

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter Ended	Quarter Ended	Year Ended	Year Ended
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	6,264	5,541	6,264	5,541
Cost of sales	(5,601)	(4,907)	(5,601)	(4,907)
<b>Gross profit</b>	663	634	663	634
Other income	4,014	293	4,014	293
Administrative expenses	(2,679)	(1,187)	(2,679)	(1,187)
Other expenses	-	(374)	-	(374)
Impairment loss on financial assets	-	-	-	-
Profit/(loss) from operations	1,998	(634)	1,998	(634)
Finance costs	(13)	(11)	(13)	(11)
<b>Profit/(loss) before taxation</b>	1,985	(645)	1,985	(645)
Taxation	-	-	-	-
<b>Profit/(loss) after taxation</b>	1,985	(645)	1,985	(645)
Other comprehensive income	-	-	-	-
<b>Total comprehensive profit/(loss) for the period</b>	1,985	(645)	1,985	(645)
<b>Profit/(loss) attributable to:</b>				
Owners of the Parent	1,985	(641)	1,985	(641)
Non-controlling interests	-	(4)	-	(4)
	1,985	(645)	1,985	(645)
<b>Total comprehensive profit/(loss) attributable to:</b>				
Owners of the Parent	1,985	(641)	1,985	(641)
Non-controlling interests	-	(4)	-	(4)
	1,985	(645)	1,985	(645)
<b>Profit/(loss) per share attributable to the owners of the Company (sen) :-</b>				
Basic profit/(loss) per share (sen)	0.17	(0.07)	0.17	(0.07)
Diluted profit/(loss) per share (sen)	N/A	N/A	N/A	N/A

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	AS AT 30.09.2022 (Unaudited) RM'000	AS AT 30.06.2022 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	12,103	12,929
Goodwill arising from consolidation	60	60
Right of use assets	531	646
Trade receivables	8,959	8,959
	21,653	22,594
<b>Current assets</b>		
Inventories	-	602
Receivables, deposits and prepayments	20,606	15,411
Tax recoverable	295	290
Cash and cash equivalents	19,393	20,500
Deposit with licensed bank	10,257	10,359
	50,551	47,162
Assets held for sale	-	255
Assets included in disposal group held for sale and discontinued operation	-	1,926
	50,551	49,343
<b>TOTAL ASSETS</b>	<b>72,204</b>	<b>71,937</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	87,762	87,762
Accumulated losses	(23,014)	(24,999)
<b>Equity attributable to owners of the parent</b>	<b>64,748</b>	<b>62,763</b>
Non-controlling interests	-	(892)
<b>TOTAL EQUITY</b>	<b>64,748</b>	<b>61,871</b>
<b>Non-current liabilities</b>		
Lease liabilities	272	272
Deferred taxation	12	12
	284	284
<b>Current liabilities</b>		
Trade and other payables	4,969	8,618
Contract liabilities	1,907	610
Lease liabilities	296	426
Tax payable	-	-
	7,172	9,654
Liabilities included in disposal group held for sale and discontinued operation	-	128
<b>TOTAL LIABILITIES</b>	<b>7,456</b>	<b>10,067</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>72,204</b>	<b>71,937</b>
<b>Net assets per share attributable to the owners of the parent (RM)</b>	(0.06)	(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 2022 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	Accumulated Losses	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000
<b>Balance as of 1 July 2022</b>	87,762	(24,999)	(892)	61,871
Total comprehensive profit for the financial year	-	1,985	-	1,985
<b>Transaction with the owners:-</b>				
Elimination of non-controlling interest at disposal of subsidiary	-	-	892	892
<b>Balance as of 30 September 2022</b>	87,762	(23,014)	-	64,748

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to owners of the Parent			
	Share Capital	Accumulated Losses	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000
<b>Balance as of 1 July 2021</b>	82,481	(19,302)	(872)	62,307
Total comprehensive loss for the financial year	-	(5,697)	(20)	(5,717)
<b>Transaction with the owners:-</b>				
Private placement exercise	5,281	-	-	5,281
<b>Balance as of 30 June 2022</b>	87,762	(24,999)	(892)	61,871

