

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter	Quarter	Year	Year
	Ended	Ended	Ended	Ended
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	8,334	14,912	24,880	55,121
Cost of sales	(7,647)	(13,316)	(22,661)	(49,171)
Gross profit	687	1,596	2,219	5,950
Other income	53	25	120	357
Distribution costs	-	-	-	(12)
Administrative and other expenses	(3,093)	(3,666)	(6,589)	(10,011)
Loss from operations	(2,353)	(2,045)	(4,250)	(3,716)
Finance costs	-	-	-	-
Loss before taxation	(2,353)	(2,045)	(4,250)	(3,716)
Taxation	-	318	-	281
Loss for the period	(2,353)	(1,727)	(4,250)	(3,435)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(2,353)	(1,727)	(4,250)	(3,435)
Loss attributable to:				
Owners of the Parent	(2,283)	(1,360)	(3,952)	(3,337)
Non-controlling interests	70	367	298	98
	(2,353)	(1,727)	(4,250)	(3,435)
Total comprehensive loss attributable to:				
Owners of the Parent	(2,283)	(1,360)	(3,952)	(3,337)
Non-controlling interests	70	367	298	98
	(2,353)	(1,727)	(4,250)	(3,435)
Loss per share attributable to the owners of the Company (sen) :-				
Basic loss per share (sen)	(0.45)	(0.38)	(0.77)	(0.94)
Diluted loss per share (sen)	N/A	N/A	N/A	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31.03.2021 (Unaudited) RM'000	AS AT 30.06.2020 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	8,507	10,095
Goodwill arising from consolidation	1,100	1,100
Right of use assets	1,186	1,186
Trade receivables	10,609	13,568
	21,402	25,949
Current assets		
Inventories	2,140	2,410
Contract assets	-	17
Receivables, deposits and prepayments	10,242	18,564
Tax recoverable	273	188
Cash and cash equivalents	46,445	3,763
	59,100	24,942
Assets held for sale	256	256
	59,356	25,198
TOTAL ASSETS	80,758	51,147
EQUITY AND LIABILITIES		
Share capital	79,728	50,976
Warrant reserve	-	8,401
Accumulated losses	(14,394)	(18,843)
Equity attributable to owners of the parent	65,334	40,534
Non-controlling interests	(832)	(534)
TOTAL EQUITY	64,502	40,000
Non-current liabilities		
Finance lease payables	324	324
	324	324
Current liabilities		
Trade and other payables	14,655	9,528
Finance lease payables	977	977
Provision for restoration cost	300	300
Provision for taxation	-	18
	15,932	10,823
TOTAL LIABILITIES	16,256	11,147
TOTAL EQUITY AND LIABILITIES	80,758	51,147
Net assets per share attributable to the owners of the parent (RM)	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
Balance as of 1 July 2020	50,976	8,401	(18,843)	(534)	40,000
Warrants conversion exercise	1,714	(16)	16	-	1,714
Private placement exercise	27,038	-	-	-	27,038
Warrants expired	-	(8,385)	8,385	-	-
Total comprehensive loss for the financial period	-	-	(3,952)	(298)	(4,250)
Balance as of 31 March 2021	79,728	-	(14,394)	(832)	64,502

	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
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	
	31.03.2021	31.03.2020
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(4,250)	(3,716)
Adjustments for:-		
Bad debts written off	920	-
Depreciation of property, plant and equipment	1,566	1,435
Loss on disposal of property, plant and equipment	25	202
Interest income	(320)	(44)
Interest expense	4	-
Operating loss before working capital changes	(2,055)	(2,123)
Changes in working capital:		
Inventories	270	(1,340)
Receivables, deposits and prepayments	10,377	271
Payables and accruals	5,127	(1,808)
	15,774	(2,877)
Cash generated from/(used in) operations	13,719	(5,000)
Interest received	320	45
Interest paid	(4)	-
Tax paid	(102)	(375)
Tax refund	-	354
	214	24
Net cash from/(used in) operating activities	13,933	(4,976)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(70)	(3,558)
Proceeds from disposal of property, plant and equipment	68	12
Net cash used in investing activities	(2)	(3,546)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital	28,751	-
Net cash from financing activities	28,751	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	42,682	(8,522)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	3,763	14,730
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	46,445	6,208

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 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 31 March 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
Revenue						
External sales	886	7,162	-	211	75	8,334
Gross profit	66	350	-	211	60	687
(Loss)/profit before taxation	(339)	(249)	(300)	195	(1,660)	(2,353)

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 that has entered its anniversary at the time of this report resulting in more lockdowns and MCO 3.0 and thus the Group has temporarily ceased its operation under this segment.

