

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 31.12.2020 RM'000	Quarter Ended 31.12.2019 RM'000	Year Ended 31.12.2020 RM'000	Year Ended 31.12.2019 RM'000
Revenue	11,441	12,568	16,546	40,209
Cost of sales	(9,877)	(10,859)	(15,014)	(35,855)
Gross profit	1,564	1,709	1,532	4,354
Other income	13	197	66	332
Distribution costs	-	-	-	(12)
Administrative and other expenses	(1,723)	(3,650)	(3,496)	(6,345)
Loss from operations	(146)	(1,744)	(1,898)	(1,671)
Finance costs	-	-	-	-
Loss before taxation	(146)	(1,744)	(1,898)	(1,671)
Taxation	-	-	-	(37)
Loss for the period	(146)	(1,744)	(1,898)	(1,708)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(146)	(1,744)	(1,898)	(1,708)
Loss attributable to:				
Owners of the Parent	(83)	(2,041)	(1,669)	(1,977)
Non-controlling interests	(63)	297	(229)	269
	(146)	(1,744)	(1,898)	(1,708)
Total comprehensive loss attributable to:				
Owners of the Parent	(83)	(2,041)	(1,669)	(1,977)
Non-controlling interests	(63)	297	(229)	269
	(146)	(1,744)	(1,898)	(1,708)
Loss per share attributable to the owners of the Company (sen) :-				
Basic loss per share (sen)	(0.02)	(0.58)	(0.47)	(0.56)
Diluted loss per share (sen)	N/A	N/A	N/A	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31.12.2020 (Unaudited) RM'000	AS AT 30.06.2020 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	9,104	10,095
Goodwill arising from consolidation	1,100	1,100
Right of use assets	1,186	1,186
Trade receivables	10,425	13,568
	<u>21,815</u>	<u>25,949</u>
Current assets		
Inventories	5,450	2,410
Contract assets	17	17
Receivables, deposits and prepayments	13,114	18,564
Tax recoverable	225	188
Cash and cash equivalents	18,042	3,763
	<u>36,848</u>	<u>24,942</u>
Assets held for sale	256	256
	<u>37,104</u>	<u>25,198</u>
TOTAL ASSETS	<u>58,919</u>	<u>51,147</u>
EQUITY AND LIABILITIES		
Share capital	50,976	50,976
Warrant reserve	8,401	8,401
Accumulated losses	(20,512)	(18,843)
Equity attributable to owners of the parent	<u>38,865</u>	<u>40,534</u>
Non-controlling interests	(763)	(534)
TOTAL EQUITY	<u>38,102</u>	<u>40,000</u>
Non-current liabilities		
Finance lease payables	324	324
	<u>324</u>	<u>324</u>
Current liabilities		
Trade and other payables	19,216	9,528
Finance lease payables	977	977
Provision for restoration cost	300	300
Provision for taxation	-	18
	<u>20,493</u>	<u>10,823</u>
TOTAL LIABILITIES	<u>20,817</u>	<u>11,147</u>
TOTAL EQUITY AND LIABILITIES	<u>58,919</u>	<u>51,147</u>
Net assets per share attributable to the owners of the parent (RM)	0.11	0.11

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Parent				
	Share	Warrant	Accumulated	Non-	Total
	Capital	Reserve	Losses	Controlling	Equity
	RM'000	RM'000	RM'000	Interest	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as of 1 July 2020	50,976	8,401	(18,843)	(534)	40,000
Total comprehensive loss for the financial period	-	-	(1,669)	(229)	(1,898)
Balance as of 31 December 2020	50,976	8,401	(20,512)	(763)	38,102

	Attributable to owners of the Parent				
	Share	Warrant	Accumulated	Non-	Total
	Capital	Reserve	Losses	Controlling	Equity
	RM'000	RM'000	RM'000	Interest	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as of 1 July 2019	50,976	8,401	(10,364)	39	49,052
Effect on adoption of MFRS 16	-	-	(335)	-	(335)
Total comprehensive loss for the financial year	-	-	(8,144)	(573)	(8,717)
Balance as of 30 June 2020	50,976	8,401	(18,843)	(534)	40,000