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	CUMULATIVE	
	30.09.2022	30.09.2021
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit/(loss) before taxation</b>	1,985	(645)
Adjustments for:-		
Depreciation of property, plant and equipment	832	433
Depreciation of right of use assets	86	81
Discount received from lease liabilities	-	(13)
Gain on disposal of subsidiaries	(3,976)	-
Interest income	(67)	(170)
Interest expense	12	9
Written off of property, plant and equipment	2	-
<b>Operating loss before working capital changes</b>	<b>(1,126)</b>	<b>(305)</b>
<b>Changes in working capital:</b>		
Contract liabilities	1,297	-
Inventories	574	1,538
Payables and accruals	4,583	372
Receivables, deposits and prepayments	(5,355)	(283)
	1,099	1,627
<b>Cash (used in)/generated from operations</b>	<b>(27)</b>	<b>1,322</b>
Interest received	67	170
Interest paid	(12)	(9)
Tax paid	(81)	(82)
Tax refund	-	5
	(26)	84
<b>Net cash (used in)/from operating activities</b>	<b>(53)</b>	<b>1,406</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Disposal of subsidiaries, net of cash disposed of	(1,163)	-
Purchase of property, plant and equipment	(9)	(95)
Proceeds from disposal of subsidiaries	101	-
<b>Net cash used in investing activities</b>	<b>(1,071)</b>	<b>(95)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net lease liability	(85)	(61)
<b>Net cash used in financing activities</b>	<b>(85)</b>	<b>(61)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,209)</b>	<b>1,250</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>30,859</b>	<b>46,591</b>
<b>EFFECT ON FOREIGN TRANSLATION</b>		
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>29,650</b>	<b>47,841</b>
<b>Cash and cash equivalents comprise:-</b>		
Deposits pledged with bank	100	-
Short term deposits with financial institutions	10,257	10,098
Cash and bank balances	19,293	37,743
	<b>29,650</b>	<b>47,841</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 2022 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 2022 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 2022.

**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 2022.

The significant accounting policies adopted are consistent with those of the audited financial statements financial year ended 30 June 2022.

**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 2022 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 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	4,981	604	305	374	-	6,264
Gross profit/(loss)	194	(2)	97	374	-	663
(Loss)/profit before taxation	(758)	2,665	(26)	394	(290)	1,985

The Group's revenue increased as compared to the corresponding quarter in previous year was mainly due to the endemic and thus the Group was able to capture more revenue in organising physical events including concert and festival during the quarter under review.

The Group has captured a profit before taxation this quarter as compared to the corresponding quarter in previous year in view of the gain on disposal of subsidiaries during the quarter under review.

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

	Event Management	ICT	Digital Services	Financial Solutions	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>						
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)

**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	
	30.09.2022	30.09.2021
	RM'000	RM'000
<b>Key management personnel compensation:</b>		
Short-term employee benefit	125	110
<b>Transactions with:</b>		
<b>Subsidiaries of the Group</b>		
Sales of event tickets	1,547	-
Rental of equipment	130	-
Rental receivables	40	40
<b>Services to related parties</b>		
Provision of event management	1,777	-
Provision of digital and media management	298	-
Warehouse rental and transportation	39	-
Sales and purchase of mobile phones and telecommunication services	1	-

**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 2022.

**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 2022.

**A14. Material Events Subsequent to the End of the Interim Reporting Period**

The Company had on 2 September 2022 entered into a Share Sale Agreement with Ms. Shian Hwee Cheng, the purchaser to dispose its 3,000,000 ordinary shares, representing 100% equity interest in MDSB for a cash consideration of RM100,000.00.

Save and except for the above, 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
	30.09.2022	30.09.2021	+ / (-)	30.09.2022	30.09.2021	+ / (-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	6,264	5,541	13%	6,264	5,541	13%
Profit/(loss) from operations	1,998	(634)	(415%)	1,998	(634)	(415%)
Profit/(loss) before taxation	1,985	(645)	(408%)	1,985	(645)	(408%)
Profit/(loss) after taxation	1,985	(645)	(408%)	1,985	(645)	(408%)

The Group recorded a revenue of RM6.26 million for the first quarter ended 30 September 2022 ("Q1 FY2023"), which is higher as compared to the corresponding quarter in previous year ended 30 September 2021 ("Q1 FY2022") due to a higher revenue generated under the event management segment since the endemic.

