

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME

For the 1st Quarter Ended 30.09.2019

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30.09.2019 RM'000	Preceding Quarter Ended 30.09.2018 RM'000	Current Year-to-date Ended 30.09.2019 RM'000	Preceding Year-to-date Ended 30.09.2018 RM'000
Revenue	27,640	23,224	27,640	23,224
Cost of sales	(24,996)	(19,983)	(24,476)	(19,983)
Gross profit	2,644	3,241	3,164	3,241
Other income	135	291	135	291
Distribution costs	(12)	(12)	-	(12)
Administrative and other expenses	(2,693)	(2,194)	(3,225)	(2,194)
Profit/ (loss) from operations	74	1,326	74	1,326
Finance costs	-	(16)	-	(16)
Profit/ (Loss) before taxation	74	1,310	74	1,310
Taxation	(37)	-	(37)	-
Profit/ (Loss) for the period	37	1,310	37	1,310
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	37	1,310	37	1,310
Profit/ (Loss) attributable to:				
Owners of the Parent	37	1,310	37	1,310
Non-controlling interests	27	57	27	57
	64	1,367	64	1,367
Total comprehensive income attributable to:				
Owners of the Parent	37	1,310	37	1,310
Non-controlling interests	27	57	27	57
	64	1,367	64	1,367
Profit/ (Loss) per share attributable to the owners of the Company (sen) :-				
Basic gain per share (sen)	0.02	0.43	0.02	0.43
Diluted gain per share (sen)	N/A	N/A	N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30.09.2019

	(Unaudited) As at 30.09.2019 RM'000	(Audited) As at 30.06.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	9,911	9,841
Intangible assets	-	1
Investment properties	-	-
Goodwill arising from consolidation	1,100	1,100
Trade receivables	12,307	12,307
Deferred Tax Assets	440	440
	<u>23,758</u>	<u>23,689</u>
Current assets		
Inventories	-	-
Receivables, deposits and prepayments	36,831	19,579
Tax recoverable	356	345
Contract costs	817	5,810
Cash and cash equivalents	1,276	14,730
	<u>39,280</u>	<u>40,464</u>
Assets held for sale	256	256
	<u>39,536</u>	<u>40,720</u>
TOTAL ASSETS	<u>63,294</u>	<u>64,409</u>
EQUITY AND LIABILITIES		
Share capital	50,977	50,976
Warrant reserve	8,400	8,400
Other reserves	-	-
Retained profits	(10,300)	(10,363)
Equity attributable to owners of the parent	<u>49,077</u>	<u>49,013</u>
Non-controlling interests	12	39
TOTAL EQUITY	<u>49,089</u>	<u>49,052</u>
Non-current liabilities		
Borrowings	-	-
Deferred taxation	320	320
	<u>320</u>	<u>320</u>
Current liabilities		
Trade and other payables	12,863	6,234
Contract Liabilities	231	7,871
Amount due to a Director	-	-
Borrowings	-	-
Provision for taxation	791	932
	<u>13,885</u>	<u>15,037</u>
TOTAL LIABILITIES	<u>14,205</u>	<u>15,357</u>
TOTAL EQUITY AND LIABILITIES	<u>63,294</u>	<u>64,409</u>
Net assets per share attributable to the owners of the parent (RM)	0.14	0.14

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial period ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 1st Quarter Ended As at 30.09.2019

	Attributable to owners of the Parent					Non-controlling interests	Total Equity
	Share Capital	ESOS Reserve	Warrant Reserve	Other Reserve	Retained Earnings		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 30 June 2019	50,976	-	8,401	-	(10,364)	39	49,053
Issuance Of Share Capital	-	-	-	-	-	-	-
Exercise of ESOS	-	-	-	-	-	-	-
Shares options granted Under ESOS	-	-	-	-	-	-	-
Realization Of ESOS	-	-	-	-	-	-	-
Acquisition/Disposal of Additional Interest From Non-Controlling Interest	-	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	64	(27)	36
At 30 September 2019	50,976	-	8,401	-	(10,300)	12	49,089

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial period ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 1st Quarter Ended As at 30.09.2019

