

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME

For the 1st Quarter Ended 30.09.2020

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30.09.2020 RM'000	Preceding Quarter Ended 30.09.2019 RM'000	Current Year-to-date Ended 30.09.2020 RM'000	Preceding Year-to-date Ended 30.09.2019 RM'000
Revenue	5,105	27,640	5,105	27,640
Cost of sales	(5,137)	(24,996)	(5,137)	(24,996)
Gross (loss)/profit	(32)	2,644	(32)	2,644
Other income	53	135	53	135
Distribution costs	-	(12)	-	(12)
Administrative and other expenses	(1,773)	(2,693)	(1,773)	(2,693)
(Loss)/profit from operations	(1,752)	74	(1,752)	74
Finance costs	-	-	-	-
(Loss)/profit before taxation	(1,752)	74	(1,752)	74
Taxation	-	(37)	-	(37)
(Loss)/profit for the period	(1,752)	37	(1,752)	37
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/income for the period	(1,752)	37	(1,752)	37
(Loss)/profit attributable to:				
Owners of the Parent	(1,587)	37	(1,587)	37
Non-controlling interests	(165)	27	(165)	27
	(1,752)	64	(1,752)	64
Total comprehensive (loss)/income attributable to:				
Owners of the Parent	(1,587)	37	(1,587)	37
Non-controlling interests	(165)	27	(165)	27
	(1,752)	64	(1,752)	64
(Loss)/profit per share attributable to the owners of the Company (sen) :-				
Basic loss per share (sen)	(0.45)	0.02	(0.45)	0.02
Diluted loss per share (sen)	N/A	N/A	N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**As at 30.09.2020**

	As at 30.09.2020	As at 30.06.2020
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	9,603	10,095
Goodwill arising from consolidation	1,100	1,100
Right of use assets	1,186	1,186
Trade receivables	8,370	13,568
	<u>20,259</u>	<u>25,949</u>
Current assets		
Inventories	3,928	2,410
Contract assets	17	17
Receivables, deposits and prepayments	14,174	18,564
Tax recoverable	211	188
Cash and cash equivalents	10,786	3,763
	<u>29,116</u>	<u>24,942</u>
Assets held for sale	256	256
	<u>29,372</u>	<u>25,198</u>
TOTAL ASSETS	<u>49,631</u>	<u>51,147</u>
EQUITY AND LIABILITIES		
Share capital	50,976	50,976
Warrant reserve	8,401	8,401
Accumulated losses	(20,430)	(18,843)
Equity attributable to owners of the parent	38,948	40,534
Non-controlling interests	(699)	(534)
TOTAL EQUITY	<u>38,248</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	11,058	9,528
Finance lease payables	-	977
Provision for restoration cost	-	300
Provision for taxation	-	18
	<u>11,060</u>	<u>10,823</u>
TOTAL LIABILITIES	<u>11,384</u>	<u>11,147</u>
TOTAL EQUITY AND LIABILITIES	<u>49,631</u>	<u>51,147</u>
Net assets per share attributable to the owners of the parent (RM)	0.11	0.11

The 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.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**For the 1st Quarter Ended as at 30.09.2020**

	Attributable to owners of the Parent			Non-controlling interests	Total Equity
	Share Capital	Warrant Reserve	Accumulated Losses		
At 30 June 2020	RM'000 50,976	RM'000 8,401	RM'000 (18,843)	RM'000 (534)	RM'000 40,000
Total comprehensive income for the financial year	-	-	(1,587)	(165)	(1,752)
At 30 September 2020	50,976	8,401	(20,430)	(699)	38,248

	Attributable to owners of the Parent			Non-controlling interests	Total Equity
	Share Capital	Warrant Reserve	Accumulated Losses		
At 30 June 2019	RM'000 50,976	RM'000 8,401	RM'000 (10,364)	RM'000 39	RM'000 49,052
Effect on adoption of MFRS 16	-	-	(334)	-	(334)
Total comprehensive income for the financial year	-	-	(8,144)	(573)	(8,717)
At 30 June 2020	50,976	8,401	(18,843)	(534)	40,000

The 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.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**For the 1st Quarter Ended 30.09.2020****(The figures have not been audited)**

	Cumulative quarter	
	Current Year-to-date RM'000	(Audited) As at 30.06.2020 RM'000
Cash flow from operating activities		
(Loss)/profit before taxation	(1,752)	(9,353)
Adjustments for:-		
Bad debts written off	-	115
Depreciation of property, plant and equipment	523	1,947
Depreciation of right of use	-	5,484
Loss on disposal of property, plant and equipment	-	150
Impairment Loss on trade and other receivables	-	5,962
Fair value adjustment on trade receivables	-	1,261
Property, plant and equipment written off	-	202
Finance costs	-	127
Interest income	-	(66)
Interest expense	28	-
Operating (loss)/profit before working capital changes	<u>(1,201)</u>	<u>5,829</u>
Changes in working capital:		
Inventories	(1,519)	(2,410)
Contract assets	-	5,793
Receivables, deposits and prepayments	9,588	(7,584)
Payables and accruals	254	3,294
Contract liabilities	-	(7,871)
	<u>8,323</u>	<u>(8,778)</u>
Cash (used in)/ generated from operations	7,122	(2,949)
Interest receive	(28)	66
Interest paid	-	(127)
Tax paid	(40)	(431)
Tax refund	-	429
	<u>(68)</u>	<u>(63)</u>
Net cash (used in)/ from operating activities	<u>7,054</u>	<u>(3,012)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment (Note a)	(31)	(2,612)
Proceeds from disposal of property, plant and equipment	-	59
Net cash (used in) / from investing activities	<u>(31)</u>	<u>(2,553)</u>
Cash flows from financing activities		
Net lease liability	-	(5,402)
Net cash flows (used in)/ from financing activities	<u>-</u>	<u>(5,402)</u>
Net (decrease) / increase in cash and cash equivalents	7,023	(10,967)
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 year	<u>10,786</u>	<u>3,763</u>