The Group recorded a profit after taxation of RM1.99 million for Q1 FY2022, which was 408% better than Q1 FY2022's loss after taxation of RM0.65 million mainly due to the gain of disposal of subsidiaries in Q1 FY2022.

The event management segment 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	
	30.09.2022	30.06.2022	RM'000	%
	RM'000	RM'000		
Revenue	6,264	5,921	343	6%
Profit/(loss) from operations	1,998	(1,812)	3,810	(210%)
Profit/(loss) before taxation	1,985	(1,890)	3,875	(205%)
Profit/(loss) after taxation	1,985	(2,122)	4,107	(194%)

For Q1 FY2023, the Group recorded a revenue of RM6.26 million, representing a slight increase of 6% compared to the fourth quarter ended 30 June 2022 ("Q4 FY2022"). The Group's higher revenue was mainly contributed by a higher revenue recorded in the event management sector while the profit after taxation for Q1 FY2023 has improved compared to Q4 FY2022 due to the gain on disposal of subsidiaries in Q1 FY2023.

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

**B3 Future prospects**

The COVID-19 pandemic has heavily affected the event industry negatively. It has been noticed that due to the pandemic most of the places are shut down due to the spread of COVID-19. However, with the help of advanced technology, virtual events are conducted in multiple places which is predicted to boost the market during pandemic lock down. Virtual events are the most advanced way of attending events where one can attend the event from the comfort of their home. Hence, XOX Networks Group applies horizontal expansion strategy in the e-sports and media management segments to help boost its revenue streams during the past two years of pandemic.

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.

As the Covid 19 pandemic subsides, the entertainment industry is expected to recover, and eventually grow in the longer term as Covid 19 containment measures are gradually relaxed and people become more comfortable to attend these events; and more international performers and artistes are able to travel to Malaysia. The Group shifts their focus back to organizing physical events. With the anticipated recovery in the entertainment industry, the Group is aiming to capture more revenue on physical events and festivals 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	Year Ended
	30.09.2022	30.09.2021
	RM'000	RM'000
Based on the results for the current year:-		
Tax expense	-	-

Income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 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:

**NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)**
**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	9,519	Within 18 months	4,185	31%
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>22,852</u>		<u>4,185</u>	

The Board had on, 8 September 2022 announced the proceeds had been fully utilised save for an amount of RM7.275 million allocated for the purchase of equipment for the event management segment.

The event management sector has been adversely affected by the disruptive effects of COVID-19. Movement Control Order (“MCO”), Conditional MCO, cross border travel restrictions and regulatory prohibitions on mass gatherings have had a negative impact to the Group’s event management business. The Board has deliberated and resolved to extend the timeframe for an additional twelve (12) months until 31 August 2023 for the utilisation of the remaining unutilised proceeds for the Group to purchase equipment for the event management segment.

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	103	Within 18 months	5,108	98%
Estimated professional expenses	70	30	Immediate	40	57%
	<u>5,281</u>	<u>133</u>		<u>5,148</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 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):

	INDIVIDUAL QUARTER		CUMULATIVE	
	30.09.2022	30.09.2021	YEAR ENDED 30.09.2022	YEAR ENDED 30.09.2021
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	832	433	832	433
Depreciation of right of use assets	86	81	86	81
Gain on disposal of subsidiaries	(3,976)	-	(3,976)	-
Interest income	(67)	(170)	(67)	(170)
Interest expense	12	9	12	9
Property, plant and equipment written off	2	-	2	-

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

**B11 Basic profit or loss per Share**

Basic profit or loss per share is calculated by dividing profit or 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	
	30.09.2022	30.09.2021	YEAR ENDED	YEAR ENDED
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) attributable to the owners of the Company	1,985	(641)	1,985	(641)
Weighted average number of shares in issue ('000)	1,135,709	946,424	1,135,709	946,424
Basic profit/(loss) per share (sen)	0.17	(0.07)	0.17	(0.07)

**B12 Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors on 29 November 2022.