

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30.09.2023 RM'000	Quarter Ended 30.09.2022 RM'000	Period Ended 30.09.2023 RM'000	Period Ended 30.09.2022 RM'000
Revenue	3,871	6,264	3,871	6,264
Cost of sales	(2,604)	(5,601)	(2,604)	(5,601)
Gross profit	1,267	663	1,267	663
Other income	266	4,014	266	4,014
Administrative expenses	(1,709)	(2,679)	(1,709)	(2,679)
(Loss)/profit from operations	(176)	1,998	(176)	1,998
Finance costs	(10)	(13)	(10)	(13)
(Loss)/profit before taxation	(186)	1,985	(186)	1,985
Taxation	-	-	-	-
(Loss)/profit after taxation	(186)	1,985	(186)	1,985
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/profit for the period	(186)	1,985	(186)	1,985
(Loss)/profit per share attributable to the owners of the Company (sen) :-				
Basic (loss)/profit per share (sen)	(0.02)	0.17	(0.02)	0.17
Diluted (loss)/profit per share (sen)	N/A	N/A	N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30.09.2023 (Unaudited) RM'000	AS AT 30.06.2023 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,508	5,888
Right of use assets	109	152
Other investment	3,083	-
Trade receivables	-	439
	8,700	6,479
Current assets		
Receivables, deposits and prepayments	19,886	21,386
Tax recoverable	700	542
Cash and cash equivalents	26,269	13,711
Deposit with licensed bank	7,129	12,298
	53,984	47,937
TOTAL ASSETS	62,684	54,416
EQUITY AND LIABILITIES		
Share capital	87,762	87,762
Accumulated losses	(37,512)	(37,326)
Equity attributable to owners of the parent	50,250	50,436
Non-controlling interests	-	-
TOTAL EQUITY	50,250	50,436
Non-current liabilities		
Lease liabilities	83	41
Deferred taxation	29	28
	112	69
Current liabilities		
Trade and other payables	8,867	2,890
Contract liabilities	3,421	899
Lease liabilities	34	123
	12,322	3,912
TOTAL LIABILITIES	12,434	3,981
TOTAL EQUITY AND LIABILITIES	62,684	54,416
Net assets per share attributable to the owners of the parent (RM)	0.04	0.06

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 2023 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 2023	87,762	(37,326)	-	50,436
Total comprehensive loss for the financial year	-	(186)	-	(186)
Balance as of 30 September 2023	87,762	(37,512)	-	50,250

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 2022	87,762	(24,999)	(892)	61,871
Total comprehensive loss for the financial year	-	(12,327)	-	(12,327)
Disposal of subsidiaries	-	-	892	892
Balance as of 30 June 2023	87,762	37,326	-	50,436

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 2023 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	CUMULATIVE QUARTER	
	30.09.2023	30.09.2022
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(186)	1,985
Adjustments for:-		
Depreciation of property, plant and equipment	380	832
Depreciation of right of use assets	43	86
Fair value gain on other investment	(83)	
Gain on disposal of subsidiaries	-	(3,976)
Interest income	(163)	(67)
Interest expense	3	12
Property, plant and equipment written off	-	2
Operating loss before working capital changes	(6)	(1,126)
Changes in working capital:		
Contract liabilities	2,522	1,297
Inventories	-	574
Payables and accruals	5,978	4,583
Receivables, deposits and prepayments	1,939	(5,355)
	10,439	1,099
Cash generated from/(used in) operations	10,433	(27)
Interest received	163	67
Interest paid	(3)	(12)
Tax paid	(158)	(81)
	2	(26)
Net cash generated from/(used in) operating activities	10,435	(53)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of other investment	(3,000)	-
Disposal of subsidiaries, net of cash disposed of	-	(1,163)
Purchase of property, plant and equipment	-	(9)
Proceeds from disposal of subsidiaries	-	101
Net cash used in investing activities	(3,000)	(1,071)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net lease liability	(46)	(85)
Net cash used in financing activities	(46)	(85)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,389	(1,209)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	26,009	30,859
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	33,398	29,650

	CUMULATIVE	
	30.09.2023	30.09.2022
	RM'000	RM'000
Cash and cash equivalents comprise:-		
Deposits pledged with bank	100	100
Short term deposits with financial institutions	7,129	10,257
Cash and bank balances	26,169	19,293
	<u>33,398</u>	<u>29,650</u>

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 2023 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 2023.

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 2023.

The significant accounting policies adopted are consistent with those of the audited financial statements financial year ended 30 June 2023.

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 2023 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.

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 2023 are as follows:-

	Event Management	Digital & Media Management	Financial Solutions	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External sales	2,509	1,171	168	23	3,871
Gross profit	69	1,031	148	19	1,267
(Loss)/profit before taxation	(929)	935	127	(319)	(186)

The Group's revenue decreased significantly as compared to the corresponding quarter in previous year mainly due to the event management segment. On the contrary, the business under the digital and media management segment has been gradually established.