	Attributable to owners of the Parent					Non-controlling interests	Total Equity
	Share Capital	ESOS Reserve	Warrant Reserve	Other Reserve	Retained Earnings		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 30 June 2018	46,931	-	8,401	1,460	(8,511)	(202)	48,079
Issuance Of Share Capital	4,045	-	-	-	-	-	4,045
Exercise of ESOS	-	-	-	-	-	-	-
Shares options granted Under ESOS	-	-	-	-	-	-	-
Realization Of ESOS	-	-	-	-	-	-	-
Acquisition/Disposal of Additional Interest From Non-Controlling Interest	-	-	-	-	913	1,040	1,953
Total comprehensive income for the financial year	-	-	-	(1,460)	(2,765)	(799)	(5,024)
At 30 June 2019	50,976	-	8,401	-	(10,364)	39	49,053

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial period ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the 1st Quarter Ended 30.09.2019

(The figures have not been audited)

	Cumulative quarter	
	Current Year-to-date RM'000	(Audited) As at 30.06.2019 RM'000
Cash flow from operating activities		
Profit/ (loss) before taxation	73	(2,555)
Adjustments for:-		
Amortisation of intangible assets	-	8
Bad debts written off	-	514
Deposits written off	-	10
Depreciation of property, plant and equipment	457	1,452
Depreciation of investment properties	-	12
Gain on disposal of property, plant and equipment	-	(213)
Gain on disposal of assets held for sale	-	(42)
Impairment loss on trade receivables	-	189
Inventories written off	-	3
Reversal of property, plant and equipment	-	376
Fair value adjustment on trade receivables	-	1,151
(Gain)/Loss on disposal of subsidiary companies	-	1,625
Property, plant and equipment written off	-	1,085
Finance costs	-	49
Interest income	(26)	(119)
Operating profit / (loss) before working capital changes	505	3,545
Changes in working capital:		
Inventories	-	(153)
Contract assets	4,992	(5,810)
Receivables, deposits and prepayments	(17,252)	3,980
Payables and accruals	6,630	(722)
Contract liabilities	(7,640)	7,871
	(13,270)	5,166
Cash used in operations	(12,952)	8,711
Interest income	26	119
Interest paid	-	(49)
Tax paid	(188)	(270)
Tax refund	-	114
	(162)	(86)
Net cash used in operating activities	(12,927)	8,625

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial period ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the 1st Quarter Ended 30.09.2019

	Cumulative quarter	
	Current Year-to-date RM'000	(Audited) As at 30.06.2019 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment (Note a)	(532)	(7,842)
Proceeds from disposal of property, plant and equipment	4	847
Net cash inflows from disposal of subsidiaries	-	460
Net cash (used in) / from investing activities	<u>(528)</u>	<u>(6,535)</u>
Cash flows from financing activities		
Issuance of share capital	-	4,045
Issuance of shares by a subsidiary	-	490
Repayment of finance lease payables	-	(321)
Placement of short term deposits with licensed bank	-	(10)
Net cash flows from / (used in) financing activities	<u>-</u>	<u>4,204</u>
Net (decrease) / increase in cash and cash equivalents	(13,453)	6,294
Effect of foreign exchange rate changes	-	-
Cash and cash equivalents at the beginning of the financial year	14,730	8,436
Cash and cash equivalents at the end of the financial year (Note b)	<u>1,276</u>	<u>14,730</u>
 (a) Purchase of property, plant and equipment:		
- financed by cash	532	7,897
	<u>532</u>	<u>7,897</u>
 (b) Analysis of cash and cash equivalents:		
Cash and bank balances	1,276	14,730
Fixed deposits with licensed banks	-	-
Short-term funds	-	-
	<u>1,276</u>	<u>14,730</u>
Less: Bank overdrafts	-	-
	<u>1,276</u>	<u>14,730</u>
Less: Fixed deposit pledged to a licensed bank	-	-
	<u>1,276</u>	<u>14,730</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial period ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

**Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (MFRS)
134- Interim Financial Reporting (Continued)**

1. 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 period 30 June 2019 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 period 30 June 2019.

