

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter Ended 30.06.2021 RM'000	Quarter Ended 30.06.2020 RM'000	Year Ended 30.06.2021 RM'000	Year Ended 30.06.2020 RM'000
Revenue	6,905	9,813	31,785	64,934
Cost of sales	(7,560)	(11,951)	(30,221)	(61,122)
<b>Gross (loss)/profit</b>	(655)	(2,138)	1,564	3,812
Other income	2,148	1,423	2,267	1,781
Administrative expenses	(5,980)	(4,796)	(12,569)	(14,819)
Loss from operations	(4,487)	(5,511)	(8,738)	(9,226)
Finance costs	(68)	(127)	(68)	(127)
<b>Loss before taxation</b>	(4,555)	(5,638)	(8,806)	(9,353)
Taxation	(391)	355	(391)	636
<b>Loss after taxation</b>	(4,946)	(5,283)	(9,197)	(8,717)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	(4,946)	(5,283)	(9,197)	(8,717)
<b>Loss attributable to:</b>				
Owners of the Parent	(4,906)	(4,807)	(8,859)	(8,144)
Non-controlling interests	(40)	(475)	(338)	(573)
	(4,946)	(5,283)	(9,197)	(8,717)
<b>Total comprehensive loss attributable to:</b>				
Owners of the Parent	(4,906)	(4,807)	(8,859)	(8,144)
Non-controlling interests	(40)	(475)	(338)	(573)
	(4,946)	(5,283)	(9,197)	(8,717)
<b>Loss per share attributable to the owners of the Company (sen) :-</b>				
Basic loss per share (sen)	(0.52)	(1.36)	(0.94)	(2.31)
Diluted loss per share (sen)	N/A	N/A	N/A	N/A

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	AS AT 30.06.2021 (Unaudited) RM'000	AS AT 30.06.2020 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6,473	10,095
Goodwill arising from consolidation	1,100	1,100
Right of use assets	1,090	1,186
Trade receivables	9,002	13,568
	17,665	25,949
<b>Current assets</b>		
Inventories	3,975	2,410
Contract assets	-	17
Receivables, deposits and prepayments	6,077	18,564
Tax recoverable	186	188
Cash and cash equivalents	36,546	3,763
Deposit with licensed bank	10,045	-
	56,829	24,942
Assets held for sale	256	256
	57,085	25,198
<b>TOTAL ASSETS</b>	<b>74,750</b>	<b>51,147</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	82,480	50,976
Warrant reserve	-	8,401
Accumulated losses	(19,301)	(18,843)
<b>Equity attributable to owners of the parent</b>	<b>63,179</b>	<b>40,534</b>
Non-controlling interests	(872)	(534)
<b>TOTAL EQUITY</b>	<b>62,307</b>	<b>40,000</b>
<b>Non-current liabilities</b>		
Lease liabilities	695	324
	695	324
<b>Current liabilities</b>		
Trade and other payables	11,053	9,528
Contract liabilities	59	-
Lease liabilities	422	977
Provision for restoration cost	-	300
Provision for taxation	214	18
	11,748	10,823
<b>TOTAL LIABILITIES</b>	<b>12,443</b>	<b>11,147</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>74,750</b>	<b>51,147</b>
<b>Net assets per share attributable to the owners of the parent (RM)</b>	0.07	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 Capital	Warrant Reserve	Accumulated Losses	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as of 1 July 2020</b>	50,976	8,401	(18,843)	(534)	40,000
Total comprehensive loss for the financial period	-	-	(8,859)	(338)	(9,197)
<b>Transaction with the owners:-</b>					
Warrants conversion exercise	4,466	(15)	15	-	4,466
Private placement exercise	27,038	-	-	-	27,038
Warrants expired	-	(8,386)	8,386	-	-
<b>Balance as of 30 June 2021</b>	82,480	-	(19,301)	(872)	62,307

