MACPIE BERHAD

Macpie Berhad 200501002315 (679361-D)

INSPIRING DIFFERENCES

2021
ANNUAL REPORT

Welcome to the
Macpie Berhad Group of Companies and Business Ecosystem.

We would like to sincerely thank our shareholders for all their support throughout the challenging year and congratulate everyone at Macpie for the achievements we have had over the course of the current year. We are very hopeful for the upcoming year; not because we assume it to be any easier (it certainly won't) but because we are well anticipated and prepared for whatever lies ahead. Thank you for supporting us, your satisfaction has been and will always be our topmost priority.

"Every detail matters. In Macpie, we believe that's the key to successful activations and relationships. We are dedicated to deliver exceptional quality products and services to our clients to enable interaction between its people and businesses."

CORE VALUES

Prioritizing Clients

We aim to build and keep a strong relationship with our clients. We are willing to face upcoming challenges and go above and beyond for our clients as their satisfaction is our main priority.

Stronger Together

We can't do much on our own but together we can accomplish great things with our clients, partners, communities, and investors supporting us to accomplish our challenges and goals.

Always Reinvent

We think forward to the future and always try to keep up with the most current technologies, businesses, systems, and events. We will constantly be improving and striving to be the best in everything we do from our business to our relationships with partners, investors, and clients.

Passion & Determination

We are passionate and determined to tackle the challenges and goals that we have set. Our passion drives our determination to see through everything and finish what we started.

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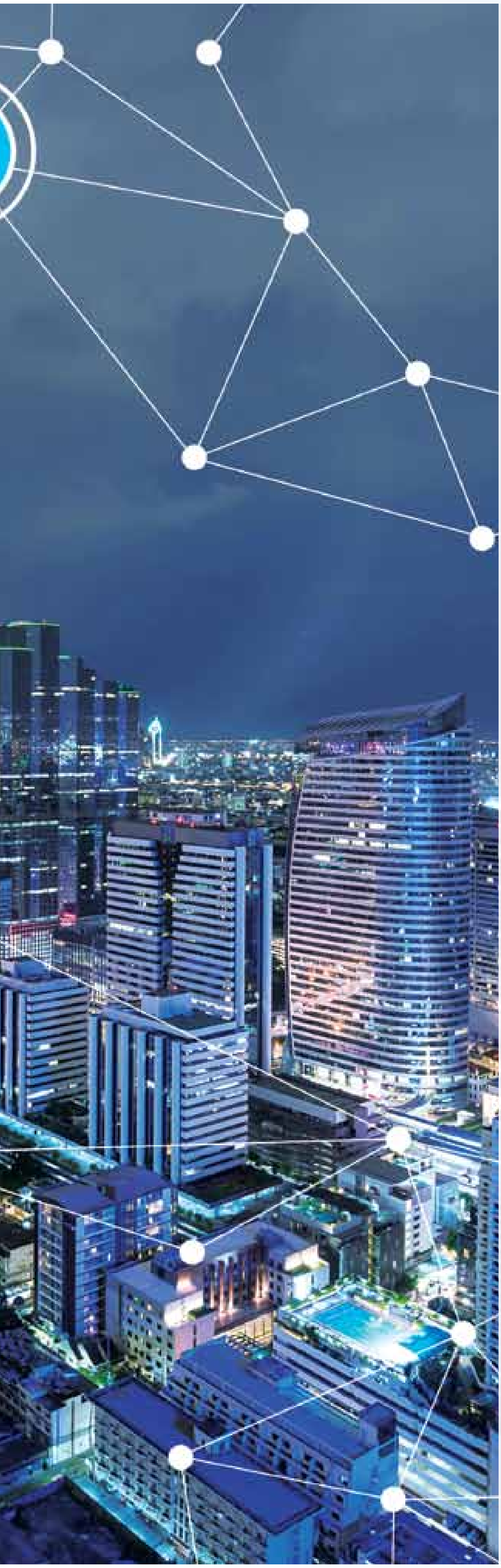
CORPORATE GOVERNANCE



FINANCIAL STATEMENTS

OTHERS INFORMATION

COMPANY PROFILE

Macpie Berhad ("Macpie" or the "Company") and its subsidiaries (collectively referred to as "Group") is primarily involved in entertainment that focuses on live event organisation and management. Its core business mainly focuses on concerts and live entertainment with subsidiaries built to supplement the core business.

The Company has been listed on the ACE Market of Bursa Malaysia Securities Berhad since 2007.

In 2020, unprecedented health pandemic forces the Company to pivot away from its core offerings. The Management team is keen to keep the Company afloat despite restrictions and lockdown. Diversifying into digital marketing services & e-sports organisation is an expansion of the current skillset.

Company Profile
(cont'd)

During the financial year ended 30 June 2021, the Group's Event Management segment has been adversely affected by the disruptive effects of COVID-19. The pandemic has accelerated the need to do business digitally. Hence, we forecast that, digital marketing strategies are important for future business sustainability for all companies. The Group has three independent core segments which comprise Event Management, Digital Services and Retail and Distribution Management.

Macpie, over the year, has successfully provided consultancy, ideation and implementation of digital marketing strategies for a few companies and have even organised a series of e-sports competitions online. The Group plans to keep the momentum that was built over the pandemic period and continues to look for opportunities to make a grand comeback when the health crisis gets better in the coming months.

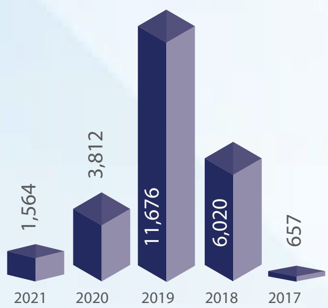
FINANCIAL HIGHLIGHTS

	AUDITED				
	2021	**2020**	**2019**	**2018**	**2017**
Number of shares ('000)	**946,424**	353,295	353,295	321,295	279,295
Revenue (RM'000)	**31,785**	64,934	85,599	50,174	100,826
Gross Profit (RM'000)	**1,564**	3,812	11,676	6,020	657
Gross Profit Margin (%)	**4.92%**	5.87%	13.64%	12.00%	0.65%
(Loss)/Profit Before Taxation (RM'000)	**-8,806**	-9,353	-2,555	-8,905	-33,815
(Loss)/Profit After Taxation (RM'000)	**-9,197**	-8,717	-3,565	-8,966	-33,916
(Loss)/Profit After Taxation Margin (%)	**-28.94%**	-13.42%	-4.16%	-17.87%	-33.64%
Net (Loss)/Earning per Share (Sen)*	**-1.65**	-1.64	-0.85	-2.99	-3.80
Current Ratio	**4.84**	2.31	2.69	3.78	4.98

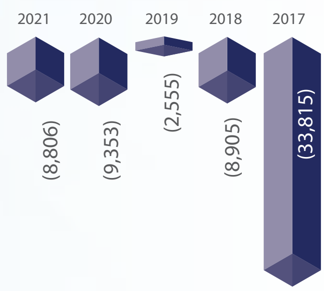
* Based on weighted average of ordinary shares

Revenue (RM'000)

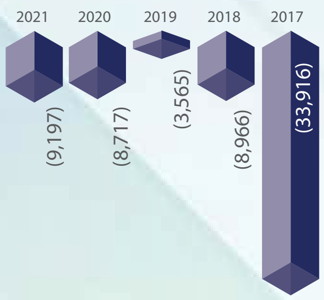
Gross Profit (RM'000)



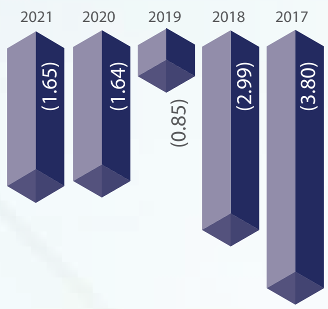
(Loss)/Profit Before Tax
(RM'000)



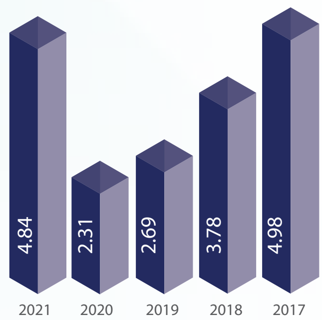
(Loss)/Profit After Tax
(RM'000)



Net (Loss)/Earning Per Share (Sen)



Current Ratio



CORPORATE INFORMATION

BOARD OF DIRECTORS

YM TENGKU EZUAN ISMARA BIN TENGKU NUN AHMAD
Independent Non-Executive Chairman

KOO KIEN KEAT
Executive Director

JUSTIN LOW SOOK HUEY
Executive Director

ANDY LIEW HOCK SIM
Independent Non-Executive Director

LIONEL VERNON YONG NGUON KEE
Independent Non-Executive Director

WOON SING JIUNN
Independent Non-Executive Director

LEE KIEN FATT
Independent Non-Executive Director

AUDIT & RISK MANAGEMENT COMMITTEE

ANDY LIEW HOCK SIM (Chairman)
LIONEL VERNON YONG NGUON KEE
LEE KIEN FATT

NOMINATING COMMITTEE

LIONEL VERNON YONG NGUON KEE (Chairman)
LEE KIEN FATT
ANDY LIEW HOCK SIM

REMUNERATION COMMITTEE

LEE KIEN FATT (Chairman)
LIONEL VERNON YONG NGUON KEE
ANDY LIEW HOCK SIM

ESOS COMMITTEE

KOO KIEN KEAT
ANDY LIEW HOCK SIM

COMPANY SECRETARY

CHEN WEE SAM
(LS0009709)
(SSM PC No. 202008002853)

PRINCIPAL BANKERS

MALAYAN BANKING BERHAD
CIMB BANK BERHAD
AMBANK GROUP BERHAD

REGISTERED OFFICE

No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Tel : 03-6201 1120
Fax : 03-6201 3121

CORPORATE OFFICE

7th Floor, Menara Lien Hoe
No. 8, Persiaran Tropicana
Tropicana Golf & Country Resort
47410 Petaling Jaya
Selangor Darul Ehsan
Tel : 010-309 8998

SHARE REGISTRAR

SHAREWORKS SDN. BHD.
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Tel : 03-6201 1120
Fax : 03-6201 3121

WEBSITE

https://macpie.asia/

AUDITORS

GRANT THORNTON MALAYSIA PLT
201906003682 & LLP0022494-LCA
(AF 0737)
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Tel : 03-2692 4022
Fax : 03-2691 5229

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name : MACPIE
Stock Code : 0140

CORPORATE STRUCTURE

MACPIE BERHAD

Event Management

- **Trumpet International Sdn Bhd**
  (F.K.A Macpie Pro Sdn Bhd)
  (100%) *Event and artist management*
- **Level Up Plus Sdn Bhd**
  (51%) *Stage and event construction*
- **Macpie Equipment Sdn Bhd**
  (100%) *Renting of tools and equipment for stage design production*
- **Macpie Ticketing Sdn Bhd**
  (100%) *Distributor and monitor of tickets for concert and events*

Retail & Distribution Management

- **PC3 Technology Sdn Bhd**
  (100%) *Money lending businesses*
- **Macpie Management Sdn Bhd**
  (100%) *Event management and trading*
- **Macpie Distribution Sdn Bhd**
  (100%) *Trading of telecommunication products*

Digital Services

- **Octagon Media Sdn Bhd**
  (F.K.A Macpie Entertainment Sdn Bhd)
  (100%) *Advertising and maintainer of social media platform*
- **Supernova International Sdn Bhd**
  (F.K.A Macpie Services Sdn Bhd)
  (100%) *Hotel management business and digital marketing*

Others

- **Urusrasa Sdn Bhd**
  (100%) *Management services of car jockey parking*
- **Macpie Media Sdn Bhd**
  (100%) *Dormant*
- **ICT Rewards and Services Sdn Bhd**
  (100%) *Restaurant operator*

BOARD OF DIRECTORS' PROFILE

YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad

INDEPENDENT NON-EXECUTIVE CHAIRMAN
MALAYSIAN, AGED 43, MALE

YM Tengku Ezuan Ismara bin Tengku Nun Ahmad was appointed to the Board as the Independent Non-Executive Chairman on 27 September 2021.

He holds Masters in Law majoring in Banking Law and Anti-Money Laundering Act from International Islamic University Malaysia and Double Degree in Accounting and Finance from University of East London.

He is a professional and subsequently became a corporate member in numerous industries including oil & gas, military contractor, private equity and investment banking, corporate consulting to information and communications technology and general trading.

In the event industry, he used to produce dramas and documentaries for TV stations. He has also involved in artist management for several major international events, for instance Petronas, Formula 1, football all-star exhibition match and etc.

He is presently an Independent Non-Executive Chairman of Komarkcorp Berhad and Non-Independent Non-Executive Director of Key Alliance Group Berhad and also a Director of several private companies. He is also holding advisory and management positions in many companies across a multitude of industries in Malaysia and overseas.

Eager to achieve more, he is always open to any new ideas of career and business opportunities and cooperation with good prospects and future value.

He is also an active member of Royal Family and involves in several official and philanthropic activities.

Board of Directors' Profile
(cont'd)

Koo Kien Keat

EXECUTIVE DIRECTOR
MALAYSIAN, AGED 36, MALE

Mr. Koo Kien Keat was appointed to the Board as the Executive Director on 8 September 2020.

He has been one of the most popular international badminton players in Malaysia. He studied at the Saint Michael's Institute and completed his secondary school at Bukit Jalil Sports School. He being successful in his career and reached a career high ranking of world's number 1 in Men's Doubles in 2007. He has also become the youngest ever men's doubles pair and won the gold medal at Asian Games.

In addition, he has won 5 Gold Medals in Commonwealth Games which is the most Gold Medal wins in the history of Malaysia. He took part in the 2012 London Olympics where he achieved 4th prize in the Men's doubles. Over the years, he has participated in various of worldwide tournaments and after retirement he was appointed as club coach cum club manager for Badminton Asia High Performance Director. In 2015, he was returned back from retirement and participate in 2016 Rio Olympics. In November 2016, he officially announced on his retirement from professional badminton.

He believes in innovation and is bound to help Macpie Berhad to attract more partnerships and diversify their clientele.

Presently, he is the Independent Non-Executive Director of Cheetah Holdings Berhad and Komarkcorp Berhad.

Board of Directors' Profile
(cont'd)

Justin Low Sook Huey

EXECUTIVE DIRECTOR
MALAYSIAN, AGED 28, FEMALE

Ms. Justin Low Sook Huey was appointed to the Board as the Executive Director on 17 August 2021.

Ms. Justin Low has more than 7 years' experience across a broad range of marketing function and varied industry segments. After obtaining her Malaysian Certificate of Education, she began her career as an Executive Sales Consultant at Asiarooms.com, Bangkok in 2012. She joined Insense Design Sdn. Bhd. as a Project Executive from 2013 to 2015. She worked as a Marketing Executive in Hibaby, Kuala Lumpur from 2015 to 2016. From 2016 to 2019, she joined Dedikasi Kaliber Sdn. Bhd. as Personal Assistant, she then left to join Troopers Innovation Sdn. Bhd. as Key Account Manager. Subsequently, she was appointed as Managing Director of Idea Plus Enterprise from 2019 to 2021.

Ms. Justin Low will be directly involved in the establishment and expansion of the digital marketing and social media management business of Macpie Berhad's group of companies ("Group"), bringing to the team an extensive network and pipeline of potential clients for the Group's direction.

She does not hold any directorship in any other public companies and listed corporations.

Board of Directors' Profile
(cont'd)

Andy Liew Hock Sim

INDEPENDENT NON-EXECUTIVE DIRECTOR
MALAYSIAN, AGED 41, MALE

Mr. Andy Liew Hock Sim was appointed to the Board as the Independent Non-Executive Director on 27 October 2020. He is the Chairman of Audit & Risk Management Committee and a member of the Nominating Committee and Remuneration Committee of the Company.

He is a Chartered Accountant with Malaysian Institute of Accountants (MIA) and member of Certified Practising Accountant (CPA) Australia. He has over sixteen (16) years of experience with major audit firms in audit, taxation and accountancy that gained from both Malaysia and overseas. He was involved in numerous successful initial public offering ("IPO") in Malaysia, Singapore, Germany and Hong Kong throughout his career.

He started his career with a local audit firm in Malaysia. He then joined KPMG Kuala Lumpur after obtained his professional qualifications, i.e. MIA and CPA Australia in 2006. In KPMG Kuala Lumpur, he started to involve in the audit of multinational corporation (MNC) and public listed company (PLC). He also involved in the IPO of a financial services company in the Main Market of Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad).

In 2008, he ventured to China and since then, spent eight (8) years in China. From 2008 to 2012, he worked in KPMG Beijing and actively involved in audit and IPO. In 2012, he joined a China-based manufacturing company in the capacity of Chief Financial Officer and listed the company in Frankfurt Stock Exchange in 2014 prior to his return to Malaysia in 2016.

Upon his return to Malaysia, he joined Baker Tilly Malaysia and led a team of forty (40) which specialise in IPO and actively involved in various corporate exercise such as business restructuring, mergers and acquisitions, reverse takeover, transfer listing, financial due diligence, regularisation plan for PN17 company, fund raising, etc.

In 2019, he started his own public practice and assumed the role of Managing Partner.

At present, he also sits on the Board of XOX Bhd, Perak Corporation Berhad and Oversea Enterprise Berhad.

Lionel Vernon Yong Nguon Kee

INDEPENDENT NON-EXECUTIVE DIRECTOR
MALAYSIAN, AGED 51, MALE

Mr. Lionel Vernon Yong Nguon Kee is an Independent Non-Executive Director of the Company. He was appointed to the Board on 21 March 2017 and is the Chairman of the Nominating Committee and a member of the Audit & Risk Management Committee and Remuneration Committee of the Company.

Mr. Lionel Yong (CIA, CA (M), FCCA, CMIIA) is an internal audit practitioner with more than 21 years of experience in accounting, finance, and internal audit. He is a certified internal auditor (USA), a chartered accountant (Malaysia), a member of the Malaysian Institute of Accountants (MIA) and a Fellow Member of the Chartered Association of Certified Accountants (UK). His specialities include the provision of independent and objective assessments of systems of internal control as implemented by the management to evaluate and improve the effectiveness of risk management, control, and governance. He is also familiar with the requirements of carrying out investigations into corporate fraud activities and with the requirements of the governance and audit of Information Technology systems based on the Control Objectives for Information Technologies (COBIT) Framework.

He has carried out risk assessment exercises for numerous companies, involved in the system development life cycle process in the implementation of several information technology applications during his career and led investigations into a number of corporate fraud activities.

He is currently the Director of Corporate Governance, Risk Management and Internal Audit of OAC Consulting Sdn. Bhd.

He does not hold any directorship in any other public companies and listed corporations.

Board of Directors' Profile
(cont'd)

Woon Sing Jiunn

INDEPENDENT NON-EXECUTIVE DIRECTOR
MALAYSIAN, AGED 39, FEMALE

Ms. Woon Sing Jiunn was appointed to the Board as the Independent Non-Executive Director on 30 January 2019.

She graduated from Tunku Abdul Rahman University College with a Degree in Mass Communication (Media Studies).

She has more than 13 years of experience in the broadcast and media industry.

She got her start as a broadcast journalist with RTM, covering news ranging from crime to natural disasters, politics, and economic issues.

She then joined TV3 and worked as an Assistant Producer cum News Presenter on Buletin Utama. During her time with the television channel, she had amassed a wealth of experience from interviewing high-profile celebrities, politicians, international artists, and successful entrepreneurs. She interviewed personalities such as Ricardo Guadalupe, Chief Executive Officer ("CEO") of Hublot, Lang Lang, a famous Chinese pianist and Franz Linder, CEO of Mido. She was also tasked with carrying out live reporting in front of millions of audiences.

From 2016 until 2018, she was the Image and Branding Consultant for Media Prima news and current affairs. She was the first female presenter who won Reader's Digest Malaysia's Most Trusted TV Presenter twice, in 2016 and 2017. She was also appointed as Chief Editor for the Malaysia Book of Records 2018.

She does not hold any directorship in any other public companies and listed corporations.

Board of Directors' Profile
(cont'd)

Lee Kien Fatt

INDEPENDENT NON-EXECUTIVE DIRECTOR
MALAYSIAN, AGED 55, MALE

Mr. Lee Kien Fatt was appointed to the Board as the Independent Non-Executive Director on 22 January 2021. He is the Chairman of Remuneration Committee and a member of Audit & Risk Management Committee and Nominating Committee of the Company.

Mr. Lee is a member of Malaysian Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountants (MIA).

He started his career with an articleship with KPMG in 1987 before joining Group Associated (C&L) Sdn. Bhd. as Finance Manager from 1992 to 1994. After a stint with Ng Tiong Seng Corporation Berhad, he joined United Straits Amalgamated Berhad as Group Financial Controller in 1997. Subsequently, he was appointed as Consultant cum Executive Director of RNC Corporation Berhad in 1999. Mr. Lee then left to join as Consultant cum Independent Non-Executive Director of LBI Capital Berhad in 2003. He also served as an Independent Non-Executive Director of Tenggara Oil Berhad from 2007 to 2008.

Presently, he is the Independent Non-Executive Director of both Key Alliance Group Berhad and Niche Capital Emas Holdings Berhad.

Notes:

Family Relationship with any Director and/or Major Shareholder
None of the Directors has any family relationship with any Director and/or major shareholder of the Company.

Conflict of Interest
None of the Directors has any conflict of interest with the Company.

Conviction for Offences
Other than traffic offences, if any, the Directors have not been convicted of any offences within the past five (5) years and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2021.

Attendance of Board Meetings
Details of the Directors' attendance at Board meetings are set out in the Corporate Governance Overview Statement on page 24 of this Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT

Audrey Thong Pooi Mun

GROUP FINANCIAL CONTROLLER
MALAYSIAN, AGED 33, FEMALE

Ms. Audrey Thong was appointed as Group Financial Controller of Macpie Berhad (the "Company") on 1 January 2021. She is overseeing our Group Finance, Group Human Resource and all corporate affairs related matters. She is a Chartered Accountant with Malaysian Institute of Accountants (MIA) and a member of Association of Chartered Certified Accountants (ACCA). She has more than ten (10) years of experience in auditing, accounting and financial advisory roles in her career.

She started her career with KPMG Malaysia as a Finance Officer and moved on to a local audit firm to gain her audit experience. She then joined Baker Tilly Malaysia in the advisory department after she has completed with her professional qualification (ACCA) and involved in various assignments which include a few successful Initial Public Offering projects for private companies, corporate restructuring and insolvency, financial due diligence as well as financial forensic engagements.

In 2019, she joined Deloitte Malaysia under the Forensic and Litigation Support arm for a team size of approximately 30 people and further explored her career with different investigation toolsets and knowledge to identify/uncover financial crime and/or business dispute through the review of financial statements, data collection as well as performing data analytics and relationship profiling.