2. 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 period 30 June 2019.

The significant accounting policies adopted are consistent with those of the audited financial statements financial period 30 June 2019.

3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements of the Group for the financial period 30 June 2019 was not subject to any qualification.

4. Seasonal or Cyclical Factors

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

5. 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.

6. Material Changes in Estimates

There were no changes in estimates of amounts which have a material effect for the current quarter results under review.

7. Debt and Equity Securities

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

8. Dividends Paid

No dividend has been paid during the current quarter

**Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (MFRS)
134- Interim Financial Reporting (Continued)**

9. Segmental Information

Sales revenue by division to external parties for the quarter ended 30 September 2019 are as follows:-

	<u>Event</u>	<u>ICT</u>	<u>Leasing</u>	<u>Financial Solution</u>	<u>Other Operating Segment</u>	<u>Consolidated</u>
	RM'000	RM'000	RM'000		RM'000	RM'000
Revenue						
External sales	9,507	15,445	2,367	279	42	27,640
Gross profit / (loss)	1,791	155	419	279	-	2,644
Profit/ (loss) before taxation	260	107	220	154	(640)	101

Sales revenue by division to external parties for the quarter ended 30 June 2019 are as follows:-

	<u>Event</u>	<u>ICT</u>	<u>Leasing</u>	<u>Financial Solution</u>	<u>Hydraulic</u>	<u>Other Operating Segment</u>	<u>Consolidated</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External sales	5,068	7,310	3,113	525	(5,186)	107	10,937
Gross profit / (loss)	1,211	77	1,060	525	501	(55)	3,319
Profit/ (loss) before taxation	548	(621)	(485)	(1,510)	(2,391)	(340)	(4,799)

10. Changes of Composition of the Group

There were no changes to the composition of the Group as at and for the quarter ended 30 September 2019.

**Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (MFRS)
134- Interim Financial Reporting (Continued)**

11. Valuation of Property, Plant and Equipment

The Group did not revalue any of its assets from the previous audited financial statements for the financial period 30 June 2019.

12. Contingent Assets or Liabilities

There are no contingent assets and liabilities since the previous audited financial statement for the financial period 30 June 2019.

13. Capital Commitments

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

14. 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 26 November 2019 (the latest practicable date not earlier than seven (7) days from the date of issue of this quarterly report).

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia Securities Berhad (Continued)

1. Review of Performance

Current Year Quarter versus Preceding Period Corresponding Quarter

	Individual Period		Change		Cumulative Period		Change	
	Current Year Quarter 30/09/2019 RM'000	Preceding Year corresponding Quarter 30/09/2018 RM'000	Percentage	%	Current Year Quarter 30/09/2019 RM'000	Preceding Year corresponding Quarter 30/09/2018 RM'000	Percentage	%
Revenue	27,640	23,244	4,396	18.91%	27,640	23,244	4,396	18.91%
Operating profit/ (loss)	47	1,310	(1,263)	96.42%	47	1,310	(1,263)	96.42%
Profit/ (loss) before interest and tax	47	1,310	(1,263)	96.42%	47	1,310	(1,263)	96.42%
Profit/ (loss) before tax	73	1,310	(1,237)	94.40%	73	1,310	(1,237)	94.40%
Profit / (loss) after tax	36	1,310	(1,274)	97.24%	36	1,310	(1,274)	97.24%
Profit/ (loss) Attributable to Ordinary Equity Holders of the Parent	64	1,367	(1,303)	95.34%	64	1,367	(1,303)	95.34%

For the current year quarter ended 30 September 2019 (“1st Qtr 2019”), the Group recorded revenue of RM27.6 million as compared to the revenue for the preceding year's corresponding quarter 30 September 2018 (“1st Qtr 2018”) of RM23.2 million. The increase of RM4.4 million was mainly contributed by concert/event segment approximately RM4.8 million and ICT segment approximately RM2.1 million; slightly offset by the decrease of leasing and financial solution segments approximately RM1.2 million and disposal of hydraulic business.

The Group recorded 1st Qtr 2019 pre-tax profit of RM 0.07 million as compared to 1st Qtr 2018 pre-tax profit of RM1.3 million in the preceding year, the decrease was mainly contributed by leasing and financial solution segments due to lower margin earned.

