

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended	Quarter Ended	Period Ended	Period Ended
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Revenue	1,435	6,202	5,306	12,466
Cost of sales	(1,796)	(5,910)	(4,420)	(11,511)
Gross (loss)/profit	(361)	292	886	955
Other income	792	248	975	4,262
Administrative expenses	(1,621)	(1,701)	(3,311)	(4,382)
Other expenses	(42)	(3,798)	(42)	(3,798)
Loss from operations	(1,232)	(4,959)	(1,492)	(2,963)
Finance costs	(6)	(4)	(16)	(17)
Loss before taxation	(1,238)	(4,963)	(1,508)	(2,980)
Taxation	-	-	-	-
Loss after taxation	(1,238)	(4,963)	(1,508)	(2,980)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(1,238)	(4,963)	(1,508)	(2,980)
Loss per share attributable to the owners of the Company (sen) :-				
Basic loss per share (sen)	(0.11)	(0.44)	(0.13)	(0.26)
Diluted loss per share (sen)	N/A	N/A	N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31.12.2023 (Unaudited) RM'000	AS AT 30.06.2023 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,101	5,888
Right of use assets	66	152
Other investment	3,667	-
Trade receivables	439	439
	9,273	6,479
Current assets		
Receivables, deposits and prepayments	28,228	21,386
Tax recoverable	793	542
Cash and cash equivalents	17,026	13,711
Deposit with licensed bank	7,129	12,298
	53,176	47,937
TOTAL ASSETS	62,449	54,416
EQUITY AND LIABILITIES		
Share capital	87,762	87,762
Accumulated losses	(38,834)	(37,326)
Equity attributable to owners of the parent	48,928	50,436
Non-controlling interests	-	-
TOTAL EQUITY	48,928	50,436
Non-current liabilities		
Lease liabilities	46	41
Deferred taxation	29	28
	75	69
Current liabilities		
Trade and other payables	9,818	2,890
Contract liabilities	3,604	899
Lease liabilities	24	123
	13,446	3,912
TOTAL LIABILITIES	13,521	3,981
TOTAL EQUITY AND LIABILITIES	62,449	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	Accumulated Losses	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000
Balance as of 1 July 2023	87,762	(37,326)	-	50,436
Total comprehensive loss for the financial period	-	(1,508)	-	(1,508)
Balance as of 31 December 2023	87,762	(38,834)	-	48,928

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
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	
	31.12.2023	31.12.2022
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(1,508)	(2,980)
Adjustments for:-		
Depreciation of property, plant and equipment	746	1,501
Depreciation of right of use assets	86	122
Discount received from lease liabilities	-	2
Fair value gain on other investment	(667)	-
Gain on disposal of subsidiaries	-	(3,976)
Interest income	(243)	(192)
Interest expense	5	15
Loss on disposal of property, plant and equipment	-	3,798
Property, plant and equipment written off	41	-
Operating loss before working capital changes	(1,540)	(1,710)
Changes in working capital:		
Contract liabilities	2,705	11,717
Inventories	-	574
Payables and accruals	6,928	1,622
Receivables, deposits and prepayments	(6,841)	(11,582)
	2,792	2,331
Cash generated from operations	1,252	621
Interest received	243	192
Interest paid	(5)	(15)
Tax paid	(251)	(137)
	(13)	40
Net cash generated from operating activities	1,239	661
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of subsidiaries, net of cash disposed of	-	(1,163)
Investment in other investment	(3,000)	-
Proceeds from disposal of subsidiaries	-	101
Purchase of PPE	-	(8)
Sales proceeds from disposal of PPE	-	1,873
Net cash (used in)/from investing activities	(3,000)	803
CASH FLOWS FROM FINANCING ACTIVITIES		
Net lease liability	(93)	(124)
Net cash used in financing activities	(93)	(124)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,854)	1,340
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	24,155	32,199

	CUMULATIVE	
	31.12.2023	31.12.2022
	RM'000	RM'000
Cash and cash equivalents comprise:-		
Deposits pledged with bank	100	200
Short term deposits with financial institutions	7,129	10,317
Cash and bank balances	16,926	21,682
	<u>24,155</u>	<u>32,199</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. Dividend 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 31 December 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	435	735	265	-	1,435
Gross profit/(loss)	18	(604)	227	(2)	(361)
(Loss)/profit before taxation	(913)	(61)	233	(497)	(1,238)

The Group's revenue decreased significantly as compared to the corresponding quarter in previous year mainly due to the event, digital and media management segments.

