

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter Ended	Quarter Ended	Year Ended	Year Ended
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Revenue	3,504	3,871	3,504	3,871
Cost of sales	(3,365)	(2,604)	(3,365)	(2,604)
Gross profit	139	1,267	139	1,267
Other income	(742)	266	(742)	266
Administrative expenses	(1,432)	(1,709)	(1,432)	(1,709)
Loss from operations	(2,035)	(176)	(2,035)	(176)
Finance costs	(10)	(10)	(10)	(10)
Loss before taxation	(2,045)	(186)	(2,045)	(186)
Taxation	-	-	-	-
Loss after taxation	(2,045)	(186)	(2,045)	(186)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(2,045)	(186)	(2,045)	(186)
Loss per share attributable to the owners of the Company (sen) :-				
Basic loss per share (sen)	(0.18)	(0.02)	(0.18)	(0.02)
Diluted loss per share (sen)	N/A	N/A	N/A	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30.09.2024 (Unaudited) RM'000	AS AT 30.06.2024 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,318	4,369
Right of use assets	264	342
Trade receivables	4,095	4,095
	8,677	8,806
Current assets		
Inventories	362	363
Investment in quoted share	7,734	6,603
Receivables, deposits and prepayments	19,193	22,286
Tax recoverable	793	725
Cash and cash equivalents	4,678	5,996
Deposit with licensed bank	10,425	9,549
	43,185	45,522
TOTAL ASSETS	51,862	54,328
EQUITY AND LIABILITIES		
Share capital	87,762	87,762
Accumulated losses	(47,014)	(44,969)
TOTAL EQUITY	40,748	42,793
Non-current liabilities		
Lease liabilities	142	100
	142	100
Current liabilities		
Trade and other payables	1,103	1,096
Contract liabilities	9,741	10,090
Lease liabilities	128	249
	10,972	11,435
TOTAL LIABILITIES	11,114	11,535
TOTAL EQUITY AND LIABILITIES	51,862	54,328
Net assets per share attributable to the owners of the parent (RM)	0.04	0.04

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 2024 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	Total Equity
	RM'000	RM'000	RM'000
Balance as of 1 July 2024	87,762	(44,969)	42,793
Total comprehensive loss for the financial year	-	(2,045)	(2,045)
Balance as of 30 Sept 2024	87,762	(47,014)	40,748

AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Parent		
	Share Capital	Accumulated Losses	Total Equity
	RM'000	RM'000	RM'000
Balance as of 1 July 2023	87,762	(37,326)	50,436
Total comprehensive loss for the financial year	-	(7,643)	(7,643)
Balance as of 30 June 2024	87,762	(44,969)	42,793

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 2024 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	CUMULATIVE	
	30.09.2024	30.09.2023
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(2,045)	(186)
Adjustments for:-		
Depreciation of property, plant and equipment	375	380
Depreciation of right of use assets	78	43
Fair value loss/(gain) on other investment	869	(83)
Interest income	(85)	(163)
Interest expense	5	3
Operating loss before working capital changes	(803)	(6)
Changes in working capital:		
Contract liabilities	(379)	2,522
Inventories	1	-
Pavables and accruals	36	5,978
Receivables, deposits and prepayments	3,122	1,939
	2,780	10,439
Cash generated from operations	1,977	10,433
Interest received	85	163
Interest paid	(5)	(3)
Tax paid	(68)	(158)
	12	2
Net cash generated from operating activities	1,989	10,435
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of other investment	(2,000)	(3,000)
Purchase of property, plant and equipment	(323)	-
Net cash used in investing activities	(2,323)	(3,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net lease liability	(78)	(46)
Net cash used in financing activities	(78)	(46)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(412)	7,389
CASH AND CASH EQUIVALENTS AT THE		
BEGINNING OF THE FINANCIAL YEAR	15,515	26,009
CASH AND CASH EQUIVALENTS AT THE END		
OF THE FINANCIAL YEAR	15,103	33,398
Cash and cash equivalents comprise:-		
Deposits pledged with bank	100	100
Short term deposits with financial institutions	10,425	7,129
Cash and bank balances	4,578	26,169
	15,103	33,398

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 2024 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 2024 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 2024.

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 2024.

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2024.

