

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter Ended	Quarter Ended	Year Ended	Year Ended
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	738	5,921	27,704	33,550
Cost of sales	(690)	(5,205)	(24,811)	(29,599)
Gross profit	48	716	2,893	3,951
Other income	386	173	4,820	992
Administrative expenses	(1,212)	(1,109)	(7,832)	(7,947)
Other expenses	(4,433)	(1,142)	(11,801)	(1,956)
Impairment loss on financial assets	-	(450)	-	(450)
Loss from operations	(5,211)	(1,812)	(11,920)	(5,410)
Finance costs	(5)	(78)	(134)	(121)
Loss before taxation	(5,216)	(1,890)	(12,054)	(5,531)
Taxation	-	(232)	(45)	(264)
Loss after taxation	(5,216)	(2,122)	(12,099)	(5,795)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(5,216)	(2,122)	(12,099)	(5,795)
Loss attributable to:				
Owners of the Parent	(5,216)	(2,114)	(12,099)	(5,775)
Non-controlling interests	-	(8)	-	(20)
	(5,216)	(2,122)	(12,099)	(5,795)
Total comprehensive loss attributable to:				
Owners of the Parent	(5,216)	(2,114)	(12,099)	(5,775)
Non-controlling interests	-	(8)	-	(20)
	(5,216)	(2,122)	(12,099)	(5,795)
Loss per share attributable to the owners of the Company (sen) :-				
Basic loss per share (sen)	(0.46)	(0.19)	(1.06)	(0.51)
Diluted loss per share (sen)	N/A	N/A	N/A	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30.06.2023 (Unaudited) RM'000	AS AT 30.06.2022 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,622	12,929
Goodwill arising from consolidation	-	60
Right of use assets	119	646
Trade receivables	8,959	8,959
	14,700	22,594
Current assets		
Inventories	-	602
Receivables, deposits and prepayments	13,009	15,411
Tax recoverable	633	290
Cash and cash equivalents	13,789	20,500
Deposit with licensed bank	12,095	10,359
	39,526	47,162
Assets held for sale	-	255
Assets included in disposal group held for sale and discontinued operation	-	1,926
	39,526	49,343
TOTAL ASSETS	54,226	71,937
EQUITY AND LIABILITIES		
Share capital	87,762	87,762
Accumulated losses	(37,098)	(24,999)
Equity attributable to owners of the parent	50,664	62,763
Non-controlling interests	-	(892)
TOTAL EQUITY	50,664	61,871
Non-current liabilities		
Lease liabilities	79	272
Deferred taxation	12	12
	91	284
Current liabilities		
Trade and other payables	1,911	8,618
Contract liabilities	1,509	610
Lease liabilities	51	426
	3,471	9,654
Liabilities included in disposal group held for sale and discontinued operation	-	128
TOTAL LIABILITIES	3,562	10,066
TOTAL EQUITY AND LIABILITIES	54,226	71,937
Net assets per share attributable to the owners of the parent (RM)	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 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 RM'000	Accumulated Losses RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
Balance as of 1 July 2022	87,762	(24,999)	(892)	61,871
Total comprehensive loss for the financial year	-	(12,099)	-	(12,099)
Transaction with the owners:-				
Elimination of non-controlling interest at disposal of subsidiary	-	-	892	892
Balance as of 30 June 2023	87,762	(37,098)	-	50,664

AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Parent			
	Share Capital RM'000	Accumulated Losses RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
Balance as of 1 July 2021	82,481	(19,302)	(872)	62,307
Total comprehensive loss for the financial year	-	(5,697)	(20)	(5,717)
Transaction with the owners:-				
Private placement exercise	5,281	-	-	5,281
Balance as of 30 June 2022	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	
	30.06.2023	30.06.2022
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(12,054)	(5,531)
Adjustments for:-		
Bad debts written off	7,943	101
Depreciation of property, plant and equipment	2,200	2,091
Depreciation of right of use assets	219	459
Discount received from lease liabilities	24	13
Impairment loss on trade receivables	-	450
Income from derecognition of right of use assets and lease liabilities	(22)	-
Interest income	(497)	(614)
Interest expense	23	55
Loss on disposal of property, plant and equipment	3,798	-
Gain on disposal of subsidiaries	(3,976)	-
Unwinding of discounts of trade receivables	-	43
Waiver of debts	867	-
Written off of goodwill	60	1,041
Written off of property, plant and equipment	6	848
Operating loss before working capital changes	(1,409)	(1,044)
Changes in working capital:		
Contract liabilities	899	(40)
Inventories	574	3,373
Payables and accruals	658	(1,715)
Receivables, deposits and prepayments	(5,701)	(11,789)
	(3,570)	(10,171)
Cash used in operations	(4,979)	(11,215)
Interest received	497	614
Interest paid	(23)	(55)
Tax paid	(463)	(498)
Tax refund	-	5
	11	66
Net cash used in operating activities	(4,968)	(11,149)
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of subsidiaries, net of cash disposed of	(1,162)	-
Purchase of property, plant and equipment	(572)	(9,417)
Proceed from disposal of subsidiaries	101	-
Proceeds from disposal of property, plant and equipment	1,873	-
Net cash generated from/(used in) investing activities	240	(9,417)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net lease liability	(247)	(447)
Proceeds from issuance of share capital	-	5,281
Warrants conversion exercise	-	-
Net cash (used in)/generated from financing activities	(247)	4,834

	CUMULATIVE	
	30.06.2023	30.06.2022
	RM'000	RM'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,975)	(15,732)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	30,859	46,591
EFFECT ON FOREIGN TRANSLATION	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	25,884	30,859
Cash and cash equivalents comprise:-		
Deposits pledged with bank	100	100
Short term deposits with financial institutions	12,095	10,257
Cash and bank balances	13,689	20,502
	25,884	30,859

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 2023 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 business of the Group is subjected to the cyclical effects, usually due to economic conditions.

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 2023 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
Revenue						
External sales	(382)	-	1,041	79	-	738
Gross (loss)/profit	(142)	-	111	79	-	48
(Loss)/profit before taxation	(821)	159	(20)	35	(4,568)	(5,216)

The Group's revenue decreased significantly as compared to the corresponding quarter in previous year mainly due to the event management segment. A negative revenue is recorded during the quarter under review was due to an audit adjustment made. On the contrary, the business under the digital and media management segment has been gradually established.

The Group has captured a further loss before taxation this quarter as compared to the corresponding quarter in previous year in view of the bad debts written off during the quarter under review.

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
Revenue						
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)

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		Cumulative Quarter	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Key management personnel compensation:				
Short-term employee benefit	80	74	358	302
Transactions with:				
Subsidiaries of the Group				
Rental of equipment	-	-	180	-
Rental receivables	40	40	158	158
Services to related parties				
Provision of event management	-	2,122	1,850	8,488
Provision of digital and media management	1,041	10	4,902	469
Warehouse rental and transportation	-	487	39	2,338
Sales and purchase of mobile phones and telecommunication services	-	1	1	5

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.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)**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
	30.06.2023	30.06.2022	+ / (-)	30.06.2023	30.06.2022	+ / (-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	738	5,921	(88%)	27,704	33,550	(17%)
Loss from operations	(5,211)	(1,812)	188%	(11,920)	(5,410)	120%
Loss before taxation	(5,216)	(1,890)	176%	(12,054)	(5,531)	118%
Loss after taxation	(5,216)	(2,122)	146%	(12,099)	(5,795)	109%

The Group recorded a revenue of RM0.74 million for the fourth quarter ended 30 June 2023 ("Q4 FY2023"), which is lower as compared to the corresponding quarter in previous year ended 30 June 2022 ("Q4 FY2022") due to a sharp fall in revenue under the event segment.