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia Securities Berhad (Continued)

2. Variation of Results against Preceding Quarter

	Current Quarter	Immediate	Change	
	30/09/2019	Preceding Quarter		
	30/06/2019			
	RM'000	RM'000	RM'000	%
Revenue	27,640	9,589	18,051	188.25%
Operating profit/ (loss)	47	(3,639)	3,686	101.29%
Profit/ (loss) before interest and tax	47	(3,639)	3,686	101.29%
Profit/ (loss) before tax	73	(4,799)	4,872	101.53%
Profit/ (loss) after tax	36	(5,679)	5,715	100.64%
Profit/ (loss) attributable to ordinary equity holders of the parent	64	(4,914)	4,978	101.30%

The pre-tax loss in the immediate preceding quarter was mainly due to disposal of subsidiary in hydraulic business, fair value adjustment and written off adjustment.

3. Commentary on Prospects

The Group is focused on bringing innovations and enrichment to the event management industry. The establishment of event segment will assist to maximize profit in a cost-effective manner. In addition, the Group will expand its business in ICT and leasing segments to bring positive results to the performance of the company.

4. Actual Profit against Profit Forecast

There was no profit forecast or guarantee made public for the financial period under review.

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia Securities Berhad (Continued)

5. Income Tax Expense

	Current Quarter Ended		Cumulative Quarter Ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	RM'000	RM'000	RM'000	RM'000
Current tax	37	-	37	-
Deferred tax	-	-	-	-
Tax expense	37	-	37	-

The effective tax rate of the Group for the current quarter under review is higher than the statutory tax rate 24% mainly due to taxable income incurred for some of the subsidiary.

6. Sales of Unquoted Investments and Properties

There were no disposals of unquoted investment and properties during the current quarter under review.

7. Quoted Securities

There were no purchases or disposals of quoted securities during the current quarter under review. The Group did not hold any investments in quoted securities as of the financial period 30 June 2019.

8. Status of Corporate Exercises

There is no pending corporate exercise.

9. Borrowings and Debt Securities

The Group's borrowings as at 30.09.2019 are as follows:-

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total Outstanding RM'000
<u>Secured</u>			
Bank overdraft	-	-	-
Finance lease	-	-	-
Total	-	-	-

10. Derivative Financial Instruments

There were no derivative financial instruments as at 26 November 2019 (the latest practicable date which is not earlier than 7 days from the issue of this quarterly report).

11. Changes in Material Litigation

There is no material litigation at 26 November 2019 (the latest practicable date which is up to date of the meeting).

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia Securities Berhad (Continued)

12. Dividend

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

13. 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.

14. Basic earnings per Share (continued)

	Current Quarter Ended		Cumulative Quarter Ended	
	30.09.2019	30.06.2019	30.09.2019	30.06.2019
	RM'000	RM'000	RM'000	RM'000
Profit/ (loss) for the quarter	64	(4,914)	64	(2,765)
Weighted average number of ordinary shares of RM0.10 in issue	353,295	323,387	353,295	323,387
Basic earnings per share (sen)	0.02	(1.53)	0.02	(0.86)

Diluted losses per ordinary share is not applicable for the current 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.

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia Securities Berhad (Continued)

15. Disclosure of Realised and Unrealised Profits or Accumulated losses

On 25 March 2010, Bursa Securities issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Ace Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Malaysian Institute of Accountants further issued guidance on the disclosure and the format required.

The breakdown of the (accumulated losses)/retained profits of the Group as at 30 September 2019 into realised and unrealised (accumulated losses)/profits, pursuant to the directive, is as follows:

	As at 30.09.2019 RM'000	As at 30.06.2019 RM'000
Total (accumulated losses) retained profits of the Group:		
- Realised	(10,300)	(10,364)
- Unrealised	-	-
	<u>(10,300)</u>	<u>(10,364)</u>

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

16. Authorisation for Issue

These unaudited financial statements were authorised for release by the Company in accordance with a resolution of the Directors dated 29 November 2019.