She does not hold any directorship in any other public companies and listed corporations. She also does not have any relationship with any Director and/or Major Shareholder of the Company, have no conflict of interest with the Company, have not been convicted of any offences within the past five (5) years and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF OUR GROUP'S BUSINESS

Macpie Berhad ("MACPIE") and our subsidiaries ("MACPIE Group" or "Group") are principally involved in the following:-

(i) Information and communications technology ("ICT") – trading and distribution of computer hardware and parts as well as telecommunication products, marketing and distribution of software with provision of related training and materials;

(ii) Event management – event and artist management as well as provision of ticketing solutions. Our ticketing solutions deliver ticket management systems and infrastructure to event organisers and can accommodate a wider range of customers, offline sales counters, optional payment gateways, custom ticket choices, entry scanning facilities, report analysis and dispatch services. We continuously improve this platform to ensure it stays competitive in the market;

(iii) Leasing – leasing premises and provision of management services. This segment is inactive during the financial year ended ("FYE") 30 June 2021 due to the COVID-19 pandemic but is expected to revitalise following the reopening of more economic sectors under the National Recovery Plan implemented by the Malaysian Government; and

(iv) Financial solutions – provision of money lending services, which is expected to be one of our growth segments. Following the nationwide vaccination programme to address the COVID-19 pandemic, economic activities across various sectors are expected to recover gradually in the months to come. As such, the need for financing as businesses rebuild will provide the impetus for growth as we boost our efforts to generate more leads for our money lending services.

In 2020, our Group ventured into the e-sports and digital media management services segment with XOX Mobile Sdn Bhd (a wholly-owned subsidiary of XOX Bhd) for services related to organising an online event known as XOX Unity Player Unknown's Battlegrounds (PUBG) League. Digital media management services are expected to generate a new revenue stream for our Group following an increased adoption of digitalisation due to the COVID-19 pandemic as more people rely on digital products as a medium of communication in order to limit close physical contact.

Management Discussion and Analysis
(cont'd)

Following the above, TA Securities Holdings Berhad had on 30 August 2021 announced on our behalf, our proposal to undertake a private placement exercise. This placement exercise was undertaken to fund our initiative of setting up a digital media platform, in order to reduce our dependence on the traditional event management business and to ride on the increased demand on digital marketing and events.

For FYE 30 June 2021, most of our Group's revenue was derived from the ICT segment. This segment contributed 88% of our Group's total revenue, while the remaining revenue was contributed from the event management at 8% and leasing at 1% and financial solutions at 2%.

Our Group has been recording consecutive loss after tax for the past 3 financial years. In FYE 30 June 2021 and up to the date of this report, our Group's business has met with challenges as further discussed in the ensuing sections. Nonetheless, we will continue to monitor closely the market conditions and consumer sentiment, and will make prompt adjustments to our business strategies / range of products and services offered, where necessary. Internally, we will continue to strive for better cost management by constantly reviewing our operations and adopting more efficient processes.

FINANCIAL PERFORMANCE

	Audited FYE 30 June 2021 RM'000	Audited FYE 30 June 2020 RM'000
Revenue	31,785	64,934
Gross Profit ("GP")	1,564	3,812
Profit / (Loss) before Tax ("PBT") / ("LBT")	(8,806)	(9,353)
Profit / (Loss) after Tax ("PAT") / ("LAT")	(9,197)	(8,717)
GP margin (%)	4.9	5.9
PBT / (LBT) margin (%)	(27.7)	(14.4)
PAT / (LAT) margin (%)	(28.9)	(13.4)

Our Group's revenue decreased from RM64.9 million in FYE 30 June 2020 to RM31.8 million in FYE 30 June 2021. The decrease in revenue was due to the lower sales generated from ICT and event management, which was a result of the impacted by the negative effect of the COVID-19 pandemic. ICT, being the largest revenue segment, experienced a decline as sales were dampened by the pandemic and the Group carried less products for distribution during FYE 30 June 2021.

Our Group recorded a LAT of RM9.2 million for FYE 30 June 2021 compared to LAT of RM8.7 million for FYE 30 June 2020. The higher LAT in FYE 30 June 2021 was mainly due to lower GP generated during the financial year.

REVIEW OF FINANCIAL POSITION

	As at 30 June	
	2021 RM'000	2020 RM'000
Total assets	74,750	51,147
Total liabilities	12,443	11,147
Net assets / Shareholders' equity	63,179	40,534
Net current assets	45,081	14,119
Financial ratios		
Current ratio [1]	4.84	2.31
Trade receivables turnover days [2]	88	77
Trade payables turnover days [3]	86	35

Notes:-
(1) Current assets / Current liabilities
(2) Average trade receivables / Total revenue x 365 days
(3) Average trade payables / Cost of sales x 365 days

Our Group's net assets increased due to the increase in share capital as a result of a private placement completed in March 2021 and warrants conversion in FYE 30 June 2021. Our current ratio increased mainly due to the increase in inventories, as well as our cash and cash equivalents.

Management Discussion and Analysis
(cont'd)

Non-current assets consisting mainly of property, plant and equipment and trade receivables, decreased to RM17.7 million as at FYE 30 June 2021 from RM25.9 million as at FYE 30 June 2020. This is due to property, plant and equipment being written off and impairment loss on trade receivables.

Current assets increased to RM56.8 million as at FYE 30 June 2021 from RM24.9 million as at FYE 30 June 2020, as we saw an increase in cash and bank balances as well as deposits with licensed bank. Our Group's cash and bank balances together with deposit with licensed bank increased to RM46.6 million as at FYE 30 June 2021 from RM3.8 million as at FYE 30 June 2020. The increase was mainly due to proceeds raised from the aforementioned private placement and conversion of our outstanding warrants.

Trade receivables decreased by 57.0% as a result of lower revenue. Other receivables decreased by 33.1% as certain non-refundable deposits were written off during the financial year (such as deposits paid to reserve event venues, deposits paid for food and beverage business which was subsequently became not viable due to the COVID-19 pandemic).

Non-current liabilities comprised lease liabilities in relation to the purchase of right-of-use asset (i.e. leases of office equipment). Current liabilities comprised mainly trade and other payables as well as lease liabilities. Trade payables decreased by 9.8% and this is in line with lower revenue for FYE 30 June 2021. Other payables increased by 110.9%, mainly due to deposit paid by customer for the Group's ICT products.

On 14 December 2020, Mercury Securities Sdn Bhd announced on our behalf the following:-

(i) a private placement of up to 129,614,800 new ordinary shares, representing approximately 30% of the existing total number of issued shares of MACPIE ("Shares"), to independent third-party investors to be identified later. The private placement exercise was completed on 1 March 2021;

(ii) a share split involving the subdivision of every 1 existing Share held on an entitlement date to be determined and announced later into 2 Shares. The share split exercise was completed on 8 March 2021; and

(iii) a bonus issue of up to 561,664,282 new MACPIE warrants on the basis of 1 MACPIE warrant for every 2 Shares held by entitled shareholders on an entitlement date to be determined and announced later. The bonus issue of warrants exercise was completed on 12 March 2021.

(collectively, the "Proposals").

Further, on 30 August 2021, TA Securities Holdings Berhad announced on our behalf a proposed private placement of up to 332,465,600 Shares ("Placement Shares"), representing 20% of the existing total number of issued shares of MACPIE, to independent third-party investors to be identified later. Bursa Malaysia Securities Berhad ("Bursa Securities") had vide its letter dated 30 September 2021 approved the listing and quotation of the Placement Shares. As at the date of this report, no Placement Shares have been issued pursuant to this private placement exercise.

The proceeds raised from the above private placement exercise will be utilised for development of a digital media platform for our event management business in line with the increasing reliance on digitalisation. This will allow our Group to organise our events via livestreaming, overcoming geographical constraints as well as the movement restrictions imposed by the Malaysian Government.

Save as aforementioned, we are not aware of any other known trends and events that are reasonably likely to have a material effect on our operations, performance, financial condition and liquidity.

Management Discussion and Analysis
(cont'd)

ANTICIPATED OR KNOWN RISKS

In line with Bursa Securities' regulatory framework on the new disclosure requirements, we highlight below the key anticipated or known risks that our Group is exposed to that may have a material effect on our operations, performance, financial condition and liquidity. Our plans and strategies to mitigate these risks have also been disclosed below.

(I) COVID-19 pandemic and movement control order ("MCO")

As a result of the COVID-19 pandemic, the Government of Malaysia has imposed various containment measures since 18 March 2020, which includes the closure of arts, entertainment and recreation premises, prohibitions of large-scale events and gatherings, closure of the country's borders and restrictions on interstate and international travel. During this period, our Group has had to change the way we conduct our businesses, including changing operating procedures to comply with the control in physical movements and adherence to social distancing requirements, and has taken the necessary steps to ensure the stability of our operations.

Despite the subsequent re-opening of certain entertainment events as permitted by the Government of Malaysia during the recovery phase of MCO, the number of participants were limited due to physical distancing measures. Further, as a precautionary measure, many people avoided participating in these events to minimise the chances of getting infected.

The eventual impact on our Group's operations will largely be dependent on the scale and length of the COVID-19 pandemic, as well as the progress of Malaysia's vaccination programme. As such, we will remain vigilant and take a prudent approach in monitoring our operations.

(II) Operational risks

The main operational risks faced by our ICT segment include inventory holding costs, stock obsolescence as well as fluctuation of market prices. Further, our sales are subject to demand variability. The level and timing of orders placed by our customers vary for a variety of reasons, including seasonal buying by consumers, the introduction of new hardware and software technologies and general economic conditions. Our Group mitigates these risks through regular monitoring of price movement as well as maintain a close contact with our suppliers / business partners.

On our event management segment, any disruption in electricity supply and equipment malfunction may have an adverse effect on the progress or delivery of our event, which will affect our Group's business and financial performance. To avoid major breakdowns and disruptions to our events, electricity supply and relevant equipment are constantly monitored and prior checking will be performed before hosting an event.

(III) Competition risks

We continue to face competition from existing and new competitors who may be capable of offering similar products. Whilst we strive to remain competitive, there can be no assurance that any changes in the competitive environment would not have any material and adverse impact on our business and financial performance.

Nevertheless, our Group strives to maintain our competitive edge by ensuring the quality of our products and services through stringent quality assurance procedures. We also continuously place importance on improving our products and services, through developing new solutions such as the development of the digital media platform to overcome geographical constraints and movement restrictions imposed by the Malaysian Government for our event management business, as well as providing training to develop our key personnel.

(IV) Credit risks

Our Group is exposed to the risk of default by our trade receivables. We may experience delays in payment for our products and/or services, or in more severe cases, our Group may not be able to collect payments from our trade receivables. In the event of payment defaults, our Group would have to impair or write off the said receivables, which will negatively affect our financial performance.

Considering the above, our Group constantly reviews and evaluates the credit status of our trade receivables as well as perform thorough due diligence check on our potential customers before any provision of products and/or services are made.

TREND AND OUTLOOK

The completion of our private placement exercise in March 2021 has strengthen our Company's liquidity and cash flow position. This enabled our Group to purchase equipment for our event management business to support our Group's continued growth in this segment. We will continuously seek opportunities to expand within the ICT and event management industry to gain a strong foothold in the domestic market. In addition, the private placement exercise in March 2021 also helped us to procure additional funding for our money lending business under the financial solutions segment.

Management Discussion and Analysis
(cont'd)

The COVID-19 pandemic has adversely impacted the overall economy in Malaysia and our Group is not spared from the negative effects of the pandemic. The closure of arts, entertainment and recreation premises, prohibitions of large-scale events and gatherings, closing of country borders and implementation of domestic and international travel restrictions have caused many entertainment events and activities to be cancelled or postponed, making the entertainment industry one of the hardest hit industries during the COVID-19 pandemic.

Notwithstanding the above, the advancement of livestreaming enables certain entertainment events to be carried out virtually during the COVID-19 pandemic. In this respect, the digital media platform will allow our Group to organise events and connecting such events with our audience via livestreaming. This will enable our Group to cater to a wider audience, overcoming geographical constraints as well as the movement restrictions imposed by the Government. This is expected to improve the financial position and financial performance of our Group.

Pursuant thereto, we have included the provision of digital marketing services into our portfolio, after considering the aforementioned benefits as well as to reduce the negative impact of the COVID-19 pandemic to our financial performance. In this relation, our Group has resolved to undertake the private placement exercise in August 2021 to raise the requisite funds for the digital marketing platform.

The Board of Directors ("Board") is of the view that 2021 will remain a challenging year, due to the uncertainties surrounding the COVID-19 pandemic and Malaysia's path to recovery. However, premised on the above and after considering the prospects of the Malaysian entertainment industry in the longer term, the Board is cautiously optimistic of the future prospects of our Group.

DIVIDEND POLICY

No dividend has been paid by the Company for the FYE 30 June 2021. The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividend for the year is subject to shareholders' approval. Although we have not formulated a dividend policy or payout ratio, we recognise that it is important to reward our investors with dividends. The payment of dividends or other distributions will depend on our financial performance, cash flow requirement, availability of distributable reserves, capital expenditure plans and other factors that the Board deems relevant.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Macpie Berhad ("Macpie" or the "Company") presents this Corporate Governance Overview Statement ("Statement") to provide the shareholders and other stakeholders with an overview of the corporate governance ("CG") practices of the Company during the financial year ended 30 June 2021 ("FY2021"). This overview takes guidance from the key CG principles as set out in the Malaysian Code on Corporate Governance ("MCCG").

This Statement is prepared in accordance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and it is to be read together with the CG Report 2021 of the Company ("CG Report") which is available on the Company's website at https://macpie.asia/.

The CG Report provides details on how the Company has applied the practices as set out in the MCCG during FY2021.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board's Responsibilities and Leadership

The Company and its subsidiaries ("Group") is led by an experience and effective Board. All Board members are expected to show good stewardship and act in a professional manner as well as to uphold the core values of integrity with due regard to their fiduciary duties and responsibilities.

The Board is responsible for governing, guiding and overseeing the overall management of the Group and retains full and effective control over the affairs of the Group. It reviews the Group's policies and strategies, enforces standards of accountability, actively oversees the conduct, management and business affairs of the Group and monitors the performance of Executive Directors and Senior Management. The Board ensures the effective discharge of its fiduciary and leadership functions, as well as sustains long-term shareholder value while safeguarding the interests of all its stakeholders. It works closely with the Executive Directors and Senior Management to ensure that the operations of the Group are conducted prudently within the framework of relevant laws and regulations. The Board ensured that it had set the appropriate tone at the top, providing thought leadership and championing good governance and ethical practices throughout the Group.

The Board has delegated specific responsibilities to the following Board Committees to assist in the execution of its responsibilities:

(a) Audit & Risk Management Committee ("ARMC");
(b) Nominating Committee ("NC"); and
(c) Remuneration Committee ("RC").

Each Committee operates in accordance with respective terms of reference ("TOR") and reports to the Board with their recommendations. The ultimate responsibility for decision lies with the Board. The Board keeps itself abreast of the significant matters and resolutions deliberated by each Board Committee through the reports by the Chairman of the relevant Board Committees or the tabling of the minutes of the Board Committees' meetings and circular resolutions passed at the immediate subsequent Board meeting.

The TORs of the Board Committees are reviewed as and when the need arises. The TORs are published on the Company's website at https://macpie.asia/.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.0 Board's Responsibilities and Leadership (Cont'd)

1.1 Separation of role and responsibility of Chairman and Executive Directors

There is a clear separation of the role and responsibility between the Chairman, the Executive Directors and the Independent Non-Executive Directors to promote greater accountability to enhance check and balance of power and authority. The positions of the Chairman and the Executive Directors are held by different individuals, and their roles are described in the Board Charter.

The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board, while the Executive Directors have overall responsibility, with the support of the Senior Management team of the Company, for the day-to-day management of the business and implementation of the Board's policies, directives, strategies and decisions.

Delegation of the Board's authority to the Executive Directors and Senior Management is subject to defined limits of authority of the Group and monitoring by the Board. However, as the Board has the overall responsibility to manage and supervise the affairs of the Company in accordance with the law, there are matters which are reserved for the Board's consideration as set out in the Board Charter.

1.2 Board Meetings

The Board met five (5) times during FY2021. The meeting attendance of the Board members is as follows:-

Directors	Meeting Attendance
Lionel Vernon Yong Nguon Kee	5/5
Woon Sing Jiunn	5/5
Koo Kien Keat (Appointed on 8 September 2020)	4/4
Andy Liew Hock Sim (Appointed on 27 October 2020)	3/3
Lee Kien Fatt (Appointed on 22 January 2021)	2/2
Lim Peng Tong (Resigned on 30 September 2020)	1/1
Kenny Khow Chuan Wah (Resigned on 30 September 2020)	1/1
Tang Boon Koon (Appointed on 8 September 2020 and resigned on 26 October 2020)	1/1
Ng Chee Heng (Resigned on 20 November 2020)	2/2
Chong Ching Wai (Resigned on 22 January 2021)	3/3

Following the resignation of Mr. Lim Peng Tong as Chairman of the Board on 30 September 2020, Mr. Lionel Vernon Yong Nguon Kee was elected to chair the Board meetings during FY2021. Subsequently, YM Tengku Ezuan Ismara bin Tengku Nun Ahmad was appointed as Independent Non-Executive Chairman on 27 September 2021.

Due to the COVID-19 pandemic and as part of the Company's measures to curb the spread of the COVID-19, some of the Board meetings during FY2021 were conducted virtually via video conferencing.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.0 Board's Responsibilities and Leadership (Cont'd)

1.2 Board Meetings (Cont'd)

The Board also deliberated and voted on the written resolutions circulated to the Board together with detailed explanation. Ample time was given to all Directors in order for them to make informed and constructive decisions.

All proceedings of the Board meetings were minuted, presented in the next meeting for confirmation and signed by the Chairman of the Meeting. At the Board meetings, the Management presented papers pertaining to each issue raised for discussion or as supplementary information.

Independent Advisers, Internal Auditors and External Auditors were invited to provide further insight and/or share advice and opinions on matters pertaining to corporate exercises, governance, internal controls and risk management. The Chairman constantly promotes constructive, healthy debate and the Directors are given the chance to freely express their views.

To facilitate the Directors' time planning, a planned annual meeting calendar is prepared and circulated to them before the beginning of each year. It provides the scheduled dates for meetings of the Board, Board Committees and annual general meeting ("AGM"). If there is any extraordinary general meeting to be held during the financial year, the meeting date will be planned in accordance with the availability of the Directors and the timeline of the corporate exercise. The Directors are also constantly updated with the closed periods for dealings in securities based on the targeted dates of announcement of the Group's quarterly results and annual financial results.

The Board was satisfied that all Directors have been devoting sufficient time to discharge their responsibilities adequately.

1.3 Training

The Directors acknowledge that continuous education is vital for the Board members to gain insight into the state of the economy, technological advances, regulatory updates and management strategies to equip themselves with the necessary skills and knowledge to effectively discharge their duties.

An appropriate induction is provided to the newly appointed Directors for them to familiarise themselves with the Group's organisational structure, strategic plans, significant financial, accounting and risk issues and other important matters and become effective in their roles within the shortest practicable time.

In addition to the Mandatory Accreditation Programme as required by Bursa Securities, the Directors are encouraged to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors.

The Directors continuously received briefings and updates on amongst others, amendments to Listing Requirements and new circulars/directives/guidelines/consultation papers issued by Bursa Securities, Securities Commission Malaysia ("SC") and Companies Commission of Malaysia ("CCM") respectively. The Directors also received briefings on information on the Group's businesses and operations and initiatives undertaken by the Group.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.0 Board's Responsibilities and Leadership (Cont'd)

1.3 Training (Cont'd)

Besides the above briefings, the Directors had attended the following training programmes/seminar/webinars during FY2021 to further enhance their knowledge and skills:

Name of Directors	Training Programmes/Seminar/Webinars
Koo Kien Keat	• Training Programme: Decoding Transactions and Related Party Transaction ("RPT") Rules
Andy Liew Hock Sim	• MIA Webinar Series: Fraud and Auditor's Responsibilities • Training Programme: Decoding Transactions and RPT Rules
Lionel Vernon Yong Nguon Kee	• MIA Webinar Series: Rising to the Challenge: Business Recovery and Continuity Planning • MIA Webinar Series: Corporate Liability: Best Practices & Procedures to Adopt for Directors, Accountants and Company Secretaries • MIA Webinar Series: Managing Risks Through a Global Pandemic • Webinar Series: Audit Committee Conference 2021 • Training Programme: Decoding Transactions and RPT Rules
Lee Kien Fatt	• Training Programme: Decoding Transactions and RPT Rules
Woon Sing Jiunn	• Training Programme: Decoding Transactions and RPT Rules

2.0 Board's Composition

The Group is currently led and managed by an experienced Board consisted of two (2) Executive Directors and five (5) Independent Non-Executive Directors. The Independent Directors make up more than 50% of the composition of the Board. Hence, the composition of the Board fulfils the prescribed requirement under Paragraph 15.02(1) of the Listing Requirement and adopts the best practice 4.1 of the Code.

The composition of the Board reflects a diversity of backgrounds, skills and experiences in the areas of business, marketing, accounting, finance, taxation, audit, sports, legal, general management and strategy that contributes effectively in leading and directing the management and affairs of the Group. Given the calibre and integrity of its members and the objectivity and independent judgment brought by the Independent Directors, the Board is of the opinion that its current size and composition contribute to an effective Board.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2.0 Board's Composition (Cont'd)

2.1 Board Charter

The Board is guided by its Board Charter which provides reference in relation to the roles and responsibilities of the Board and Management. The Board Charter is subject to periodic review and will be updated as and when necessary to ensure it remains consistent with the Group's policies and procedures, the Board's overall responsibilities as well as changes to legislation and regulations.

The Board Charter is published on the Company's website at https://macpie.asia/.

2.2 Code of Business Conducts

The Directors are expected to conduct themselves with the highest ethical standards by setting the appropriate tone at the top, providing thought leadership and championing good governance and ethical practices throughout the Group. All Directors and employees are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Group. The Company has adopted a Code of Business Conducts, which can be viewed on the Company's website at https://macpie.asia/.

2.3 Whistleblowing Policy

The Board is committed to promote and maintain high standard of integrity, openness and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner.

The Company provides avenue for all employees and members of the public to disclose any improper conduct in accordance with the procedures as provided for under this policy to provide protection for employees and members of the public who report such allegation. This is also to provide protection for the whistleblower from reprisal as a direct consequence of making a disclosure and to safeguard such person's confidentiality. To this end, the Board has established a Whistleblowing Policy, available for viewing on the Company's website at https://macpie.asia/.

2.4 Anti-Bribery and Corruption Policy

The Group has adopted an Anti-Bribery and Corruption Policy to prevent the occurrence of bribery and corruption practices in relation to the businesses of the Group. The Group strictly prohibits all forms of bribery and corruption and will take all necessary steps to ensure that it complies with and conducts its business with transparency.

2.5 Corporate Disclosure Policy

Recognising the importance of accurate and timely public disclosures of corporate information in order for the shareholders to exercise their ownership rights on an informed basis, the Board has established a Corporate Disclosure Policy, where it outlines how the Group identifies and distributes information in a timely manner to all shareholders. It also reinforces the Group's commitment to the continuous disclosure obligations and describes the procedures implemented to ensure compliance.

