

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter Ended	Quarter Ended	Year Ended	Year Ended
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	5,921	6,905	33,550	31,785
Cost of sales	(5,205)	(7,560)	(29,599)	(30,221)
<b>Gross profit/(loss)</b>	716	(655)	3,951	1,564
Other income	173	2,148	992	2,267
Administrative expenses	(1,109)	(5,980)	(7,947)	(12,569)
Other expenses	(1,142)	-	(1,956)	-
Impairment loss on financial assets	(450)	-	(450)	-
Loss from operations	(1,812)	(4,487)	(5,410)	(8,738)
Finance costs	(78)	(68)	(121)	(68)
<b>Loss before taxation</b>	(1,890)	(4,555)	(5,531)	(8,806)
Taxation	(232)	(391)	(264)	(391)
<b>Loss after taxation</b>	(2,122)	(4,946)	(5,795)	(9,197)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	(2,122)	(4,946)	(5,795)	(9,197)
<b>Loss attributable to:</b>				
Owners of the Parent	(2,114)	(4,906)	(5,775)	(8,859)
Non-controlling interests	(8)	(40)	(20)	(338)
	(2,122)	(4,946)	(5,795)	(9,197)
<b>Total comprehensive loss attributable to:</b>				
Owners of the Parent	(2,114)	(4,906)	(5,775)	(8,859)
Non-controlling interests	(8)	(40)	(20)	(338)
	(2,122)	(4,946)	(5,795)	(9,197)
<b>Loss per share attributable to the owners of the Company (sen) :-</b>				
Basic loss per share (sen)	(0.19)	(0.52)	(0.51)	(0.94)
Diluted loss per share (sen)	N/A	N/A	N/A	N/A

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	AS AT 30.06.2022 (Unaudited) RM'000	AS AT 30.06.2021 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	12,951	6,473
Goodwill arising from consolidation	59	1,100
Right of use assets	646	1,090
Trade receivables	-	9,002
	13,656	17,665
<b>Current assets</b>		
Inventories	602	3,975
Receivables, deposits and prepayments	26,274	6,077
Tax recoverable	214	186
Cash and cash equivalents	20,602	36,546
Deposit with licensed bank	10,257	10,045
	57,949	56,829
Assets held for sale	256	256
	58,205	57,085
<b>TOTAL ASSETS</b>	<b>71,861</b>	<b>74,750</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	87,761	82,480
Accumulated losses	(25,076)	(19,301)
<b>Equity attributable to owners of the parent</b>	<b>62,685</b>	<b>63,179</b>
Non-controlling interests	(892)	(872)
<b>TOTAL EQUITY</b>	<b>61,793</b>	<b>62,307</b>
<b>Non-current liabilities</b>		
Lease liabilities	271	695
Deferred taxation	12	-
	283	695
<b>Current liabilities</b>		
Trade and other payables	9,340	11,053
Contract liabilities	19	59
Lease liabilities	426	422
Tax payable	-	214
	9,785	11,748
<b>TOTAL LIABILITIES</b>	<b>10,068</b>	<b>12,443</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>71,861</b>	<b>74,750</b>
<b>Net assets per share attributable to the owners of the parent (RM)</b>	0.05	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 2021 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 2021</b>	82,480	-	(19,301)	(872)	62,307
Total comprehensive loss for the financial year	-	-	(5,775)	(20)	(5,795)
<b>Transaction with the owners:-</b>					
Private placement exercise	5,281	-	-	-	5,281
<b>Balance as of 30 June 2022</b>	87,761	-	(25,076)	(892)	61,793

**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
<b>Balance as of 1 July 2020</b>	50,976	8,401	(18,843)	(534)	40,000
Total comprehensive loss for the financial year	-	-	(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

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	CUMULATIVE	
	30.06.2022	30.06.2021
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Loss before taxation</b>	(5,531)	(8,806)
Adjustments for:-		
Bad debts written off	101	-
Depreciation of property, plant and equipment	2,091	2,076
Depreciation of right of use assets	459	649
Discount received from lease liabilities	13	(170)
Gain on unrealised foreign exchange	-	(8)
Impairment loss on trade receivables	450	3,527
Income from derecognition of right of use assets and lease liabilities	-	(56)
Interest income	(614)	(143)
Interest expense	55	68
Loss on disposal of property, plant and equipment	-	25
Reversal of provision for restoration cost	-	(300)
Unwinding of discounts of trade receivables	43	1,434
Waiver of debts	-	(18)
Written off of deposits	-	920
Written off of goodwill	1,041	-
Written off of property, plant and equipment	848	1,589
Written off of receivables	-	334
<b>Operating (loss)/profit before working capital changes</b>	<b>(1,044)</b>	<b>1,121</b>
<b>Changes in working capital:</b>		
Contract costs	-	17
Contract liabilities	(40)	59
Inventories	3,373	(1,565)
Payables and accruals	(1,715)	1,544
Receivables, deposits and prepayments	(11,789)	10,838
	(10,171)	10,893
<b>Cash (used in)/generated from operations</b>	<b>(11,215)</b>	<b>12,014</b>
Interest received	614	143
Interest paid	(55)	(68)
Tax paid	(498)	(193)
Tax refund	5	-
	66	(118)
<b>Net cash (used in)/from operating activities</b>	<b>(11,149)</b>	<b>11,896</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(9,417)	(142)
Proceeds from disposal of property, plant and equipment	-	74
<b>Net cash used in investing activities</b>	<b>(9,417)</b>	<b>(68)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net lease liability	(447)	(512)
Proceeds from issuance of share capital	5,281	27,038
Warrants conversion exercise	-	4,466
<b>Net cash from financing activities</b>	<b>4,834</b>	<b>30,992</b>