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	CUMULATIVE	
	31.12.2020	31.12.2019
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(1,898)	(1,671)
Adjustments for:-		
Depreciation of property, plant and equipment	1,047	913
Loss on disposal of property, plant and equipment	-	124
Interest income	(97)	(36)
Interest expense	2	-
Operating loss before working capital changes	<u>(946)</u>	<u>(670)</u>
Changes in working capital:		
Inventories	(3,040)	(1,512)
Contract assets	-	800
Receivables, deposits and prepayments	8,592	(10,369)
Payables and accruals	9,687	869
Contract liabilities	-	(231)
	<u>15,239</u>	<u>(10,443)</u>
Cash generated from/(used in) operations	<u>14,293</u>	<u>(11,113)</u>
Interest received	97	36
Interest paid	(2)	-
Tax paid	(54)	(90)
Tax refund	-	114
	<u>41</u>	<u>60</u>
Net cash from/(used in) operating activities	<u>14,334</u>	<u>(11,053)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (Note a)	(55)	(459)
Proceeds from disposal of property, plant and equipment	-	4
Net cash used in investing activities	<u>(55)</u>	<u>(455)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	14,279	(11,508)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>3,763</u>	<u>14,730</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>18,042</u>	<u>3,222</u>

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting and Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market.

The interim financial statements should be read in conjunction with the audited financial statements of Macpie Berhad (“Macpie Group” or “Company”) on a consolidated basis with its subsidiaries (“Macpie Group” or “Group”) for the financial year 30 June 2020 and the explanatory notes attached to the interim financial statements, which provide an explanation of events and transactions that are significant to understand the changes in the financial position and performance of the Group since the financial year 30 June 2020.

A2. Changes in accounting policies

The accounting policies and methods of computation used in the preparation of the quarterly financial statements are consistent with those applied in the latest audited annual financial statements for the financial year 30 June 2020.

The significant accounting policies adopted are consistent with those of the audited financial statements financial year 30 June 2020.

A3. Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements of the Group for the financial year 30 June 2020 was not subject to any qualification.

A4. Seasonal or cyclical factors

The Group is subjected to the cyclical effects of the global and Malaysian technology industry.

A5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter.

A6. Changes in composition of the Group

There were no material changes to the composition of the Group during the current quarter.

A7. Changes in estimates

There were no changes in estimates that have had a material effect on the results of the current quarter and financial period-to-date.

A8. Capital and reserves

There were no issuances, cancellations, repurchases, resale and other repayments of debt and equity securities during the current quarter.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

A9. Dividends paid and proposed

No dividend has been proposed during the current quarter.

A10. Segmental Information

Sales revenue by division to external parties for the quarter ended 31 December 2020 are as follows:-

	Event	ICT	Leasing	Financial Solution	Other Operating Segment	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External sales	1,151	10,095	48	130	17	11,441
Gross profit / (loss)	197	1,543	(287)	95	16	1,564
(Loss)/profit before taxation	(370)	1,142	(309)	81	(690)	(146)

Sales revenue by division to external parties for the quarter ended 31 December 2019 are as follows:-

	Event	ICT	Leasing	Financial Solution	Other Operating Segment	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External sales	4,424	5,743	2,160	241	-	12,568
Gross profit	972	268	228	241	-	1,709
(Loss)/profit before taxation	(1,094)	(57)	(413)	163	(343)	(1,744)

A11. Valuation of Property, Plant and Equipment

The Group did not revalue any of its assets from the previous audited financial statements for the financial year 30 June 2020.

A12. Contingent Assets or Liabilities

There are no contingent assets and liabilities since the previous audited financial statement for the financial year 30 June 2020.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

A13. Capital Commitments

There were no capital commitments for the current quarter under review.

A14. Material Events Subsequent to the End of the Interim Reporting Period

There were no material events subsequent to the end of the current quarter under review up to the date of this quarterly report.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1 Review of Group Performance

The summary results of the Group are as follows:

	Individual Quarter		Variance	Cumulative Quarter		Variance
	31.12.2020 RM'000	31.12.2019 RM'000	+ / (-) %	31.12.2020 RM'000	31.12.2019 RM'000	+ / (-) %
Revenue	11,441	12,568	(9%)	16,546	40,209	(59%)
Loss from operations	(146)	(1,744)	(92%)	(1,898)	(1,671)	14%
Loss before taxation	(146)	(1,744)	(92%)	(1,898)	(1,671)	14%
Loss after taxation	(146)	(1,744)	(92%)	(1,898)	(1,708)	11%

The Group recorded a revenue of RM11.44 million, 9% lower as compared to the corresponding quarter in previous year. Similarly, the Group also reported a lower revenue of RM16.55 million that represents a 59% fall as compared to the cumulative quarter in previous year.

The event management sector has been strongly affected by the disruptive effects of COVID-19. Since the onset of the epidemic, Movement Control Order ("MCO"), Conditional MCO and regulatory prohibitions on mass gatherings have had a negative impact to the Group's traditional business.