The Board through the Management oversees the Group's corporate disclosure practices and ensures implementation and adherence to the Corporate Disclosure Policy. The Board has authorised the Executive Directors as the primary spokespersons responsible for communicating information to all stakeholders including the public.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2.0 Board's Composition (Cont'd)

2.6 Succession Plan

The Board, through the NC, is ensuring that there is an effective and orderly succession plan within the Group. The NC is responsible for formulating the nomination, selection and succession policies for the members of the Board and Board Committees while the Executive Directors are responsible for the succession of the Group's key management personnel from time to time under the purview of NC.

In this regard, the NC reviews and assesses the profile, professional achievements, personality, experience, competency, skills and knowledge of each candidate for key management position to ensure the right candidate is appointed for the relevant position.

2.7 Promoting Sustainability

The Board recognises the importance of sustainability and its increasing impact to the Group's businesses. The Board annually reviews the sustainability of the Company's strategic directions, with due consideration over the progress of the long term and short term plans, changes in business and political environment, levels of competition, updates in risk factors and any other factors which could affect the sustainability of the Group.

2.8 Access to Information and Advice

Every Director has full, free and unrestricted access to information within the Group. Where required, the Board and its Committees are provided with independent professional advice or other advice in furtherance of their duties, the cost of which is borne by the Company. The Board may also seek advice from the Management or request further explanation, information or update on any aspect of the Group's operations or business concerns.

The Board is supplied with quality and timely information, which allows it to discharge its responsibilities effectively and efficiently. The agenda for each meeting together with a set of comprehensive meeting papers for each agenda item are delivered to each Director seven (7) days prior to the meeting, to enable the Board to review the matters to be deliberated for effective discussion and decision making during the meeting, and where necessary, to obtain supplementary information before the meeting.

In addition, the Directors have full and unrestricted access to the advice and dedicated support services of the Company Secretary appointed by the Board. He is experienced, competent and responsible to advise the Board on procedural and regulatory requirements to ensure that the Board adheres to the Board policies, procedures and regulatory requirements in carrying out its roles and responsibilities effectively.

2.9 Company Secretary

The Board is assisted by an experienced, competent and knowledgeable Company Secretary who gives clear and sound advice on regulatory requirements and governance matters to the Board. The Company Secretary is qualified to act as company secretary under Section 235 of the Companies Act 2016 ("the Act").

The Company Secretary is responsible for advising the Board on issues relating to compliance with laws, rules, procedures and regulations affecting the Group as well as the principles of best corporate governance practices.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2.0 Board's Composition (Cont'd)

2.9 Company Secretary (Cont'd)

The Company Secretary is also advising the Board of their obligations and adherence to matters, amongst others, disclosure of interest in securities, disclosure of any conflict of interest in a transaction involving the Company or its subsidiaries, requirements on dealing in securities and restrictions on disclosure of price-sensitive information.

During FY2021, the Company Secretary had:

- attended the Board, Board Committees and general meetings and ensured that the proceedings of the meetings and decisions made thereof are accurately and sufficiently recorded and properly kept;
- advised the Board and Board Committees on the corporate disclosures and compliance with the Act, Listing Requirements and Capital Markets and Services Act 2007;
- advised the Board on the amendments to Listing Requirements and new circulars/directives/guidelines/consultation papers issued by Bursa Securities, SC and CCM respectively;
- ensured all statutory submissions to the relevant authorities were completed within the prescribed timeline;
- monitored corporate governance developments and practices; and
- ensures timely and appropriate information flow within the Board and Board Committees.

2.10 Nomination Committee

For FY2021, the NC comprises exclusively of two (2) Non-Executive Directors, all of whom are Independent Directors. Subsequently, upon the recommendation of NC, the Board has appointed Mr Andy Liew Hock Sim as the new member of NC on 20 October 2021.

The main responsibilities of the NC are as follows:

- Nominate new nominees for appointment to the Board and Board Committees for the Board's consideration.

- Annually assess the effectiveness of the Board as a whole, the Board Committees and the contributions of each individual Director including the Independent Non-Executive Directors based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

- Annually review and assess the independence of the Independent Non-Executive Directors.

- Annually review the term of office and performance of the ARMC and each of its members to determine whether such committee and members have carried out their duties in accordance with the terms of reference.

- Annually review and make recommendation on the re-election of Directors.

- Succession planning for Directors and Senior Management.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2.0 Board's Composition (Cont'd)

2.10 Nomination Committee (Cont'd)

During FY2021, the NC met three (3) times and the activities undertaken by the NC are listed below:

- Nominated new nominees for appointment to the Board and Board Committees, after taking into consideration, amongst others, education, skills, knowledge, experience, expertise, integrity, professionalism, gender, age and ethnicity.

- Assessed the effectiveness of the Board as a whole, the Board Committees against criteria as set out in the evaluation forms.

- Reviewed the structure, size and composition of the Board.

- Assessed and evaluated the independence of the Independent Non-Executive Directors to ensure that they are free from any interest, position or relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of his/her independent judgement.

- Assessed the performance of each individual Directors against criteria as set out in the evaluation forms, amongst others, attendance at Board and/or Board Committees meetings, adequate preparation for Board and/or Board Committee meetings, regular contribution to Board and/or Board Committee meetings, personal input to the role and other contributions to the Board and/or Board Committees.

The NC also deliberated and voted on the written resolutions circulated to the NC together with detailed explanation. Ample time was given to the NC in order for them to make informed and constructive decisions.

The Board has not set a gender diversity target but, it is moving towards improving gender equality. The Board will focus on getting the participation of more women and those of different ethnicity on its Board and within Senior Management and the person selected must be able to contribute positively to the development of the Group.

During FY2021, the Board has one (1) women director which constitutes 20% of the Board. Subsequently, the Board had on 17 August 2021 appointed an additional women director and having 28.6% women directors on Board.

With the current composition, the Board members have the necessary knowledge, experience, diverse range of skills and competencies to enable them to discharge their duties and responsibilities effectively.

2.11 Tenure of Independent Director

The Board is fully aware that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director. In the event the Director is to remain designated as an Independent Director, the Board shall first justify and obtain shareholders' approval on a yearly basis. If the Board continues to retain the Independent Director after the twelfth (12) year, the Board should seek annual shareholders' approval through a two-tier voting process.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2.0 Board's Composition (Cont'd)

2.11 Tenure of Independent Director (Cont'd)

The Board had conducted an evaluation of the level of independence of the Independent Non-Executive Directors of the Company who served during the FY2021. The Board is satisfied with the level of independence demonstrated by them and their ability to act in the best interest of the Company and/or the Group.

None of the Independent Non-Executive Directors of the Company has served the Board for more than nine (9) years.

2.12 Employees' Share Option Scheme ("ESOS") Committee

The ESOS Committee was established by the Board to administer and manage the ESOS Scheme in accordance with the By-Laws.

The ESOS Scheme will allow the Company to grant the ESOS options to all the eligible persons of the Group (excluding dormant subsidiaries) as a recognition of their performance and contribution to the Group.

3.0 Remuneration

The principal objective of RC is to assist the Board in developing a policy on the remuneration packages for Directors and Senior Management of the Company, and to ensure that the remuneration packages are commensurate with the expected responsibilities and contributions by the Directors and Senior Management.

For FY2021, the RC comprises exclusively of two (2) Non-Executive Directors, all of whom are Independent Directors. Subsequently, upon the recommendation of NC, the Board has appointed Mr. Andy Liew Hock Sim as the new member of RC on 20 October 2021.

The Company has adopted a remuneration framework in attracting, retaining and motivating the Directors and Senior Management of the Company for the successful performance of the Group. The remuneration of an Executive Director consists of basic salary, fees, other emoluments and benefits customary to the Group. Any salary and bonus review takes into account the performance of the individual and the financial performance of the Group.

The Non-Executive Directors' remuneration comprises annual fees and benefits based on their roles and responsibilities in the Board and Board Committees, their attendance at meetings and/or special skills and expertise they bring to the Board. Their fees and benefits are subject to the shareholders' approval at the AGM.

The Board determines the level of remuneration, fees and benefits of the Board members, taking into consideration the recommendations of the RC. Each individual Director abstains from deliberation and voting on all matters pertaining to their own respective remuneration.

The RC met once during FY2021 and has reviewed and recommended the proposed remuneration packages for both Executive Directors and Non-Executive Directors for the financial year ending 30 June 2022 to the Board for consideration. The Board has then made recommendation to the shareholders for approval at the forthcoming Sixteenth AGM ("16th AGM") of the Company as detailed in the Notice of 16th AGM.

The RC also deliberated and voted on the written resolutions circulated to the RC together with detailed explanation. Ample time was given to the RC in order for them to make informed and constructive decisions.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3.0 Remuneration (Cont'd)

The details of the remuneration of Directors of the Company and the Group during FY2021 are shown below:

The Company and the Group

Name	Salary RM	Bonus RM	Benefit in-kind RM	Directors' Fees RM	Meeting Allowance RM	Other RM	Total RM
Executive Directors							
Koo Kien Keat [1]	97,667	–	–	39,500	–	–	137,167
Kenny Khow Chuan Wah [2]	25,000	–	–	6,500	–	–	31,500
Ng Chee Heng [3]	242,250	–	–	10,000	–	5,500	257,750
Non-Executive Directors							
Lim Peng Tong [4]	–	–	–	3,000	–	–	3,000
Tang Boon Koon [5]	–	–	–	7,000	–	–	7,000
Andy Liew Hock Sim [6]	–	–	–	28,000	–	–	28,000
Chong Ching Wai [7]	–	–	–	16,125	–	–	16,125
Lee Kien Fatt [8]	–	–	–	18,375	–	–	18,375
Woon Sing Jiunn	–	–	–	34,500	–	–	34,500
Lionel Vernon Yong Nguon Kee [9]	–	–	–	34,500	–	–	34,500

Notes:
(1) Appointed as Executive Director on 8 September 2020.
(2) Resigned as Executive Director on 30 September 2020.
(3) Resigned as Executive Director on 20 November 2020.
(4) Resigned as Independent Non-Executive Chairman on 30 September 2020 and accordingly, ceased as Member of ARMC, NC and RC on 30 September 2020.
(5) Appointed as Independent Non-Executive Director on 8 September 2020 and Member of ARMC on 22 October 2020. He was then resigned as Independent Non-Executive Director and Member of ARMC on 26 October 2020.
(6) Appointed as Independent Non-Executive Director and Chairman of ARMC on 27 October 2020.
(7) Resigned as Independent Non-Executive Director, Chairman of RC and Member of both ARMC and NC on 22 January 2021.
(8) Appointed as Independent Non-Executive Director, Chairman of RC and Member of both ARMC and NC on 22 January 2021.
(9) Redesignated as Member of ARMC on 27 October 2020.

Due to confidentiality, sensitivity and security concerns, the Board is of the view that the disclosure of Key Senior Management's aggregated remuneration on unnamed basis in the bands of RM50,000 is adequate. The details of the remuneration are disclosed in Practice 7.2 of the CG Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1.0 Audit & Risk Management Committee

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors and its Chairman is not the Chairman of the Board, as follows:

- Andy Liew Hock Sim (Chairman)
- Lionel Vernon Yong Nguon Kee (Member)
- Lee Kien Fatt (Member)

The Board established the ARMC to provide independent oversight on both internal and external audit functions, financial reporting, risk management and internal control systems of the Company including reviewing the integrity of the financial reporting and overseeing the independence of External Auditors. The TOR of the ARMC are available at the Company's website at https://macpie.asia/.

The ARMC met five (5) times during FY2021 and discussed, amongst others, the draft audited financial statements, unaudited quarterly results, annual report, and the internal audit report. The ARMC also evaluated the External Auditors and Internal Auditor, in terms of their independence, suitability, objectivity, competency, skill set, resources, and time commitment. Three (3) private meetings with the External Auditors were held during FY2021. No material matters of concern were reported by the External Auditors.

The details of the key activities carried out by the ARMC during the FY2021 are set out in the ARMC Report of this Annual Report.

2.0 Risk Management and Internal Control Framework

The Board acknowledges the importance of risk management and internal control systems are an integral part of effective management practice and to safeguard shareholders' investment and Group's assets. The ARMC ensures principal risks in the Group are identified, assessed and mitigated with the appropriate internal control system.

In establishing and reviewing the risk management and internal controls system, the Board recognises that such systems can provide only reasonable, but not absolute, assurance against the occurrence of any material misstatement or loss.

The ARMC meets on a regular basis to ensure that there is clear accountability for managing significant identified risks and that identified risks are satisfactorily addressed on an ongoing basis. In addition, the adequacy and effectiveness of the risk management and internal controls system is also reviewed by the ARMC.

Assessments on the adequacy and integrity of the internal controls and monitoring of compliance with policies and procedures are also carried out through internal audits. The risk-based internal audit plan that covers internal audit coverage and scope of work is presented to the ARMC for its consideration and approval annually. Internal audit reports encompassing the audit findings together with recommendations thereon are presented to the ARMC once to twice a year. The senior and functional line management are tasked to ensure management action plans are carried out effectively and regular follow-up audits are performed to monitor the continued compliance.

The Board has received assurance from the Executive Director that the Group's risk management and internal controls system is operating adequately and effectively, in all material aspects.

The Group has outsourced the services of internal audit to an independent professional service provider ("Outsourced IA") which reports directly to the ARMC. The ARMC has conducted one (1) private meeting with the Outsourced IA without the presence of the Management. Further details of the activities of the internal audit function carried out by the Outsourced IA during the FY2021 are set out in the ARMC Report of this Annual Report.

The main features of the risk management framework and internal control system of the Group are as set out in the Statement on Risk Management and Internal Control of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1.0 Communication with Stakeholders

The Board acknowledges the importance of establishing a direct line of communication with shareholders and investors through timely dissemination of information on the Group's performance and operations via distribution of annual reports and relevant circulars, and release of quarterly financial results, press releases and announcements.

The Company has in place policies and procedures on the roles and responsibilities of Directors, Management and other employees together with the levels of authority with regards to corporate disclosures requirements. The Company recognises the need to adopt a high standard for the disclosures of relevant and material information on the development of the Group. In addition, the Company also emphasizes on the need of timely disclosures of information to shareholders as it acknowledges the importance of keeping shareholders and investment communities informed of Company's business and corporate developments to enable them to make informed judgement in valuing the Company's shares. Such information is disseminated via the Company's annual reports, quarterly financial results and the various announcements made from time to time to Bursa Securities which are accessible via Bursa Malaysia Berhad's website at www.bursamalaysia.com.

The Group also maintains a website at https://macpie.asia/ that allows all shareholders and investors to access information about the Group.

The Company has provided procedure on communication channel at its website whereby enquiries and feedback may be posed to the Company's Management.

2.0 Conduct of General Meetings

The Board also acknowledges AGM and extraordinary general meeting as important avenues in engaging with shareholders.

The AGM of the Company represents the principal forum for dialogue with shareholders where they may seek clarification on the Company's business. Shareholders are encouraged to participate in the questions and answers session and the Board will respond to any questions raised during the meeting to the best of its ability and knowledge.

In order to encourage shareholders' participation at the AGM, the Company sends out the notice of AGM earlier or at least 28 days to allow sufficient time for shareholders to make arrangements to attend either in person, by proxy(ies), corporate representative(s) or attorney(s).

During the previous Fifteenth AGM ("15th AGM") held on 27 November 2020, all resolutions set out in the Notice of 15th AGM were put to vote by way of poll. An independent scrutineer was appointed to validate the votes casted at the 15th AGM. The Directors, Management and External Auditors were also in attendance to respond to the shareholders' queries.

This Statement was approved by the Board on 22 October 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("Board") of Macpie Berhad ("Macpie" or the "Company") is committed to continuously improve the risk management and internal control system of the Company and its subsidiaries (collectively referred to as "Group") and is pleased to present the following Statement on Risk Management and Internal Control for the financial year ended 30 June 2021. This Statement on Risk Management and Internal Control is prepared in pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines").

RESPONSIBILITIES OF THE BOARD

The Board recognises the importance of good risk management practices and sound internal control as a platform to good corporate governance. The Board acknowledges its overall responsibility for maintaining a good sound system of risk management and internal control, and for reviewing its adequacy and integrity of such system. In addition, the Board has also received assurance from the Executive Director that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

Due to inherent limitations in any risk management and internal control system, such system put into effect by Management is designed to manage rather than eliminate the risk that may impede the achievement of the Group's business objectives. Therefore, the risk management and internal control system can only provide reasonable and not absolute assurance against material misstatement or loss.

RISK MANAGEMENT

The Group's risk assessment process was developed with the assistance of a professional services firm. During the financial year ended 30 June 2021, Senior Management reviews the existence of new risks and assesses the relevance of the Group's existing risk profile. Significant risks that may affect the Group's business objectives have been continually monitored. Whilst the Board maintains ultimate control over risk and control issues, the management of risks in the daily business operations is delegated to the Management team and significant risks are identified and related mitigating responses as well as the corresponding internal controls are discussed once to twice a year at the Audit & Risk Management Committee ("ARMC") meetings with the presence of the internal auditors.

The Board and Management practice proactive significant risks identification on a quarterly basis or earlier as appropriate, particularly on major proposed transactions, changes in nature of activities and/or operating environment, or new business ventures which may entail different risks, and require risk response strategies and controls to manage those risks to a level acceptable to the Board.

The abovementioned practices serve as the on-going process adopted by the Board and Management to identify, evaluate and manage significant risks faced by the Group in achieving the business objectives and strategies.

INTERNAL CONTROL MECHANISM

The internal audit adopts a risk-based approach in developing its audit plan which addresses the core auditable areas of the Group based on their risk profile. The Group's internal audit function is outsourced to an independent professional services firm that specializes in the provision of internal audit services. The cost incurred in outsourcing the internal audit function for the financial year ended 30 June 2021 is at RM11,000.

Scheduled internal audits are carried out by the outsourced internal audit function based on the audit plan approved by the ARMC. The internal audit provides an independent assessment on the effectiveness and efficiency of internal controls utilising an acceptable audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the ARMC.

INTERNAL CONTROL MECHANISM (CONT'D)

Apart from risk management and internal audit, the Group also has put in place the following key elements of internal control:

- An organization structure with well-defined scopes of responsibility, clear lines of accountability, and appropriate levels of delegated authority.
- The Executive Director and Financial Controller lead all the meeting papers presentation with detailed explanation at the ARMC and Board meetings with the assistance of the respective Heads of Divisions and reports to the ARMC and the Board on all pertinent issues that may affect the Group's businesses and operations;
- A process of hierarchical reporting which provides for a documented and auditable trail of accountability;
- A set of documented internal policies and procedures for operational, financial and human resource management, which is subject to a yearly review and improvement;
- Quarterly and comprehensive information provided by Management, covering financial performance for effective monitoring and decision making; and
- Regular visits to operating units by members of the Board and Senior Management.

A numbers of minor internal control weaknesses were identified during the financial year ended 30 June 2021, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in the Annual Report 2021.

The Board continues to review and implement measures to strengthen the internal control environment of the Group.

CONCLUSION

The Board is of the view that the Group's system of internal control is adequate to safeguard shareholders' investment and the Group's assets. However, the Board is also cognizant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the system of internal control and risk management framework.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control and reported to the Board that nothing has come to their attention that cause them to believe that the Statement on Risk Management and Internal Control is not prepared, in all material aspects, in accordance with the disclosure required by the Guidelines for Directors of Listed Issuers on the Statement on Risk Management and Internal Control.

This Statement on Risk Management and Internal Control is issued in accordance with a resolution of the Board dated 22 October 2021.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The Audit & Risk Management Committee ("ARMC") is established to fulfil the principles of accountability, integrity and good corporate governance in assisting the Board of Directors ("Board") independently in discharging its responsibilities of reviewing and monitoring the Group's financial processes, audit process, statutory and regulatory compliance, establishing and maintaining internal controls and reinforcing the independence of the Internal Auditors and External Auditors and other matters that the Board may specifically delegate to the ARMC.

COMPOSITION AND MEETINGS

During the financial year ended 30 June 2021 ("FY2021"), the ARMC consists of three (3) members, all of whom are Independent Non-Executive Directors.

The composition of the ARMC and the attendance of its members at the meetings are as follows:

Name	Attendance
Chairman	
Andy Liew Hock Sim (1)	3/3
Members	
Lionel Vernon Yong Nguon Kee (2)	5/5
Lee Kien Fatt (3)	2/2
Chong Ching Wai (4)	3/3
Lim Peng Tong (5)	1/1
Tang Boon Koon (6)	–

Notes:
(1) Appointed as Chairman of ARMC on 27 October 2020.
(2) Redesignated as member of ARMC on 27 October 2020.
(3) Appointed as member of ARMC on 22 January 2021.
(4) Resigned as member of ARMC on 22 January 2021.
(5) Ceased as member of ARMC on 30 September 2020.
(6) Appointed as member of ARMC on 22 October 2020 and subsequently resigned on 26 October 2020.

The ARMC fulfils the requirement under Rule 15.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad as all the members of ARMC are member of the Malaysian Institute of Accountants and have vast experience, skills and knowledge in finance, audit and accounting practices.

The authorities, duties and responsibilities of the ARMC are set out in its terms of reference which is included in the Board Charter and available at https://macpie.asia/.

The ARMC will meet at least (4) times in each financial year with additional meetings to be held, if necessary. If need arises, the ARMC will invite the Directors, Management, Internal Auditors and External Auditors to attend the meetings.

The ARMC had three (3) private meetings with the External Auditors without the presence of the Executive Director and Management to discuss audit related matters that the External Auditors wish to raise directly to the ARMC.

The ARMC meetings are pre-scheduled and are timed just before the meetings of the Board. Notices and meeting papers of each ARMC meeting are circulated to all members seven (7) days before the meeting to enable the ARMC to review the matters to be deliberated for effective discussion and decision making during the meeting.

Audit & Risk Management Committee Report (cont'd)

COMPOSITION AND MEETINGS (CONT'D)

The Directors, Financial Controller, Internal Auditors and External Auditors were invited to all the ARMC meetings to provide a direct flow of information to the ARMC as well as to provide clarification in the event of any issues arising. The relevant senior personnel will be invited to brief the ARMC when specific issues involving their respective areas of responsibility arise from risk management and internal audit reports, when necessary.

The minutes of each ARMC meeting were recorded and tabled to the ARMC for adoption at the following quarterly ARMC meeting and subsequently all the minutes of ARMC meetings and circular resolutions passed are presented to the Board for notation. The Chairman of the ARMC reported the ARMC's recommendations to the Board for its consideration, approval and implementation as well as highlighted to the Board significant matters and resolutions deliberated by the ARMC at the Board meeting held immediately subsequent to the relevant ARMC meeting.

The Board, through its Nominating Committee, has reviewed the performance of the ARMC and the skills, experience and competencies possessed by the members of the ARMC through an annual ARMC effectiveness assessment. The Board is satisfied with the performance of the ARMC and its members where they have carried out their duties and responsibilities in accordance with the terms of reference of the ARMC.

SUMMARY OF ACTIVITIES

The ARMC carried out the following activities during the FY2021:

1. **Financial Reporting**

   - Reviewed the unaudited quarterly reports of the Company and its subsidiaries (collectively referred as "Group") before recommending the same to the Board for approval.

   - Reviewed the annual audited financial statements of the Group for the financial year ended 30 June 2020 ("FY2020") with the External Auditors prior to submission to the Board for approval.

