

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter Ended	Quarter Ended	Year Ended	Year Ended
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	12,381	11,441	17,922	16,546
Cost of sales	(11,501)	(9,877)	(16,408)	(15,014)
<b>Gross profit</b>	880	1,564	1,514	1,532
Other income	182	13	475	66
Administrative expenses	(2,605)	(1,723)	(4,166)	(3,496)
Other expenses	(709)	-	(709)	-
Loss from operations	(2,252)	(146)	(2,886)	(1,898)
Finance costs	(17)	-	(28)	-
<b>Loss before taxation</b>	(2,269)	(146)	(2,914)	(1,898)
Taxation	-	-	-	-
<b>Loss after taxation</b>	(2,269)	(146)	(2,914)	(1,898)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	(2,269)	(146)	(2,914)	(1,898)
<b>Loss attributable to:</b>				
Owners of the Parent	(2,264)	(83)	(2,906)	(1,669)
Non-controlling interests	(5)	(63)	(8)	(229)
	(2,269)	(146)	(2,914)	(1,898)
<b>Total comprehensive loss attributable to:</b>				
Owners of the Parent	(2,264)	(83)	(2,906)	(1,669)
Non-controlling interests	(5)	(63)	(8)	(229)
	(2,269)	(146)	(2,914)	(1,898)
<b>Loss per share attributable to the owners of the Company (sen) :-</b>				
Basic loss per share (sen)	(0.20)	(0.02)	(0.26)	(0.47)
Diluted loss per share (sen)	N/A	N/A	N/A	N/A

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	AS AT 31.12.2021 (Unaudited) RM'000	AS AT 30.06.2021 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	8,016	6,473
Goodwill arising from consolidation	1,100	1,100
Right of use assets	954	1,090
Trade receivables	9,002	9,002
	19,072	17,665
<b>Current assets</b>		
Inventories	1,540	3,975
Receivables, deposits and prepayments	13,204	6,077
Tax recoverable	257	186
Cash and cash equivalents	30,782	36,546
Deposit with licensed bank	10,098	10,045
	55,881	56,829
Assets held for sale	256	256
	56,137	57,085
<b>TOTAL ASSETS</b>	<b>75,209</b>	<b>74,750</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	87,761	82,480
Accumulated losses	(22,207)	(19,301)
<b>Equity attributable to owners of the parent</b>	<b>65,554</b>	<b>63,179</b>
Non-controlling interests	(880)	(872)
<b>TOTAL EQUITY</b>	<b>64,674</b>	<b>62,307</b>
<b>Non-current liabilities</b>		
Lease liabilities	371	695
	371	695
<b>Current liabilities</b>		
Trade and other payables	9,343	11,053
Contract liabilities	59	59
Lease liabilities	621	422
Tax payable	141	214
	10,164	11,748
<b>TOTAL LIABILITIES</b>	<b>10,535</b>	<b>12,443</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>75,209</b>	<b>74,750</b>
<b>Net assets per share attributable to the owners of the parent (RM)</b>	0.06	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 2021 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	Warrant Reserve	Accumulated Losses	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as of 1 July 2021</b>	82,480	-	(19,301)	(872)	62,307
Total comprehensive loss for the financial period	-	-	(2,906)	(8)	(2,914)
<b>Transaction with the owners:-</b>					
Private placement exercise	5,281	-	-	-	5,281
<b>Balance as of 31 December 2021</b>	87,761		(22,207)	(880)	64,674

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to owners of the Parent				
	Share Capital	Warrant Reserve	Accumulated Losses	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as of 1 July 2020</b>	50,976	8,401	(18,843)	(534)	40,000
Total comprehensive loss for the financial year	-	-	(8,859)	(338)	(9,197)
<b>Transaction with the owners:-</b>					
Warrants conversion exercise	4,466	(15)	15	-	4,466
Private placement exercise	27,038	-	-	-	27,038
Warrants expired	-	(8,386)	8,386	-	-
<b>Balance as of 30 June 2021</b>	82,480	-	(19,301)	(872)	62,307