	Attributable to owners of the Parent				
	Share Capital	Warrant Reserve	Accumulated Losses	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as of 1 July 2019</b>	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)
<b>Balance as of 30 June 2020</b>	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	
	30.06.2021	30.06.2020
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Loss before taxation</b>	(8,806)	(9,354)
Adjustments for:-		
Depreciation of property, plant and equipment	2,076	1,947
Depreciation of right of use assets	649	5,522
Discount received from lease liabilities	(170)	-
Gain on unrealised foreign exchange	(8)	-
Impairment loss on trade receivables	3,527	6,078
Income from derecognition of right of use assets and lease liabilities	(56)	-
Interest income	(143)	(66)
Interest expense	68	138
Loss on disposal of property, plant and equipment	25	149
Reversal of provision for restoration cost	(300)	-
Unwinding of discounts of trade receivables	1,434	(1,261)
Waiver of debts	(18)	-
Written off of deposits	920	-
Written off of property, plant and equipment	1,589	203
Written off of receivables	334	-
<b>Operating profit before working capital changes</b>	<b>1,121</b>	<b>3,356</b>
<b>Changes in working capital:</b>		
Contract costs	17	-
Contract liabilities	59	-
Inventories	(1,565)	(2,410)
Payables and accruals	1,544	(4,577)
Receivables, deposits and prepayments	10,838	(4,792)
	10,893	(11,779)
<b>Cash generated from/(used in) operations</b>	<b>12,014</b>	<b>(8,423)</b>
Interest received	143	66
Interest paid	(68)	(138)
Tax paid	(193)	(432)
Tax refund	-	429
	(118)	(75)
<b>Net cash from/(used in) operating activities</b>	<b>11,896</b>	<b>(8,498)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in subsidiaries	-	1,794
Proceeds from disposal of property, plant and equipment	74	1,238
Proceeds from disposal of subsidiaries	-	(1,794)
Purchase of property, plant and equipment	(142)	(3,791)
Repayment of lease liability	-	(1,520)
<b>Net cash used in investing activities</b>	<b>(68)</b>	<b>(4,073)</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (CONTINUED)**

	CUMULATIVE	
	30.06.2021	30.06.2020
	RM'000	RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net lease liability	(512)	1,602
Proceeds from issuance of share capital	27,038	-
Warrants conversion exercise	4,466	-
<b>Net cash from financing activities</b>	<b>30,992</b>	<b>1,602</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>42,820</b>	<b>(10,967)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>3,763</b>	<b>14,730</b>
<b>EFFECT ON FOREIGN TRANSLATION</b>	<b>8</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>46,591</b>	<b>3,763</b>

The unaudited condensed consolidated statement of changes in cash flow 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 ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

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 ended 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 ended 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 ended 30 June 2020.

The significant accounting policies adopted are consistent with those of the audited financial statements financial year ended 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 ended 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 Malaysia 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 other issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares during the current quarter under review except as disclosed in Note B6.

**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 30 June 2021 are as follows:-

	Event	ICT	Leasing	Financial Solution	Other Operating Segment	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>						
External sales	448	6,030	-	203	224	6,905
Gross (loss)/profit	(1,235)	953	(664)	203	88	(655)
(Loss)/profit before taxation	(553)	(3,185)	(1,634)	1,400	(583)	(4,555)

The Group's revenue declined as compared to the corresponding quarter in previous year was mainly due to the decrease in revenue contributed by the ICT and leasing segments. The ICT segment contributed 70% to the Group's loss before taxation because of impairment loss on financial assets.

The leasing segment offers the right retail spaces to grow clients' businesses however the challenges faced by the retailers have accelerated due to the ongoing COVID-19 pandemic and thus the Group has temporarily ceased its operation under this segment.

Sales revenue by division to external parties for the quarter ended 30 June 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
<b>Revenue</b>						
External sales	(2,333)	11,272	870	4	-	9,813
Gross (loss)/profit	(2,489)	147	200	4	-	(2,138)
(Loss)/profit before taxation	(5,365)	311	(152)	668	(1,100)	(5,638)

**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 ended 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 ended 30 June 2020.

**NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)**

**A13. 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.

**A14. Changes in the Composition of the Group**

There were no material changes to the composition of the Group for the current quarter under review.

**A15. Capital Commitments**

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

**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
	30.06.2021	30.06.2020	+ / (-)	30.06.2021	30.06.2020	+ / (-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	6,905	9,813	(30%)	31,785	64,934	(51%)
Loss from operations	(4,487)	(5,511)	(19%)	(8,738)	(9,226)	(5%)
Loss before taxation	(4,555)	(5,638)	(19%)	(8,806)	(9,353)	(6%)
Loss after taxation	(4,946)	(5,283)	(6%)	(9,197)	(8,717)	6%

The Group recorded a revenue of RM6.91 million for the fourth quarter ended 30 June 2021 ("Q4 FY2021"), which is 30% lower compared to the corresponding quarter in previous year ended 30 June 2020 ("Q4 FY2020"). Similarly, the Group also reported a lower revenue of RM31.79 million for cumulative period of 12-month ended 30 June 2021, representing a 51% fall compared to the corresponding cumulative period ended 30 June 2020.

The Group recorded a loss after taxation of RM4.95 million for Q4 FY2021, which was similar to the Q4 FY2020's loss after taxation of RM5.28 million. This was majority due to impairment of financial assets recorded during Q4 FY2021.

The event management sector has been adversely 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	
	30.06.2021	31.03.2021	RM'000	%
	RM'000	RM'000		
Revenue	6,905	8,334	(1,429)	(17%)
Loss from operations	(4,487)	(2,353)	(2,134)	91%
Loss before taxation	(4,555)	(2,353)	(2,202)	94%
Loss after taxation	(4,946)	(2,353)	(2,593)	110%

For Q4 FY2021, the Group recorded a revenue of RM6.91 million, representing a decrease of 17% compared to the third quarter ended 31 March 2021 ("Q3 FY2021"). The Group's lower revenue was mainly contributed by the ICT sector while the loss after taxation for Q4 FY2021 has doubled compared to Q3 FY2021 due to impairment loss and unwinding of discounts on trade receivables.

**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	
	Year Ended 30.06.2021 RM'000	Year Ended 30.06.2020 RM'000
Based on the results for the current quarter/period:-		
Tax (expense)/income	(391)	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

The 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 and its status of utilization of proceeds is tabulated below:

**Status of utilization of proceeds**

Purpose	Proposed	Actual	Intended timeframe for utilisation	Balance utilised	
	utilisation RM'000	utilisation RM'000		RM'000	%
Purchase of equipment for the event management segment	13,705	326	Within 18 months	13,379	98%
Additional funds for the financial solutions segment	8,938	-	Within 12 months	8,938	100%
Working capital	2,565	1,012	Within 12 months	1,553	61%
Estimated expenses for the Proposals	1,830	601	Immediate	1,229	67%
	<u>27,038</u>	<u>1,939</u>		<u>25,099</u>	

**NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)**

Proposed Private Placement

On 30 August 2021, TA Securities Holdings Berhad has announced on behalf of the Board of Directors of Macpie that the Company proposes to undertake a private placement of up to 20% of the total number of issued shares of the Company to third party investor(s) to be identified later and at an issue price to be determined later.

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.

**B10 Basic loss per Share**

Basic loss 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	
	30.06.2021	30.06.2020	YEAR ENDED 30.06.2021	YEAR ENDED 30.06.2020
	RM'000	RM'000	RM'000	RM'000
Net loss attributable to the owners of the Company	(4,906)	(4,807)	(8,859)	(8,144)
Weighted average number of shares in issue ('000)	945,634	353,295	945,634	353,295
Basic loss per share (sen)	(0.52)	(1.36)	(0.94)	(2.31)

**B11 Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors on 6 September 2021.