   For purposes of the above, the ARMC considered changes in accounting policies and practices and the implementation of such changes, compliance with accounting standards and other legal and regulatory requirements, significant and unusual events, significant adjustments arising from the audit process, material litigation, the going concern assumption and where applicable, review and ensure corporate disclosure of the Group pertaining to the accounting, audit and financial matters are complied with the disclosure requirements under the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and Companies Act 2016.

2. **Internal Audit**

   - Reviewed with the Internal Auditors, the internal audit reports comprising the audit fundings, recommendations of Internal Auditors, Management's response and actions to be taken by the Management.

   - Reviewed the reports prepared by the Internal Auditors relating to the follow-up audits on all major areas of concern and recurring issues and risk areas to assess the extent to which the Management has made progress in implementing the agreed action plans arising from the prior internal audit reviews.

   - Reviewed with the Internal Auditors, the internal audit plan to ensure the adequacy of the scope, functions and resources to carry out its work.

   - Conducted a private meeting with the Internal Auditors to give opportunity to the Internal Auditors to raise any matters without the presence of the Executive Director and Management.

   - Assessed the suitability, objectivity, independence and performance of the Internal Auditors.

SUMMARY OF ACTIVITIES (CONT'D)

3. External Audit

- Reviewed the audit completion memorandum of the Group for FY2020 with the External Auditors.
- Reviewed the results of the annual audit and audit report, including all the key audit matters raised by the External Auditors.
- Reviewed and discussed with the External Auditors the nature and scope of the audit plan and ensure that the audit plan is comprehensive.
- Reviewed the External Auditors' report on the status of the audit for FY2020, management letter and Management's response thereto.
- Conducted three (3) private meetings with the External Auditors, without the presence of the Executive Director and Management, to discuss any issues of concern arising from the annual statutory audit and, arising therefrom, directed Management to take further action on such matters.
- Assessed the suitability, objectivity, independence and performance of the External Auditors.

The ARMC was satisfied with the suitability, objectivity, independence, effectiveness, adequacy of resources and performance of the External Auditors and recommended to the Board on their re-appointment for FY2021 at a remuneration to be determined by the Board, subject to the approval of the Company's shareholders at the Fifteenth Annual General Meeting.

4. Annual Report

Reviewed the ARMC Report and Statement on Risk Management and Internal Control and subsequently recommending the same to the Board for its consideration and approval for inclusion in the Annual Report for FY2020.

5. Recurrent Related Party Transactions ("RRPTs")

- Reviewed the RRPTs and conflicts of interest situations on a quarterly and annual basis to ensure that such transactions were undertaken on an arm's length basis, on terms not more favourable to the related parties than those generally available to the public, not to the detriment of the minority shareholders of the Company and in the best interest of the Company and the Group and where appropriate, recommended to the Board for approval.
- Reviewed the process used to procure shareholders' mandate for RRPT.

STATEMENT ON EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The allocation of ESOS options shall be verified by the ARMC for each financial year to ensure compliance with the allocation criteria determined by the ESOS Committee and in accordance with the By-Laws of ESOS. The Company did not grant any options under ESOS during FY2021.

INTERNAL AUDIT FUNCTION

The Group's internal audit function, which is outsourced to a professional services firm, is an integral part of the assurance mechanism in ensuring that the Group systems of internal control are adequate and effective. The outsourced internal audit function reports directly to the ARMC.

The internal audit covers the review of the adequacy of risk management, the strength and effectiveness of the internal controls, compliance to both internal and statutory requirements, governance and management efficiency, among others. The internal audit reports, which provide the results of audits conducted, are submitted to the ARMC for review. Key control issues and recommendations are highlighted to enable the ARMC to execute its oversight function. Areas for improvement and audit recommendations are also forwarded to the Management for their attention and further action. The Management is responsible for the implementation of corrective actions within the required time frame.

The activities of the internal audit function for FY2021 include:

- Following-up on the implementation of audit recommendations.
- Conducting internal audit reviews on the fixed asset management of the Company's wholly-owned subsidiary, Macpie Equipment Sdn. Bhd.)

The ARMC was satisfied with the suitability, objectivity, independence, effectiveness, adequacy of resources and performance of the Internal Auditors.

The cost incurred for the internal audit function for the FY2020 amounted to RM11,000.

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the financial year ended 30 June 2021 ("FY2021") for Macpie Berhad ("Macpie" or the "Company"):

1. Utilisation of Proceeds Raised from Private Placement

On 14 December 2020, the Company proposed to undertake the proposed private placement of up to 129,614,800 new ordinary shares in Macpie ("Macpie Shares" or "Shares"), representing up to approximately 30% of the total number of issued Macpie Shares, to independent third party investor(s) to be identified later at an issue price to be determined later ("Proposed Private Placement");

The Private Placement had been completed following the listing and quotation of 106,030,800 Shares issued pursuant to the Proposed Private Placement ("Placement Shares") on the ACE Market of Bursa Securities on 1 March 2021. The Company had raised total proceeds of RM27.038 million based on the issue price of RM0.255 per Placement Share.

The status of the utilisation of proceeds as at 6 September 2021 were tabulated below:

Utilisation of proceeds	Proposed utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000
Purchase of equipment for the event management segment	13,705	–	13,705
Additional funds for the financial solutions segment	8,938	–	8,938
Working capital	2,565	615	1,950
Estimated expenses in relation to the multiple proposals	1,830	601	1,229
Total	**27,038**	**1,216**	**25,822**

2. Audit and Non-audit fees

During FY2021, the total audit and non-audit fees paid/payable to the external auditors and its affiliates by the Company and the Group were as follows:

Audit Services	2021	
	Group RM'000	Company RM'000
Statutory audit fees	124	48
Non-audit fees	63	27
TOTAL	**187**	**75**

Additional Compliance Information (cont'd)

3. Recurrent Related Party Transactions of Revenue of Trading Nature

At the Fifteenth Annual General Meeting of the Company held on 27 November 2020, the Company had obtained a mandate from its shareholders for the Company and/or its subsidiaries to enter into recurrent related party transactions ("RRPTs") of a revenue or trading nature.

The details of the RRPTs entered into during FY2021 were as follows:

Subsidiaries of Macpie	Related Parties	Interested Director, Major Shareholders and/or Persons Connected to them	Nature of Recurrent Transactions	Actual Value RM
Macpie Distribution	TUUDI	NCH, SEG and MOBIZ	Provision of warehouse rental for event items and transportation (inbound & outbound) to Macpie Distribution	2,075,654.31
Level Up	TUUDI	NCH, SEG and MOBIZ	Provision for event production logistics management to Level Up	–
Macpie Ticketing	APPRE	NCH, SEG and MOBIZ	Provision of ticketing system (online & offline) and logistics management to Macpie Ticketing	–
Macpie Pro	TUUDI	NCH, SEG and MOBIZ	Provision of warehouse rental for event items, food and beverages and to deliver concerts' tickets to customers on behalf of Macpie Pro	–
Macpie Pro	APPRE	NCH, SEG and MOBIZ	Provision of ticketing system and logistics management and collection of proceeds from sales of concerts' tickets on behalf of Macpie Pro and payment of the said proceeds to Macpie Pro	–
Macpie Pro	MWED	NCH, SEG and MOBIZ	Provision of e-commercial platform to consign artist merchandise products for events /concerts and sponsorships in kinds/products to Macpie Pro	–
Level Up	MMSPOT	NCH, SEG and MOBIZ	Stage and event production fee from Level Up to MMSPOT	–
Macpie Pro	PAVO	NCH, SEG and MOBIZ	Sponsorship fee from PAVO to Macpie Pro for Mcalls and speakOUT advertisements at concerts organised by Macpie Pro	–

3. Recurrent Related Party Transactions of Revenue of Trading Nature (Cont'd)

Legends:
Macpie Distribution: Macpie Distribution Sdn Bhd
Level Up: Level Up Plus Sdn Bhd
Macpie Ticketing: Macpie Ticketing Sdn Bhd
Macpie Pro: Macpie Pro Sdn Bhd (now known as Trumpet International Sdn Bhd)
TUUDI: TUUDI 3PL Sdn Bhd
APPRE: Apprecise Sdn Bhd
MWED: Modular Wide E Distribution Sdn Bhd
MMSPOT: MMSPOT Sdn Bhd
PAVO: Pavo Communications Sdn Bhd
NCH: Mr. Ng Chee Heng
SEG: SEG Capital Intelligence Sdn Bhd
MOBIZ: Mobile Business Intelligence Sdn Bhd

4. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving the interests of Directors or major shareholders either still subsisting at the end of FY2021 or entered into since the end of the previous financial year.

SUSTAINABILITY STATEMENT

Macpie Berhad ("MACPIE" or our "Company") is committed to sustainability, and the commitment is rooted in the knowledge that economically, environmentally, and socially responsible business practices are essential to foster the long-term well-being of our stakeholders and our businesses. Our Board of Directors ("Board") continues to oversee MACPIE's sustainability performance in compliance with the guidelines on sustainability reporting issued by Bursa Malaysia Securities Berhad.

The economic and social challenges that arose from the COVID-19 pandemic have extended beyond the expectations of many, which has affected our Company's financial performance. While MACPIE continues to do our best to persevere through an extreme business climate, our commitment towards sustainability continues. During the financial year ended 30 June 2021 ("FYE 2021"), the following core focus areas define our approach towards that commitment:

CUSTOMER SATISFACTION

Customer satisfaction is one of the crucial factors underlying the long-term sustainability of our business. MACPIE places customer experience at the forefront of our service and product delivery. We always ensure products and services supplied to customers are of good quality, priced competitively and delivered on time. Regular engagement with our customers also allows us to build rapport and keep our brand at the top of our customers' minds.

We recognise the importance of the efficient and effective functioning of our supply chain. To minimise potential disruption to our supply chain, we diversify our supply network and work closely with reliable and trusted suppliers. On the information and communications technology ("ICT") business front, MACPIE engaged more than 50 collaborative partners from local communities to source products, equipment, venue, securities, food & beverages, ticketing systems as well as services.

In addition, we have also put in place the following measures:-

Internal

Appropriate control and monitoring mechanism have been implemented to ensure our cost are kept within budget for all our event management activities. In addition, we strive to develop and keep abreast of innovative products and services to adapt to the dynamic changes and stay ahead of the competition in the ICT and entertainment industry.

External

MACPIE ensures that the business partners across our supply chain are of good standing and adopt fair business practices. This is mainly done through the introduction of the anti-corruption and anti-bribery clauses in the agreements signed with our business partners for compliance purposes. While the current business climate remains tough, we remain committed to resolving supplier issues in time, and outstanding amounts are paid to suppliers promptly.

We strive to achieve a more diversified market to ensure long term revenue sustainability for our Company and subsidiaries. Historically, we have been generating most of our revenue from the ICT and event management segment. Following the COVID-19 pandemic, the local entertainment industry has been adversely affected. To reduce our dependence on the traditional event management business, we intend to set up a digital media platform to ride on the increased reliance on digitalisation for marketing and events, as announced on 30 August 2021.

PEOPLE-CENTRIC

Our employees play an important role in the continued success of our business. We recognise that their dedication and commitment is the key to the effective functioning of our various departments. MACPIE prefers recruiting local talents, which could provide more job opportunities for the local communities.

We have identified the following areas which we think are the primary considerations of an employee's long-term career satisfaction:

- **Safe and conducive working environment**. We continuously ensure that our premises are clean, organised and adequately equipped with fire prevention measures for safety purposes. In addition, we have also designated certain areas within our premises for our employees to carry out leisure activities to encourage a healthy work-life balance.

  In 2021, the local economy continues to grapple with the COVID-19 pandemic. The Government has implemented targeted mobility restrictions in various states and districts, and vaccination programs are being administered across the nation.

  MACPIE ensures that risks to health and safety from work activities are controlled. These efforts are aimed to minimise employees' risk of exposure to COVID-19 while maintaining business continuity. Some adjustments on our business operations include holding meetings virtually and employees were required to work from home (where possible) to ensure their safety as well as that of our customers.

  We ensure that all the workplaces are clean and well-equipped with the necessary protective equipment and sanitisation materials. Further, MACPIE did not organise any team building activities (i.e. annual dinner and/or festive celebration activities) during FYE 2021 to limit the physical contact between employees and curb the spreading of the COVID-19 virus.

- **Remuneration**. We strive to ensure that the remuneration package offered to our employees are in accordance to the applicable labour laws and regulations as well as comparable to market rates.

- Personal development. We provide on-the-job training to our employees to help them develop the necessary skills and be competent in their respective functions. We also conduct in-house seminars for our employees and reimburse employees for cost of external courses and seminars attended by them to improve their skills and employability.

  Further, we regularly carry out orientation programmes for new employees, such as the following:
  - Briefing on our corporate culture;
  - Briefing on internal rules and requirements applicable to our operations;
  - Induction training for elementary on-the-job skills;
  - Briefing on emergency evacuation procedures and fire drill; and
  - Occupational health and safety training.

  During FYE 2021, the aforementioned activities were mostly conducted virtually.

ENVIRONMENTAL PROTECTION

We are cognisant of the need for environmental protection and has inculcated this aspect into our operations and corporate culture. The initiatives taken by us in this regard include introducing environmental awareness program and constant reminders to our employees to reduce wasteful consumption of resources in all of our premises.

Our energy saving initiatives come in the form of using LED lightings to replace traditional lightings as well as eco-friendly equipment to replace traditional equipment, whenever possible. Power saving features or sleep mode were also enabled on computers, photocopiers, and other equipment, which also lowered power consumption.

To reduce the use of paper, we encourage our employees to use digital storage and filing. Employees are also encouraged to re-use recycled paper for internal processes to practice the good culture of reduce, reuse and recycle waste materials.

We have a water management initiative to reduce wasteful consumption of water in our premises. The measures taken in this respect include regular maintenance of water taps and piping to prevent water leakage and creating awareness for the need to converse water among employees. We also remind our employees to report any leakages and malfunction of water infrastructure in our premises.

COMMUNITY CARE

We recognise the need to engage with the wider community, including our shareholders, customers and suppliers. Through our website, we disseminate information on our Company to investors and members of the public. For shareholders, there are also opportunities for engagement with our Board and Management at general meetings.

In addition, we believe the wellbeing of the community is important to the sustainability and growth of our business. As a responsible organisation, we recognise our duty in contributing towards social welfare. We are dedicated to make annual contributions to the community, be it for improving the livelihood of old folks / underpriviliged children or to improve the state of education in our country.

During FYE 2021, we have supported various non-profitable organisations and extended our care and concern to underprivileged groups. Considering the ongoing COVID-19 cases and implementation of lockdown measures, we have also gathered funds to purchase necessity packs to aid those in need as a result of the COVID-19 pandemic.

STATEMENT OF DIRECTOR'S RESPONSIBILITY

The Directors are required by the Companies Act 2016 to ensure that the financial statements for each financial year are prepared in accordance with the applicable approved accounting standards and the requirements of the Companies Act 2016, which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements for the financial year ended 30 June 2021, the Directors ensured that the Management has:

a. adopted appropriate accounting policies and applied them consistently;
b. made judgement and estimates that are reasonable and prudent; and
c. prepared the financial statements on a going concern basis.

The Directors have an overall responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

Financial Statements

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net loss for the financial year:		
Loss after tax	9,197	10,090
Attributable to:		
Owners of the Company	8,859	10,090
Non-controlling interests	338	–
	9,197	10,090

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increase its issued and paid-up ordinary share capital from RM50,976,000 comprising 353,294,982 ordinary shares to RM82,480,000 comprising 946,424,339 ordinary shares through the following:

(i) an issuance of 106,030,800 new ordinary shares for a total cash consideration of RM27,038,000 through private placement at an issue price of RM0.255 per ordinary share;

(ii) an issuance of 141,275 new ordinary shares pursuant to the conversion of Warrants A at the exercise price of RM0.48 per ordinary share;

(iii) an issuance of 27,490,225 new ordinary shares pursuant to the conversion of Warrants B at the exercise price of RM0.16 per ordinary share; and

(iv) a subdivision of one (1) existing ordinary share into two (2) ordinary shares. As a result, the issued ordinary shares of the Company was increased from 459,467,057 shares to 918,934,114 ("the Split Shares").

The new ordinary shares issued during the financial year ranked pari passu in all respect with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

Directors' Report
(cont'd)

WARRANTS

The movement of the warrant during the financial year is as follows:

	Number of units				
	At 1 July 2020	**Granted**	**Exercised**	**Expired**	**At 30 June 2021**
Warrants A	78,754,500	–	(141,275)	(78,613,225)	–
Warrants B	–	459,467,057	(27,490,225)	–	431,976,832

The salient features of the Warrants A and Warrants B are disclosed in Note 18 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

At an extraordinary general meeting held on 29 November 2018, the Company's shareholders approved the establishment of a New Employee Share Option Scheme ("New ESOS") of not more than 30% of the enlarged number of issued share capital of the Company at any one time over the duration of the scheme to eligible Directors and employee of the Group.

The salient features and other terms of the New ESOS are disclosed in the Note 27.1 to the financial statements.

As at 30 June 2021, there was no option offered to take up unissued ordinary shares of the Company.

DIRECTORS

The name of the Directors of the Company in office during the financial year and during the period commencing from the end of the financial year to the date of this report are:

Lionel Vernon Yong Nguon Kee
Woon Sing Jiunn
Koo Kien Keat (appointed on 8 September 2020)
Andy Liew Hock Sim (appointed on 27 October 2020)
Lee Kien Fatt (appointed on 22 January 2021)
Justin Low Sook Huey (appointed on 17 August 2021)
YM Tengku Ezuan Ismara bin Tengku Nun Ahmad (appointed on 27 September 2021)
Kenny Khow Chuan Wah (resigned on 30 September 2020)
Lim Peng Tong (resigned on 30 September 2020)
Tang Boon Koon (appointed on 8 September 2020 and resigned on 26 October 2020)
Ng Chee Heng (resigned on 20 November 2020)
Chong Ching Wai (resigned on 22 January 2021)

The Directors of subsidiaries who held office during the financial year and up to the date of this report are as follows:

Ng Chee Heng
Koo Kien Keat (appointed on 29 January 2021)
Lee Kien Fatt (appointed on 29 January 2021)
Yong Tien Seng (resigned on 29 January 2021)
Leong Kam Seng (resigned on 29 January 2021)
Leong Seng Wui (resigned on 29 January 2021)
Kenny Khow Chuan Wah (resigned on 19 March 2021)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors as at year end are as follows:

	Number of ordinary shares			
	At 1.7.2020	**Bought**	**Sold**	**At 30.6.2021**
The Company				
Indirect interest				
Ng Chee Heng	86,714,400	–	(86,714,400)	–

None of the other Directors in office at the end of the financial year had any interest in shares in the Company and its related corporations during the financial year.

DIRECTORS' REMUNERATION

During and at the end of the financial year, there was no arrangements subsisted to which the Company is a party, being arrangement with the object or objects of enabling the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than as disclosed in Note 28 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There was no indemnity coverage and insurance premium paid for Directors and Officers of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:

(a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

Directors' Report
(cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:

(a) contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

SIGNIFICANT EVENTS

Significant events are disclosed in Note 33 to the financial statements.

AUDITORS

The total amount of fees paid to or receivable by the Auditors, Grant Thornton Malaysia PLT, as remuneration for their services as Auditors of the Company and its subsidiaries for the financial year ended 30 June 2021 are disclosed in Note 24 to the financial statements.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT as permitted under Section 289 of the Companies Act 2016 in Malaysia. No payment has been made to indemnify Grant Thornton Malaysia PLT for the financial year ended 30 June 2021.

AUDITORS (CONT'D)

The Auditors, Grant Thornton Malaysia PLT have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

....	)	
KOO KIEN KEAT	)	
	)	
	)	
	)	
	)	DIRECTORS
	)	
	)	
	)	
	)	
....	)	
ANDY LIEW HOCK SIM		

Kuala Lumpur

22 October 2021

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 59 to 123 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

....	....
KOO KIEN KEAT	**ANDY LIEW HOCK SIM**

Kuala Lumpur

22 October 2021

STATUTORY DECLARATION

I, Lee Kien Fatt, being the Director primarily responsible for the financial management of Macpie Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 59 to 123 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this day of)
22 October 2021)

……..
LEE KIEN FATT
(MIA NO: 7499)
CHARTERED ACCOUNTANT

Before me:

MUHAMMAD FAIZ DHARMENDRA BIN ABDULLAH
No. W737
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To the members of Macpie Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Macpie Berhad, which comprise the statements of financial position as at 30 June 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 59 to 123.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, in forming our opinion thereon and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the Key Audit Matters
Impairment of trade receivables (Note 10 to the financial statements) In accordance with the impairment requirements under MFRS 9, the Management is required to applied forward-looking approach in assessing the impairment of trade receivables. Broader range of information is considered including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cashflows of trade receivables are applied to calculate the expected credit losses using a provision matrix. We identified impairment of trade receivables as a significant risk requiring special audit consideration. This is because the Group's trade receivables are material to the financial statements.	In addition to other procedures, we considered it necessary to test the trade receivables aging report, assess the reasonableness of assumptions and judgements made by the Management regarding the expected credit losses and recoverability of debts from each customer and test the recoverability of outstanding trade receivables through examination of subsequent cash collections or the fair value of collateral. We found management's assumptions and judgements regarding the adequacy of the impairment of trade receivables to be reasonable in the context of the financial statements as a whole. The Group's disclosures regarding impairment of trade receivables are included in Note 31.2 to the financial statements.

