



**XOX NETWORKS BERHAD**

200501002315 (679361-D)

2003

ANNUAL REPORT



Welcome to the

# **XOX Networks Berhad** *Group of Companies* and **Business Ecosystem.**

We would like to sincerely thank our shareholders for all their support throughout the challenging year and congratulate everyone at XOX Networks for the achievements we have had over the course of the current year. We are very hopeful for the upcoming year; not because we assume it to be any easier (it certainly won't) but because we are well anticipated and prepared for whatever lies ahead. Thank you for supporting us, your satisfaction has been and will always be our topmost priority.



EVENT  
MANAGEMENT



RETAIL &  
DISTRIBUTION  
MANAGEMENT



FINANCIAL  
SOLUTIONS



DIGITAL  
AND MEDIA  
MANAGEMENT





“

**Every detail matters. In XOX Networks, we believe that's the key to successful activations and relationships. We are dedicated to delivering exceptional quality products and services to our clients to enable interaction between its people and businesses.**

”



# CORE VALUES

## CREATIVITY

Creativity is at the heart of innovation. Creative thinking can lead to breakthroughs that set a company apart from its competitors. We embody creativity and innovative thinking in everything we do, exploring the world of ideas and turning those ideas into indelible experiences for our clients and audiences.

## MEANINGFUL CONNECTIONS

It signifies a commitment to fostering strong and authentic relationships, whether with employees, clients, partners, or the broader community.

- Employees - can boost employee morale and motivation. When employees feel valued and connected to their colleagues and the Company's mission, they are more likely to be engaged and committed.
- Clients - creating unique and purposeful solutions to clients can lead to a long-term working relationship.
- Partners - contributing to mutual success.
- Broader community - It often engages in social responsibility initiatives, or participates in community events.

## SUSTAINABILITY

We strive to leave a positive impact on the world, through embracing and promoting sustainability in our businesses, creating a better future for our stakeholders.



# TABLE OF CON

## 01

### STRATEGIC REVIEW

- 002** Company Profile
- 004** Financial Highlights
- 005** Corporate Information
- 006** Corporate Structure

# TENTS

02

## CORPORATE GOVERNANCE

- 007** Board of Directors' Profile
- 013** Profile of Key Senior Management
- 015** Management Discussion and Analysis
- 022** Corporate Governance Overview Statement
- 038** Statement on Risk Management and Internal Control
- 040** Audit & Risk Management Committee Report
- 044** Additional Compliance Information
- 047** Sustainability Statements
- 050** Directors' Responsibility Statement

03

## FINANCIAL STATEMENTS

- 052** Directors' Report
- 058** Statements by Directors
- 059** Declaration by the Director
- 060** Independent Auditors' Report to the Members
- 067** Statements of Financial Position
- 069** Statements of Profit or Loss and Other Comprehensive Income
- 071** Statements of Changes in Equity
- 074** Statements of Cash Flows
- 079** Notes to the Financial Statements

04

## OTHERS INFORMATION

- 162** Analysis of Shareholdings
- 165** Analysis of Warrants B Holdings
- 167** Notice of Annual General Meeting
- 173** Statement accompanying Notice of Eighteenth Annual General Meeting
- 174** Administrative Guide for the Eighteenth Annual General Meeting

Form of Proxy



# COMPANY PROFILE



XOX Networks Berhad ("XOX Networks" or the "Company") is a dynamic and innovative player in the entertainment industry, dedicated to delivering high-quality entertainment experiences to audiences. Our core business mainly focuses on concerts, corporate events and live entertainment with subsidiaries built to supplement the core business.

The Company has been listed on the ACE Market of Bursa Malaysia Securities Berhad since 2007.

Our mission is to entertain, inspire, and engage people through a diverse range of entertainment offerings. We aim to create memorable experiences that resonate with audiences of all ages, cultures, and backgrounds.

The core businesses of our Group involve Event Management, Event Equipment Rental, one-stop Ticketing Solutions Provider, Digital and Media Management and Financial Solutions.

Our dedicated and talented team is the heart and soul of our company. With a diverse group of professionals from various backgrounds, we bring together expertise in creative production, marketing, technology, and business development to drive our success.

In 2023, our Group continued maintain the momentum established and is actively seeking opportunities to strengthen its position as the leading player of the industry as well as to improve its market share in this industry.



COMPANY PROFILE  
(cont'd)



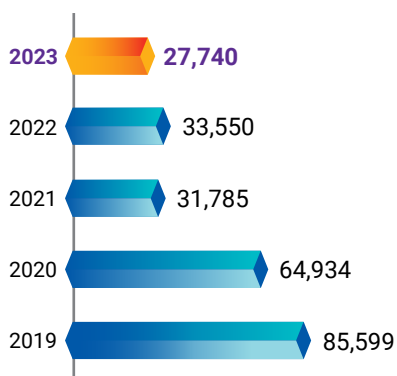


# FINANCIAL HIGHLIGHTS

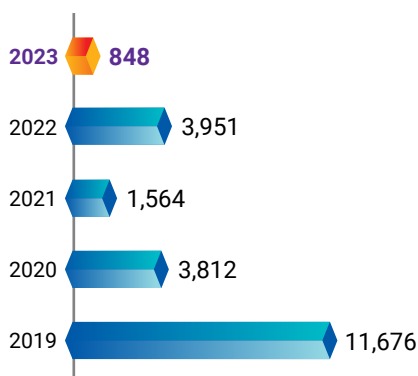
		AUDITED				
		2023	2022	2021	2020	2019
Number of shares	('000)	1,135,709	1,135,709	946,424	353,295	353,295
Revenue	(RM'000)	27,740	33,550	31,785	64,934	85,599
Gross Profit	(RM'000)	848	3,951	1,564	3,812	11,676
Gross Profit Margin	(%)	3.06	11.78	4.92	5.87	13.64
Loss Before Taxation	(RM'000)	(12,174)	(5,491)	(8,806)	(9,353)	(2,555)
Loss After Taxation	(RM'000)	(12,327)	(5,717)	(9,197)	(8,717)	(3,565)
Loss After Taxation Margin	(%)	(44.44)	(17.04)	(28.94)	(13.42)	(4.16)
Net Loss Per Share*	(Sen)	(1.09)	(0.57)	(1.65)	(1.64)	(0.85)
Current Ratio	(%)	12.25	5.04	4.84	2.31	2.69

