

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter Ended	Quarter Ended	Year Ended	Year Ended
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Revenue	1,068	738	8,902	27,704
Cost of sales	(6)	(690)	(6,721)	(24,811)
Gross profit	1,062	48	2,181	2,893
Other income	186	386	1,506	4,820
Administrative expenses	(1,625)	(1,212)	(6,560)	(7,832)
Other expenses	(4,793)	(4,433)	(4,834)	(11,801)
Loss from operations	(5,170)	(5,211)	(7,707)	(11,920)
Finance costs	(9)	(5)	(37)	(134)
Loss before taxation	(5,179)	(5,216)	(7,744)	(12,054)
Taxation	(105)	-	(105)	(45)
Loss after taxation	(5,284)	(5,216)	(7,849)	(12,099)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(5,284)	(5,216)	(7,849)	(12,099)
Loss per share attributable to the owners of the Company (sen) :-				
Basic loss per share (sen)	(0.47)	(0.46)	(0.69)	(1.06)
Diluted loss per share (sen)	N/A	N/A	N/A	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30.06.2024 (Unaudited) RM'000	AS AT 30.06.2023 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,369	5,888
Right of use assets	343	152
Trade receivables	7,691	439
	12,403	6,479
Current assets		
Inventories	363	-
Investment in quoted share	6,603	-
Receivables, deposits and prepayments	18,952	21,386
Tax recoverable	760	542
Cash and cash equivalents	6,174	13,711
Deposit with licensed bank	9,341	12,298
	42,193	47,937
TOTAL ASSETS	54,596	54,416
EQUITY AND LIABILITIES		
Share capital	87,762	87,762
Accumulated losses	(45,175)	(37,326)
TOTAL EQUITY	42,587	50,436
Non-current liabilities		
Lease liabilities	100	41
Deferred taxation	1	28
	101	69
Current liabilities		
Trade and other payables	1,507	2,889
Contract liabilities	10,152	899
Lease liabilities	249	123
	11,908	3,911
TOTAL LIABILITIES	12,009	3,980
TOTAL EQUITY AND LIABILITIES	54,596	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	-	(7,849)	-	(7,849)
Balance as of 30 June 2024	87,762	(45,175)	-	42,587

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)
Transaction with the owners:-				
Elimination of non-controlling interest at disposal of subsidiary	-	-	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	
	30.06.2024	30.06.2023
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(7,744)	(12,054)
Adjustments for:-		
Bad debts written off	-	7,943
Depreciation of property, plant and equipment	1,478	2,200
Depreciation of right of use assets	210	219
Discount received from lease liabilities	-	24
Fair value gain on other investment	(421)	-
Gain on disposal of subsidiaries	-	(3,976)
Goodwill written off	-	60
Impairment loss on trade receivables	3,960	-
Income from derecognition of right of use assets and lease liabilities	-	(22)
Interest income	(551)	(497)
Interest expense	14	23
Loss on disposal of property, plant and equipment	-	3,798
Property, plant and equipment written off	41	6
Unwinding of discounts of trade receivable	772	-
Waiver of debts	-	867
Operating loss before working capital changes	(2,241)	(1,409)
Changes in working capital:		
Contract liabilities	9,253	899
Inventories	(363)	574
Payables and accruals	(1,383)	658
Receivables, deposits and prepayments	(9,549)	(5,701)
	(2,042)	(3,570)
Cash used in operations	(4,283)	(4,979)
Interest received	551	497
Interest paid	(14)	(23)
Tax paid	(351)	(463)
	186	11
Net cash used in operating activities	(4,097)	(4,968)
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of subsidiaries, net of cash disposed of	-	(1,162)
Investment in other investments	(6,181)	-
Proceed from disposal of subsidiaries	-	101
Proceeds from disposal of property, plant and equipment	-	1,873
Purchase of property, plant and equipment	-	(572)
Net cash (used in)/generated from investing activities	(6,181)	240
CASH FLOWS FROM FINANCING ACTIVITIES		
Net lease liability	(216)	(247)
Net cash used in financing activities	(216)	(247)

	CUMULATIVE	
	30.06.2024	30.06.2023
	RM'000	RM'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,494)	(4,975)
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	15,515	25,884
Cash and cash equivalents comprise:-		
Deposits pledged with bank	100	100
Short term deposits with financial institutions	9,341	12,095
Cash and bank balances	6,074	13,689
	15,515	25,884

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 (“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

For management purposes, the Group is organised into business units based on the nature of products and services and has three reportable segments as follows:

- i. Event management which includes event and concert management as well as ticketing solutions;
- ii. Digital and media management; and
- iii. Financial solutions.

Other reporting segments that do not constitute reportable segments comprise operations related to investment holdings, provision of car jockey services, restaurant operator and trading.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Sales revenue by division to external parties for the quarter ended 30 June 2024 are as follows:-

	Event Management RM'000	Digital & Media Management RM'000	Financial Solutions RM'000	Others RM'000	Consolidated RM'000
Revenue					
External sales	233	240	588	7	1,068
Gross profit/(loss)	489	(2)	559	16	1,062
Loss before taxation	(820)	(1,015)	(2,738)	(606)	(5,179)

The Group's revenue had a slight increased as compared to the corresponding quarter in previous year mainly due to the financial solutions segment.