Independent Auditors' Report (cont'd)

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Key Audit Matters	How our audit addressed the Key Audit Matters
Impairment of goodwill on consolidation (Note 8 to the financial statements) The aggregate carrying value of the Group's goodwill amounting to RM1,100,118 as at 30 June 2021. The Group performs an annual impairment assessment for its goodwill. This requires management to estimate the recoverable amount for the cash-generating unit and this involves significant assumptions which are inherently judgmental.	We evaluated the model used in determining the value in use of the cash-generating unit as well as assessing the discount rate used and challenging the reasonableness of key assumptions based on our knowledge of the business and industry. We compared the actual performance of the cash generated unit to assumptions applied in prior years model, to assess accuracy of management's estimates. We assessed the adequacy of disclosures in the financial statements.
Impairment assessments of cost of investment in subsidiaries and amounts due from subsidiaries (Notes 7 and 11 to the financial statements) The Company's cost of investment and advances provided to subsidiaries to finance their operations are significant. Some of these subsidiaries are reporting unfavourable results and hence, subject to impairment assessments.	We challenged the assessment for indications of impairment performed by the Company by considering whether it had factored or considered relevant internal and external information. We compared the impairment assessment performed by the Company with the requirements of the accounting standards. We challenged the recoverable amounts determined by the Company by evaluating the key assumptions made by the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report
(cont'd)

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditors' Report (cont'd)

Report on the Audit of the Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (cont'd):

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provided the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

ANTONY LEONG WEE LOK
(NO: 03381/06/2022 J)
CHARTERED ACCOUNTANT

Kuala Lumpur

22 October 2021

STATEMENTS OF FINANCIAL POSITION

For the Financial Year Ended 30 June 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	6,473	10,095	43	–
Right-of-use assets	5	1,090	1,186	343	–
Intangible assets	6	–	–	–	–
Investment in subsidiaries	7	–	–	1,866	1,866
Goodwill on consolidation	8	1,100	1,100	–	–
Deferred tax assets	9	–	–	–	–
Trade receivables	10	9,002	13,568	–	–
Amount due from subsidiaries	11	–	–	15,556	16,713
Total non-current assets		17,665	25,949	17,808	18,579
Current assets					
Inventories	12	3,975	2,410	–	–
Contract assets	13	–	17	–	–
Trade receivables	10	2,331	12,964	–	–
Other receivables	14	3,746	5,600	49	7
Amount due from subsidiaries	11	–	–	5,821	14,088
Tax recoverable		186	188	–	–
Deposit with licensed bank	15	10,045	–	10,045	–
Cash and bank balances		36,546	3,763	22,524	1,879
Total current assets		56,829	24,942	38,439	15,974
Assets held for sale	16	256	256	–	–
Total assets		74,750	51,147	56,247	34,553
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	82,480	50,976	82,480	50,976
Reserves	18	(19,301)	(10,442)	(26,746)	(16,656)
Equity attributable to owners of the Company		63,179	40,534	55,734	34,320
Non-controlling interests	7	(872)	(534)	–	–
Total equity		62,307	40,000	55,734	34,320

Statements of Financial Position
For the Financial Year Ended 30 June 2021
(cont'd)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	9	–	–	–	–
Lease liabilities	19	695	324	219	–
Total non-current liabilities		695	324	219	–
Current liabilities					
Trade payables	20	6,752	7,489	–	–
Other payables	21	4,301	2,039	164	172
Contract liabilities	13	59	–	–	–
Amount due to subsidiaries	11	–	–	–	61
Lease liabilities	19	422	977	130	–
Provision for restoration costs	22	–	300	–	–
Tax payable		214	18	–	–
Total current liabilities		11,748	10,823	294	233
Total liabilities		12,443	11,147	513	233
Total equity and liabilities		74,750	51,147	56,247	34,553

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 30 June 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	23	31,785	64,934	–	–
Cost of sales		(30,221)	(61,122)	–	–
Gross profit		1,564	3,812	–	–
Other income		690	454	444	1,524
Administrative expenses		(6,098)	(7,426)	(2,286)	(1,838)
Other expenses		(2,784)	(1,431)	(127)	(1,794)
Impairment loss on financial assets		(3,687)	(5,962)	(4,221)	(8,247)
Results from operating activities		(10,315)	(10,553)	(6,190)	(10,355)
Finance costs		(68)	(127)	(4,043)	(708)
Finance income		1,577	1,327	143	65
Loss before tax	24	(8,806)	(9,353)	(10,090)	(10,998)
Tax (expense)/income	25	(391)	636	–	–
Net loss/Total comprehensive loss for the financial year		(9,197)	(8,717)	(10,090)	(10,998)
Net loss/Total comprehensive loss for the financial year attributable to:-					
Owners of the Company		(8,859)	(8,144)	(10,090)	(10,998)
Non-controlling interests		(338)	(573)	–	–
		(9,197)	(8,717)	(10,090)	(10,998)
Loss per share					
- Basic (sen)	26	(1.65)	(1.64)		
- Diluted (sen)	26	*	*		

* anti-dilutive in nature

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2021

Group	Note	Share capital RM'000	Warrant reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		← Attributable to owners of the Company → ← Non-distributable →					
At 1 July 2019		50,976	8,401	(10,699)	48,678	39	48,717
Total comprehensive loss for the financial year		–	–	(8,144)	(8,144)	(573)	(8,717)
At 30 June 2020		50,976	8,401	(18,843)	40,534	(534)	40,000
Total comprehensive loss for the financial year		–	–	(8,859)	(8,859)	(338)	(9,197)
Transactions with owners:							
Exercise of warrants	17	4,466	(15)	15	4,466	–	4,466
Private placement	17	27,038	–	–	27,038	–	27,038
Total transactions with owners		31,504	(15)	15	31,504	–	31,504
Warrants expired	18	–	(8,386)	8,386	–	–	–
At 30 June 2021		82,480	–	(19,301)	63,179	(872)	62,307

Company	Note	Share capital RM'000	Warrant reserve RM'000	Accumulated losses RM'000	Total RM'000
At 1 July 2019		50,976	8,401	(14,059)	45,318
Total comprehensive loss for the financial year		–	–	(10,998)	(10,998)
At 30 June 2020		50,976	8,401	(25,057)	34,320
Total comprehensive loss for the financial year		–	–	(10,090)	(10,090)
Transactions with owners:					
Exercise of warrants	17	4,466	(15)	15	4,466
Private placement	17	27,038	–	–	27,038
Total transactions with owners		31,504	(15)	15	31,504
Warrants expired	18	–	(8,386)	8,386	–
At 30 June 2021		82,480	–	(26,746)	55,734

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 June 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cash flows from operating activities					
Loss before tax		(8,806)	(9,353)	(10,090)	(10,998)
Adjustments for:-					
Bad debts written off		1,254	115	27	–
Depreciation of property, plant and equipment		2,076	1,947	3	–
Depreciation of right-of-use assets		649	5,484	62	–
Impairment losses on:					
- investment in subsidiaries		–	–	100	1,794
- amount due from subsidiaries		–	–	4,221	6,852
- trade receivables		3,687	567	–	–
- other receivables		–	5,395	–	1,395
Unwinding of discounts:					
- trade receivables		(1,434)	(1,261)	–	–
- amount due from subsidiaries		–	–	4,029	708
Loss on disposal of property, plant and equipment		25	150	–	–
Property, plant and equipment written off		1,589	202	–	–
Interest expense on lease liabilities		68	127	14	–
Interest income on:					
- cash and cash equivalents		(98)	(66)	(143)	(65)
- deposit with licensed bank		(45)	–	–	–
Intangible assets written off		–	1	–	–
Waiver of debts		(18)	–	(18)	–
Income from derecognition of right-of-use assets and lease liabilities		(51)	–	–	–
Discount received from lease liabilities		(174)	–	–	–
Reversal of provision for restoration cost		(300)	–	–	–
Gain on unrealised foreign exchange		(8)	–	–	–
Operating (loss)/profit before working capital changes		(1,586)	3,308	(1,795)	(314)
Changes in working capital:-					
Inventories		(1,565)	(2,410)	–	–
Contract assets		17	5,793	–	–
Receivables		13,545	(5,062)	(42)	38
Payables		1,544	3,293	10	58
Contract liabilities		59	(7,871)	–	–
Cash generated from/(used in) operations		12,014	(2,949)	(1,827)	(218)
Interest received		143	66	143	65
Interest paid (for working capital purposes)		(68)	(127)	(14)	–
Tax paid		(193)	(2)	–	–
Net cash from/(used in) operating activities		11,896	(3,012)	(1,698)	(153)

Statements of Cash Flows
For the Financial Year Ended 30 June 2021
(cont'd)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cash flows from investing activities					
Purchase of property, plant and equipment		(142)	(2,612)	(46)	–
Proceeds from disposal of property, plant and equipment		74	59	–	–
Net cash outflows from acquisition of subsidiaries		–	–	(100)	–
Repayment from/(Advances to) subsidiaries		–	–	1,147	(7,439)
Net cash (used in)/from investing activities		(68)	(2,553)	1,001	(7,439)
Cash flows from financing activities					
Repayment of lease liabilities		(512)	(5,402)	(56)	–
Proceeds from issuance of share capital		27,038	–	27,038	–
Exercise of warrants		4,466	–	4,466	–
(Advances from)/Repayment to subsidiaries		–	–	(61)	61
Net cash from/(used in) financing activities		30,992	(5,402)	31,387	61
CASH AND CASH EQUIVALENTS					
Net changes		42,820	(10,967)	30,690	(7,531)
Brought forward		3,763	14,730	1,879	9,410
Effect of exchange translation differences on cash and cash equivalents		8	–	–	–
Carried forward	A	46,591	3,763	32,569	1,879

NOTE TO THE STATEMENTS OF CASH FLOWS

A. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following:-

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Deposit with licensed bank (Note 15)	10,045	–	10,045	–
Cash and bank balances	36,546	3,763	22,524	1,879
	46,591	3,763	32,569	1,879

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

– 30 June 2021

1. GENERAL INFORMATION

The Company is a public limited liability company incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur.

The corporate office and principal place of business are located at 7th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed on 22 October 2021.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of measurement (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

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 their fair value measurement is directly or indirectly observable.
Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting year.

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency and all values are rounded to the nearest thousand (RM'000) except when otherwise stated.

2.4 Adoption of new standards/amendments/improvements to MFRSs

The Group and the Company have consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements.

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the current financial year beginning on or after 1 July 2020.

Initial application of the new standards/amendments/improvements to the standards did not have material impact to the financial statements.

2.5 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective in the respective financial period.

Effective for annual period beginning on or after 1 January 2021
- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4* and MFRS 16 – Interest Rate Benchmark Reform – Phase 2

Effective for annual period beginning on or after 1 April 2021
- Amendments to MFRS 16 Leases – COVID19-Related Rent Concessions beyond 30 June 2021

2. BASIS OF PREPARATION (CONT'D)

2.5 Standard issued but not yet effective (cont'd)

Effective for annual period beginning on or after 1 January 2022

- Amendments to MFRS 3 Business Combinations - Reference to the Conceptual Framework
- Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contract-Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018-2020

Amendments to MFRSs effective after 1 January 2023

- MFRS 17 Insurance Contracts*
- Amendments to MFRS 4 Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9*
- Amendments to MFRS 17 Insurance Contracts*
- Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current
- Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
- Amendments to MFRS 112 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transactions

Deferred to a date to be determined by the MASB

- 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

* - Not applicable to the Group's and the Company's operations.

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments from the financial periods beginning on 1 July 2021, 1 July 2022 and 1 July 2023 for those accounting standards, interpretations and amendments, that are effective for annual periods beginning on or after 1 January 2021, 1 April 2021, 1 January 2022 and 1 January 2023.

The initial application of the above accounting standards, interpretations or amendments are not expected to have any material financial impacts to the future period of the financial statements of the Group and of the Company.

2.6 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual result may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Useful lives of depreciable assets

Property, plant and equipment are depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of the assets to be within 2.5 to 20 years and reviews the useful lives of depreciable assets at the end of each reporting year. At 30 June 2021, management assesses that the useful lives represent the expected utility of the assets to the Group and the Company. Actual results, however, may vary due to change in the expected level of usage and technological developments, which may result in the adjustment to the Group's and the Company's assets.

The carrying amount of the Group's and the Company's property, plant and equipment at the end of the reporting year is disclosed in Note 4 to the financial statements.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

The information about the impairment of non-financial assets are disclosed in the Notes 4, 5, 6, 7 and 8 to financial statements.

Provision for expected credit losses ("ECLs") of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward- looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the sectors relevant to the Group, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

Provision for expected credit losses ("ECLs") of trade receivables and contract assets (cont'd)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECLs on the Group's trade receivables and contract assets are disclosed in Note 31.2 to the financial statements.

Provision for restoration costs

As part of the identification and measurement of right-of-use assets, the Group has recognised a provision for restoration costs. In determining the fair value of the provision, assumptions and estimates are made in relation to the expected cost to remove the facilities and restoring the premises.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determines the interest rate implicit in the lease. Therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which all the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The information about the deferred tax assets are disclosed in the Note 9 to the financial statements.

Income taxes

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

Impairment of goodwill

Impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual result may vary, and may cause significant adjustments to the Group's assets within the next financial period.

Further details of the carrying values, key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are disclosed in Note 8 to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all years presented in the financial statements.

3.1 Consolidation

3.1.1 Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities. Potential voting rights are considered when assessing control only when such rights are substantive. Besides, the Company considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries are stated at cost less any impairment losses in the Company's statement of financial position, unless the investment is held for sale or distribution.

Upon the disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

3.1.2 Basis of consolidation

The Group's financial statements consolidate the audited financial statements of the Company and its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting year.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full in preparing the consolidated financial statements.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.2 Basis of consolidation (cont'd)

Changes in the Company's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non- controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

3.1.3 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Company elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or a liability will be recognised in accordance with MFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Notes to the Financial Statements
– 30 June 2021
(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.4 Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

3.1.5 Non-controlling interests

Non-controlling interests at the end of the reporting year, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non- controlling interests even if that results in a deficit balance.

3.2 Foreign currency translation

The Group's consolidated financial statements are presented in RM, which is also the Company's functional currency.

3.2.1 Foreign currency translation and balances

Transactions in foreign currencies are initially recorded at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the profit or loss with the exception of all monetary items that forms part of a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising in translation of non- monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss respectively).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment

Property, plant and equipment are initially stated at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All property, plant and equipment are subsequently stated at cost less accumulated depreciation and less any impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such costs as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised on the straight line method in order to write off the cost of each asset over its estimated useful life. Other property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Motor vehicles	20%
Office equipment	10% - 40%
Renovations	20%
Furniture and fittings	10% - 20%
Signboard	5% - 10%
Tools and equipment	10% - 20%
Plant and machinery	10% - 20%

Capital work-in-progress is consists of plant and machiney under construction/installation for intended use as production facilities. Assets under construction are not depreciated until they are completed and ready for their intended use.

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable, or at least annually to ensure that the amount, method and rate of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss in the financial year in which asset is derecognised.

3.4 Financial instruments

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.4.1 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

3.4.1 Financial assets (cont'd)

Initial recognition and measurement (cont'd)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price as disclosed in Note 3.11 to the financial statements.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets are classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments); or
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments); or
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Financial assets at fair value through profit or loss

<u>Financial assets at amortised cost</u>

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and the Company's financial assets at amortised cost include trade receivables, other receivables, amount due from subsidiaries, deposit with licensed bank and cash and bank balances.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

3.4.1 Financial assets (cont'd)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or

- The Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset but have transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment

The Group and the Company recognise an allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets, and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

3.4.1 Financial assets (cont'd)

Impairment (cont'd)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

3.4.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade payables, other payables and amounts due to subsidiaries.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

3.4.2 Financial liabilities (cont'd)

Subsequent measurement (cont'd)

Financial liabilities at amortised cost

This is the category most relevant to the Group and the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.4.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group and the Company base its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's and the Company's cash- generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Impairment of non-financial assets (cont'd)

Impairment losses of continuing operations, including impairment on inventories, are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group and the Company estimate the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at the end of each reporting period, and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

3.6 Inventories

Inventories are stated at the lower of cost (determined on a weighted average basis) and net realisable value. Where necessary, allowance is made for deteriorated, obsolete and slow-moving inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balances, short-term demand deposits and bank overdraft which are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value.

For the purpose of the financial position, cash and cash equivalents are restricted to be used to settle a liability of 12 months or more after the end of the reporting year are classified as non-current assets.

3.8 Non-current asset held for sale

Non-current asset comprising asset that is expected to be recovered primarily through sale rather than through continuing use is classified as held for sale.

Classification of the asset as held for sale occurs only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary and the sale must be highly probable. Management must be committed to a plan to sell the asset which are expected to qualify for recognition as a completed sale within one year from the date of classification. Action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Non-current asset held for sale (cont'd)

Immediately before classification as held for sale, the asset is remeasured in accordance with the Group's accounting policies. Thereafter, the asset is generally measured at the lower of their carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale are not amortised or depreciated.

3.9 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group and Company as lessee

The Group and the Company as a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3.9.1 Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office building	1 to 4 years

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets is also subject to impairment. The accounting policy for impairment of non-financial assets is set out in Note 3.5 to the financial statements.

3.9.2 Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Notes to the Financial Statements
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Leases (cont'd)

3.9.2 Lease liabilities (cont'd)

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

3.9.3 Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group and Company as lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.10 Equity, reserves and distributions to owners

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Share capital represents the nominal value of shares that have been issued.

Accumulated losses include all current year's loss and prior years' accumulated losses.

All transactions with owners of the Company are recorded separately within equity.

3.11 Revenue recognition

The Group is in the business of retail management, event management, financial solutions and distribution of information communication technology products.

Information about the Group's performance obligations are summarised as below:

Rental of retail outlet and management services

Rental income of retail outlet is recognised on a straight-line basis over the specific tenure of the respective leases.

The performance obligation of management services is satisfied upon the services rendered.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Revenue recognition (cont'd)

Event management services

The revenue arising from event management services are recognised at a point in time unless one of the following overtime criteria is met:

(a) The customer simultaneously received and consumes the benefits provided;

(b) The Group's performance creates and enhances an asset that the customer control as the asset is created or enhances; or

(c) The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Sales of goods

Revenue from sale of goods is recognised at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Interest income

Revenue from interest income on loan financing is recognised on accrual basis unless recoverability is in doubt, in which case the recognition of interest is suspended. Subsequent to suspension interest in recognised on receipt basis.

The Group recognises interest income using the EIR method.

Management fee

Management fee is recognised when services are rendered.

Services fee

Consultant services fee is recognised when services are rendered.

3.11.1 Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Group performs by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Contract costs

Contract costs comprise costs incurred for the event management services. The contract costs recognised in profit or loss when the related event management of the contract is completed.

Notes to the Financial Statements
– 30 June 2021
(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Employees benefits

3.12.1 Short-term employees benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the year in which the associated services are rendered by the employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by the employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occurred.

3.12.2 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employees services in the current and preceding financial years.

Such contributions are recognised as expenses in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiary also make contributions to the respective country's statutory pension schemes.

3.12.3 Equity-settled share-based payment transactions

The Group operates an equity-settled, share based compensation plan for the employees of the Group. Employee services received in exchange for the grant of the share options is recognsied as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

For options granted to the employees of the subsidiary companies, the fair value of the options granted is recognised as cost of investment in the subsidiary companies over the vesting period with a corresponding adjustment to equity in the Group's financial statements.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting date, the Group revises its estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Tax expenses

Tax expenses comprise current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

3.13.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting year, and any adjustment to tax payable in respect of previous years.

Current tax is recognised in the statements of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

3.13.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting year and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowances being tax incentives that are not a tax base of an asset, are recognised as deferred tax assets to the extent that it is probable that future taxable profits will be available against the unutilised tax incentives can be utilised.

Notes to the Financial Statements
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified to make strategic decisions.

Segment revenues, expenses and results include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the Group in an arm's length transaction. These transfers are eliminated on consolidation.

3.15 Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.17 Sales and service tax

Expenses and assets are recognised net of the amount of sales and service tax, except:

- When the sales and service tax incurred in a purchase of assets or services are not recoverable from the tax authority, in which case, the sales and service tax is recognised as part of the cost of acquisition of the asset or as part of the expenses item, as applicable

- When receivables and payables are stated with the amount of sales and service tax included

The net amount of sales and service tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statements of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Related parties

A related party is a person or entity that is related to the Group and the Company. A related party transaction is a transfer of resources, services or obligations between the Group and the Company and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group and the Company if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the parent of the Group, or the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity;
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly-controlled by a person identified in (a) above;
- (vii) a person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of the parent of the entity); or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Notes to the Financial Statements
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4. PROPERTY, PLANT AND EQUIPMENT

Group	Motor vehicles RM'000	Office equipment RM'000	Renovations RM'000	Furniture and fittings RM'000	Signboard RM'000	Tools and equipment RM'000	Plant and machinery RM'000	Work-in-progress RM'000	Total RM'000
Cost									
At 1 July 2019	337	250	4,406	281	4	7,364	25	211	12,878
Additions	–	53	2,146	57	–	356	–	–	2,612
Transfer	–	–	193	18	–	–	–	(211)	–
Disposals	–	(5)	(266)	(70)	–	–	–	–	(341)
Written off	–	(1)	(452)	–	(3)	–	–	–	(456)
At 30 June 2020	337	297	6,027	286	1	7,720	25	–	14,693
Additions	–	123	–	19	–	–	–	–	142
Disposals	(140)	–	–	–	–	(6)	–	–	(146)
Written off	(136)	–	(5,740)	–	–	(1)	–	–	(5,877)
At 30 June 2021	61	420	287	305	1	7,713	25	–	8,812
Accumulated depreciation									
At 1 July 2019	142	110	2,472	111	1	200	1	–	3,037
Charge for the financial year	41	54	1,035	45	–	769	3	–	1,947
Disposals	–	(1)	(105)	(26)	–	–	–	–	(132)
Written off	–	(1)	(253)	–	–	–	–	–	(254)
At 30 June 2020	183	162	3,149	130	1	969	4	–	4,598
Charge for the financial year	26	59	1,177	39	–	773	2	–	2,076
Disposals	(47)	–	–	–	–	–	–	–	(47)
Written off	(136)	–	(4,152)	–	–	–	–	–	(4,288)
At 30 June 2021	26	221	174	169	1	1,742	6	–	2,339
Net carrying amount									
At 30 June 2021	35	199	113	136	–	5,971	19	–	6,473
At 30 June 2020	154	135	2,878	156	–	6,751	21	–	10,095

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Motor vehicles RM'000	Office equipment RM'000	Renovations RM'000	Furniture and fittings RM'000	Signboard RM'000	Tools and equipment RM'000	Plant and machinery RM'000	Work-in-progress RM'000	Total RM'000
Cost									
At 1 July 2019/1 July 2020	–	–	–	–	–	–	–	–	–
Additions	–	36	–	10	–	–	–	–	46
At 30 June 2021	–	36	–	10	–	–	–	–	46
Accumulated depreciation									
At 1 July 2019/1 July 2020	–	–	–	–	–	–	–	–	–
Charge for the financial year	–	2	–	1	–	–	–	–	3
At 30 June 2021	–	2	–	1	–	–	–	–	3
Net carrying amount									
At 30 June 2021	–	34	–	9	–	–	–	–	43
At 30 June 2020	–	–	–	–	–	–	–	–	–

5. RIGHT-OF-USE ASSETS

Group and Company as a lessee

The Group and the Company have lease contracts for premises for its business operations that include extension option. Leases for premises are between 1 to 2 years.

The Group and the Company have certain leases of office equipment with lease terms of 12 months. The Group and the Company apply the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Group	**RM'000**
At 1 July 2019	3,906
Additions	2,764
Depreciation charge for the financial year	(5,484)
At 30 June 2020	1,186
Additions	1,390
Depreciation charge for the financial year	(649)
Reversal due to termination	(837)
At 30 June 2021	1,090

Company	
At 1 July 2019/1 July 2020	–
Additions	405
Depreciation charge for the financial year	(62)
At 30 June 2021	343

Significant judgements and assumptions in relation to leases

The Group and the Company use judgements and assumptions in determining the incremental borrowing rate of the respective leases. The Group and the Company first determine the closest available borrowing rate before using significant judgement to determine the adjustment required to reflect the term, security, value or economic environment of the respective leases.

6. INTANGIBLE ASSETS

	Computer software RM'000
Group	
Cost	
At 1 July 2019	4,749
Written off	(4,749)
At 30 June 2020/30 June 2021	–
Accumulated amortisation	
At 1 July 2019	4,748
Written off	(4,748)
At 30 June 2020/30 June 2021	–
Net carrying amount	
At 30 June 2020/30 June 2021	–

7. INVESTMENT IN SUBSIDIARIES

	Company	
	2021 RM'000	2020 RM'000
At cost		
Unquoted shares	21,699	21,599
Less: Accumulated impairment losses		
At the beginning of the financial year	(19,733)	(17,939)
Impairment loss recognised	(100)	(1,794)
At the end of the financial year	(19,833)	(19,733)
	1,866	1,866

The impairment loss recognised in the investment in subsidiaries was due to irrecoverable cost of the investment.