The Group recorded a loss after taxation of RM5.22 million for Q4 FY2023, which was 146% higher than Q4 FY2022's loss after taxation of RM2.12 million due to a gross loss generated under the event management segment and bad debts written off in Q4 FY2022.

The event management sector 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	
	30.06.2023	31.03.2023	RM'000	%
	RM'000	RM'000		
Revenue	738	14,499	(13,761)	(95%)
Loss from operations	(5,211)	(3,746)	(1,465)	39%
Loss before taxation	(5,216)	(3,858)	(1,358)	35%
Loss after taxation	(5,216)	(3,903)	(1,313)	34%

For Q4 FY2023, the Group recorded a revenue of RM0.74 million, representing a decrease of 95% compared to the third quarter ended 31 March 2023 ("Q3 FY2023"). The Group's lower revenue was mainly contributed by a lower revenue recorded in the event management sector while the loss after taxation for Q4 FY2023 has increased compared to Q3 FY2023 due to bad debts written off recorded in Q4 FY2023.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

B3 Future prospects

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.

The Group has been steadily building its digital and media management arm, focusing on creating a strong presence in the industry. Our diverse portfolio of digital and media platforms spans across various online channels, including social media, streaming services, blogs, and more. These cutting-edge platforms utilize advanced technology to seamlessly connect creators, consumers, and advertisers, providing an immersive environment for content distribution, interaction, and engagement.

As we move forward, our digital and media management division will continue to expand and innovate, ensuring that we remain at the forefront of the rapidly evolving digital landscape.

The digital and media management division will explore further into managing and connecting brands with relevant events for the purpose of sponsorship. We facilitate any partnership between the brand and event organisers, ensuring all aspects of the sponsorship are properly executed, from marketing to on-site activations.

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
	30.06.2023	30.06.2022
	RM'000	RM'000
Based on the results for the current year:-		
Tax expense	(45)	(264)

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	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	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 RM4.185 million allocated for the purchase of 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	Actual	Intended timeframe for utilisation	Balance unutilised	
	utilisation RM'000	utilisation RM'000		RM'000	%
Setting up of digital media platform	5,211	310	Within 18 months	4,900	94%
Estimated professional expenses	70	30	Immediate	40	57%
	<u>5,281</u>	<u>340</u>		<u>4,941</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.

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.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

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 crediting the following expenses/(income):

	INDIVIDUAL QUARTER		CUMULATIVE	
	30.06.2023	30.06.2022	YEAR ENDED 30.06.2023	YEAR ENDED 30.06.2022
	RM'000	RM'000	RM'000	RM'000
Bad debts written off	4,373	-	7,943	101
Depreciation of property, plant and equipment	359	628	2,200	2,091
Depreciation of right of use assets	48	226	219	459
Discount received from lease liabilities	-	-	24	13
Gain on disposal of subsidiaries	-	-	(3,976)	-
Impairment loss on trade receivables	-	450	-	450
Interest income	(128)	(134)	(497)	(614)
Interest expense	3	12	23	55
Written off of goodwill	60	1,041	60	1,041
Unwinding of discount of trade receivables	-	-	-	43
Waiver of debts	158	-	867	-
Loss on disposal of property, plant and equipment	-	-	3,798	-
Property, plant and equipment written off	-	30	6	848

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

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)
B11 Basic 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	
	30.06.2023	30.06.2022	YEAR ENDED 30.06.2023	YEAR ENDED 30.06.2022
	RM'000	RM'000	RM'000	RM'000
Net loss attributable to the owners of the Company	(5,216)	(2,114)	(12,099)	(5,775)
Weighted average number of shares in issue ('000)	1,136,709	1,135,709	1,136,709	1,135,709
Basic loss per share (sen)	(0.46)	(0.19)	(1.06)	(0.51)

B12 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 28 August 2023.

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