The Group had a lower loss before taxation this quarter as compared to the corresponding quarter in previous year in view of the bad debts written off captured in the corresponding quarter in previous year.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

Sales revenue by division to external parties for the quarter ended 30 June 2023 are as follows:-

	Event Management RM'000	Digital & Media Management RM'000	Financial Solutions RM'000	Others RM'000	Consolidated RM'000
Revenue					
External sales	(382)	1,041	79	-	738
Gross (loss)/profit	(142)	111	79	-	48
Loss before taxation	(821)	(20)	35	(4,410)	(5,216)

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 people who have 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	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Key management personnel compensation:				
Short-term employee benefit	163	80	456	358
Services to related parties				
Provision of event management	-	-	75	1,850
Provision of digital and media management	238	1,041	760	4,902
Warehouse rental and transportation	-	-	-	39
Sales and purchase of mobile phones and telecommunication services	-	-	-	1

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)**A12. Other investments**

The details of other investments during the quarter under review are as follows:

Investment in quoted shares	As of 30 June 2024
	RM'000
Market value	6,603

A13. 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.

A14. 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.

A15. 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.

A16. Changes in the Composition of the Group

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

A17. Capital Commitments

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

This page has been intentionally left blank.

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
	30.06.2024	30.06.2023	+ / (-)	30.06.2024	30.06.2023	+ / (-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	1,068	738	45%	8,902	27,704	(68%)
Loss from operations	(5,170)	(5,211)	(1%)	(7,707)	(11,920)	(35%)
Loss before taxation	(5,179)	(5,216)	(1%)	(7,744)	(12,054)	(36%)
Loss after taxation	(5,284)	(5,216)	1%	(7,849)	(12,099)	(35%)

The Group recorded a revenue of RM1.07 million for the fourth quarter ended 30 June 2024 ("Q4 FY2024"), which is higher as compared to the corresponding quarter in previous year ended 30 June 2023 ("Q4 FY2023") due to an increase in revenue under the financial solutions segment.

The Group recorded a loss after taxation of RM5.18 million for Q4 FY2024, which was 1% lower than Q4 FY2023's loss after taxation of RM5.22 million.

B2 Performance of the current quarter against the immediate preceding quarter

	Current Quarter	Immediate Preceding Quarter	Changes	
	30.06.2024	31.03.2024	RM'000	%
	RM'000	RM'000		
Revenue	1,068	2,528	(1,460)	(58%)
Loss from operations	(5,170)	(1,046)	(4,124)	394%
Loss before taxation	(5,179)	(1,058)	(4,121)	390%
Loss after taxation	(5,284)	(1,058)	(4,226)	399%

For Q4 FY2024, the Group recorded a revenue of RM1.07 million, representing a decrease of 58% compared to the third quarter ended 31 March 2024 ("Q3 FY2024"). 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 FY2024 has increased compared to Q3 FY2024 due to impairment loss on trade receivables recorded in Q4 FY2024.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

B3 Future prospects

The Group has encountered several ongoing challenges in the event industry, particularly the concert management which include but not limited to the following:

- a. Consistently sourcing for a sustainable business model, securing funding, and rebuilding audience trust are ongoing priorities in this industry;
- b. The availability of artists for touring and live performances may be affected by scheduling conflicts or changes in touring preferences. This can impact the lineup and pricing of concerts, as well as competition among venues and promoters for top talent;
- c. Compliance with evolving regulations, including health and safety protocols and tax requirements etc; and
- d. The concert industry faces increasing pressure to address its environmental footprint and adopt sustainable practices. Reducing energy consumption, waste generation and carbon emissions at events requires investment in eco-friendly technologies and practices.

The Group will thus be shifting its focus to organising more events that we eventually will own the intellectual property associates with the event concept, brand and content. We will explore more corporate events such as product launches, clients’ appreciation events and etc.

As we move forward, we will continue to expand and innovate the digital and media management as well as the financial solutions segment, ensuring that we remain at the forefront of facilitating economic activities.

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 30.06.2024 RM'000	Year Ended 30.06.2023 RM'000
Based on the results for the current year:-		
Tax expense	(105)	(45)

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>22,852</u>		<u>4,186</u>	

The Board had on, 8 September 2022 announced the proceeds had been fully utilised save for an amount of RM4.186 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	1,273	Within 36 months	3,938	76%
Estimated professional expenses	70	30	Immediate	40	57%
	<u>5,281</u>	<u>1,303</u>		<u>3,978</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.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)
B8 Changes in Material Litigation

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

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	
	30.06.2024	30.06.2023	YEAR ENDED 30.06.2024	YEAR ENDED 30.06.2023
	RM'000	RM'000	RM'000	RM'000
Bad debts written off	-	4,373	-	7,943
Depreciation of property, plant and equipment	363	359	1,478	2,200
Depreciation of right of use assets	78	48	210	219
Discount received from lease liabilities	-	-	-	24
Fair value gain on other investment	(382)	-	(421)	-
Gain on disposal of subsidiaries	-	-	-	(3,976)
Goodwill written off	-	60	-	60
Impairment loss on trade receivables	3,960	-	3,960	-
Interest income	(119)	(128)	(551)	(497)
Interest expense	6	3	14	23
Loss on disposal of property, plant and equipment	-	-	-	3,798
Property, plant and equipment written off	-	-	41	6
Unwinding of discounts of trade receivable	772	-	772	-
Waiver of debts	-	158	-	867

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	
	30.06.2024	30.06.2023	YEAR ENDED 30.06.2024	YEAR ENDED 30.06.2023
	RM'000	RM'000	RM'000	RM'000
Net loss attributable to the owners of the Company	(5,284)	(5,216)	(7,849)	(12,099)
Weighted average number of shares in issue ('000)	1,135,709	1,136,709	1,135,709	1,136,709
Basic loss per share (sen)	(0.47)	(0.46)	(0.69)	(1.06)

B12 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 28 August 2024.

This page has been intentionally left blank.