Notes to the Financial Statements
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7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries which all the principal place of business are located in Malaysia are as follows:

Name of companies	Effective equity interest 2021 %	Effective equity interest 2020 %	Principal activities
Macpie Equipment Sdn. Bhd.	100	100	Renting of tools and equipment for stage design production
ICT Rewards and Services Sdn. Bhd.	100	100	Restaurant operator
Macpie Management Sdn. Bhd.	100	100	Leasing premises and provision of management services
PC3 Technology Sdn. Bhd.	100	100	Money lending
Macpie Distribution Sdn. Bhd.	100	100	Trading and distribution of telecommunication products
Urusrasa Sdn. Bhd.	100	100	Operator of the car jockey services for Low Yat Plaza
Macpie Media Sdn. Bhd.	100	100	Dormant
Octagon Media Sdn. Bhd. (formerly known as Macpie Entertainment Sdn. Bhd.)	100	100	Dormant
Trumpet International Sdn. Bhd. (formerly known as Macpie Pro Sdn. Bhd.)	100	100	Event management
Macpie Ticketing Sdn. Bhd.	100	–	Monitors of the tickets for all theatrical producer, singer group band and orchestra entertainment services
Level Up Plus Sdn. Bhd.	51	51	Builders specialised in stage and event contractions
Subsidiary of Macpie Distribution Sdn. Bhd.			
Macpie Ticketing Sdn. Bhd.	–	100	Monitors of the tickets for all theatrical producer, singer group band and orchestra entertainment services
Subsidiary of ICT Rewards and Services Sdn. Bhd.			
Supernova International Sdn. Bhd. (formerly known as Macpie Services Sdn. Bhd.)	100	100	Business management consultant services

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

7.1 Non-controlling interests in subsidiary

The Group's subsidiary that has material non-controlling interests is as follows:

	Level Up Plus Sdn. Bhd. 2021	2020
Group		
Percentage of ownership interest and voting interest (%)	49	49
Carrying amount of non-controlling interests (RM'000)	(872)	(534)
Net loss allocated to non-controlling interests (RM'000)	338	573

The summary of financial information before intra-group elimination of the Group's subsidiary that has material non-controlling interests is as follows:

	Level Up Plus Sdn. Bhd. 2021 RM'000	2020 RM'000
Financial position as at reporting date		
Non-current assets	71	68
Current assets	1,907	2,196
Current liabilities	(3,773)	(3,370)
Net liabilities	(1,795)	(1,106)
Summary of financial performance for the financial year		
Net loss/total comprehensive loss for the financial year	(689)	(1,170)
Summary of cash flows for the financial year		
Net cash inflows/(outflows) from operating activities	5,169	(3,919)
Net cash outflows from investing activities	(25)	(22)
Net cash inflows from financing activities	404	3,159
Net cash inflows/(outflows)	5,548	(782)

7.2 Acquisition of subsidiaries

<u>2021</u>

On 19 August 2020, the Company subscribed additional 99,900 ordinary shares for a total cash consideration of RM99,900 in Octagon Media Sdn. Bhd. (formely known as Macpie Entertainment Sdn. Bhd.).

On 1 December 2020, the Company acquired 2 ordinary shares, representing 100% equity interest in Macpie Ticketing Sdn. Bhd. for a total cash consideration of RM2.

Notes to the Financial Statements
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8. GOODWILL ON CONSOLIDATION

	Group	
	2021 RM'000	**2020 RM'000**
At the beginning of the financial year	2,671	2,671
Less: Accumulated impairment loss	(1,571)	(1,571)
At the end of the financial year	1,100	1,100

The impairment loss recognised in the goodwill was due to the recoverable amounts determined based on the projected cash flows were lower than the carrying amount of the goodwill.

The goodwill on consolidation arose upon the acquisition of subsidiaries principally engaged in the following business segments:

	Group	
	2021 RM'000	**2020 RM'000**
Information, communication and technology ("ICT")	1,037	1,037
Event management	63	63
	1,100	1,100

The recoverable amount of the cash generating unit of goodwill is determined based on value in use calculation using cash flows projections based on financial budgets approved by the management covering a five-years period.

Key assumptions made in determining the value-in-use are as follows:

- Cash flows were projected based on actual operating results and a 5-years business plan;

- Revenue from ICT and event management business segment was projected at anticipated annual revenue growth of approximately 0% to 1% (2020: 1%) per annum; and

- The discount rate applied to the cash flows projections of ICT and event management of 7.82% to 8.95% (2020: 9.97%) are derived from the weighted average cost of capital of the Group.

The key assumptions represent management's assessment of future trends in the trading of computer hardware and parts, telecommunication, information, and communication products and entertainment business and are based on both external sources and internal sources (historical data).

9. DEFERRED TAX ASSETS/LIABILITIES

	Group 2021 RM'000	Group 2020 RM'000
Deferred tax assets		
At the beginning of the financial year	–	440
Transferred to profit or loss (Note 25)	–	(440)
At the end of the financial year	–	–
Deferred tax liabilities		
At the beginning of the financial year	–	320
Transferred from profit or loss (Note 25)	–	(320)
At the end of the financial year	–	–

10. TRADE RECEIVABLES

	Group 2021 RM'000	Group 2020 RM'000
Trade receivables		
Less: Accumulated impairment loss	15,587	27,099
At the beginning of the financial year	(567)	–
Recognised during the year	(3,687)	(567)
At the end of the financial year	(4,254)	(567)
	11,333	26,532
Represented by:		
Non-current assets		
Secured	9,002	13,568
Current assets		
Secured	577	90
Unsecured	1,754	12,874
	2,331	12,964
	11,333	26,532

Included in trade receivables of the Group is an amount of RM453,005 (2020: RM5,400) due from companies in which Directors have interest.

Trade receivables of RM1,754,074 (2020: RM12,613,931) are non-interest bearing and the normal credit terms are generally 30 (2020: 30) days.

Notes to the Financial Statements
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10. TRADE RECEIVABLES (CONT'D)

Secured and unsecured loan receivables of RM9,578,979 and RMNil (2020: RM13,657,864 and RM259,640) are with interest bearing at 8% (2020: 6%) per annum and repayable over 24 (2020: 12 and 60) monthly installments.

All loan receivables are to pay only interest portion on monthly basis and the whole principal amount of loan is to be paid in final payment of the loan except of RMNil (2020: RM259,640) which is to be paid on monthly basis for both interest and principal portion.

Due to the Covid-19 pandemic, the Group granted deferment of 6 months loan interest payment for the loan borrowers which effective from 1 April 2020 to 30 September 2020.

11. AMOUNT DUE FROM/TO SUBSIDIARIES

	Company	
	2021 RM'000	2020 RM'000
Amount due from subsidiaries		
Less: Accumulated impairment loss	64,811	70,014
At the beginning of the financial year	(39,213)	(32,361)
Recognised during the financial year	(4,221)	(6,852)
At the end of the financial year	(43,434)	(39,213)
	21,377	30,801
Represented by:		
Non-current	15,556	16,713
Current	5,821	14,088
	21,377	30,801

Amount due from/to subsidiaries is non-trade related, non-interest bearing and unsecured.

The impairment loss recognised in the amount due from subsidiaries was due to irrecoverable of the outstanding amount.

12. INVENTORIES

	Group	
	2021 RM'000	2020 RM'000
Trading goods	3,975	2,410
Recognised in profit or loss:		
Inventories recognised as cost of sales	21,247	41,484

13. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2021 RM'000	2020 RM'000
Contract assets	–	17
Contract liabilities	(59)	–

In the previous financial year, the Group has contract assets which represent the prepayment of event costs for events which have not been held. Upon events are held, the respective event costs will be recognised to profit or loss.

During the financial year, the Group issues invoices to the customers while the revenue recognised when the performance obligation is satisfied. The Group has contract liabilities which represent unsatisfied performance obligation at the end of the reporting year is expected to be recognised within 1 year.

14. OTHER RECEIVABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-trade receivables	5,475	5,533	1,395	1,395
Less: Accumulated impairment loss				
At beginning of financial year	(5,395)	–	(1,395)	–
Recognised during the financial year	–	(5,395)	–	(1,395)
At end of financial year	(5,395)	(5,395)	(1,395)	(1,395)
	80	138	–	–
Deposits	3,539	5,325	49	–
Prepayments	127	137	–	7
	3,746	5,600	49	7

Included in gross non-trade receivables of the Group and of the Company are amount of RMNil (2020: RM1,395,291) due from companies in which Directors have interest.

15. DEPOSIT WITH LICENSED BANK

The interest rates of fixed deposit with licensed bank is 2.09% per annum with maturity dates of 3 months.

Notes to the Financial Statements – 30 June 2021 (cont'd)

16. ASSETS HELD FOR SALE

	Group 2021 RM'000	Group 2020 RM'000
Freehold land and building	256	256

On 23 April 2018, the Company entered into Sale and Purchase Agreement with a third party for the disposal of freehold land and building located at No.46, Jalan Seri Damai 1, Taman Seri Damai, 43000 Kajang, Selangor at total cash consideration of RM360,000.

The disposal of freehold land and building is expected to be completed by the next financial year.

17. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2021 Unit'000	2020 Unit'000	2021 RM'000	2020 RM'000
Group and Company				
Issued and fully paid with no par value:				
At the beginning of the financial year	353,295	353,295	50,976	50,976
Issuance of new ordinary shares:				
- Private placement	106,031	–	27,038	–
- Exercise of warrants	27,631	–	4,466	–
Shares split	459,467	–	–	–
At the end of the financial year	946,424	353,295	82,480	50,976

(a) During the financial year, the Company increase its issued and paid-up ordinary share capital from RM50,976,000 comprising 353,294,982 ordinary shares to RM82,480,000 comprising 946,424,339 ordinary shares through the following:

(i) an issuance of 106,030,800 new ordinary shares for a total cash consideration of RM27,038,000 through private placement at an issue price of RM0.255 per ordinary share;

(ii) an issuance of 141,275 new ordinary shares pursuant to the conversion of Warrants A at the exercise price of RM0.48 per ordinary share;

(iii) an issuance of 27,490,225 new ordinary shares pursuant to the conversion of Warrants B at the exercise price of RM0.16 per ordinary share; and

(iv) a subdivision of one (1) existing ordinary share into two (2) ordinary shares on 8 March 2021. As a result, the issued ordinary shares of the Company as of the date was increased from 459,467,057 shares to 918,934,114 ("the Split Shares"). The split share exercise was approved by the shareholders on 5 February 2021. The Split Shares were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 8 March 2021.

(b) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

18. RESERVES

		Group		Company	
		2021	**2020**	**2021**	**2020**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Accumulated losses		(19,301)	(18,843)	(26,746)	(25,057)
Non-distributable					
Warrant reserve	(a)	–	8,401	–	8,401
		(19,301)	(10,442)	(26,746)	(16,656)

The amount of warrant reserve was arrived at based on the difference between the proceeds from the rights issue with warrants and the par value of the ordinary shares and after deducting issue expenses. Upon full exercise of the warrants, the warrant reserve will be transferred to accumulated losses.

(a) Warrant reserve

Warrants A

Warrants A were listed and quoted on 24 February 2011 on the basis of four (4) new ordinary shares and three (3) free warrants for every two (2) existing ordinary shares.

The salient features of the Warrants A are as follows:

(i) Each Warrant A entitles the registered holder during the exercise period to subscribe for one (1) new ordinary share in the share capital of the Company at the exercise price of RM0.48 per ordinary share;

(ii) The exercise price and number of Warrants A are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the conditions provided in the Deed Poll; and

(iii) The Warrants A shall be exercisable at any time within a period of ten (10) years including and commencing from the issue date up to the expire date.

The Warrants A were expired and delisted on 17 February 2021.

At the end of the financial year, there was a total of Nil (2020: 78,754,500) unexercised Warrants A.

Notes to the Financial Statements – 30 June 2021 (cont'd)

18. RESERVES (CONT'D)

(a) Warrant reserve (cont'd)

Warrants B

On 12 March 2021, the Company issued 459,467,057 free warrants on the basis of 1 warrant for every 2 units of ordinary shares.

The salient features of the Warrants B are as follows:

(a) The issue date of the Warrants B is 12 March 2021 and the expiry date is 11 March 2024. Any Warrants B not exercised at the expiry date will lapse and cease to be valid for any purpose;

(b) Each Warrant B entitles the registered holder during the exercise period to subscribe for one (1) new ordinary share in the share capital of the Company at the exercise price of RM0.16 per ordinary share;

(c) Subject to the provision in the respective Deed Polls, the exercise price and the number of Warrants B held by each warrant holder shall be adjusted by the Board of Directors of the Company in consultation with the adviser and certification of the external auditors, in the event of alteration to the share capital of the Company; and

(d) The theoretical fair value of the Warrants B was based on the 5-market day volume weighted average market price of the shares up to and including the last trading day prior to the price-fixing date of the Warrants B.

At the end of the financial year, there was a total of 431,976,832 (2020: Nil) unexercised Warrants B.

19. LEASE LIABILITIES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current liability				
- within 1 year	422	977	130	–
Non-current liabilities				
- more than 1 year but less than 2 years	502	181	219	–
- more than 2 years but less than 5 years	193	143	–	–
	695	324	219	–
Total	1,117	1,301	349	–

The lease liabilities bear interest at 5.40% to 5.65% (2020: 5.65%) per annum.

19. LEASE LIABILITIES (CONT'D)

Set out below is the movement of lease liabilities during the financial year:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At beginning of financial year	1,301	3,939	–	–
Additions	1,390	2,764	405	–
Lease payment/cash outflow from financing activities	(512)	(5,402)	(56)	–
Interest expense on lease liabilities	68	127	14	–
Payment for lease liabilities interest in financing activities	(68)	(127)	(14)	–
Reversal due to termination	(888)	–	–	–
Discount received from lease liabillities	(174)	–	–	–
At end of financial year	1,117	1,301	349	–

The following are the amounts recognised in profit or loss:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Depreciation expense of right-of-use assets	649	5,484	62	–
Interest expense on lease liabilities	68	127	14	–
Expenses relating to short term leases	554	3,215	20	–
Discount received from lease liabilities	(174)	–	–	–
Income from derecognition of right-of-use assets and lease liabilities	(51)	–	–	–
Total amount recognised in profit or loss	1,046	8,826	96	–

The Group and the Company had total cash outflow for leases of RM580,343 (2020: RM5,529,294) and RM69,466 (2020: RMNil).

20. TRADE PAYABLES

The normal trade credit terms granted by the trade payables of the Group are generally ranging from 14 to 90 (2020: 14 to 90) days. The trade payables are non-interest bearing and unsecured.

Included in trade payables of the Group is an amount of RM666,608 (2020: RM85,000) due from companies in which Directors have interest.

Notes to the Financial Statements – 30 June 2021 (cont'd)

21. OTHER PAYABLES

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-trade payables	400	450	87	19
Accruals	844	554	77	153
Deposits received	3,057	1,035	–	–
	4,301	2,039	164	172

Included in non-trade payables of the Group is an amount of RMNil (2020: RM13,000) due from companies in which Directors have interest.

Other payables are non-interest bearing and unsecured.

Included in deposit received is deposit paid by customer of RM2,700,000 (2020: RMNil) to secure and lock-in the supply of ICT products of the Group.

22. PROVISION FOR RESTORATION COSTS

	Group 2021 RM'000	Group 2020 RM'000
At the beginning of the financial year	300	–
Recognised in property, plant and equipment	–	300
Reversal during the financial year	(300)	–
At the end of the financial year	–	300

The Group has obligation to restore the rental of premises after expiry/termination of the lease contracts.

23. REVENUE

23.1 Disaggregated revenue information

	Group 2021 RM'000	Group 2020 RM'000
Types of revenue		
- Sales of goods	27,788	42,502
- Services rendered	2,924	15,825
- Rental income	571	5,839
- Interest income	502	768
	31,785	64,934

23. REVENUE (CONT'D)

23.1 Disaggregated revenue information (cont'd)

	Group	
	2021 RM'000	2020 RM'000
Geographical market		
- Malaysia	31,785	64,934
Timing of revenue recognition		
- At a point in time	31,785	64,934

24. LOSS BEFORE TAX

Loss before tax is determined after charging/(crediting) amongst others, the following items:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Auditors' remuneration:				
- statutory audit				
- current year	124	128	48	40
- under provision in prior year	2	–	–	–
- non-statutory audit				
- current year	63	45	27	9
- under provision in prior year	4	–	–	–
Expenses relating to short term leases:				
- rental of machinery and equipment	5	2,327	–	–
- rental of premises	549	888	20	–
Bad debt written off	1,254	115	27	–
Unwinding of discounts:				
- trade receivables	(1,434)	(1,261)	–	–
- amount due from subsidiaries	–	–	4,029	708
Interest income on:				
- cash and cash equivalents	(98)	(66)	(143)	(65)
- deposit with licensed bank	(45)	–	–	–
Waiver of debts	(18)	–	(18)	–
Gain on unrealised foreign exchange	(8)	–	–	–

Notes to the Financial Statements
– 30 June 2021
(cont'd)

25. TAX EXPENSE/(INCOME)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current tax:				
- Current year	344	37	–	–
- Under/(Over) provision in prior year	47	(793)	–	–
Deferred tax:				
- Under provision in prior year	–	120	–	–
Total tax expense/(income)	391	(636)	–	–

The provision for current year taxation is determined by applying the Malaysian statutory tax rate on the chargeable income. The Malaysian statutory tax rate is 24% (2020: 24%) of the estimated assessable profits for the financial year.

A numerical reconciliation of tax expense at the statutory income tax rate to tax expense at the effective income tax rate is as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Loss before tax	(8,806)	(9,353)	(10,090)	(10,998)
Tax at 24%	(2,113)	(2,245)	(2,422)	(2,640)
Tax effects in respect of:				
Expenses not deductible for tax purposes	2,343	1,882	2,289	2,470
Income not subject to tax	(537)	(334)	–	–
Movement of deferred tax assets not recognised	651	734	133	170
Under/(Over) provision in prior years - current tax	47	(793)	–	–
Under provision in prior year - deferred tax	–	120	–	–
Tax at effective tax rate	391	(636)	–	–

25. TAX EXPENSE/(INCOME) (CONT'D)

Deferred tax assets have not been recognised in respect of the following items due to uncertainty of its recoverability (stated at gross):

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Tax base in excess of the carrying amounts of qualifying property, plant and equipment	(2,268)	(2,607)	(24)	–
Unabsorbed business losses	16,942	15,109	4,994	4,417
Unutilised capital allowances	11,590	11,071	32	32
Others	590	567	–	–
	26,854	24,140	5,002	4,449

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient future taxable profits to be used to offset or they arose from the subsidiaries that have a recent history of losses.

The unabsorbed business losses and unutilised capital allowances of the Group and the Company can be carried forward to offset against future taxable profits of the Group and of the Company.

Effective Year of Assessment ("YA") 2019 as announced in the Annual Budget 2019, the unabsorbed business losses of the Group as of 30 June 2020 and thereafter will only be available for carry forward for a period of 7 consecutive years, the unabsorbed business losses will be disregarded.

Tax losses for which no deferred tax assets was recognised expire as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
YA 2025	9,962	9,962	3,769	3,769
YA 2026	3,801	3,801	607	607
YA 2027	1,393	1,346	41	41
YA 2028	1,786	–	577	–
	16,942	15,109	4,994	4,417

Notes to the Financial Statements
– 30 June 2021
(cont'd)

26. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing Group's net loss attributable to owners of the Company for the financial year by the weighted average number of ordinary shares outstanding during the financial year held by the Company.

	Group	
	2021	**2020**
Net loss attributable to owners of the Company (RM'000)	8,859	8,144
Weighted average number of ordinary shares ('000)	538,534	496,800*
Basic loss per ordinary share (sen)	1.65	1.64

Note:
* The weighted average number of ordinary shares in issue had been adjusted retrospectively, to reflect the Shares Split as through the Shares Split had been issued from the earliest period of these financial statements as required by MFRS 133 - Earnings Per Share.

(b) Diluted

The diluted loss per share has been calculated by dividing the Group's loss attributable to owners of the Company for the financial year by the weighted average number of ordinary shares that would have been in issue assuming exercise of the remaining warrants, adjusted for the number of such ordinary shares that would have been issued at fair value:

	Group	
	2021	**2020**
Net loss attributable to owners of the Company (RM'000)	8,859	8,144
Weighted average number of ordinary shares ('000)	538,534	496,800
Potential dilution arising from outstanding warrants	431,977	78,755
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	970,511	575,555
Diluted loss per ordinary share (sen)	Not applicable	Not applicable

Diluted loss per ordinary share is not applicable for the current and previous financial year as the unexercised share options were anti-dilutive in nature, this is due to the average market share price of the Company being below the exercise price of share options.

27. EMPLOYEES SHARE OPTIONS

27.1 Employees Share Option Scheme ("ESOS")

At an extraordinary general meeting held on 29 November 2018, the Company's shareholders approved the establishment of a ESOS for eligible Directors and employees of the Group.

The salient features of the ESOS are as follows:

(a) Any employee of the Group shall be eligible if as at the date of offer, the employee:

(i) is at least eighteen (18) years of age and is not undischarged bankrupt nor subject to any bankruptcy proceedings;
(ii) he/she is employed full time by and on the payroll of any company in the Group and his/her employment has been confirmed by any company in the Group;

(b) Any Director of the Group (excluding dormant subsidiaries) shall be eligible if as at the date of offer, the employee:

(i) is at least eighteen (18) years of age and is not undischarged bankrupt nor subject to any bankruptcy proceedings;
(ii) the Director is a director named in the register of directors of the Group which is not dormant;
(iii) specific allocation of new shares to the Director of the Company under the Scheme must have been approved by the shareholders of the Company in a general meeting and is not prohibited or disallowed by the relevant authorities or laws from participating in the ESOS;

(c) Any employee or Director of the Group (excluding dormant subsidiaries) who fulfill the criteria listed under section (a) and (b) should fulfill the following:

(i) the employee or Director who is a Malaysia Citizen, he or she has been in employment with the Group (excluding dormant subsidiaries) for a period of at least 1 year prior to and up to the date of offer; or
(ii) the employee or Director who is a non-Malaysia Citizen, he or she has been in employment with the Group on a full time contract for a period of at least 1 year prior to and up to the date of offer;

(d) The maximum number of new shares to be issued pursuant to the exercise of the shares which may be granted under the ESOS shall not exceed thirty percent (30%) of the total issued and paid-up share capital (excluding treasury shares, if any) of the Company at any point of time throughout the duration of the Employees Share Options;

(e) The ESOS shall be in force for a period of five (5) years commencing from 5 December 2018;

(f) The options granted may be exercised any time upon the satisfaction of vesting conditions of each offer except for non-executive Director who must not sell, transfer or assign any ESOS within 1 year from the date of offer;

(g) The option price of a new ordinary share under the ESOS shall be the weighted average price of the shares for the five Market Days immediately preceeding the date of offer with a discount of not more than ten percent (10%) or such other percentage of discount as maybe permitted by Bursa Securities or any other relevant authorities from time to time;

(h) Upon exercise of the options, the shares issued rank pari passu in all respects with the then existing ordinary shares of the Company; and

(i) The employees and Directors to whom the options have been granted have no right to vote at any general meeting of the Company, not entitled to any dividends, rights or other entitlements on his unexercised options.