The Group has captured a lower loss before taxation this quarter as compared to the corresponding quarter in previous year mainly due to the loss on disposal of property, plant and equipment recorded in the corresponding quarter in previous year.

Sales revenue by division to external parties for the quarter ended 31 December 2022 are as follows:-

	Event Management	Retail & Distribution Management	Digital & Media Management	Financial Solutions	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External sales	3,580	-	2,568	54	-	6,202
Gross (loss)/profit	(73)	-	311	54	-	292
(Loss)/profit before taxation	(4,943)	(4)	170	18	(204)	(4,963)

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	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Key management personnel compensation:				
Short-term employee benefit	102	74	205	148
Services to related parties				
Provision of event management	-	73	697	1,850
Provision of digital and media management	735	2,173	923	2,471
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 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
	31.12.2023	31.12.2022	+ / (-)	31.12.2023	31.12.2022	+ / (-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	1,435	6,202	(77%)	5,306	12,466	(57%)
Loss from operations	(1,232)	(4,959)	(75%)	(1,492)	(2,963)	(50%)
Loss before taxation	(1,238)	(4,963)	(75%)	(1,508)	(2,980)	(49%)
Loss after taxation	(1,238)	(4,963)	(75%)	(1,508)	(2,980)	(49%)

The Group recorded a revenue of RM1.44 million for the second quarter ended 31 December 2023 ("Q2 FY2024"), which is lower as compared to the corresponding quarter in previous year ended 31 December 2023 ("Q2 FY2023") mainly due to a lower revenue generated under the event, digital and media management segments.

The Group recorded a lower loss after taxation of RM1.24 million for Q2 FY2024, which was 75% lower than Q2 FY2023's loss after taxation of RM4.96 million mainly due to the loss on disposal of properties, plant and equipment recorded in Q2 FY2023.

B2 Performance of the current quarter against the immediate preceding quarter

	Current Quarter	Immediate Preceding Quarter	Changes	
	31.12.2023	30.09.2023	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	1,435	3,871	(2,436)	(63%)
Loss from operations	(1,232)	(176)	(1,056)	600%
Loss before taxation	(1,238)	(186)	(1,052)	566%
Loss after taxation	(1,238)	(186)	(1,052)	566%

For Q2 FY2024, the Group recorded a revenue of RM1.44 million, representing a decrease of 63% compared to the first quarter ended 30 September 2023 ("Q1 FY2024"). The Group's lower revenue was mainly contributed by a lower revenue recorded in the event management sector while we incurred a further loss after taxation for Q2 FY2024 compared to Q1 FY2024 due to lower gross profit generated in the current quarter under review.

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
	31.12.2023	31.12.2022
	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	467	Within 36 months	4,744	91%
Estimated professional expenses	70	30	Immediate	40	57%
	<u>5,281</u>	<u>497</u>		<u>4,784</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	
	31.12.2023	31.12.2022	PERIOD ENDED 31.12.2023	PERIOD ENDED 31.12.2022
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	366	670	746	1,501
Depreciation of right of use assets	43	36	86	122
Fair value gain on other investment	(667)	-	(667)	-
Gain on disposal of subsidiaries	-	-	-	(3,976)
Interest income	(80)	(125)	(243)	(192)
Interest expense	2	3	5	15
Loss on disposal of property, plant and equipment	-	3,798	-	3,798
Property, plant and equipment written off	-	-	41	-

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	
	31.12.2023	31.12.2022	PERIOD ENDED 31.12.2023	PERIOD ENDED 31.12.2022
	RM'000	RM'000	RM'000	RM'000
Net loss attributable to the owners of the Company	(1,238)	(4,963)	(1,508)	(2,980)
Weighted average number of shares in issue ('000)	1,135,709	1,135,709	1,135,709	1,135,709
Basic loss per share (sen)	(0.11)	(0.44)	(0.13)	(0.26)

B12 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 27 February 2024.