\* Based on weighted average of ordinary shares

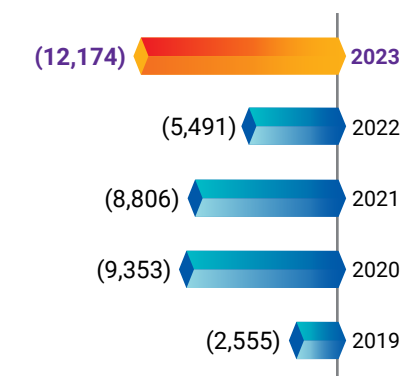
## REVENUE (RM'000)



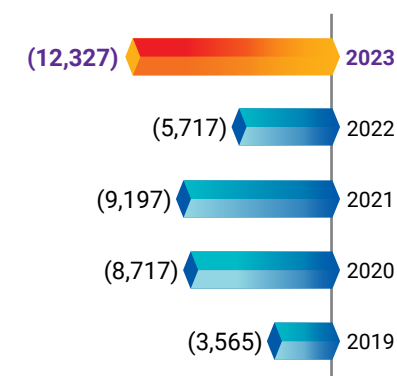
## GROSS PROFIT (RM'000)



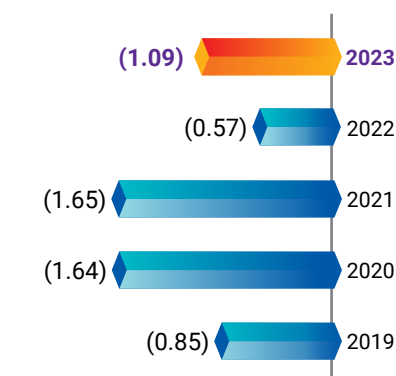
## LOSS BEFORE TAX (RM'000)



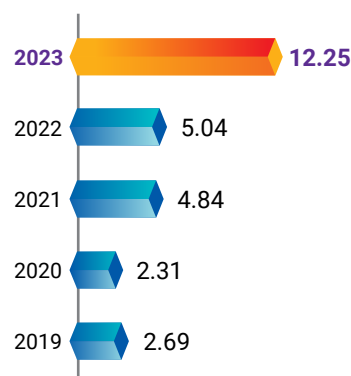
## LOSS AFTER TAX (RM'000)



## NET LOSS PER SHARE (SEN)



## CURRENT RATIO (RM'000)



# CORPORATE INFORMATION

## Board of Directors



**YM Tengku Ezuan  
Ismara bin Tengku  
Nun Ahmad**

Independent  
Non-Executive Chairman



**Koo Kien Keat**

Executive Director



**Andy Liew Hock Sim**

Independent Non-Executive  
Director



**Lionel Vernon  
Yong Nguon Kee**

Independent  
Non-Executive Director



**Woon Sing Jiunn**

Independent  
Non-Executive Director



**Lee Kien Fatt**

Independent  
Non-Executive Director

### Audit & Risk Management Committee

- Andy Liew Hock Sim (Chairman)
- Lionel Vernon Yong Nguon Kee
- Lee Kien Fatt

### Nomination and Remuneration Committee

- Lionel Vernon Yong Nguon Kee (Chairman)
- Lee Kien Fatt
- Andy Liew Hock Sim

### Employee Share Option Scheme Committee

- Koo Kien Keat
- Andy Liew Hock Sim

### Company Secretary

- Chong Voon Wah  
(SSM PC No. 202008001343)  
(MAICSA 7055003)
- Thai Kian Yau  
(SSM PC No. 202008001515)  
(MIA 36921)

### Principal Bankers

- Malayan Banking Berhad
- CIMB Bank Berhad
- AmBank Group Berhad

### Registered Office

- 22-09, Menara 1MK  
No. 1 Jalan Kiara, Mont Kiara  
50480 Kuala Lumpur  
Wilayah Persekutuan Kuala Lumpur  
Tel : 03-2856 7333  
Email : [vw.chong@silverocean.com.my](mailto:vw.chong@silverocean.com.my)

### Corporate Office

- 7<sup>th</sup> Floor, Menara Lien Hoe  
No. 8, Persiaran Tropicana  
Tropicana Golf & Country Resort  
47410 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 011-5881 6040  
Email : [ask@xoxnetworks.com.my](mailto:ask@xoxnetworks.com.my)

### Share Registrar

- SHAREWORKS SDN. BHD.  
No. 2-1, Jalan Sri Hartamas 8  
Sri Hartamas, 50480 Kuala Lumpur  
Wilayah Persekutuan Kuala Lumpur  
Tel : 03-6201 1120  
Fax : 03-6201 3121  
Email : [shareg@shareworks.com.my](mailto:shareg@shareworks.com.my)

### Website

- [www.xoxnetworks.com.my](http://www.xoxnetworks.com.my)

### Auditors

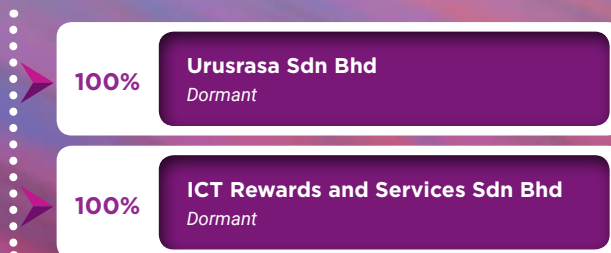
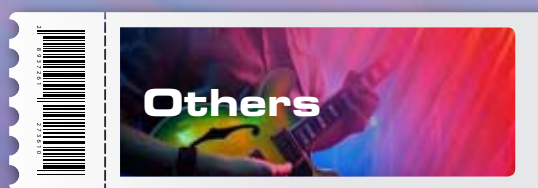
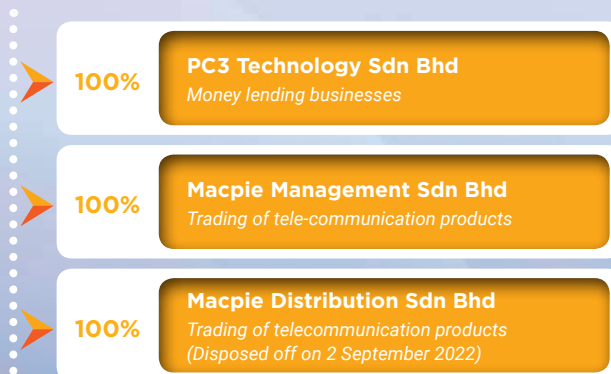
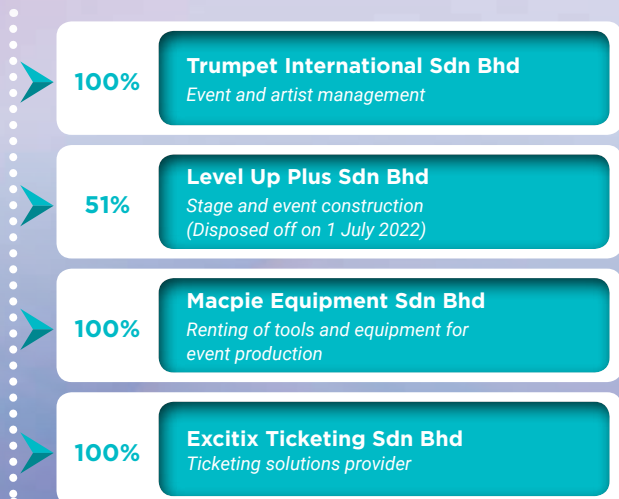
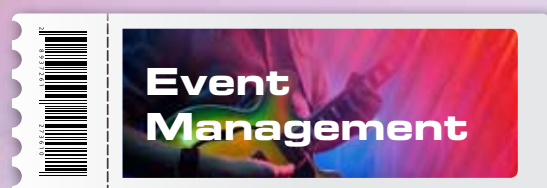
- UHY (AF 1411)  
Chartered Accountants  
Suite 11.05 Level 11  
The Gardens South Tower  
Mid Valley City, Lingkaran Syed Putra  
59200 Kuala Lumpur  
Wilayah Persekutuan Kuala Lumpur  
Tel No : 603-2279 3088  
Fax No : 603-2279 3099

### Stock Exchange Listing

- ACE Market of Bursa Malaysia  
Securities Berhad  
Stock Name : XOXNET  
Stock Code : 0140



# CORPORATE STRUCTURE



## BOARD OF DIRECTORS' PROFILE



### YM TENGKU EZUAN ISMARA BIN TENGKU NUN AHMAD

Independent Non-Executive Chairman

**YM Tengku Ezuan Ismara bin Tengku Nun Ahmad** was appointed to the Board as the Independent Non-Executive Chairman on 27 September 2021.

He holds Masters in Law majoring in Banking Law and Anti-Money Laundering Act from International Islamic University Malaysia and Double Degree in Accounting and Finance from University of East London.

He is a professional and subsequently became a corporate member in numerous industries including oil & gas, military contractor, private equity and investment banking, corporate consulting to information technology and general trading.

In the event industry, he used to produce dramas and documentaries for TV stations. He has also involved in artist management for several major international events, for instance Petronas, Formula 1, football all-star exhibition match and etc.

Eager to achieve more, he is always open to any new ideas of career and business opportunities and cooperation with good prospects and future value.

He is also an active member of Royal Family and involves in several official and philanthropic activities.

He is presently an Independent Non-Executive Chairman of Komarkcorp Berhad, Non-Independent Non-Executive Director of Key Alliance Group Berhad and Independent Non-Executive Director of Uzma Berhad. He is also a Director of several private companies and holding advisory and management positions in many companies across a multitude of industries in Malaysia and overseas.



## BOARD OF DIRECTORS' PROFILE (cont'd)



### KOO KIEN KEAT

Executive Director

**Mr. Koo Kien Keat** was appointed to the Board as the Executive Director on 8 September 2020. He is a member of Employee Share Option Scheme ("ESOS") Committee.

He has been one of the most popular international badminton players in Malaysia. He studied at the Saint Michael's Institute and completed his secondary school at Bukit Jalil Sports School. He being successful in his career and reached a career high ranking of world's number 1 in Men's Doubles in 2007. He has also become the youngest ever men's doubles pair and won the gold medal at Asian Games.

In addition, he has won 5 Gold Medals in Commonwealth Games which is the most Gold Medal wins in the history of Malaysia. He took part in the 2012 London Olympics where he achieved 4th prize in the Men's doubles. Over the years, he has participated in various of worldwide tournaments and after retirement he was appointed

as club coach cum club manager for Badminton Asia High Performance Director. In 2015, he returned from retirement and participate in 2016 Rio Olympics. In November 2016, he officially announced his retirement from professional badminton.

He believes in innovation and is bound to help XOX Networks Berhad to attract more partnerships and diversify their clientele.

He has no conflict of interest with the Company other than those disclosed in the Company's circular to shareholders dated 30 October 2023.

Presently, he is the Independent Non-Executive Director of Cheetah Holdings Berhad and Komarkcorp Berhad.

## BOARD OF DIRECTORS' PROFILE (cont'd)



### ANDY LIEW HOCK SIM

Independent Non-Executive Director

**Mr. Andy Liew Hock Sim** was appointed to the Board as the Independent Non-Executive Director on 27 October 2020. He is the Chairman of Audit & Risk Management Committee and a member of Nomination and Remuneration Committee and ESOS Committee of the Company.

He is a Chartered Accountant with Malaysian Institute of Accountants (MIA) and member of Certified Practising Accountant (CPA) Australia. He has over sixteen (16) years of experience with major audit firms in audit, taxation and accountancy that gained from both Malaysia and overseas. He was involved in numerous successful initial public offering ("IPO") in Malaysia, Singapore, Germany and Hong Kong throughout his career.

He started his career with a local audit firm in Malaysia. He then joined KPMG Kuala Lumpur after obtained his professional qualifications, i.e. MIA and CPA Australia in 2006. In KPMG Kuala Lumpur, he started to involve in the audit of multinational corporation (MNC) and public listed company (PLC). He also involved in the IPO of a financial services company in the Main Market of Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad).

In 2008, he ventured to China and since then, spent eight (8) years in China. From 2008 to 2012, he worked in KPMG Beijing and actively involved in audit and IPO. In 2012, he joined a China-based manufacturing company in the capacity of Chief Financial Officer and listed the company in Frankfurt Stock Exchange in 2014 prior to his return to Malaysia in 2016.

Upon his return to Malaysia, he joined Baker Tilly Malaysia and led a team of forty (40) which specialise in IPO and actively involved in various corporate exercise such as business restructuring, mergers and acquisitions, reverse takeover, transfer listing, financial due diligence, regularisation plan for PN17 company, fund raising, etc.

In 2019, he started his own public practice and assumed the role of Managing Partner.

At present, he also sits on the Board of XOX Bhd, Perak Corporation Berhad and Oversea Enterprise Berhad as Independent Non-Executive Director.



## BOARD OF DIRECTORS' PROFILE (cont'd)



### LIONEL VERNON YONG NGUON KEE

Independent Non-Executive Director

**Mr. Lionel Vernon Yong Nguon Kee** is an Independent Non-Executive Director of the Company. He was appointed to the Board on the 21 March 2017 and is the Chairman of the Nomination and Remuneration Committee and a member of the Audit & Risk Management Committee of the Company.

Mr. Lionel Yong (CIA, CA (M), FCCA, CMIIA) is an internal audit practitioner with more than 21 years of experience in accounting, finance, and internal audit. He is a certified internal auditor (USA), a chartered accountant (Malaysia), a member of the Malaysian Institute of Accountants (MIA) and a Fellow Member of the Chartered Association of Certified Accountants (UK). His specialities include the provision of independent and objective assessments of systems of internal control as implemented by the management to evaluate and improve the effectiveness

of risk management, control, and governance. He is also familiar with the requirements of carrying out investigations into corporate fraud activities and with the requirements of the governance and audit of Information Technology systems based on the Control Objectives for Information Technologies (COBIT) Framework.

He has carried out risk assessment exercises for numerous companies, involved in the system development life cycle process in the implementation of several information technology applications during his career and led investigations into a number of corporate fraud activities.

He is currently the Chief Financial Officer of the Nova Wellness Group. He also serves on the Board of Green Packet Berhad as an Independent Non-Executive Director.

## BOARD OF DIRECTORS' PROFILE (cont'd)



### WOON SING JIUNN

Independent Non-Executive Director

**Ms. Woon Sing Jiunn** was appointed as the Independent Non-Executive Director on 30 January 2019.

She graduated from Tuanku Abdul Rahman University College with a Degree in Mass Communication (Media Studies).

She has more than 14 years of experience in the broadcast and media industry.

She got her start as a broadcast journalist with RTM, covering news ranging from crime to natural disasters, politics, and economic issues.

She then joined TV3 and worked as an Assistant Producer cum News Presenter on Buletin Utama. During her time with the television channel, she had amassed a wealth of experience from interviewing high-profile celebrities,

politicians, international artists, and successful entrepreneurs. She interviewed personalities such as Ricardo Guadalupe, Chief Executive Officer ("CEO") of Hublot, Lang Lang, a famous Chinese pianist and Franz Linder, CEO of Mido. She was also tasked with carrying out live reporting in front of millions of audiences.

From 2016 until 2018, she was the Image and Branding Consultant for Media Prima news and current affairs. She was the first female presenter who won Reader's Digest Malaysia's Most Trusted TV Presenter twice, in 2016 and 2017. She was also appointed as Chief Editor for the Malaysia Book of Records 2018.

She does not hold any directorship in any other public companies or listed corporations.



## BOARD OF DIRECTORS' PROFILE (cont'd)



Nationality



Gender



Aged

57

### LEE KIEN FATT

Independent Non-Executive Director

**Mr. Lee Kien Fatt** was appointed to the Board as the Independent Non-Executive Director on 22 January 2021. He is a member of Audit & Risk Management Committee and Nomination and Remuneration Committee of the Company.

Mr. Lee is a member of Malaysian Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountants (MIA).

He started his career with an articleship with KPMG in 1987 before joining Group Associated (C&L) Sdn. Bhd. as Finance Manager from 1992 to 1994. After a stint with Ng

Tiong Seng Corporation Berhad, he joined United Straits Amalgamated Berhad as Group Financial Controller in 1997. Subsequently, he was appointed as Consultant cum Executive Director of RNC Corporation Berhad in 1999. Mr. Lee then left to join as Consultant cum Independent Non-Executive Director of LBI Capital Berhad in 2003. He also served as an Independent Non-Executive Director of Tenggara Oil Berhad from 2007 to 2008.

Presently, he is an Independent Non-Executive Director of both Key Alliance Group Berhad and Niche Capital Emas Holdings Berhad.

#### Notes:

##### Family Relationship with any Director and/or Major Shareholder

None of the Directors has any family relationship with any Director and/or major shareholder of the Company.

##### Conflict of Interest

Save as disclosed above, none of the Directors has any conflict of interest with the Company.

##### Conviction for Offences

Other than traffic offences, if any, the Directors have not been convicted of any offences within the past five (5) years and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2023.

##### Attendance of Board Meetings

Details of the Directors' attendance at Board meetings are set out in the Corporate Governance Overview Statement on page 23 of this Annual Report.

## PROFILE OF KEY SENIOR MANAGEMENT



**AUDREY THONG POOI MUN**

Group Financial Controller

Nationality



Gender



Aged



**Ms. Audrey Thong** is overseeing our Group Finance, Group Human Resource and all corporate affairs related matters. She is a Chartered Accountant with Malaysian Institute of Accountants (MIA) and a member of Association of Chartered Certified Accountants (ACCA). She has more than ten (10) years of experience in financial advisory roles, auditing and accounting in her career.

She started her career with KPMG Malaysia as a Finance Officer and moved on to a local audit firm to gain her audit experience. She then joined Baker Tilly Malaysia in the advisory department after she has completed her professional qualification (ACCA) and involved in various assignments which include a few successful Initial Public Offering projects for private companies, corporate restructuring and insolvency, financial due diligence as well as financial forensic engagements.

In 2019, she joined Deloitte Malaysia under the Forensic and Litigation Support arm for a team size of approximately 30 people and further explored her career with different investigation toolsets and knowledge to identify/uncover financial crime and/or business dispute through the review of financial statements, data collection as well as performing data analytics and relationship profiling.

Her appointment with the Group commences 1 January 2021.

She does not hold any directorship in any other public companies and listed corporations. She also does not have any family relationship with any Director and/or Major Shareholder of the Company, have no conflict of interest with the Company, have not been convicted of any offences within the past five (5) years and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2023.



## PROFILE OF KEY SENIOR MANAGEMENT (cont'd)



**KONG CHAI SANG**  
General Manager of Event Management

Nationality

Gender

Aged

56

**Mr. Kong ("Howard")** joins Trumpet International Sdn Bhd on 1 July 2023 and is currently the General Manager, leading the event segment of the group. He brings a wealth of experience and a proven track record of success to our organisation, with a distinguished career marked by outstanding achievements.

During his tenure as the Head of Department at Universal Music, the company witnessed a golden era in the Hong Kong music industry. Under his leadership, artists affiliated with Universal Music Hong Kong/Taiwan, including icons like Kelly Chen, Jacky Cheung, Jolin Tsai, Alan Tam, and many more, achieved exceptional album sales records in Malaysia. Each of these artists consistently achieved at least platinum status, a testament to his expertise in the music business.

Recognising his extraordinary talent, Warner Music Malaysia recruited him as the Head of Regional. Under his strategic guidance, some artists from Hong Kong, Taiwan and Singapore such as Aaron Kwok, Sammi Cheng, Stefanie Sun, A-Mei, Tanya Chua, and Gigi Leung witnessed unprecedented success of their significantly high album sales in the Malaysian market. His innovations in the industry led to two record-setting achievements in Malaysia's entertainment scenes, i.e. the Aaron Kwok's Para-Para Sakura dance event with over 10,000 participants and Stefanie Sun's giant kite banner promotion at Lot 10 shopping mall.

In 2013, he embarked on a new challenge by joining IME Malaysia as General Manager. Within a remarkably short span of three years, his leadership transformed IME Malaysia into the premier organiser of K-pop concerts and one of Malaysia's top three concert production companies. His contributions were so significant that he was promoted to Group Director in 2015 and then to Vice President in 2016. Under his guidance, IME expanded its presence across multiple countries, including Singapore, Thailand, Indonesia, Philippines, Vietnam, Hong Kong, Taiwan, and Australia. Notably, he played a pivotal role in training IME teams and fostering partnerships with a plethora of international artists such as RAIN, BIGBANG, 2NE1, CNBLUE, BTS, BLACKPINK, G-Dragon, Taeyang, WannaOne, Seventeen, Park Bo Gum, Mariah Carey, and many others.

His remarkable journey in the entertainment and music industry is a testament to his exceptional leadership, strategic prowess, and ability to drive success in dynamic and competitive markets. His experience and achievements position him as a valuable asset to our organisation as we look towards a future filled with growth and opportunities.

He does not hold any directorship in any other public companies and listed corporations. He also does not have any family relationship with any Director and/or Major Shareholder of the Company, have no conflict of interest with the Company, have not been convicted of any offences within the past five (5) years and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2023.

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW OF OUR GROUP'S BUSINESS

XOX Networks Berhad ("XOX Networks" or "Company") and our subsidiaries ("XOX Networks Group" or "Group") are principally involved in the following:-

<b>Event Management</b> 	<p>event and artist management, provision of ticketing solutions as well as renting service for event equipment. Various types of events that we have organised include concerts, fans meeting, corporate launching and festivals. Our ticketing solutions deliver ticket management systems and infrastructure to event organisers and can accommodate a wide range of clients, offline sales counters, optional payment gateways, custom ticket choices, entry scanning facilities, report analysis and dispatch services. We continuously improve this platform to ensure it stays competitive in the market;</p>
<b>Digital and Media Management</b> 	<p>providing consultancy services to optimise our client's online presence and media assets. Our Group has been steadily building the digital and media management arm. Our diverse portfolio of digital and media platforms spans across various online channels, including social media, streaming services, blogs, and more. These platforms connect creators, consumers and advertisers, providing an immersive environment for content distribution, interaction and engagement;</p>
<b>Information and Communication Technology ("ICT")</b> 	<p>trading and distribution of computer hardware and parts as well as telecommunication products, marketing, and distribution of software with provision of related training and materials. On 2 September 2022, we announced the disposal of Macpie Distribution Sdn Bhd (a wholly-owned subsidiary engaged in the trading of telecommunication products). Save for the financial quarter ended 30 September 2022, we did not recognise any revenue for our ICT business; and</p>
<b>Financial Solutions</b> 	<p>provision of money lending services.</p>

As the COVID-19 pandemic subsides and Malaysia enters the endemic phase, the event management sector progressively recovered. Our Group involved in organising, executing and coordinating a series of events in 2022 and 2023, including but not limited to the following:

Date	Event
March 2022	Local Fashion Show "Summer / Spring 2022 (S/S 22') Collection"
July 2022	Japanese festival event "Nihon Matsuri 2022"
August 2022	Anuar Zain & Ziana Zain Live in Kuala Lumpur 2022
September 2022	Borneo Music Festival Live 2022
October 2022	Maestro Ilaiyaraaja Live in Kuala Lumpur
December 2022	Park Eun-bin's (actress from "Extraordinary Attorney Woo") fan-meet tour in Kuala Lumpur
January 2023	Football match: Perak FC vs Penang FC
February 2023	MAMAMOO World Tour in Kuala Lumpur
February 2023	Westlife's "The Wild Dreams Tour Live in Kuala Lumpur"
June 2023	Japanese festival event "Nihon Matsuri 2023"

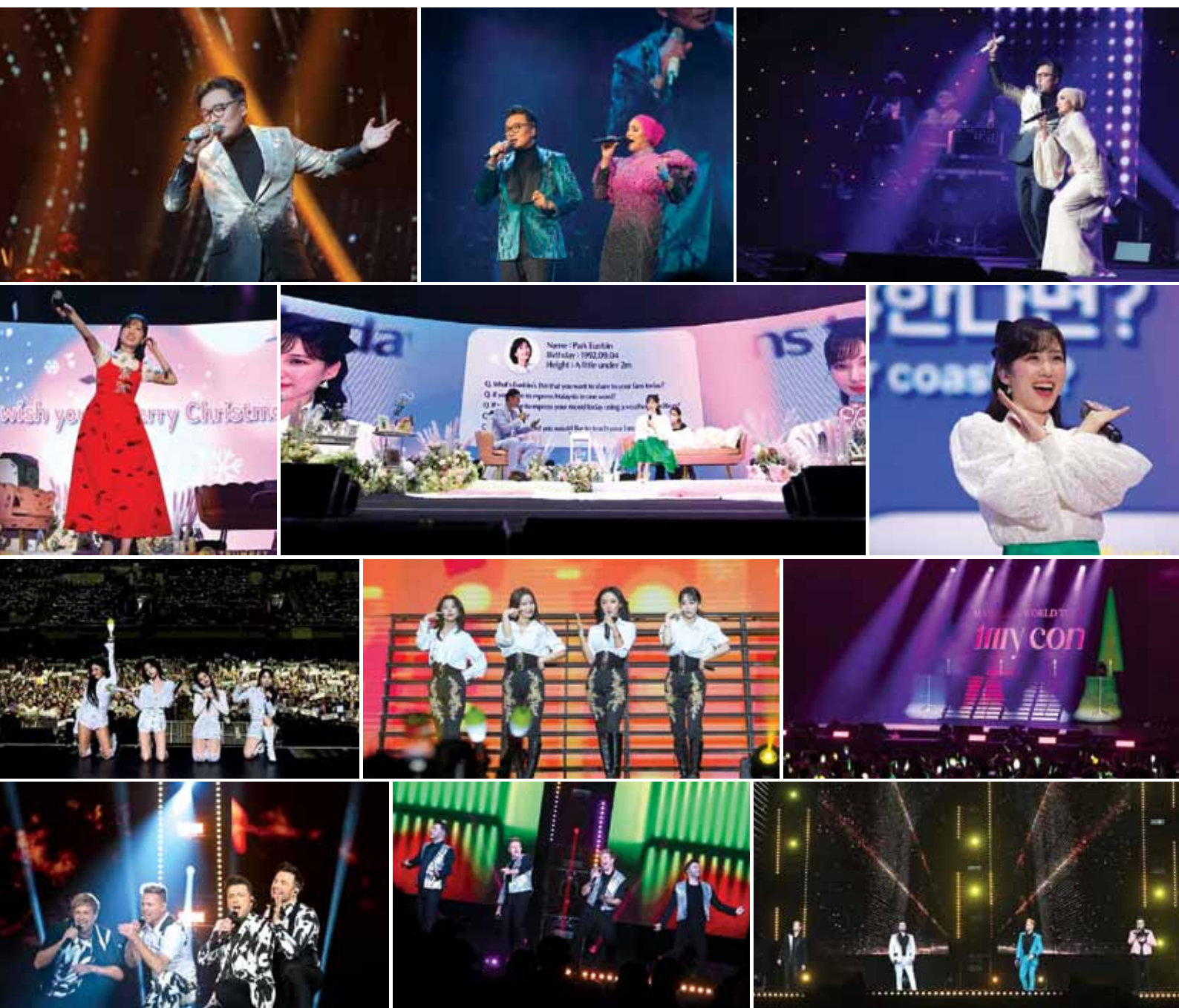


## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

### OVERVIEW OF OUR GROUP'S BUSINESS (CONT'D)

We have successfully organised 2 world tour concerts in 2023, such as Westlife's "The Wild Dreams Tour Live in Kuala Lumpur" and MAMAMOO World Tour. Westlife's concert was held over 2 days with tickets priced from RM294 to RM884. Westlife is an Irish pop band formed in Dublin in 1998. The band released 12 studio albums and sold over 55 million records worldwide. MAMAMOO World Tour tickets were priced from RM298 to RM838. MAMAMOO is a South Korean girl group that debuted in 2014.

For financial year ended ("FYE") 30 June 2023, event management is the largest revenue contributor which contributed approximately 75% of our Group's total revenue, followed by the digital and media management segment at 21% and the remaining revenue was contributed by ICT and financial solutions.



## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

### OVERVIEW OF OUR GROUP'S BUSINESS (CONT'D)

Our Group recorded a higher LAT for FYE 30 June 2023 as compared to the previous financial year. We will continue to monitor closely market conditions and consumer sentiment, and will make prompt adjustments to our business strategies / range of services and products offered, where necessary. Internally, we will continue to strive for better cost management by constantly reviewing our operations and adopting more efficient processes.

### FINANCIAL PERFORMANCE

	Audited FYE 30 June 2023 RM'000	Audited FYE 30 June 2022 RM'000
Revenue	27,740	33,550
Gross Profit ("GP")	848	3,951
Loss before Tax ("LBT")	(12,174)	(5,491)
Loss after Tax ("LAT")	(12,327)	(5,679)
GP margin (%)	3.1	11.8
LBT margin (%)	(43.9)	(16.4)
LAT margin (%)	(44.4)	(16.9)

Our Group's revenue decreased from RM33.6 million in FYE 30 June 2022 to RM27.7 million in FYE 30 June 2023. The decrease in revenue was mainly due to the fall in revenue from the ICT segment. However, this was mitigated by the increase in sales from the event management segment, as our Group was able to generate more revenue by organising physical events including concerts, fans meeting, corporate launching and festivals.

Our Group recorded a LAT of RM12.3 million for FYE 30 June 2023 as compared to LAT of RM5.7 million for FYE 30 June 2022. The higher LAT in FYE 30 June 2023 was mainly due to lower GP and higher administrative expenses such as bad debts written off during the current financial year.

	As at 30 June	
	2023 RM'000	2022 RM'000
Total assets	54,416	71,937
Total liabilities	3,981	10,066
Net assets / Shareholders' equity	50,436	61,871
Net current assets	44,025	39,560
<b>Financial ratios</b>		
Current ratio <sup>(1)</sup>	12.25	5.04
Gearing ratio <sup>(2)</sup>	Negligible	0.01

Notes:

(1) Current assets / Current liabilities

(2) Total borrowings / Shareholders' equity

Our Group's net assets decreased mainly due to the increase in accumulated losses as at 30 June 2023. Our current ratio increased mainly due to the decrease in trade and other payables. Our Group's gearing ratio decreased due to the decrease in lease liabilities. This ratio is negligible as the Group does not have any borrowing to-date.

Non-current assets consist mainly of property, plant and equipment, decreased to RM6.5 million as at FYE 30 June 2023 from RM22.6 million as at FYE 30 June 2022. This was mainly due to the long-term trade receivables due during the current financial year as well as the disposal of property, plant and equipment and depreciation recorded during the current financial year.



## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

### FINANCIAL PERFORMANCE (CONT'D)

Current assets decreased to RM47.9 million as at 30 June 2023 from RM49.3 million as at 30 June 2022. This was mainly due to the disposal of asset held for sale and decrease in cash and cash equivalent, partially offset by the increase in trade receivables.

Our Group's cash and cash equivalents together with deposits with licensed bank decreased to RM26.0 million as at 30 June 2023 from RM30.9 million as at 30 June 2022. The decrease was mainly due to utilisation of private placement proceeds for the purchase of equipment for the event management segment.

Trade receivables (current and non-current) decreased by 9.4% as a result of lower revenue and lower receivables from the money lending business as well as bad debts written off. Other receivables decreased by 20.2% as certain receivables were written off.

Non-current liabilities comprised lease liabilities in relation to the purchase of right-of-use asset (i.e. leases of office equipment / premises to store event equipment and props). Current liabilities comprised mainly trade and other payables as well as lease liabilities and contract liabilities. Trade and other payables decreased by 66.5% due to the repayment to trade and non-trade suppliers during the financial year.

On 1 March 2021, we completed a private placement exercise and raised approximately RM27.04 million. The proceeds were intended to fund the purchase of equipment for the event management segment, expansion of the financial solutions segment, and the Group's day-to-day operations. As at 30 September 2023, approximately RM4.2 million remains unutilised. This amount was allocated for the purchase of equipment for the event management segment. On 30 August 2023, the Board announced the extension of timeframe for the utilisation of that amount to 31 August 2024.

On 29 December 2021, we completed another private placement exercise and raised proceeds of approximately RM5.3 million. The proceeds were intended to fund the development of a digital media platform for our event management business in line with the increasing reliance on digitalisation. This will allow our Group to organise our events via livestreaming, overcoming geographical constraints as well as any movement restrictions the Government may impose in the future. As at 30 September 2023, RM0.2 million of the proceeds had been utilised for the setting up of digital platform.

Save as aforementioned, we are not aware of any other known trends and events that are reasonably likely to have a material effect on our operations, performance, financial condition and liquidity.



## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

### ANTICIPATED OR KNOWN RISKS

In line with Bursa Malaysia Securities Berhad's regulatory framework on the new disclosure requirements, we highlight below the key anticipated or known risks that our Group is exposed to that may have a material effect on our operations, performance, financial condition and liquidity. Our plans and strategies to mitigate these risks have also been disclosed below:

#### (i) Operational risks

For our event management segment, any disruption in electricity supply and equipment malfunction may have an adverse effect on the progress or delivery of our event (be it physical events or online events), which will affect our Group's business and financial performance. To avoid major breakdowns and disruptions to our events, electricity supply and relevant equipment are constantly monitored, and prior checking will be performed before hosting an event.

Our digital and media management segment provides a variety of online services, which are vulnerable to cyberattacks. We collect and store a significant amount of sensitive customer data, such as names, addresses, and phone numbers. We are acutely aware that this data is a valuable target for cybercriminals, and a data breach or service disruption could damage our Group's reputation and lead to a loss of customers and partners.

#### (ii) Competition risks

We continue to face competition from existing and new competitors who may be capable of offering similar services or products. Whilst we strive to remain competitive, there can be no assurance that any changes in the competitive environment would not have any material and adverse impact on our business and financial performance.

Nevertheless, our Group strives to maintain our competitive edge by ensuring the quality of our services and products through stringent quality assurance procedures. We also continuously place importance on improving our services and products, through developing new solutions such as the development of the digital media platform to overcome geographical constraints for our event management business, as well as providing training to develop our key personnel.



#### (iii) Credit risks

Our Group is exposed to the risk of default by our trade receivables. We may experience delays in payment for our services and/or products, or in more severe cases, our Group may not be able to collect payments from our trade receivables. In the event of payment defaults, our Group would have to impair or write off the said receivables, which will negatively affect our financial performance.

Considering the above, our Group constantly reviews and evaluates the status of our trade receivables as well as perform thorough due diligence check on our potential clients before any provision of services and/or products are made.



## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

### ANTICIPATED OR KNOWN RISKS (CONT'D)

#### (iv) Outbreak of infectious diseases

The outbreak of pandemics of infectious diseases or other health epidemics may create economic uncertainty and global instability, which may adversely affect business operations and overall economic activity globally. As seen during the start of the COVID-19 pandemic, governments around the world imposed various lockdown measures to curb the spread of the virus, leading to disruptions and temporary cessation of business activities.

Should there be a future outbreak of infectious disease similar to the COVID-19 pandemic, governments may again impose lockdown measures including closure of international borders as well as temporary cessation of a range of business activities. This may cause demand for our services and products to decline or disrupt the flow of our operations or increase our operational cost as we address the effects of such diseases. In this regard, we will remain vigilant and take a prudent approach in monitoring our operations by developing and implementing a comprehensive business continuity plan.

### TREND AND OUTLOOK

Since the Government has re-opened all the economic sectors on 15 May 2022, economic activities across various sectors have shown signs of recovery. This is expected to open up new opportunities for our event management segment as we may now organise more events. In this regard, we have organised a few notable events in late 2022 and 2023 (see earlier section on Overview of Our Group's Business).

In response to the COVID-19 pandemic and its adverse effects as well as to cater to a wider audience and overcome geographical constraints, our Group ventured into digital marketing services through our digital media platform in 2021. Through this platform, we organised virtual events and connecting such events with our audience via livestreaming. The advancement of livestreaming enables certain entertainment events to be carried out virtually and this creates opportunities for our Group to improve our financial performance.

As people are becoming more comfortable to attend physical events and more international performers and artistes are able to travel to Malaysia, we plan to redirect our focus to organising physical events. This will help us to capture more revenue from physical events and festivals in the near term. However, we will not lose sight of our digital platform and will continue to explore opportunities via this platform to create an alternative revenue source to physical events.

With this in mind, our Group is also actively seeking opportunities to expand our existing business or exploring new business activities. Nonetheless, there remains many uncertainties ahead in respect of our macroenvironment and the Board is cautiously optimistic of the future prospects of our Group.



## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

### DIVIDEND POLICY

No dividend has been paid by the Company for the current financial year. The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividend for the year is subject to shareholders' approval. Although we have not formulated a dividend policy or payout ratio, we recognise that it is important to reward our investors with dividends. The payment of dividends or other distributions will depend on our financial performance, cash flow requirement, availability of distributable reserves, capital expenditure plans and other factors that the Board of Directors deems relevant.