As at 30 June 2021, there was no option offered to take up unissued ordinary share of the Company.

Notes to the Financial Statements
– 30 June 2021
(cont'd)

28. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Directors' remuneration	702	1,036	249	619
Directors' fee	198	225	198	225
Salaries and other emoluments	2,020	5,097	390	616
Defined contribution plan	158	588	49	82
Social security contributions	85	57	4	6
Other benefits	56	332	17	28
	3,219	7,335	907	1,576

The remuneration of the Directors and other member of key management personnel of the Group and of the Company during the financial year are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Executive Directors:				
Fees	56	87	56	87
Salaries and other emoluments	616	823	212	480
Defined contribution plan	81	119	33	74
Social security contributions	3	5	1	2
Other benefits	2	89	3	63
	758	1,123	305	706
Non-executive Directors:				
Fees	142	138	142	138
Key management personnels:				
Salaries and other emoluments	187	210	187	210
Defined contribution plan	24	26	24	26
Social security contributions	1	1	1	1
	212	237	212	237
Total	1,112	1,498	659	1,081

29. RELATED PARTY DISCLOSURES

(a) Significant related party transactions during the financial year are as follows:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Management and consultation fee charged to subsidiaries	–	–	426	1,524
Purchase from a subsidiary	–	–	1	–
Telephone fee charged by related parties*	–	20	–	–
Sales to a related party*	2,167	145	–	–
Transportation expenses charged by a related party*	1,837	127	–	–
Rental charged by related parties*	174	55	–	–
Purchase of assets from a related party*	8	-	–	–
Subscription fees charged by a related party*	–	30	–	–
General expenses charged by related parties*	–	38	–	–
Ticketing management fee charged by a related party*	–	114	–	–

* Related parties refer to companies in which certain Directors have interest

The Directors of the Company are of the opinion that the terms of the above transactions were entered on a negotiated basis between the companies.

(b) Compensation of key management personnel

Key management personnel includes all the Directors of the Company and its subsidiaries and certain members of senior management of the Group.

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

The remuneration of key management personnel is disclosed in Note 28 to the financial statements.

(c) The outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 10, 11, 14, 20 and 21 to the financial statements.

Notes to the Financial Statements
– 30 June 2021
(cont'd)

30. OPERATING SEGMENT

(a) Business segments

For management purposes, the Group is organised into business units based on the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

(i) Information, communication and technology ("ICT")
- Trading and servicing computer hardware and parts;
- Trading of telecommunication products;
- Research development, marketing and distribution of business application software together with provision of related training and materials; and
- Distribution and marketing of information and communication technology products.

(ii) Event management
- Event and artist management
- Stage and event contractions

(iii) Retail management
- Rental of retail outlets and management services

(iv) Financial solutions
- Provision of money lending service

Other reporting segments that do not constitute reportable segments comprise operations related to investment holdings, provision of car jockey services, restaurant operator and provision of business management consultant services.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

30. OPERATING SEGMENT (CONT'D)

(a) Business segments (cont'd)

	Note	ICT RM'000	Event management RM'000	Retail management RM'000	Financial solutions RM'000	Others RM'000	Adjustments and eliminations RM'000	Total as per consolidated financial statements RM'000
2021								
Revenue:								
External revenue		27,861	2,649	465	494	316	–	31,785
Inter-segment revenue	(i)	1	65	–	8	–	(74)	–
		27,862	2,714	465	502	316	(74)	31,785
Results:								
Finance income		–	–	–	1,497	143	(63)	1,577
Finance costs		(9)	(49)	(418)	(2)	(4,043)	4,453	(68)
Depreciation of								
- property, plant and equipment		–	(892)	(1,167)	(13)	(4)	–	(2,076)
- right-of-use asset		(38)	(168)	(334)	(47)	(62)	–	(649)
Tax expense		(318)	(3)	–	(70)	–	–	(391)
Other non-cash								
- income	(ii)	–	33	499	65	17	(63)	551
- expenses	(ii)	(3,505)	(1,061)	(2,162)	(241)	(8,360)	8,774	(6,555)
Segment (loss)/profit	(iii)	(2,603)	(2,048)	(2,656)	72	(7,429)	4,349	(10,315)
Assets:								
Additions to non-current assets	(iv)	–	52	–	–	62	28	142
Segment assets	(v)	7,377	9,495	1,994	21,658	58,096	(23,870)	74,750
Liabilities:								
Segment liabilities	(vi)	8,615	18,249	23,035	16,720	13,874	(68,050)	12,443

30. OPERATING SEGMENT (CONT'D)

(a) Business segments (cont'd)

	Note	ICT RM'000	Event management RM'000	Retail management RM'000	Financial solutions RM'000	Others RM'000	Adjustments and eliminations RM'000	Total as per consolidated financial statements RM'000
2020								
Revenue:								
External revenue		43,747	13,303	7,078	768	38	–	64,934
Inter-segment revenue	(i)	–	1,752	600	–	–	(2,352)	–
		43,747	15,055	7,678	768	38	(2,352)	64,934
Results:								
Finance income		–	1	–	1,261	65	–	1,327
Finance costs		–	(35)	(90)	(2)	–	–	(127)
Depreciation of								
- property, plant and equipment		(100)	(910)	(874)	(63)	–	–	(1,947)
- right-of-use asset		-	(158)	(5,279)	(47)	–	–	(5,484)
Tax income/(expense)		1	674	–	(39)	–	–	636
Other non-cash								
- income	(ii)	–	–	–	–	88	(88)	–
- expenses	(ii)	–	(4,806)	(2,892)	(945)	(10,750)	12,964	(6,429)
Segment profit/ (loss)	(iii)	301	(8,511)	(3,433)	(907)	(10,879)	12,876	(10,553)
Assets:								
Additions to non-current assets	(iv)	–	466	2,146	–	–	–	2,612
Segment assets	(v)	15,248	10,511	7,212	14,384	37,253	(33,461)	51,147
Liabilities:								
Segment liabilities	(vi)	13,554	17,266	25,178	10,943	13,205	(68,999)	11,147

30. OPERATING SEGMENT (CONT'D)

(a) Business segments (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

(i) Inter-segment revenues are eliminated on consolidation.

(ii) Other non-cash income/(expenses) consist of the following items:

	2021 RM'000	2020 RM'000
Reversal of provision for restoration cost	300	–
Income from derecognition of right-of-use assets and lease liabilities	51	–
Discount received from lease liabilities	174	–
Gain on unrealised foreign exchange	8	–
Waiver of debts	18	–
Impairment loss on trade receivables	(3,687)	(567)
Impairment loss on other receivables	–	(5,395)
Property, plant and equipment written off	(1,589)	(202)
Bad debts written off	(1,254)	(115)
Loss on disposal of property, plant and equipment	(25)	(150)
	(6,004)	(6,429)

(iii) The following items are added to/(deducted from) segment loss to arrive at "Net loss for the financial year" presented in the consolidated statements of profit or loss and other comprehensive income:

	2021 RM'000	2020 RM'000
Segment loss	(10,315)	(10,553)
Finance income	1,577	1,327
Finance costs	(68)	(127)
Tax (expense)/income	(391)	636
Net loss for the financial year	(9,197)	(8,717)

(iv) Additions to non-current assets consist of:

	2021 RM'000	2020 RM'000
Property, plant and equipment	142	2,612

Notes to the Financial Statements
– 30 June 2021
(cont'd)

30. OPERATING SEGMENT (CONT'D)

(a) Business segments (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd):

(v) The following items are adjusted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2021 RM'000	2020 RM'000
Investment in subsidiaries	(1,866)	(1,866)
Realisation of gain on disposal of property, plant and equipment to third party	–	(28)
Goodwill arising from consolidation	1,100	1,100
Inter-segment balances	(23,104)	(32,667)
	(23,870)	(33,461)

(vi) The following item is adjusted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2021 RM'000	2020 RM'000
Inter-segment balances	(68,050)	(68,999)

(b) Geographical information

No disclosure on geographical segment information for revenue and non-current assets as the Group operates predominantly in Malaysia.

(c) Major customers

The following is the major customers with revenue equal or more than 10% of the Group's revenue:

	Revenue 2021 RM'000	Revenue 2020 RM'000	Segments
- Customer A	3,498	–	ICT
- Customer B	3,255	–	ICT

31. FINANCIAL INSTRUMENTS

31.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

Financial assets and financial liabilities are measured at amortised cost ("AC").

	Carrying amount RM'000	AC RM'000
Group		
2021		
Financial assets		
Trade receivables	11,333	11,333
Other receivables	3,619	3,619
Deposit with licensed bank	10,045	10,045
Cash and bank balances	36,546	36,546
	61,543	61,543
Financial liabilities		
Trade payables	6,752	6,752
Other payables	4,301	4,301
	11,053	11,053
2020		
Financial assets		
Trade receivables	26,532	26,532
Other receivables	5,463	5,463
Cash and bank balances	3,763	3,763
	35,758	35,758
Financial liabilities		
Trade payables	7,489	7,489
Other payables	2,039	2,039
	9,528	9,528

Notes to the Financial Statements
– 30 June 2021
(cont'd)

31. FINANCIAL INSTRUMENTS (CONT'D)

31.1 Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows (cont'd):

Financial assets and financial liabilities are measured at amortised cost ("AC") (cont'd).

	Carrying amount RM'000	AC RM'000
Company		
2021		
Financial assets		
Amount due from subsidiaries	21,377	21,377
Other receivables	49	49
Deposit with licensed bank	10,045	10,045
Cash and bank balances	22,524	22,524
	53,995	53,995
Financial liability		
Other payables	164	164
2020		
Financial assets		
Amount due from subsidiaries	30,801	30,801
Cash and bank balances	1,879	1,879
	32,680	32,680
Financial liabilities		
Other payables	172	172
Amount due to subsidiaries	61	61
	233	233

31.2 Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's and the Company's business whilst managing its financial risks. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

31. FINANCIAL INSTRUMENTS (CONT'D)

31.2 Financial risk management objectives and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:

(a) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instrument is broadly diversified along industry, products and geographical lines, transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

It is the Group's policy that all customers are subject to credit verification procedures. In addition, receivables balances are monitored on an on-going basis.

The following are areas where the Group exposed to credit risk:

i. Receivables

The Group's exposures to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

Most of the Group's customers have been transacting with the Group for long-term basis, and none of these customer's balances have been written off or are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their characteristics, including whether are an individual or a legal entity, whether they are wholesale, retail or end-user customers, their geographical location, industry, trading history with the Group and existence of previous financial difficulties.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar pattern (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or collateral). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about the past events, current conditions and forecasts of future economic conditions. Generally, the receivables are written-off if the Directors deemed them uncollectable. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. Collateral is considered integral part of loan receivables and considered in the calculation of impairment. At the reporting date, the collateral mainly consists of 1,000,000 ordinary shares of a private company. In the previous year, the collateral mainly consists of 5 pieces of land which the fair values of the properties approximately RM10,679,000.

31. FINANCIAL INSTRUMENTS (CONT'D)

31.2 Financial risk management objectives and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(a) Credit risk (cont'd)

The following are areas where the Group exposed to credit risk (cont'd):

i. Receivables (cont'd)

The ageing analysis of the trade receivables and contract assets are as follows:

Group	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
2021			
Current	10,432	–	10,432
1-30 days	198	–	198
31-60 days	94	–	94
61-90 days	85	–	85
91-120 days	315	–	315
more than 121 days	248	(39)	209
	11,372	(39)	11,333
Individually impaired	4,215	(4,215)	–
	15,587	(4,254)	11,333
2020			
Current	16,691	–	16,691
1-30 days	2,704	–	2,704
31-60 days	202	–	202
61-90 days	324	–	324
91-120 days	1,615	–	1,615
more than 121 days	4,996	–	4,996
	26,532	–	26,532
Individually impaired	567	(567)	–
	27,099	(567)	26,532
Contract assets	17	–	17

As at the reporting date, approximately 85% (2020: 74%) of trade receivables was due from one (2020: five) major customers.

31. FINANCIAL INSTRUMENTS (CONT'D)

31.2 Financial risk management objectives and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(a) Credit risk (cont'd)

The following are areas where the Group exposed to credit risk (cont'd):

ii. Intercompanies balances

The maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

The Company provides unsecured advances to subsidiaries and monitors the results of these companies regularly.

As at the end of the reporting year, there was no indication that the advances to subsidiaries are not recoverable except for those disclosed in Note 11 to the financial statements.

iii. Cash and cash equivalents

The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due, due to shortage of funds.

In managing their exposures to liquidity risk that arises principally from their various payables, loans and borrowings, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible that they will have sufficient liquidity to meet their liabilities as and when they fall due.

The summary of the maturity profile based on the contractual undiscounted repayment obligations is as follow:

			← Maturity →	
	Carrying amount RM'000	**Contractual cash flows RM'000**	**Less than 1 year RM'000**	**Between 1 to 5 years RM'000**
Group				
<u>2021</u>				
Unsecured:				
Trade payables	6,752	6,752	6,752	–
Other payables	4,301	4,301	4,301	–
Lease liabilities	1,117	1,145	445	700
	12,170	12,198	11,498	700

31. FINANCIAL INSTRUMENTS (CONT'D)

31.2 Financial risk management objectives and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(b) Liquidity risk (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligations is as follow (cont'd):

	Carrying amount RM'000	Contractual cash flows RM'000	Maturity: Less than 1 year RM'000	Maturity: Between 1 to 5 years RM'000
Group				
2020				
Unsecured:				
Trade payables	7,489	7,489	7,489	–
Other payables	2,039	2,039	2,039	–
Lease liabilities	1,301	1,439	1,096	343
	10,829	10,967	10,624	343
Company				
2021				
Unsecured:				
Other payables	164	164	164	–
Lease liabilities	349	381	150	231
	513	545	314	231
2020				
Unsecured:				
Other payables	172	172	172	–
Amount due to subsidiaries	61	61	61	–
	233	233	233	–

The maturity profile of the Group's and of the Company's financial liabilities based on contractual undiscounted repayment obligations is less than 1 year.

31. FINANCIAL INSTRUMENTS (CONT'D)

31.2 Financial risk management objectives and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(c) Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's interest rate management objective are to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group and the Company target a mix of fixed and floating debts based on assessment of its existing exposure and desired interest rate profile.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting year is as follows:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Fixed rate instruments				
Trade receivables	9,579	13,918	–	–
Deposit with licensed bank	10,045	–	10,045	–
Lease liabilities	(1,117)	(1,301)	(349)	–
	18,507	12,617	9,696	–

Fair values sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates as at the reporting date would not affect profit or loss.

31.3 Fair value of financial instruments

The carrying amounts of financial assets and financial liabilities of the Group and of the Company at the reporting date approximate their fair values due to their short-term nature and insignificant impact of discounting.

31.4 Fair value hierarchy

No fair value hierarchy has been disclosed as the Group and the Company do not have financial instruments measured at fair value.

Notes to the Financial Statements
– 30 June 2021
(cont'd)

31. FINANCIAL INSTRUMENTS (CONT'D)

31.5 Reconciliation of liabilities arising from financing activities

Group

	At 1 July RM'000	Net change used in financing cash flows RM'000	Other non-cash flow changes RM'000	At 30 June RM'000
2021				
Lease liabilities (Note 19)	1,301	(512)	328^#	1,117

	At 1 July RM'000	Net change used in financing cash flows RM'000	Other non-cash flow changes RM'000	At 30 June RM'000
2020				
Lease liabilities (Note 19)	3,939	(5,402)	2,764^	1,301

Company

	At 1 July RM'000	Net change used in financing cash flows RM'000	Other non-cash flow changes RM'000	At 30 June RM'000
2021				
Lease liabilities (Note 19)	–	(56)	405^	349
Amount due to subsidiaries	61	(61)	–	–

	At 1 July RM'000	Net change from financing cash flows RM'000	At 30 June RM'000
2020			
Amount due to subsidiaries	–	61	61

^ Being non-cash additions of lease liabilities and lease liabilities interest paid during the financial year.
# Being derecognition of lease liabilities during the financial year.

32. CAPITAL MANAGEMENT

Total capital managed at the Group level is the shareholders' funds as shown in the statements of financial position.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit and financially prudent capital rations in order to support its current business as well as future expansion so as to maximise the shareholder value.

The Group manages its capital structure and make adjustment to it, in light of changes in economic condition including the interest rate movements. To maintain and adjust capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

There were no changes in the Group's approach to capital management during the financial year.

33. SIGNIFICANT EVENTS

(a) Coronavirus Disease 2019 ("COVID-19")

The Government of Malaysia has again imposed the Movement Control Order ("MCO") and Conditional Movement Control Order ("CMCO") for selected states which are severely affected by the novel coronavirus on 11 January 2021. Besides, the Malaysia King declared state of emergency for the country until 1 August 2021 to curb the spread of COVID-19 on 12 January 2021.

On 11 May 2021, MCO 3.0 is reinstated from 12 May 2021 to 7 June 2021. On 28 May 2021, the Government of Malaysia has imposed nationwide "total lockdown" on all social and economic sectors in Malaysia from 1 June 2021 until further notice from the Government of Malaysia. This has resulted in travel restriction, lockdown and other precautionary measures imposed by relevant local authorities.

The Group and the Company are significantly impacted by the COVID-19. As such, the Group and the Company have implemented several measures to weather through this current challenging time. These efforts are on-going as the Group and the Company continue to seek support from their vendors and business partners to address their cash flow requirements. The following measures had been taken, with further additional efforts to be taken:

Working Capital Management

The Group managed to obtain a total wage subsidy of RM54,000 under Prihatin Wage Subsidy Programme to reduce the staff cost incurred.

Funding

During the financial year, paid up ordinary share capital of the Company was increased from RM50,976,000 ordinary shares to RM82,480,000 ordinary shares by way of issuance of 133,662,300 new ordinary shares pursuant to the followings:

(i) 106,030,800 new ordinary shares for a total cash consideration of RM27,038,000 through Special Issue at an issue price of RM0.255 per ordinary share; and

(ii) 141,275 new ordinary shares pursuant to the conversion of Warrants A at the exercise price of RM0.48 per ordinary shares; and

(iii) 27,490,225 new ordinary shares pursuant to the conversion of Warrants B at the exercise price of RM0.16 per ordinary shares.

Notes to the Financial Statements
– 30 June 2021
(cont'd)

33. SIGNIFICANT EVENTS (CONT'D)

(b) Collaboration agreement with Red One Network Sdn. Bhd.

On 6 August 2020, Macpie Distribution Sdn. Bhd., a wholly-owned subsidiary of Macpie Berhad entered into a Collaboration Agreement with Red One Network Sdn. Bhd. ("RONSB") to provide device bundle plans to end users in Malaysia. The agreement provides a business expansion opportunity and hence it is expected to contribute positively to the earnings as well as shareholders' value of the Group in the medium to longer term.

RONSB will diligently and adequately advertise and promote the sale of feature phones, smart phones, new products and accessories carrying the Nokia trademarks and proprietary marks throughout the Malaysia by creating and implementing attractive and exclusive mobile device bundle programs by packaging the products together with its mobile plans.

(c) Acquisition of subsidiaries

On 19 August 2020, the Company subscribed additional 99,900 ordinary shares for a total cash consideration of RM99,900 in Octagon Media Sdn. Bhd. (formerly known as Macpie Entertainment Sdn. Bhd.).

On 1 December 2020, the Company acquired 2 ordinary shares, representing 100% equity interest in Macpie Ticketing Sdn. Bhd. for a total cash consideration of RM2.

(d) Master service agreement with XOX Mobile Sdn. Bhd.

On 12 November 2020, Macpie Berhad entered into a Master Service Agreement with XOX Mobile Sdn Bhd ("XMSB"), a wholly-owned subsidiary of XOX Berhad for services related to the organization of the Event known as XOX Unity Player Unknown Battleground (PUBG) League ("Services") at the initial price RM2,300,000.

Macpie Berhad will procure the materials, equipment and tools that Macpie Berhad determines, in Macpie Berhad's professional opinion, are needed to provide the services and individuals to be engaged for completing the services. Macpie Berhad will organise, manage and execute the event and provide digital marketing, digital media management and merchandising platform for XMSB.

(e) Proposed acquisition of 35% equity interest in Techninier Sdn. Bhd.

On 2 February 2021, Macpie Berhad entered into a Heads of Agreement with Datin Soh Meizhi for the proposed acquisition of 280,000 ordinary shares in Techninier Sdn. Bhd., representing 35% equity interest in Techninier Sdn. Bhd.

On 24 September 2021, the Board of Directors announced that the Head of Agreement in relation to the Proposed Acquisition has lapsed and ceased.

(f) Private placement

On 26 February 2021, Macpie Berhad allotted and issued 106,030,800 Placement Shares in the capital to the third party investors at an issue price of RM0.255 per share pursuant purposed Private Placement up to 30% of the total number issues shares of the Company.

(g) Shares split

On 8 March 2021, the ordinary shares of the Company was increased from 459,467,057 shares to 918,934,114 ("the Split Shares"). The Split Shares were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad and rank pari passu in all respect with one another.

33. SIGNIFICANT EVENTS (CONT'D)

(h) Issuance of Warrants B

On 12 March 2021, the Company issued 459,467,057 Warrants B on the basis of 1 warrant for every 2 units of ordinary shares. Each Warrant B entitles the registered holder during the exercise period to subscribe for one (1) new ordinary share in the share capital of the Company at the exercise price of RM0.16 per ordinary share. At the end of the financial year, there was a total of 431,976,832 unexercised Warrants B.

(i) Proposed private placement

On 30 August 2021, the Company proposed a private placement of up to 332,465,600 new ordinary shares, representing twenty percent (20%) of the total number of issued shares of the Company.

(j) Proposed change of company name

On 15 October 2021, the Company proposed to change its name from "Macpie Berhad" to "XOX Creative Berhad". The proposed change of company name is subject to the approval of the shareholders of the Company at the forthcoming Extraordinary General Meeting.

