.52	-	HKD	134,357	0.52	69,852	HKD	134,357	0.52	69,852
Term Loan	USD	13,584	4.03	54,744	USD	2,121	4.03	8,548	USD	15,705	4.03	63,292
Term Loan	AUD	77,500	3.10	240,250	AUD	166,500	3.10	516,149	AUD	244,000	3.10	756,399
Term Loan	NZD	39,438	2.91	114,764	NZD		2.91	-	NZD	39,438	2.91	114,764
Finance Lease	AUD	2,770	3.10	8,587	AUD		3.10	-	AUD	2,770	3.10	8,587
Bonds	AUD	24,444	3.10	75,775	AUD	1,773	3.10	5,498	AUD	26,217	3.10	81,273
Bonds	USD		4.03	-	USD	70,000	4.03	282,100	USD	70,000	4.03	282,100
				583,086				1,392,087				1,975,173
								(Note 1)				

Note 1:

a) The credit facility of AUD246.50 million equivalent to RM764.15 million with OCBC Bank has been refinanced to a syndicated facility of AUD342.00 million participated by OCBC Bank and UOB Bank with an equal share for a 3-year tenure expiring in January 2024.

b) The noteholder of USD70.00 million bond equivalent to RM282.10 million has granted an extension of the maturity date to 28 December 2021.

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B8. Group Loans and Borrowings (Cont'd)

The details of the loans and borrowings as at 31 December 2019 are as follows:-

	As at 4th Quarter Ended 2019											
	Long term				Short term				Total borrowings			
	Currency	Foreign denomination '000	Exch Rate	RM'000	Currency	Foreign denomination '000	Exch Rate	RM'000	Currency	Foreign denomination '000	Exch Rate	RM'000
Secured												
Overdraft	RM			-	RM			1,028	RM			1,028
Revolving Credit/Loan	RM			-	RM			103,000	RM			103,000
Revolving Credit/Loan	AUD	29,000	2.87	83,230	AUD	100,000	2.87	287,000	AUD	129,000	2.87	370,230
Term Loan	RM			22,164	RM			7,267	RM			29,431
Term Loan	HKD		0.53	-	HKD	335,414	0.53	176,663	HKD	335,414	0.53	176,663
Term Loan	USD	15,991	4.10	65,565	USD	8,976	4.10	36,802	USD	24,967	4.10	102,367
Term Loan	AUD	103,000	2.87	295,610	AUD	146,409	2.87	420,195	AUD	249,409	2.87	715,805
Term Loan	NZD	33,797	2.76	93,278	NZD		2.76	-	AUD	33,797	2.76	93,278
Finance Lease	AUD	2,770	2.87	7,950	AUD		2.87	-	AUD	2,770	2.87	7,950
Bonds	AUD	27,120	2.87	77,834	AUD	1,639	2.87	4,704	AUD	28,759	2.87	82,538
Bonds	USD		4.10	-	USD	70,000	4.10	287,000	USD	70,000	4.10	287,000
				645,631				1,323,659				1,969,290
Unsecured												
Term loan	AUD		2.87	-	AUD	6,030	2.87	17,307	AUD	6,030	2.87	17,307
				-				17,307				17,307
				645,631				1,340,966				1,986,597

B9. Material Litigation

In September 2012, the Company disposed of the entire equity interest in its wholly-owned subsidiary, Bestari Sepang Sdn Bhd (“Bestari”) for a cash consideration of RM1.0 million to Mula Holdings Sdn Bhd (“Mula”). As part of this transaction, the Company also entered into a Settlement Agreement with Mula whereby Mula shall pay a settlement sum (“Settlement Sum”) of RM104.0 million on or before 15 December 2012, as full and final settlement of the advances that the Company had previously made to Bestari and its subsidiaries, Spanstead Sdn Bhd (“Spanstead”) and Seri Ehsan (Sepang) Sdn Bhd (“Seri Ehsan”), failing which, additional payments will apply until the final settlement date of 15 December 2013 (“final settlement date”).

Mula failed to pay the Settlement Sum on the final settlement date. Accordingly, the Settlement Agreement automatically terminated and the Company’s right to receive payment of the full amount of RM301,506,429 as at 30 June 2012 (“Full Outstanding Amount”) that the Company had previously advanced to Bestari, Spanstead and Seri Ehsan (collectively “Bestari Group”) was reinstated, the Full Outstanding Amount is secured by land titles belonging to Seri Ehsan (“the Land”) and an irrevocable Power of Attorney to deal with the Land.

As Bestari Group failed to settle the Full Outstanding Amount, the Company filed a Writ of Summons and Statement of Claim against Mula and Bestari Group on 30 January 2015 claiming for, amongst others, a declaration that the Full Outstanding Amount of RM301,506,429 as at 30 June 2012 together with interest thereon is due and owing by Bestari Group.

Mula and Bestari Group then filed their Defence and Counterclaim on 9 February 2015. Thereafter, the Company filed its Reply and Defence to Counterclaim on 18 February 2015. The Trial commenced on 15 February 2016 until 1 August 2019 with a total of 17 days of trial. Both parties have closed their case on 1 August 2019 and thus ending the Trial. The parties have filed and exchanged their written submissions. Subsequently, the parties have completed the oral submissions on 24 February 2020 and 25 February 2020. The judgment was delivered on 17 July 2020, subject to any appeals and further legal proceedings. The judge found that Mula had breached the Settlement Agreement and that the said agreement was terminated on 15 December 2013. The Judge declared the amount due and payable to the Company to be RM301 million plus interest and held that the Power Attorney is valid. Further, the defendants are restrained from dealing with the Sepang Land. The Company was successful in defending the relevant counterclaim and the Judge dismissed Mula's counterclaim with costs. On 30 July 2020, Mula has filed a notice of appeal against the entire decision made by the High Court. A further announcement will be made when hearing dates have been set and confirmed by the Court of Appeal.

B10. Dividend

The Board of Directors does not recommend any dividend for the financial year ended 31 December 2020.

B11. Loss Per Share

(i) Basic earnings per share

The basic earnings per share of the Group has been computed by dividing the profit attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company as set out below:

	12 Months Ended	
	31.12.2020	31.12.2019
Loss for the year, amount attributable to equity holders of the parent (RM'000)	<u>(58,366)</u>	<u>(211,875)</u>
Weighted average number of ordinary shares ('000)	<u>319,467</u>	<u>319,467</u>
Basic loss per share (sen)	<u>(18.27)</u>	<u>(66.32)</u>

(ii) Diluted earnings per share

The Group has no dilution in its earnings per share for the financial year under review as there are no dilutive potential ordinary shares.