The 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.

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 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.

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 year 30 June 2020.

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

3. 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.

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 2020 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	RM'000
Revenue						
External sales	163	4,574	417	(49)	-	5,105
Gross profit / (loss)	117	200	(301)	(49)	-	(33)
(Loss)/profit before taxation	(597)	(135)	(417)	(134)	(304)	(1,587)

Sales revenue by division to external parties for the quarter ended 30 June 2020 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	RM'000
Revenue						
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)

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 2020.

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 year 30 June 2020.

12. Contingent Assets or Liabilities

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

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

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 25 November 2020 (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 30.09.2020 RM'000	Preceding Year corresponding Quarter 30.09.2019 RM'000	RM'000	Percentage %	Current Year Quarter 30.09.2020 RM'000	Preceding Year corresponding Quarter 30.09.2019 RM'000	RM'000	Percentage %
Revenue	5,105	27,640	(22,535)	(82%)	5,105	27,640	(22,535)	(82%)
Operating profit / (loss)	32	2,644	(2,611)	(99%)	32	47	(14)	(30%)
(Loss)/ profit before interest and tax	(1,752)	73	(1,826)	(100%)	(1,752)	47	(1,800)	(100%)
(Loss)/ profit before tax	(1,752)	73	(1,826)	(100%)	(1,752)	73	(1,826)	(100%)
(Loss)/ profit after tax	(1,752)	36	(1,789)	(100%)	(1,752)	36	(1,789)	(100%)
(Loss)/ profit Attributable to Ordinary Equity Holders of the Parent	(1,587)	64	(1,651)	(100%)	(1,587)	64	(1,651)	(100%)

Current year quarter end 30 September 2020 compared with preceding corresponding year ended 30 September 2019.

Revenue of the Group for the current quarter recorded RM5.11 million, a decrease of 82% compared with the previous year's corresponding quarter of RM27.64 million. As for the current year quarter loss after tax of RM1.59 million compared to the previous year's corresponding quarter profit after tax of RM0.64 million. The decrease was arising from the effect of the COVID-19 global pandemic.

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 Preceding Quarter	Change	
	30.09.2020	30.06.2020		
	RM'000	RM'000	RM'000	%
Revenue	5,105	9,813	(4,708)	(48%)
Operating profit / (loss)	32	(2,138)	2,171	(102%)
(Loss)/ profit before interest and tax	(1,752)	(5,511)	3,758	(68%)
(Loss)/ profit before tax	(1,752)	(5,638)	3,885	(69%)
(Loss)/ profit after tax	(1,752)	(5,283)	3,530	(67%)
(Loss)/ profit attributable to ordinary equity holders of the parent	(1,587)	(4,807)	3,220	(67%)

The Group recorded decrease in revenue of RM4.71 million in 30 September 2020 (“1st Qtr 2021”) as compare to 30 June 2020 (“4th Qtr 2020”) was mainly attributed by leasing segment, event segment and ICT segment due to sales were lower than anticipated demand. A loss after tax was decreased by RM3.22 million due to higher impairment losses recorded in 4th Qtr 2020.

3. Commentary on Prospects

The Covid-19 pandemic escalated so quickly and impacted overall event segment of the past few months. However, moving forward we will be focusing on the E-Sport and Mobile Game which is currently in the midst of negotiation. In the meantime, Macpie Group will continue to monitor the cost control measure across all of its operation entities.

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	
	30.09.2020	30.06.2020	30.09.2020	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Current tax	-	(355)	-	(636)
Deferred tax	-	-	-	-
Tax expense	-	(355)	-	(636)

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 year 30 June 2020.

8. Status of Corporate Exercises

There is no pending corporate exercise.

9. Borrowings and Debt Securities

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

10. Derivative Financial Instruments

There were no derivative financial instruments as at 25 November 2020 (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 25 November 2020 (the latest practicable date which is up to date of the meeting).

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.

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

13. Basic earnings per share (continued)

	Current Quarter Ended		Cumulative Quarter Ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
(Loss)/ profit for the quarter	(1,587)	37	(1,587)	37
Weighted average number of ordinary shares of RM0.10 in issue	353,295	353,295	353,295	353,295
Basic earnings per share (sen)	(0.45)	0.02	(0.45)	0.02

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.

14. Authorisation for Issue

These unaudited financial statements were authorised for release by the Company in accordance with a resolution of the Directors dated 25 November 2020.