LIST OF PROPERTIES
As at 30 June 2021

Description	Existing Use	Address	Tenure	Date of Acquisition	Approximate Age of Building	Net Book Value RM
Land & Build up - approximately 1,980 Sq.Feet	Commercial Building	No. 46, Jalan Seri Damai 1, 43000 Kajang, Selangor Darul Ehsan	Freehold Building	30 March 2009	31 years	255,467
Total						**255,467**

ANALYSIS OF SHAREHOLDINGS

As at 30 September 2021

ISSUED SHARES OF THE COMPANY

Total Number of Issued Shares	:	946,424,339 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS (BASED ON THE RECORD OF DEPOSITORS)

Size of Shareholdings	No. of Shareholders	No. of Shares Held	%
1 - 99	124	5,047	*
100 - 1,000	685	347,205	0.04
1,001 - 10,000	2,312	14,637,362	1.55
10,001 - 100,000	3,212	128,425,125	13.57
100,001 to less than 5% of issued shares	599	423,827,200	44.78
5% and above of issued shares	3	379,182,400	40.06
TOTAL	**6,935**	**946,424,339**	**100.00**

* Less than 0.01%

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS)

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

Name of Shareholders	No. of Shares Held	%
1. Affin Hwang Nominees (Asing) Sdn. Bhd. Exempt AN for Lazarus Corporate Finance Pty Ltd	232,600,000	24.58
2. Affin Hwang Nominees (Asing) Sdn. Bhd. Exempt AN for Sanston Financial Group Limited (Account Client)	83,301,100	8.80
3. CGS-CIMB Nominees (Asing) Sdn. Bhd. Exempt AN for CGS-CIMB Securities (Hong Kong) Limited (Foreign Client)	63,281,300	6.69
4. HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for Credit Suisse AG (DUB CLT N-TREAT)	46,970,800	4.96
5. Cartaban Nominees (Asing) Sdn. Bhd. Exempt AN for Standard Chartered Bank Singapore (EFGBHK-ASING)	42,649,600	4.51
6. UOB Kay Hian Nominees (Asing) Sdn. Bhd. Exempt AN for Lazarus Securities Pty Ltd	35,000,000	3.70
7. Citigroup Nominees (Asing) Sdn. Bhd. UBS AG for MayBank Kim Eng Securities Pte Ltd	27,243,900	2.88
8. Cartaban Nominees (Asing) Sdn. Bhd. Barclays Bank PLC (RE Equities)	25,844,200	2.73
9. CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Exempt AN for CGS-CIMB Securities (Singapore) Pte Ltd (Retail Clients)	20,823,500	2.20
10. DB (Malaysia) Nominee (Asing) Sdn. Bhd. Exempt AN for Nomura PB Nominees Ltd	20,437,900	2.16

Analysis of Shareholdings
As at 30 September 2021
(cont'd)

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (CONT'D)
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

	Name of Shareholders	No. of Shares Held	%
11.	Kenanga Nominees (Tempatan) Sdn. Bhd. Rakuten Trade Sdn. Bhd. for Chong Siau Yian	5,000,000	0.53
12.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sabarudin bin Baba	2,620,200	0.28
13.	Ang Wan Joo	2,500,000	0.26
14.	Tan Chai Poh	2,120,000	0.22
15.	Kenanga Nominees (Tempatan) Sdn. Bhd. Rakuten Trade Sdn. Bhd. for Che Kok Wah	2,062,000	0.22
16.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chew Siong Keat (CHE2692C)	2,000,000	0.21
17.	Kong Kok Keong	2,000,000	0.21
18.	Loh Ik Seng	2,000,000	0.21
19.	MayBank Nominees (Tempatan) Sdn. Bhd. Tan Sun Ping	2,000,000	0.21
20.	MIDF Amanah Investment Nominees (Asing) Sdn. Bhd. For Lazarus Securities Pty Ltd for Lazarus Capital Partners Global Equities Fund	2,000,000	0.21
21.	Heng Jooi Hui	1,844,000	0.19
22.	Daren Yoon Thai On	1,800,000	0.19
23.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Cheng Wai Fun (CHE0562C)	1,700,000	0.18
24.	Ong Teng Joo	1,700,000	0.18
25.	Yap Chee Eng	1,700,000	0.18
26.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Muralitharan a/l P.Subramaniam (PB)	1,600,000	0.17
27.	Choi Fook Chye	1,500,000	0.16
28.	Khor Leong Kee	1,500,000	0.16
29.	Mok Ching Yam	1,500,000	0.16
30.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Swee Ching (E-KLG/KAP)	1,500,000	0.16
	TOTAL	**638,798,500**	**67.50**

LIST OF SUBSTANTIAL SHAREHOLDERS (BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

		No. of Shares Held			
Name of Substantial Shareholders		**Direct**	**%**	**Indirect**	**%**
1.	ACE Solution Investments Limited	140,000,000	14.79	–	–
2.	XOX (Hong Kong) Limited	92,600,000	9.78	–	–
3.	XOX Bhd	–	–	92,600,000^	9.78
4.	Key Alliance Group Berhad	83,301,100	8.80	–	–

^ *Deemed interested by virtue of Section 8 of the Companies Act 2016 through its shareholding in XOX (Hong Kong) Limited*

LIST OF DIRECTORS' SHAREHOLDINGS (BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

		No. of Shares Held			
Name of Directors		**Direct**	**%**	**Indirect**	**%**
1.	YM Tengku Ezuan Ismara bin Tengku Nun Ahmad	–	–	–	–
2.	Koo Kien Keat	–	–	–	–
3.	Justin Low Sook Huey	30,000	*	–	–
4.	Andy Liew Hock Sim	–	–	–	–
5.	Lionel Vernon Yong Nguon Kee	–	–	–	–
6.	Lee Kien Fatt	–	–	–	–
7.	Woon Sing Jiunn	–	–	–	–

* Less than 0.01%

ANALYSIS OF WARRANTS B HOLDINGS

As at 30 September 2021

No. of Outstanding Warrants	:	431,976,832
Exercise Price of Warrants	:	RM0.16
Exercise Period of Warrants	:	9 March 2021 to 8 March 2024

DISTRIBUTION OF WARRANT HOLDINGS (BASED ON THE RECORD OF DEPOSITORS)

Size of Warrant Holdings	No. of Warrant Holders	No. of Warrants Held	%
1 - 99	323	13,375	*
100 - 1,000	452	222,827	0.05
1,001 - 10,000	1,591	9,504,930	2.20
10,001 - 100,000	2,927	123,211,850	28.52
100,001 to less than 5% of the issued warrants	824	299,023,850	69.22
5% and above of the issued warrants	–	–	0.00
Total	**6,117**	**431,976,832**	**100.00**

* Less than 0.01%

LIST OF 30 LARGEST WARRANTS ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS)
(WITHOUT AGGREGATING WARRANTS FROM DIFFERENT WARRANTS ACCOUNT BELONGING TO THE SAME REGISTERED WARRANT HOLDER)

	Name of Warrant Holders	No. of Warrants Held	%
1.	Hen Yet Keow	7,000,000	1.62
2.	Maybank Nominees (Tempatan) Sdn. Bhd. Radin Zulkar Nain bin Radin Abdul Rahman	6,000,000	1.39
3.	Ang Jiun Pey	4,930,000	1.14
4.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teh Kok Keong (E-TAI)	4,900,000	1.13
5.	Lok Wei Seong	4,152,200	0.96
6.	Mohd Azali bin Usman	4,073,200	0.94
7.	Foo Fook Min	2,715,300	0.63
8.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Soo Siew Seng (CEB)	2,500,000	0.58
9.	Ng Lai Heng	2,400,000	0.56
10.	Teo Lian Teng	2,000,000	0.46
11.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lok Wei Seong (E-BPJ)	1,920,000	0.44
12.	Daren Yoon Thai On	1,905,000	0.44
13.	CGS-CIMB Nominees (Asing) Sdn. Bhd. Exempt AN for CGS-CIMB Securities (Hong Kong) Limited (Foreign Client)	1,816,100	0.42
14.	Muhammad Farhan bin Ahdon	1,810,000	0.42

Analysis of Warrants B Holdings
As at 30 September 2021
(cont'd)

LIST OF 30 LARGEST WARRANTS ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (CONT'D)
(WITHOUT AGGREGATING WARRANTS FROM DIFFERENT WARRANTS ACCOUNT BELONGING TO THE SAME REGISTERED WARRANT HOLDER)

	Name of Warrant Holders	No. of Warrants Held	%
15.	Kenanga Nominees (Tempatan) Sdn. Bhd. Ng Peng Kooi	1,805,000	0.42
16.	Joon bin Ibrahim	1,800,000	0.42
17.	Maybank Nominees (Tempatan) Sdn. Bhd. Tay Sian Tuan	1,800,000	0.42
18.	Muhamad Iqbal bin Mat Yaakob	1,800,000	0.42
19.	Goh Kim Choon	1,783,500	0.41
20.	Badariah binti Abd Aziz	1,735,000	0.40
21.	Lau Fui Seng	1,662,000	0.38
22.	Elecsoft Solution Sdn. Bhd.	1,600,000	0.37
23.	Chew Chee Peng	1,500,000	0.35
24.	Kenanga Nominees (Tempatan) Sdn. Bhd. Rakuten Trade Sdn. Bhd. for Choong Yoke Peng	1,500,000	0.35
25.	Ong Teng Joo	1,500,000	0.35
26.	Kenanga Nominees (Tempatan) Sdn. Bhd. Shamsulanuar bin Salim (EM1-CN)	1,390,000	0.32
27.	Lim Hock Lai	1,300,000	0.30
28.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Vincent Phua Chee Ee	1,300,000	0.30
29.	Wong Yin Ling	1,300,000	0.30
30.	Wan Zulkifli bin Wan Abdullah	1,210,000	0.28
	Total	**73,107,300**	**16.92**

DIRECTORS' WARRANT HOLDINGS (BASED ON THE REGISTER OF DIRECTORS' WARRANT HOLDINGS)

		No. of Warrants Held			
	Name of Directors	**Direct**	**%**	**Indirect**	**%**
1.	YM Tengku Ezuan Ismara bin Tengku Nun Ahmad	–	–	–	–
2.	Koo Kien Keat	–	–	–	–
3.	Justin Low Sook Huey	–	–	–	–
4.	Andy Liew Hock Sim	–	–	–	–
5.	Lionel Vernon Yong Nguon Kee	–	–	–	–
6.	Woon Sing Jiunn	–	–	–	–
7.	Lee Kien Fatt	–	–	–	–

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting ("**16th AGM**" or "**Meeting**") of Macpie Berhad ("**Macpie**" or the "**Company**") will be held and conducted on a virtual basis through live streaming and online remote participation and voting from the Broadcast Venue at 7th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 30 November 2021 at 11.00 a.m. or at any adjournment thereof to transact the following business:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2021 together with the Reports of the Directors and Auditors thereon. **(Please refer to the Explanatory Note 10)**

2. To approve the payment of Directors' fees of up to RM480,000.00 for the financial year ending 30 June 2022. **(Ordinary Resolution 1)**

3. To re-elect Mr. Lionel Vernon Yong Nguon Kee as Director of the Company, who retires by rotation in accordance with Article 107 of the Company's Constitution and who being eligible, has offered himself for re-election. **(Ordinary Resolution 2)**

4. To re-elect the following Directors who retire in accordance with Article 114 of the Company's Constitution and who being eligible, have offered themselves for re-election:

   (i) Mr. Lee Kien Fatt; **(Ordinary Resolution 3)**
   (ii) Ms. Justin Low Sook Huey; and **(Ordinary Resolution 4)**
   (iii) YM Tengku Ezuan Ismara bin Tengku Nun Ahmad. **(Ordinary Resolution 5)**

5. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 6)**

AS SPECIAL BUSINESS

To consider and, if thought fit, pass with or without any modifications, the following resolutions:

6. **Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016** **(Ordinary Resolution 7) (Please refer to the Explanatory Note 11)**

   "**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approvals of the relevant governmental and/or regulatory authorities, where required, the Directors of the Company be and are hereby empowered to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares, if any) for the time being to be utilised until 31 December 2021 as empowered by Bursa Malaysia Securities Berhad ("**Bursa Securities**") pursuant to Bursa Malaysia Berhad's letter dated 16 April 2020 to grant additional temporary relief measures to listed issuers and provided further that the aggregate number of shares issued thereafter pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) for the time being as stipulated under Rule 6.04(1) of the ACE Market Listing Requirements;

THAT the Directors of the Company be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued;

AND THAT such authority under this resolution shall continue in force until the conclusion of the next annual general meeting after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier."

7. **Proposed New Shareholders' Mandate and Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")** **(Ordinary Resolution 8) (Please refer to the Explanatory Note 12)**

"**THAT**, subject to the provisions of the ACE Market Listing Requirements of Bursa Securities and/or any other applicable laws, regulations and guidelines, approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.4 of the Circular to Shareholders in relation to the Proposed Shareholders' Mandate dated 29 October 2021 provided that such transactions are in the ordinary course of business which are necessary for the day-to-day operations, made on an arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company;

THAT this Shareholders' mandate shall only continue to be in force until:

(a) the conclusion of the next annual general meeting of the Company following the general meeting at which this ordinary resolution for the Proposed Shareholders' Mandate was passed, at which time it will lapse, unless the authority is renewed by an ordinary resolution passed at the next annual general meeting;

(b) the expiration of the period within which the next annual general meeting of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

(c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting of the Company,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things and take all such steps and to execute all such transactions, deeds, agreements, arrangements and/or undertakings as the Directors in their discretion deem fit, necessary, expedient and/or appropriate in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Shareholders' Mandate and such transactions as authorised by this ordinary resolution with full powers to assent to any modifications, variations and/or amendments thereto."

Notice of Annual General Meeting (cont'd)

8. **Proposed Change of Name of the Company from "Macpie Berhad" to "XOX Networks Berhad" ("Proposed Change of Name")** **(Special Resolution) (Please refer to the Explanatory Note 13)**

   "**THAT** the name of the Company be hereby changed from "Macpie Berhad" to "XOX Networks Berhad" with effect from the date of the Notice of Registration of New Name issued by the Companies Commission of Malaysia and that the Constitution of the Company be hereby amended accordingly, wherever the name of the Company appears;

   AND THAT the Directors and the Secretary of the Company be and are hereby authorised to take all such necessary steps to give effect to the Proposed Change of Name and to carry out all the necessary formalities in effecting the Proposed Change of Name."

9. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 and/or the Constitution of the Company.

BY ORDER OF THE BOARD

CHEN WEE SAM (LS 0009709) (SSM PC No. 202008002853)
Company Secretary

Kuala Lumpur
29 October 2021

Notes:

1. A member of the Company entitled to attend and vote shall be entitled to appoint a maximum of two (2) proxies to attend, participate (including to pose questions to the Board of Directors ("**Board**") of the Company) and vote in his/her/their stead. Where a member appoints two (2) proxies to attend, participate and vote at the 16th AGM, he/she/it shall specify the proportions of his/her/its shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.

   Please read and follow the procedures as set out in the Administrative Guide of the 16th AGM which can be downloaded from the Company's announcement on Bursa Malaysia Berhad's website at www.bursamalaysia.com in order to register, participate and vote remotely.

2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman to be present at the main venue of the 16th AGM. No members/proxies/corporate representatives/attorneys from the public shall be physically present at the Broadcast Venue on the day of the 16th AGM.

3. For the purpose of determining a member who shall be entitled to attend the 16th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 23 November 2021. Only a depositor whose name appears on the Record of Depositors as at 23 November 2021 shall be entitled to attend, participate and vote at the 16th AGM or appoint proxy(ies)/corporate representative(s)/attorney(s) to attend, participate and vote on his/her/its behalf.

4. A proxy may but need not be a member of the Company.

5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the registered office of the Company, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the 16th AGM or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll, and in default the instrument of proxy shall not be treated as valid. The instrument appointing a proxy transmitted by facsimile or electronic mail will not be accepted.

6. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.

7. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of two (2) proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.

8. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, either under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.

9. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Securities, all the resolutions set out in this Notice will be put to vote by way of poll.

Explanatory Note on Ordinary Business

10. **Audited Financial Statements for the financial year ended 30 June 2021**

    The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put forward for voting.

Explanatory Notes on Special Business

11. **Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016**

    The Company had at its Fifteenth Annual General Meeting held on 27 November 2020 obtained a general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 from its shareholders, to empower the Directors to allot and issue shares in the Company upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares to be issued does not exceed 20% of the total number of issued shares of the Company ("**20% General Mandate**"). This 20% General Mandate will expire at the conclusion of this 16th AGM. Pursuant to this 20% General Mandate, the Company had on 30 August 2021 announced to undertake a private placement of new ordinary shares of up to 20% of the total number of issued shares of the Company ("**20% Private Placement**"). Bursa Securities had, vide its letter dated 30 September 2021, approved the listing and quotation of up to 332,465,600 new ordinary shares to be issued pursuant to the 20% Private Placement.

    As at the date of this Notice, no new ordinary shares in the Company were issued pursuant to the 20% Genearal Mandate granted to the Directors at the Fifteenth Annual General Meeting held on 27 November 2020.

As part of the initiative from Bursa Securities to aid and facilitate listed issuers in sustaining their business or easing their compliance with Bursa Securities' rules, amid the unprecedented uncertainty surrounding the recovery of the COVID-19 pandemic and the Movement Control Order imposed by the Government, Bursa Securities had via a Bursa Malaysia Berhad's letter dated 16 April 2020 allowed listed issuers to seek a higher general mandate under Rule 6.04 of the ACE Market Listing Requirements of Bursa Securities of not more than 20% of the total number of issued shares (excluding treasury shares) of the Company for issue of new securities, which may be utilised to issue new securities until 31 December 2021 and thereafter, 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being as stipulated under Rule 6.04(1) of the ACE Market Listing Requirements of Bursa Securities.

The Ordinary Resolution 7 is proposed for the purpose of obtaining a renewed general mandate, which if passed, will empower the Directors of the Company, pursuant to Sections 75 and 76 of the Companies Act 2016 to allot and issue new ordinary shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the general mandate does not exceed 20% of the total number of issued shares (excluding treasury shares, if any) of the Company for the time being to be utilised until 31 December 2021, after that, the 10% limit under Rule 6.04(1) of the ACE Market Listing Requirements of Bursa Securities will be reinstated ("**General Mandate**").

The Board, after due consideration, is of the opinion that in the face of unprecedented challenges brought by COVID-19, this General Mandate is the most appropriate avenue of fund raising at this juncture. This General Mandate will enable the Company to raise funds expeditiously without having to incur interest costs as compared to bank borrowings, thereby allowing the Company to preserve its cash flow. The funds raised will be used to finance the day-to-day operational expenses, working capital for the on-going projects or future projects/ investments to ensure the long-term sustainability of the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the General Mandate is in the best interest of the Company and its shareholders.

The General Mandate will expire at the conclusion of the next annual general meeting of the Company after the approval was given or at the expiry of period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier.

12. **Proposed New Shareholders' Mandate and Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

Ordinary Resolution 8, if passed, will authorise the Company and/or its subsidiary to enter into recurrent related party transactions of a revenue or trading nature. This authority, unless revoked or varied by the Company in general meeting, will expire at the next annual general meeting of the Company. Please refer to the Circular to Shareholders dated 29 October 2021 for further information.

13. **Proposed Change of Name of the Company from "Macpie Berhad" to "XOX Networks Berhad"**

On 27 October 2021, the Company had announced the proposed change of its name from "Macpie Berhad" to "XOX Networks Berhad". This proposed change of Company's name, if approved by the shareholders, will take effect from the date of issuance of the Notice of Registration of New Name by the Companies Commission of Malaysia to the Company. Please refer to the Circular to Shareholders dated 29 October 2021 for further information.

MACPIE BERHAD

Registration No. 200501002315 (679361-D)
(Incorporated in Malaysia)

FORM OF PROXY

I/We, ____ NRIC/Passport/Company Registration No. _____________________
(Full Name in Block Letters)

of ____
(FULL ADDRESS)

contact no. ____________________________ email address __________________________ being a member of **Macpie Berhad** (“**Company**”) hereby appoint:

Full Name (in capital letters):	**NRIC/Passport No.:**
Full Address (in capital letters):	**Contact No.:** **Email Address:**

and/or

Full Name (in capital letters):	**NRIC/Passport No.:**
Full Address (in capital letters):	**Contact No.:** **Email Address:**

or failing *him/her, the CHAIRMAN OF THE MEETING as *my/our proxy/proxies to attend and vote for *me/us and on *my/our behalf at the Sixteenth Annual General Meeting (“**16th AGM**”) of the Company to be held and conducted on a virtual basis through live streaming and online remote participation and voting from the Broadcast Venue at 7th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Tuesday, 30 November 2021** at **11.00 a.m.** or at any adjournment thereof.

*My/our proxy is authorised to vote as indicated below:

No.	**Ordinary Resolution**	**In Favour**	**Against**
1.	To approve the payment of Directors’ fees for the financial year ending 30 June 2022		
2.	Re-election of Mr. Lionel Vernon Yong Nguon Kee as Director of the Company		
3.	Re-election of Mr. Lee Kien Fatt as Director of the Company		
4.	Re-election of Ms. Justin Low Sook Huey as Director of the Company		
5.	Re-election of YM Tengku Ezuan Ismara bin Tengku Nun Ahmad as Director of the Company		
6.	Re-appointment of Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
7.	Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016		
8.	Proposed New Shareholders’ Mandate and Renewal of Existing Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
No.	**Special Resolution**	**In Favour**	**Against**
1.	Proposed Change of Name		

Please indicate with a tick (√) in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy shall vote as he/she thinks fit, or at his/her discretion, abstain from voting.

CDS Account No.	
No. of shares held	

For appointment of 2 proxies, percentage of shareholdings to be represented by the proxies:		
	No. of Shares	%
Proxy 1		
Proxy 2		
Total		100%

Dated this_____________day of ______________ 2021

____
Signature(s)/Common Seal of member(s)

Notes:

1. A member of the Company entitled to attend and vote shall be entitled to appoint a maximum of two (2) proxies to attend, participate (including to pose questions to the Board of Directors of the Company) and vote in his/her/their stead. Where a member appoints two (2) proxies to attend, participate and vote at the 16th AGM, he/she/it shall specify the proportions of his/her/its shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.

   Please read and follow the procedures as set out in the Administrative Guide of the 16th AGM which can be downloaded from the Company’s announcement on Bursa Malaysia Berhad’s website at www.bursamalaysia.com in order to register, participate and vote remotely.

2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman to be present at the main venue of the 16th AGM. No members/proxies/corporate representatives/attorneys from the public shall be physically present at the Broadcast Venue on the day of the 16th AGM.

3. For the purpose of determining a member who shall be entitled to attend the 16th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 23 November 2021. Only a depositor whose name appears on the Record of Depositors as at 23 November 2021 shall be entitled to attend, participate and vote at the 16th AGM or appoint proxy(ies)/ corporate representative(s)/attorney(s) to attend, participate and vote on his/her/its behalf.
4. A proxy may but need not be a member of the Company.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the registered office of the Company, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the 16th AGM or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll, and in default the instrument of proxy shall not be treated as valid. The instrument appointing a proxy transmitted by facsimile or electronic mail will not be accepted.
6. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
7. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of two (2) proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
8. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, either under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.
9. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice will be put to vote by way of poll.

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AFFIX
STAMP

SHARE REGISTRAR OF
MACPIE BERHAD
Registration No. 200501002315 (679361-D)

ShareWorks Sdn Bhd
Registration No.: 199101019611 (229948-U)
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Malaysia

2nd Fold Here

Fold This Flap For Sealing

MACPIE BERHAD
macpie.asia

MACPIE BERHAD
200501002315 (679361-D)

Corporate Office
7th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana,
Tropicana Golf & Country Resort,
47410 Petaling Jaya, Selangor Darul Ehsan.
Tel: +6 010 309 8998 Email: ask@macpie.asia