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

Sales revenue by division to external parties for the quarter ended 30 September 2022 are as follows:-

	Event Management	Digital & Media Management	Financial Solutions	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External sales	4,981	305	374	604	6,264
Gross profit/(loss)	194	97	374	(2)	663
(Loss)/profit before taxation	(758)	(26)	394	2,375	1,985

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	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Key management personnel compensation:				
Short-term employee benefit	166	125	166	125
Services to related parties				
Provision of event management	697	1,777	697	1,777
Provision of digital and media management	188	298	188	298
Warehouse rental and transportation	-	39	-	39
Sales and purchase of mobile phones and telecommunication services	-	1	-	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 2023.

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 2023.

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
	30.09.2023	30.09.2022	+ / (-)	30.09.2023	30.09.2022	+ / (-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	3,871	6,264	(38%)	3,871	6,264	(38%)
(Loss)/profit from operations	(176)	1,998	(109%)	(176)	1,998	(109%)
(Loss)/profit before taxation	(186)	1,985	(109%)	(186)	1,985	(109%)
(Loss)/profit after taxation	(186)	1,985	(109%)	(186)	1,985	(109%)

The Group recorded a revenue of RM3.87 million for the first quarter ended 30 September 2023 ("Q1 FY2024"), which is lower as compared to the corresponding quarter in previous year ended 30 September 2022 ("Q1 FY2023") due to a lower revenue generated under the event management segment.

The Group recorded a loss after taxation of RM0.19 million for Q1 FY2024, which was 109% lower than Q1 FY2023's profit after taxation of RM1.99 million mainly due to the gain on disposal of subsidiaries in Q1 FY2023.

B2 Performance of the current quarter against the immediate preceding quarter

	Current Quarter	Immediate Preceding Quarter	Changes	
	30.09.2023	30.06.2023	RM'000	%
	RM'000	RM'000		
Revenue	3,871	738	3,133	425
Loss from operations	(176)	(5,211)	5,036	(97)
Loss before taxation	(186)	(5,216)	5,031	(96)
Loss after taxation	(186)	(5,216)	5,031	(96)

For Q1 FY2024, the Group recorded a revenue of RM3.87 million, representing an increase of 425% compared to the fourth quarter ended 30 June 2023 ("Q4 FY2023"). The Group's higher revenue was mainly contributed by a higher revenue recorded in the event management sector while the loss after taxation for Q1 FY2024 has improved compared to Q4 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 raising brand awareness and activating a series of marketing activities for our clients. We facilitate any partnership between the brands and event organisers, ensuring all aspects of the agreed marketing activities are properly executed, from online 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
	30.09.2023	30.09.2022
	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% (2023: 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	Revised	Balance unutilised	
	utilisation	utilisation	timeframe for	RM'000	%
	RM'000	RM'000	utilisation		
Purchase of equipment for the event management segment	13,705	9,519	Within 42 months	4,186	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>22,853</u>		<u>4,186</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.

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.

On 30 August 2023, the Board had resolved to further extend the timeframe for another additional twelve (12) months to use the Unutilised Proceeds.

This extension for using the remaining Unutilised Proceeds will be until 31 August 2024 (“Revised Time Frame”) in order to give the Group more time to use the Unutilised Proceeds 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	Balance unutilised	
	utilisation	utilisation	timeframe for	RM'000	%
	RM'000	RM'000	utilisation		
Setting up of digital media platform	5,211	448	Within 36 months	4,763	91%
Estimated professional expenses	70	30	Immediate	40	57%
	<u>5,281</u>	<u>478</u>		<u>4,803</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 period under review.

B8 Changes in Material Litigation

There is no material litigation for the financial period under review.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)
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 QUARTER	
	30.09.2023	30.09.2022	PERIOD ENDED 30.09.2023	PERIOD ENDED 30.09.2022
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	380	832	380	832
Depreciation of right of use assets	43	86	43	86
Fair value gain on other investment	(83)	-	(83)	-
Gain on disposal of subsidiaries	-	(3,976)	-	(3,976)
Interest income	(163)	(67)	(163)	(67)
Interest expense	3	12	3	12
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 QUARTER	
	30.09.2023	30.09.2022	PERIOD ENDED 30.09.2023	PERIOD ENDED 30.09.2022
	RM'000	RM'000	RM'000	RM'000
Net (loss)/profit attributable to the owners of the Company	(186)	1,985	(186)	1,985
Weighted average number of shares in issue ('000)	1,135,709	1,135,709	1,135,709	1,135,709
Basic (loss)/profit per share (sen)	(0.02)	0.17	(0.02)	0.17

B12 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 27 November 2023.