Sales revenue by division to external parties for the quarter ended 31 March 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	1,101	11,287	2,280	244	-	14,912
Gross profit	71	878	403	244	-	1,596
(Loss)/profit before taxation	(1,291)	(58)	(364)	162	(494)	(2,045)

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. 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
	31.03.2021	31.03.2020	+ / (-)	31.03.2021	31.03.2020	+ / (-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	8,334	14,912	(44%)	24,880	55,121	(54%)
Loss from operations	(2,353)	(2,045)	15%	(4,250)	(3,716)	14%
Loss before taxation	(2,353)	(2,045)	15%	(4,250)	(3,716)	14%
Loss after taxation	(2,353)	(1,727)	36%	(4,250)	(3,435)	23%

The Group recorded a revenue of RM8.34 million, 44% lower as compared to the corresponding quarter in previous year. Similarly, the Group also reported a lower revenue of RM24.88 million that represents a 54% fall as compared to the cumulative quarter in previous year.

The Group recorded a loss after taxation of RM2.35 million, 36% higher as compared to the last year corresponding quarter's loss after taxation of RM1.72 million was due to an impairment of receivables during the current quarter under review amounting to RM0.92 million.

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	
	31.03.2021	31.12.2020	RM'000	%
	RM'000	RM'000		
Revenue	8,334	11,441	(3,107)	(27%)
Loss from operations	(2,353)	(146)	(2,207)	1511%
Loss before taxation	(2,353)	(146)	(2,207)	1511%
Loss after taxation	(2,353)	(146)	(2,207)	1511%

For the third quarter ended 31 March 2021, the Group recorded a revenue of RM8.34 million, representing a decrease of 27% as compared to the second quarter. The Group's lower revenue was mainly contributed by the ICT sector.

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 31.03.2021 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

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	Balance utilised	
	utilisation	utilisation	timeframe for		
	RM'000	RM'000	utilisation	RM'000	%
Purchase of equipment for the event management segment	13,705	-	Within 18 months	13,705	100%
Additional funds for the financial solutions segment	8,938	-	Within 12 months	8,938	100%
Working capital	2,565	186	Within 12 months	2,379	93%
Estimated expenses for the Proposals	1,830	601	Immediate	1,229	67%
	27,038	787		26,250.45	

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

Share split

The share split has been completed following the listing and quotation of 918,934,114 subdivided shares on the ACE Market of Bursa Securities on 8 March 2021. Please refer to the earlier announcements dated 14 December 2020, 15 January 2021, 19 February 2021, 22 February 2021, 1 March 2021 and 5 March 2021 for further details.

Bonus issue of warrant – Warrant B

The bonus issue of warrants has been completed following the listing and quotation of 459,467,057 Warrants on the ACE Market of Bursa Securities on 12 March 2021. Please refer to the earlier announcements dated 14 December 2020, 15 January 2021, 19 February 2021, 22 February 2021, 1 March 2021, 5 March 2021 and 8 March 2021 for further details.

Additional listing announcement (ALA) / subdivision of shares

Summarised below the ALA released from 30 March 2021 to 18 April 2021 in relation to the conversion of warrants (Warrants B to Ordinary Shares):

ALA announcement	1	2	3	4	5	6	7	8	9	10
Total number of securities allotted	10,286,400	7,828,800	2,900,400	3,395,325	1,461,800	1,124,000	136,000	20,000	242,500	95,000
Exercise price	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16
ALA date	30.03.2021	06.04.2021	07.04.2021	08.04.2021	09.04.2021	12.04.2021	13.04.2021	14.04.2021	15.04.2021	18.04.2021
Latest issued share capital after the above corporate proposal in the following										
Units	929,220,514	937,049,314	939,949,714	943,345,039	944,806,839	945,930,839	946,066,839	946,086,839	946,329,339	946,424,339
Issued share capital (RM)	79,728,116.35	80,980,725.35	81,444,788.35	81,988,040.35	82,221,928.35	82,401,768.35	82,423,528.35	82,426,728.35	82,465,528.35	82,480,728.35
Listing date	31.03.2021	07.04.2021	08.04.2021	09.04.2021	12.04.2021	13.04.2021	14.04.2021	15.04.2021	16.04.2021	19.04.2021

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

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

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 QUARTER	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Net loss attributable to the owners of the Company	(2,283)	(1,360)	(3,952)	(3,337)
Weighted average number of shares in issue ('000)	512,522	353,295	512,522	353,295
Basic loss per share (sen)	(0.45)	(0.38)	(0.77)	(0.94)

B11 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 28 May 2021.