

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter Ended	Quarter Ended	Year Ended	Year Ended
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	5,541	5,105	5,541	5,105
Cost of sales	(4,907)	(5,137)	(4,907)	(5,137)
Gross (loss)/profit	634	(32)	634	(32)
Other income	293	53	293	53
Administrative expenses	(1,187)	(1,773)	(1,187)	(1,773)
Other expenses	(374)	-	(374)	-
Loss from operations	(634)	(1,752)	(634)	(1,752)
Finance costs	(11)	-	(11)	-
Loss before taxation	(645)	(1,752)	(645)	(1,752)
Taxation	-	-	-	-
Loss after taxation	(645)	(1,752)	(645)	(1,752)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(645)	(1,752)	(645)	(1,752)
Loss attributable to:				
Owners of the Parent	(641)	(1,587)	(641)	(1,587)
Non-controlling interests	(4)	(165)	(4)	(165)
	(645)	(1,752)	(645)	(1,752)
Total comprehensive loss attributable to:				
Owners of the Parent	(641)	(1,587)	(641)	(1,587)
Non-controlling interests	(4)	(165)	(4)	(165)
	(645)	(1,752)	(645)	(1,752)
Loss per share attributable to the owners of the Company (sen) :-				
Basic loss per share (sen)	(0.07)	(0.45)	(0.07)	(0.45)
Diluted loss per share (sen)	N/A	N/A	N/A	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30.09.2021 (Unaudited) RM'000	AS AT 30.06.2021 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	6,135	6,473
Goodwill arising from consolidation	1,100	1,100
Right of use assets	1,009	1,090
Trade receivables	9,002	9,002
	17,246	17,665
Current assets		
Inventories	2,437	3,975
Receivables, deposits and prepayments	6,359	6,077
Tax recoverable	235	186
Cash and cash equivalents	37,743	36,546
Deposit with licensed bank	10,098	10,045
	56,872	56,829
Assets held for sale	256	256
	57,128	57,085
TOTAL ASSETS	74,374	74,750
EQUITY AND LIABILITIES		
Share capital	82,480	82,480
Accumulated losses	(19,942)	(19,301)
Equity attributable to owners of the parent	62,538	63,179
Non-controlling interests	(876)	(872)
TOTAL EQUITY	61,662	62,307
Non-current liabilities		
Lease liabilities	695	695
	695	695
Current liabilities		
Trade and other payables	11,425	11,053
Contract liabilities	59	59
Lease liabilities	348	422
Tax payable	185	214
	12,017	11,748
TOTAL LIABILITIES	12,712	12,443
TOTAL EQUITY AND LIABILITIES	74,374	74,750
Net assets per share attributable to the owners of the parent (RM)	0.07	0.07

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 2021	82,480	-	(19,301)	(872)	62,307
Total comprehensive loss for the financial period	-	-	(641)	(4)	(645)
Balance as of 30 September 2021	82,480	-	(19,942)	(876)	61,662

AUDITED 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
Total comprehensive loss for the financial year	-	-	(8,859)	(338)	(9,197)
Transaction with the owners:-					
Warrants conversion exercise	4,466	(15)	15	-	4,466
Private placement exercise	27,038	-	-	-	27,038
Warrants expired	-	(8,386)	8,386	-	-
Balance as of 30 June 2021	82,480	-	(19,301)	(872)	62,307

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	
	30.09.2021	30.09.2020
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(645)	(1,752)
Adjustments for:-		
Depreciation of property, plant and equipment	433	523
Depreciation of right of use assets	81	-
Discount received from lease liabilities	(13)	-
Interest income	(170)	-
Interest expense	9	28
Operating loss before working capital changes	(305)	(1,201)
Changes in working capital:		
Inventories	1,538	(1,519)
Payables and accruals	372	254
Receivables, deposits and prepayments	(283)	9,588
	1,627	8,323
Cash generated from operations	1,322	7,122
Interest received	170	(28)
Interest paid	(9)	-
Tax paid	(82)	(40)
Tax refund	5	-
	84	(68)
Net cash from operating activities	1,406	7,054
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(95)	(31)
Net cash used in investing activities	(95)	(31)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liability	(61)	-
Net cash from financing activities	(61)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,250	7,023
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	46,591	3,763
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	47,841	10,786

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 2021 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 2021.

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 2021.

The significant accounting policies adopted are consistent with those of the audited financial statements financial year ended 30 June 2021.

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 2021 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 September 2021 are as follows:-

	Event Management RM'000	ICT RM'000	Digital Services RM'000	Financial Solutions RM'000	Others RM'000	Consolidated RM'000
Revenue						
External sales	79	5,181	72	209	-	5,541
Gross (loss)/profit	(378)	917	(114)	209	-	634
(Loss)/profit before taxation	(615)	458	(436)	178	(230)	(645)

The Group's revenue increased as compared to the corresponding quarter in previous year was mainly due to the increase in revenue contributed by the ICT segment. The Group has also recorded a lower loss before taxation this quarter as compared to the corresponding quarter in previous year. The driving factors are because of the ICT segment was generating higher profit by measuring its cost-efficiency while the financial solution segment has established its operation with its existing customers this quarter.

There is a change in the Group's focus from leasing to digital services segment as explained under Note B3 during the quarter under review.

Although the leasing segment offers the right retail spaces to grow clients' businesses, 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. The leasing segment has been categorized under the "Other Operating Segment" for segmental reporting purposes.

Sales revenue by division to external parties for the quarter ended 30 September 2020 are as follows:-

	Event Management RM'000	ICT RM'000	Leasing RM'000	Financial Solutions RM'000	Others RM'000	Consolidated RM'000
Revenue						
External sales	163	4,574	417	(49)	-	5,105
Gross (loss)/profit	117	200	(301)	(49)	-	(33)
(Loss)/profit before taxation	(597)	(135)	(417)	(134)	(304)	(1,587)

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

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 2021.

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 2021.

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
	30.09.2021	30.09.2020	+ / (-)	30.09.2021	30.09.2020	+ / (-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	5,541	5,105	9%	5,541	5,105	9%
Loss from operations	(634)	(1,752)	(64%)	(634)	(1,752)	(64%)
Loss before taxation	(645)	(1,752)	(63%)	(645)	(1,752)	(63%)
Loss after taxation	(645)	(1,752)	(63%)	(645)	(1,752)	(63%)

The Group recorded a revenue of RM5.54 million for the first quarter ended 30 September 2021 ("Q1 FY2022"), which is slightly higher as compared to the corresponding quarter in previous year ended 30 September 2020 ("Q1 FY2021").

The Group recorded a loss after taxation of RM0.65 million for Q1 FY2022, which was 63% lower than Q1 FY2021's loss after taxation of RM1.75 million as the ICT segment was generating higher profit while the financial solution segment has established its operation with its existing customers this quarter.

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	
	30.09.2021	30.06.2021	RM'000	%
	RM'000	RM'000		
Revenue	5,541	6,905	(1,364)	(20%)
Loss from operations	(634)	(4,487)	3,853	(86%)
Loss before taxation	(645)	(4,555)	3,910	(86%)
Loss after taxation	(645)	(4,946)	4,301	(87%)

For Q1 FY2022, the Group recorded a revenue of RM5.54 million, representing a decrease of 20% compared to the fourth quarter ended 30 June 2021 ("Q4 FY2021"). The Group's lower revenue was mainly contributed by a lower revenue recorded in the ICT sector while the loss after taxation for Q1 FY2022 has decreased 87% compared to Q4 FY2021 due to impairment loss and unwinding of discounts on trade receivables was recorded in Q4 FY2021.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

B3 Future prospects

Macpie Group 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. As such, we provide 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 30.09.2021 RM'000	Year Ended 30.09.2020 RM'000
Based on the results for the current quarter/period:-		
Tax expense	-	-

Income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 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 utilisation of proceeds is tabulated below:

Status of utilisation of proceeds

Purpose	Proposed	Actual	Intended timeframe for utilisation	Balance unutilised	
	utilisation RM'000	utilisation RM'000		RM'000	%
Purchase of equipment for the event management segment	13,705	2,631	Within 18 months	11,074	81%
Additional funds for the financial solutions segment	8,938	34	Within 12 months	8,904	100%
Working capital	2,565	2,119	Within 12 months	446	17%
Estimated expenses for the Proposals	1,830	793	Immediate	1,037	57%
	27,038	5,577		21,461	

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

Proposed Acquisition – Heads of Agreement (“HOA”) in relation to the proposed acquisition by Macpie of 35% equity interest in Techninier Sdn Bhd

On 24 September 2021, the Board of Directors of Macpie has announced that the HOA in relation to the Proposed Acquisition has lapsed and ceased to have effect today.

Proposed Private Placement

TA Securities Holdings Berhad has announced on behalf of the Board of Directors of Macpie that Bursa Securities had, vide its letter dated 30 September 2021, approved the listing and quotation of up to 332,465,600 new ordinary shares to be issued pursuant to the Private Placement.

The approval is subject to, amongst others, the following conditions:

- i. Macpie and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Private Placement;
- ii. Macpie and TA Securities are required to inform Bursa Securities upon the completion of the Private Placement;
- iii. Macpie to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Private Placement is completed; and
- iv. TA Securities to furnish Bursa Securities with details of the placees as per Rule 6.16 of the Listing Requirements for their review, prior to the issuance / allotment of the Placement Shares.

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 loss 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	
	30.09.2021	30.09.2020	YEAR ENDED 30.09.2021	YEAR ENDED 30.09.2020
	RM'000	RM'000	RM'000	RM'000
Net loss attributable to the owners of the Company	(641)	(1,587)	(641)	(1,587)
Weighted average number of shares in issue ('000)	946,424	353,295	946,424	353,295
Basic loss per share (sen)	(0.07)	(0.45)	(0.07)	(0.45)

B11 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 30 November 2021.