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 2024 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 management and 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 September 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	2,526	526	451	1	3,504
Gross (loss)/profit	(330)	30	439	-	139
(Loss)/profit before taxation	(1,205)	(4)	317	(1,153)	(2,045)

The Group's revenue had a slight decrease as compared to the corresponding quarter in previous year mainly due to the decrease in revenue under the digital and media management segment.

The Group had a higher loss before taxation this quarter as compared to the corresponding quarter in previous year in view of a fair value loss in other investments being recognised during the quarter under review.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

Sales revenue by division to external parties for the quarter ended 30 September 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	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)

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	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Key management personnel compensation:				
Short-term employee benefit	153	166	153	166
Services to related parties				
Provision of event management	214	697	214	697
Provision of digital and media management	-	188	-	188

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 September 2024	
		RM'000
Market value		7,734

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 2024.

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 2024.

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.

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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
	30.09.2024	30.09.2023	+ / (-)	30.09.2024	30.09.2023	+ / (-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	3,504	3,871	(9%)	3,504	3,871	(9%)
Loss from operations	(2,035)	(176)	1056%	(2,035)	(176)	1056%
Loss before taxation	(2,045)	(186)	999%	(2,045)	(186)	999%
Loss after taxation	(2,045)	(186)	999%	(2,045)	(186)	999%

The Group recorded a revenue of RM3.50 million for the first quarter ended 30 September 2024 ("Q1 FY2025"), which is slightly lower as compared to the corresponding quarter in previous year ended 30 September 2023 ("Q1 FY2024") due to a decrease in revenue under the digital and media management segment.

The Group recorded a loss after taxation of RM2.05 million for Q1 FY2025, which was 999% higher than Q1 FY2023's loss after taxation of RM0.19 million due to fair value loss on other investments being recognised during the quarter under review.

B2 Performance of the current quarter against the immediate preceding quarter

	Current Quarter	Immediate Preceding Quarter	Changes	
	30.09.2024	30.06.2024	RM'000	%
	RM'000	RM'000		
Revenue	3,504	1,068	2,436	228%
Loss from operations	(2,035)	(5,170)	3,135	(61%)
Loss before taxation	(2,045)	(5,179)	3,134	(61%)
Loss after taxation	(2,045)	(5,284)	3,239	(61%)

For Q1 FY2025, the Group recorded a revenue of RM3.50 million, representing an increase of 228% compared to the fourth quarter ended 30 June 2024 ("Q4 FY2024"). 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 FY2025 has decreased compared to Q4 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 30.09.2024 RM'000	Year Ended 30.09.2023 RM'000
Based on the results for the current year:-		
Tax expense	-	-

Income tax is calculated at the Malaysian statutory tax rate of 24% (2024: 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	10,673	Within 42 months	3,033	22%
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>24,006</u>		<u>3,033</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 until 31 August 2024 to use the Unutilised Proceeds.

The Group has chosen to be prudent and not compete with the flurry of events and concerts that have led to an oversupply and underbooking, hence on 30 August 2024, the Board has resolved to a further extension of time until 31 August 2025 to provide additional time for the Group to utilise the balance proceeds 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	Balance unutilised	
	utilisation	utilisation	timeframe for	RM'000	%
	RM'000	RM'000	utilisation		
Setting up of digital media platform	5,211	1,459	Within 36 months	3,752	72%
Estimated professional expenses	70	30	Immediate	40	57%
	<u>5,281</u>	<u>1,489</u>		<u>3,792</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	
	30.09.2024	30.09.2023	YEAR ENDED 30.09.2024	YEAR ENDED 30.09.2023
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	375	380	375	380
Depreciation of right of use assets	78	43	78	43
Fair value loss/(gain) on other investment	869	(83)	869	(83)
Interest income	(85)	(163)	(85)	(163)
Interest expense	5	3	5	3

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 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	
	30.09.2024	30.09.2023	YEAR ENDED 30.09.2024	YEAR ENDED 30.09.2023
	RM'000	RM'000	RM'000	RM'000
Net loss attributable to the owners of the Company	(2,045)	(186)	(2,045)	(186)
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)	(0.18)	(0.02)	(0.18)	(0.02)

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)**B12 Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors on 29 November 2024.

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