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	CUMULATIVE	
	31.12.2021	31.12.2020
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Loss before taxation</b>	(2,914)	(1,898)
Adjustments for:-		
Depreciation of property, plant and equipment	931	1,047
Depreciation of right of use assets	157	-
Discount received from lease liabilities	13	-
Interest income	(343)	(97)
Interest expense	30	2
Loss on disposal of property, plant and equipment	(3)	-
Written off of property, plant and equipment	709	-
<b>Operating loss before working capital changes</b>	<b>(1,420)</b>	<b>(946)</b>
<b>Changes in working capital:</b>		
Inventories	2,435	(3,040)
Payables and accruals	(1,710)	9,687
Receivables, deposits and prepayments	(7,127)	8,592
	(6,402)	15,239
<b>Cash generated from operations</b>	<b>(7,822)</b>	<b>14,293</b>
Interest received	343	97
Interest paid	(30)	(2)
Tax paid	(149)	(54)
Tax refund	5	-
	169	41
<b>Net cash from/(used in) operating activities</b>	<b>(7,653)</b>	<b>14,334</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(3,181)	(55)
<b>Net cash used in investing activities</b>	<b>(3,181)</b>	<b>(55)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease liability	(158)	-
Proceeds from issuance of share capital	5,281	-
<b>Net cash from financing activities</b>	<b>5,123</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(5,711)</b>	<b>14,279</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>46,591</b>	<b>3,763</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>40,880</b>	<b>18,042</b>
<b>Cash and cash equivalents comprise:-</b>		
Deposits pledged with bank	100	-
Short term deposits with financial institutions	10,098	-
Cash and bank balances	30,682	18,042
	<b>40,880</b>	<b>18,042</b>

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 2021 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 2021 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 2021.

**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 2021.

The significant accounting policies adopted are consistent with those of the audited financial statements financial year ended 30 June 2021.

**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 2021 was not subject to any qualification.

**A4. Seasonal or cyclical factors**

The Group is subjected to the cyclical effects of the global and Malaysia technology industry.

**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 31 December 2021 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
<b>Revenue</b>						
External sales	1,199	10,593	380	209	-	12,381
Gross profit	241	248	182	209	-	880
(Loss)/profit before taxation	(1,194)	(400)	(201)	184	(658)	(2,269)

The Group's revenue increased as compared to the corresponding quarter in previous year was mainly due to the increase in revenue contributed by the ICT and financial solutions segment.

Nonetheless, the Group has captured a higher loss before taxation this quarter as compared to the corresponding quarter in previous year in view of the higher purchase cost of mobile phones and a recognition of property, plant and equipment written off of RM0.71 million during the period under review.

There is a change in the Group's focus from leasing to digital and media management segment as explained under Note B3.

Although the leasing segment offers the right retail spaces to grow clients' businesses, the challenges faced by the retailers have accelerated due to the ongoing COVID-19 pandemic and thus the Group has temporarily ceased its operation under this segment. The leasing segment has been categorized under the "Other Operating Segment" for segmental reporting purposes during the quarter under review.

Sales revenue by division to external parties for the quarter ended 31 December 2020 are as follows:-

	Event Management	ICT	Leasing	Financial Solutions	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>						
External sales	1,151	10,095	48	130	17	11,441
Gross (loss)/profit	197	1,543	(287)	95	16	1,564
(Loss)/profit before taxation	(370)	1,142	(309)	81	(690)	(146)

**NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)****A11. 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 2021.

**A12. Contingent Assets or Liabilities**

There are no contingent assets and liabilities since the previous audited financial statement for the financial year ended 30 June 2021.

**A13. Material Events Subsequent to the End of the Interim Reporting Period**

Save for the event as disclosed under section B8, there were no material events subsequent to the end of the current quarter under review up to the date of this quarterly report:

**A14. Changes in the Composition of the Group**

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

**A15. Capital Commitments**

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

**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
	31.12.2021	31.12.2020	+ / (-)	31.12.2021	31.12.2020	+ / (-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	12,381	11,441	8%	17,922	16,546	8%
Loss from operations	(2,252)	(146)	1442%	(2,886)	(1,898)	52%
Loss before taxation	(2,269)	(146)	1454%	(2,914)	(1,898)	54%
Loss after taxation	(2,269)	(146)	1454%	(2,914)	(1,898)	54%

The Group recorded a revenue of RM12.38 million for the second quarter ended 31 December 2021 ("Q2 FY2022"), which is slightly higher as compared to the corresponding quarter in previous year ended 31 December 2020 ("Q2 FY2021").

The Group recorded a loss after taxation of RM2.27 million for Q2 FY2022, which was much higher than Q2 FY2021's loss after taxation of RM0.15 million as the ICT segment captured a higher purchase cost and a recognition of property, plant and equipment written off during the period under review.

The event management sector has been adversely affected by the disruptive effects of COVID-19. Since the onset of the epidemic, Movement Control Order ("MCO"), Conditional MCO and regulatory prohibitions on mass gatherings have had a negative impact to the Group's traditional business.

**B2 Performance of the current quarter against the immediate preceding quarter**

	Current Quarter	Immediate Preceding Quarter	Changes	
	31.12.2021	30.09.2021	RM'000	%
	RM'000	RM'000		
Revenue	12,381	5,541	6,840	123%
Loss from operations	(2,252)	(634)	(1,618)	255%
Loss before taxation	(2,269)	(645)	(1,624)	252%
Loss after taxation	(2,269)	(645)	(1,624)	252%

For Q2 FY2022, the Group recorded a revenue of RM12.38 million, representing an increase of 123% compared to the first quarter ended 30 September 2021 ("Q1 FY2022"). The Group's higher revenue was mainly contributed by a higher revenue recorded in the ICT sector while the loss after taxation for Q2 FY2022 has increased 252% compared to Q1 FY2022 due to a written off of property, plant and equipment recorded during the period under review.

**NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)**
**B3 Future prospects**

The COVID-19 pandemic has heavily affected the event industry. Event organisers have adopted new delivery models, going entirely digital or embracing hybrid digital and in-person solutions. On top of momentary uncertainty, the crisis also triggered profound, and potentially long-lasting, changes in production and consumption patterns.

Hence, XOX Networks Group applies horizontal expansion strategy in the e-sports and media management segments to help boost its revenue streams.

Organising e-sports tournaments online is very much similar to the core business and applying the same skillsets to pivot towards a RM2.76 billion industry with participation from 20.1 million Malaysians. E-sports content streams are gaining popularity among youths and adults, adding on to the family entertainment genre. This will increase the team's ability to further monetise digital content.

**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 31.12.2021 RM'000	Year Ended 31.12.2020 RM'000
Based on the results for the current quarter/period:-		
Tax expense	-	-

Income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 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:

**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	3,341	Within 18 months	10,364	76%
Additional funds for the financial solutions segment	8,938	8,938	Within 12 months	-	0%
Working capital	3,602	3,539	Within 12 months	63	2%
Estimated expenses for the Proposals	793	793	Immediate	-	0%
	27,038	16,611		10,427	

**NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)**Proposed Private Placement

TA Securities Holdings Berhad has announced on behalf of the Board of Directors of XOX Networks that the Board had on 22 December 2021 ("Price-fixing Date") fixed the issue price for the first tranche of the private placement at RM0.0279 per placement share ("Issue Price").

The Issue Price represents a discount of approximately 9.71% to the 5-day VWAP of XOX Networks Shares up to and including 21 December 2021 of RM0.0309, being the last market day immediately preceding the Price-fixing Date.

The 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.

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**

The Company had on 11 February 2022 announced that its wholly owned subsidiary, Trumpet International Sdn. Bhd. (formerly known as Macpie Pro Sdn. Bhd.) ("Plaintiff") had served the Writ of Summons and Statement of Claim filed in the High Court at Shah Alam (Civil Suit No. BA-22NCvC-41-01/2022) against Mr. Luah Aik Teong ("Defendant").

The Defendant was trading as the sole proprietor of Soul Nines Production (Business Registration No. 201603255991 (002570178-K)). Soul Nines Production is principally involved in production house business specializing in music production, event organisation, concert production and related businesses.

The Plaintiff entered into the Collaboration Agreement dated 18 September 2019 ("Agreement") with Soul Nines Production to regulate parties' collaboration with respect to the 9 concerts as set out under the Agreement. The Defendant had breached the Agreement by defaulting in paying the sums in accordance with the payment milestones set out in the Agreement. Therefore, the Plaintiff initiated the litigation against the Defendant.

The Plaintiff is seeking the following reliefs:

- i. the Defendant do pay the Plaintiff the sum of RM4,900,000.00 (or such other sum as may be determined by this Honourable Court) forthwith;
- ii. the Defendant do pay the Plaintiff agreed late payment interest at the rate of 3% per month calculated from the following due date of the said payment:
  - a. the amount of RM900,000.00 calculated from 31 December 2019;
  - b. the amount of RM1,000,000.00 calculated from 31 January 2020;
  - c. the amount of RM1,000,000.00 calculated from 29 February 2020;
  - d. the amount of RM1,000,000.00 calculated from 31 March 2020; and
  - e. the amount of RM1,000,000.00 calculated from 30 April 2020,
- iii. the costs of this action be paid by the Defendant to the Plaintiff together with interest thereon at the rate of 5% per annum from the date of Judgement until the full and final settlement of the costs; and
- iv. such further reliefs deemed fit and just by this Honourable Court.

There will not have any financial and operational impact on XOX Network Group for the financial year ending 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 Basic loss per Share**

Basic loss per share is calculated by dividing 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	
	31.12.2021	31.12.2020	YEAR ENDED 31.12.2021	YEAR ENDED 31.12.2020
	RM'000	RM'000	RM'000	RM'000
Net loss attributable to the owners of the Company	(2,264)	(83)	(2,906)	(1,669)
Weighted average number of shares in issue ('000)	1,135,709	353,295	1,135,709	353,295
Basic loss per share (sen)	(0.20)	(0.02)	(0.26)	(0.47)

**B11 Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors on 28 February 2022.