	CUMULATIVE	
	30.06.2022	30.06.2021
	RM'000	RM'000
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(15,732)</b>	<b>42,820</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>46,591</b>	<b>3,763</b>
<b>EFFECT ON FOREIGN TRANSLATION</b>	<b>-</b>	<b>8</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>30,859</b>	<b>46,591</b>
<b>Cash and cash equivalents comprise:-</b>		
Deposits pledged with bank	100	-
Short term deposits with financial institutions	10,257	10,045
Cash and bank balances	20,502	36,546
	<b>30,859</b>	<b>46,591</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 2021 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 XOX Networks Berhad (formerly known as Macpie Berhad) (“XOX Networks” or “Company”) on a consolidated basis with its subsidiaries (“XOX Networks 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 June 2022 are as follows:-

	Event Management	ICT	Digital & Media Management	Financial Solutions	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>						
External sales	2,688	2,644	146	443	-	5,921
Gross profit	163	102	8	443	-	716
Loss before taxation	(581)	(467)	(32)	(202)	(608)	(1,890)

The Group's revenue decreased as compared to the corresponding quarter in previous year was mainly due to a termination of sales agreement for the products under the ICT segment which ultimately result in a sharp fall in revenue during the quarter under review.

On the contrary, since the country has started easing the COVID-19 domestic restrictions, the Group is able to capture more on-ground events in this quarter which contributed a higher revenue under the event segment.

The Group has captured a lower loss before taxation this quarter as compared to the corresponding quarter in previous year in view of a higher gross profit generated under the event management segment during the quarter under review.

There is a change in the Group's focus from leasing to digital and media management segment for the current financial year.

Sales revenue by division to external parties for the quarter ended 30 June 2021 are as follows:-

	Event Management	ICT	Leasing	Financial Solutions	Others	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)

**NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)**
**A11. Related Party Transactions**

- a. Identities of related parties
  - i. the Company has a controlling related party relationship with its subsidiaries;
  - ii. the director who is the key management personnel; and
  - iii. entities controlled by certain key management personnel, directors and/or substantial shareholders.
  
- b. Compensation of key management personnel
  - i. Key management personnel includes all the Directors of the Company and its subsidiaries and certain members of senior management of the Group.
  - ii. Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.
  
- c. During the quarter under review, the Group has disclosed key management personnel compensation in total and the following related parties transactions:

	Individual Quarter	
	30.06.2022 RM'000	30.06.2021 RM'000
<b>Key management personnel compensation:</b>		
Short-term employee benefit	<u>123,450</u>	<u>83,600</u>
<b>Transactions with:</b>		
<b>Subsidiaries of the Group</b>		
Rental receivables	<u>40</u>	<u>-</u>
<b>Services to related parties</b>		
Provision of event management	2,122	-
Provision of digital and media management	10	-
Warehouse rental and transportation	487	-
Sales and purchase of mobile phones and telecommunication services	<u>1</u>	<u>-</u>

**A12. 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.

**A13. 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.



**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.

**A15. Changes in the Composition of the Group**

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

**A16. Capital Commitments**

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

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**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
	30.06.2022	30.06.2021	+ / (-)	30.06.2022	30.06.2021	+ / (-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	5,921	6,905	(14%)	33,550	31,785	6%
Loss from operations	(1,812)	(4,487)	(60%)	(5,410)	(8,738)	(38%)
Loss before taxation	(1,890)	(4,555)	(59%)	(5,531)	(8,806)	(37%)
Loss after taxation	(2,122)	(4,946)	(57%)	(5,795)	(9,197)	(37%)

The Group recorded a revenue of RM5.92 million for the fourth quarter ended 30 June 2022 ("Q4 FY2022"), which is lower as compared to the corresponding quarter in previous year ended 30 June 2021 ("Q4 FY2021") due to a sharp fall in revenue under the ICT segment.

The Group recorded a loss after taxation of RM2.12 million for Q4 FY2022, which was 57% lower than Q4 FY2021's loss after taxation of RM4.95 million due to a higher gross profit generated under the event management segment in 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.

Nevertheless, the event business has progressively recovered as a result of entering into the endemic phase of COVID-19 as announced by the Malaysian's government.