B2 Performance of the current quarter against the immediate preceding quarter

	Current Quarter	Immediate Preceding Quarter	Changes	
	31.12.2020 RM'000	30.09.2020 RM'000	RM'000	%
Revenue	11,441	5,105	6,336	124%
Loss from operations	(146)	(1,752)	1,606	(92%)
Loss before taxation	(146)	(1,752)	1,606	(92%)
Loss after taxation	(146)	(1,752)	1,606	(92%)

For the second quarter ended 31 December 2020, the Group recorded a revenue of RM11.44 million, representing an increase of 124% as compared to the first quarter. The Group's higher revenue was mainly contributed by the ICT sector, specifically the increase of sales in mobile devices due to working from home arrangement as well as a couple of year end promotional campaigns.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

B3 Future prospects

Macpie applies horizontal expansion strategy in the e-sports and digital marketing segments to help boost its revenue streams.

Organising e-sports tournaments online is very much similar to the core business and applying the same skillsets to pivot towards a RM2.76 billion industry with participation from 20.1 million Malaysians. E-sports content streams are gaining popularity among youths and adults, adding on to the family entertainment genre. This will increase the team's ability to further monetise digital content.

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 company provides consultancy in ideation, implementation & training to companies that are keen to go from offline to online (O2O) to ensure sustainability of its business in the digital era.

B4 Variance of actual profit from profit forecast and profit guarantee

There was no profit forecast or guarantee made public for the financial period under review and hence no comparison was made with the actual results.

B5 Taxation

	Cumulative Quarter 31.12.2020 RM'000	Year-to- date 30.06.2020 RM'000
Based on the results for the current quarter/period:-		
Income tax expense	-	(636)

Income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the year.

B6 Status of Corporate Exercises

Multiple proposals

On 14 December 2020, Mercury Securities Sdn Bhd has announced on behalf of the Board of Directors of Macpie to undertake the following:

- i. 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");
- ii. proposed share split involving a subdivision of every 1 existing Macpie Share held on 5.00 p.m. on a date to be determined and announced later by the Board on which the names of registered holders of Macpie Shares ("Shareholders") must appear in the record of securities holders established by Bursa Malaysia Depository Sdn Bhd ("Record of Depositors") of the Company in order to be entitled to participate in the proposed share split into 2 Shares ("Proposed Share Split"); and

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

B6 Status of Corporate Exercises (Continued)

- iii. proposed bonus issue of up to 561,664,282 free warrants in Macpie (“Warrants B”) on the basis of 1 Warrant B for every 2 Shares held on 5.00 p.m. on a date to be determined and announced later by the Board on which the names of Shareholders must appear in the Record of Depositors of the Company in order to be entitled to participate in the proposed bonus issue of Warrants (“Proposed Bonus Issue of Warrants”).

(Collectively referred to as the “Proposals”)

The Proposals has been submitted to Bursa Malaysia Securities Berhad (“Bursa”) and Bursa had, vide its letter dated 15 January 2021, approved the following:-

- i. Proposed share split;
- ii. Admission to the Official List of Bursa Securities and the initial listing and quotation of up to 561,664,282 Warrants B to be issued pursuant to the Proposed Bonus Issue of Warrants;
- iii. Listing of up to 129,614,800 Placement Shares to be issued pursuant to the Proposed Private Placement; and
- iv. Listing of up to 561,664,282 Subdivided Shares to be issued arising from the exercise of the Warrants B on the ACE Market of Bursa Securities.

On 22 February 2021, Mercury Securities Sdn Bhd has announced on behalf of the Board of Directors of Macpie that the issue price for the placement of 106,030,800 Placement Shares has been fixed at RM0.2550 per Placement Share and that this Private Placement has been completed following the listing and quotation of 106,030,800 Placement Shares on the ACE Market of Bursa Securities on 1 March 2021.

Save for the above, there were no other corporate proposals announced but not completed.

B7 Group Bank Borrowing and Debt Securities

There were no borrowing and debt securities for the financial quarter under review.

B8 Changes in Material Litigation

There is no material litigation up to the date of this quarterly report.

B9 Dividend

No dividend has been proposed for the financial year under review.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

B10 Basic Earnings per Share

Basic earnings per share is calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	INDIVIDUAL QUARTER		CUMULATIVE	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Net loss attributable to the owners of the Company	(83)	(2,041)	(1,669)	(1,977)
Weighted average number of ordinary shares of RM0.10 in issue	353,295	353,295	353,295	353,295
Basic earnings per share (sen)	(0.02)	(0.58)	(0.47)	(0.56)

B11 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors.