XOX NETWORKS BERHAD

VARIATION AND EXTENSION OF TIME FOR THE UTILISATION OF PROCEEDS RAISED FROM THE PRIVATE PLACEMENT EXERCISE

(For consistency, the abbreviations used throughout this announcement shall have the same meanings as defined in the announcement dated 30 August 2021 in relation to the Private Placement, where applicable, unless stated otherwise or defined herein.)

1. INTRODUCTION

Reference is made to the following announcements by the Company:

(i) the earlier announcements in relation to the Private Placement, which was completed on 29 December 2021;

(ii) the announcement dated 3 January 2025 in relation to the extension of time for the utilisation of the remaining proceeds raised from the Private Placement; and

(iii) the announcement dated 22 December 2025 in relation to the First Variation.

The Board wishes to announce that the Company proposes to undertake the Variation, involving a further variation and extension of time to the utilisation of the remaining proceeds raised from the Private Placement.

2. DETAILS OF THE VARIATION

The Private Placement was completed on 29 December 2021 through the issuance of 189,284,800 new ordinary shares in the Company, raising total proceeds of approximately RM5.28 million. As at the date of this Announcement, the proceeds raised from the Private Placement have been utilised as follows:

Purpose	[(1)] Proposed Utilisation	First Variation	Amount Utilised as at 30.10.2026	Balance Available for Utilisation	Variation	Revised Balance Available for Utilisation	Revised Timeframe under the First Variation	Proposed Extension of Time for Utilisation of Proceeds
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Setting up of digital media platform	5,211	(1,260)	2,658	1,293	(1,293)	-	28.12.2026	-
Working capital	-	[(2)] 1,300	1,300	-	1,293	1,293	30.06.2026	28.12.2027
Estimated professional expenses	70	(40)	30	-	-	-	-	-
Total	**5,281**	**-**	**3,988**	**1,293**	**-**	**1,293**		

Notes:

(1) Based on the proposed utilisation of proceeds as disclosed in the announcement relating to the Private Placement.

(2) Pursuant to the First Variation, the Company reallocated RM1.26 million from the setting up of a digital media platform and RM0.04 million from expenses for the Private Placement to working capital, totaling RM1.30 million.

As shown above, approximately RM1.29 million of the proceeds raised from the Private Placement remains unutilised, which was earmarked for the setting up of a digital media platform.

The Group had initially intended to establish a digital media platform to complement its event management business, following the increased reliance on digital platforms during the COVID-19 pandemic. The proposed platform was intended to enable the Group to organise events via livestreaming, allowing it to reach a wider audience without geographical constraints. The proceeds were earmarked mainly for staff costs, marketing activities, equipment and infrastructure, and other related expenses.

Subsequently, on 3 January 2025, the Company announced an extension of time for the utilisation of the remaining proceeds to assess developments in the digital and media industry, particularly evolving technology trends and the increasing use of artificial intelligence in analysing consumer behaviour.

On 22 December 2025, the Company undertook the First Variation, involving the reallocation of RM1.30 million of the remaining proceeds to the Group's working capital to better support its operational needs and enhance financial flexibility. The timeframe for the utilisation of the remaining proceeds allocated to the digital media platform was also extended to 28 December 2026.

Since then, the Group has continued its digital and media management activities while placing greater emphasis on physical events following the resumption of in-person activities. However, the digital and media industry continues to evolve rapidly, particularly with advancements in technology, requiring the Group to reassess its business priorities and funding requirements.

In addition, the Group continues to face challenges in its event management business, particularly in securing new projects. In view of these developments, the Board considers it more beneficial to reallocate the entire remaining proceeds earmarked for the digital media platform towards working capital to support the Group's ongoing operations, including its event management and event equipment leasing businesses, while providing greater financial flexibility.

In view of the above, the Board has reassessed the Group's funding requirements and considers it more beneficial to reallocate the entire remaining proceeds of approximately RM1.29 million towards working capital. This would enable the Group to meet its day-to-day operational requirements, support its existing businesses and enhance its financial flexibility.

Premised on the foregoing, the Company proposes to undertake the Variation, as detailed below:

Working capital	**Amount RM'000**
Staff costs	1,000
Other operating expenses such as utilities, rental costs, transportation costs, marketing costs and other miscellaneous items(1)	293
Total	**1,293**

Note:
(1) The actual breakdown of these expenses cannot be determined at this juncture as it will depend on the actual administrative requirements of the Group at the relevant time.

3. RATIONALE

As set out in **Section 2** above, the remaining proceeds of approximately RM1.29 million from the Private Placement were originally earmarked for the setting up of a digital media platform. The Company now proposes to reallocate these proceeds to working capital to better meet the Group's current operational needs.

The Variation will enable the Group to fund its day-to-day operations, including its event management and event equipment leasing businesses. The actual utilisation of the proceeds will depend on the Group's working capital requirements from time to time.

4. EFFECTS OF THE VARIATION

The Variation will not have any effect on the issued share capital and substantial shareholders' shareholdings of the Company. It is also not expected to have any immediate material effect on the NA, gearing, earnings and EPS of the Group.

Nevertheless, the utilisation of the remaining Private Placement proceeds for working capital is expected to support the Group's operations and may contribute positively to its future earnings and EPS.

5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executive of the Company or persons connected with them has any direct or indirect interest in the Variation.

6. ESTIMATED TIMEFRAME

The Variation will take effect immediately upon the issuance of this Announcement.

7. STATEMENT BY THE BOARD

The Board, having considered all aspects of the Variation, including its rationale and effects, is of the opinion that the Variation is in the best interests of the Company.

8. APPROVALS REQUIRED

The Variation is not subject to the approval of any regulatory authorities or the shareholders of the Company.

This announcement is dated 2 November 2026.

APPENDIX I - DEFINITIONS

Unless the context otherwise requires, the following definitions shall apply throughout this Announcement:

Announcement	:	This announcement in relation to the Variation
Board	:	Board of Directors of the Company
COVID-19	:	Coronavirus disease 2019
EPS	:	Earnings per share
First Variation	:	The variation and extension of time for the utilisation of the remaining proceeds raised from the Private Placement, as announced by the Company on 22 December 2025
NA	:	Net assets
Private Placement	:	The private placement exercise involving the issuance of 189,284,800 new ordinary shares in the Company, which was completed on 29 December 2021
Variation	:	The variation to the utilisation of the remaining proceeds raised from the Private Placement, involving the reallocation of the entire remaining proceeds to working capital, and further extension of time for the full utilisation of the remaining proceeds raised from the Private Placement
XOX Networks or the Company	:	XOX Networks Berhad
XOX Networks Group or the Group	:	XOX Networks and its subsidiaries