**B2 Performance of the current quarter against the immediate preceding quarter**

	Current Quarter	Immediate Preceding Quarter	Changes	
	30.06.2022	31.03.2022	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	5,921	9,707	(3,786)	(39%)
Loss from operations	(1,812)	(712)	(1,100)	154%
Loss before taxation	(1,890)	(727)	(1,163)	160%
Loss after taxation	(2,122)	(759)	(1,363)	180%

For Q4 FY2022, the Group recorded a revenue of RM5.92 million, representing a decrease of 39% compared to the third quarter ended 31 March 2022 ("Q3 FY2022"). The Group's lower revenue was mainly contributed by a lower revenue recorded in the ICT sector while the loss after taxation for Q4 FY2022 has increased drastically compared to Q3 FY2022 due to impairment in financial assets recorded in Q4 FY2022.

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

**B3 Future prospects**

The COVID-19 pandemic has heavily affected the event industry. Event organisers have adopted new delivery models, going entirely digital or embracing hybrid digital and in-person solutions. On top of momentary uncertainty, the crisis also triggered profound, and potentially long-lasting, changes in production and consumption patterns.

Hence, XOX Networks Group applies horizontal expansion strategy in the e-sports and media management 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.

Nonetheless, the Malaysian's government announced the ease of COVID-19 restrictions, classifying all states and federal territories remain under the least stringent Phase 4 controls in the four-tier National Recovery Plan. The entertainment industry is set to rebound strongly and the Group will be capturing more physical events in the coming quarters.

**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 30.06.2022 RM'000	Year Ended 30.06.2021 RM'000
Based on the results for the current year:-		
Tax expense	(264)	(391)

Income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the year.

**NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)**
**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 utilisation	Actual utilisation	Intended timeframe for utilisation	Balance unutilised	
	RM'000	RM'000		RM'000	%
Purchase of equipment for the event management segment	13,705	6,430	Within 18 months	7,275	53%
Additional funds for the financial solutions segment	8,938	8,938	Within 12 months	-	0%
Working capital	3,602	3,602	Within 12 months	-	0%
Estimated expenses for the Proposals	793	793	Immediate	-	0%
	<u>27,038</u>	<u>19,763</u>		<u>7,275</u>	

Second private placement

The second private placement has been completed following the listing and quotation of the first and final tranche of 189,284,800 Placement Shares on the ACE Market of Bursa Securities on 29 December 2021 and its status of utilisation of proceeds is tabulated below:

Purpose	Proposed utilisation	Actual utilisation	Intended timeframe for utilisation	Balance unutilised	
	RM'000	RM'000		RM'000	%
Setting up of digital media platform	5,211	46	Within 36 months	5,165	99%
Estimated professional expenses	70	30	Immediate	40	57%
	<u>5,281</u>	<u>76</u>		<u>5,205</u>	

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**
Civil Suit No. BA-22NCvC-41-01/2022) against Mr. Luah Aik Teong ("Defendant")

Reference is made to the announcements dated 11 February 2022, 15 February 2022, 10 March 2022 and 11 April 2022 respectively in relation to the Litigation. Unless otherwise defined in this announcement, the terms stated herein shall have the same meaning as defined in the earlier announcements.

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

The Board of Directors of XOX Networks wishes to announce that the Plaintiff had on 2 June 2022 filed a fair order (hereinafter referred to as “Fair Order”) in the High Court at Shah Alam (hereinafter referred to as “Court”). Pursuant to the Fair Order, the Court has approved to serve the sealed Bankruptcy Notice to the Defendant in the following manner:-

- i. by affixing a copy of the Fair Order and a copy of the Bankruptcy Notice on the notice board of the High Court at Shah Alam and at the last address of the Defendant; and
- ii. by advertising a notice on The Star newspaper for one (1) day.

Carrying out the matters as set out in (i) and (ii) above shall be deemed effective and sufficient for the service of the Bankruptcy Notice on the Defendant after fourteen (14) days from the date the matters as set out in (i) and (ii) above are carried of such pasting or advertising.

There will not have any financial and operational impact on XOX Network Group for the financial year ended 30 June 2022 as the impairment on amount owing by the Defendant had been made in the previous financial year.

Save for the above disclosure, 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	
	30.06.2022	30.06.2021	YEAR ENDED 30.06.2022	YEAR ENDED 30.06.2021
	RM'000	RM'000	RM'000	RM'000
Net loss attributable to the owners of the Company	(2,114)	(4,906)	(5,775)	(8,859)
Weighted average number of shares in issue ('000)	1,135,709	945,634	1,135,709	945,634
Basic loss per share (sen)	(0.19)	(0.52)	(0.51)	(0.94)

**B11 Notes to the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

Loss of the Group for the financial year is arrived at after charging/(crediting) the following expenses/(income):

	Quarter Ended 30.06.2022 RM'000	Year-to- date Ended 30.06.2022 RM'000
Depreciation of property, plant and equipment	628	2,091
Depreciation of right of use assets	226	459
Goodwill written off	1,041	1,041
Interest income	(134)	(614)
Interest expense	12	55
Impairment loss on trade receivables	450	450
Property, plant and equipment written off	30	848

The other items as required under Appendix 9B Note 16 of the Listing Requirements of Bursa Securities are not applicable to the Group.

**B12 Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors on 30 August 2022.