

XOX BHD

(Company Registration No.: 900384-X)
(Incorporated in Malaysia under the Companies Act, 1965)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2012

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Unaudited Condensed Consolidated Statement of Comprehensive Income

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|--|--|--|---|
| | Current Quarter <u>30 September 2012</u> | Preceding Year Corresponding Quarter <u>30 September 2011</u> | Year to Date <u>30 September 2012</u> | Preceding Year Corresponding Period <u>30 September 2011</u> |
| Note | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 9,188 | 8,975 | 9,188 | 8,975 |
| Cost of sales | (6,260) | (9,780) | (6,260) | (9,780) |
| Gross Profit | 2,928 | (805) | 2,928 | (805) |
| Other income | 122 | 140 | 122 | 140 |
| Selling and distribution expenses | (879) | (2,592) | (879) | (2,592) |
| Administrative expenses | (2,833) | (2,431) | (2,833) | (2,431) |
| Other expenses | (826) | (837) | (826) | (837) |
| Finance costs | (46) | (11) | (46) | (11) |
| Loss Before Tax | (1,534) | (6,536) | (1,534) | (6,536) |
| Income tax expense | - | - | - | - |
| Loss After Taxation / Total comprehensive expenses | (1,534) | (6,536) | (1,534) | (6,536) |
| Loss After Taxation / Total comprehensive expenses | | | | |
| Attributable to:- | | | | |
| - Equity holders of the Company | (1,534) | (6,536) | (1,534) | (6,536) |
| - Non-controlling interest | - | - | - | - |
| | (1,534) | (6,536) | (1,534) | (6,356) |
| Net Loss Per Share attribute to equity holders of the Company | | | | |
| - Basic (sen) | (0.51) | (2.2) | (0.51) | (2.2) |
| - Diluted (sen) | (0.51) | (2.2) | (0.51) | (2.2) |

The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial period ended 30 June 2012 and the accompanying explanatory notes attached to this interim financial statements.

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Unaudited Condensed Consolidated Statement of Financial Position

| | Unaudited As at 30 September 2012 RM'000 | Audited As at 30 June 2012 RM'000 |
|--|---|--|
| <u>ASSETS</u> | | |
| <u>NON-CURRENT ASSETS</u> | | |
| Equipment | 32,578 | 32,990 |
| <i>Total Non – Current Assets</i> | 32,578 | 32,990 |
| <u>CURRENT ASSETS</u> | | |
| Inventories | 741 | 794 |
| Trade receivables | 6,672 | 7,080 |
| Other receivables, deposits and prepayments | 4,179 | 3,783 |
| Deposits with a licensed bank | 8,000 | 8,000 |
| Short-term investment | 19 | 9 |
| Cash and bank balances | 307 | 1,022 |
| <i>Total Current Assets</i> | 19,918 | 20,688 |
| TOTAL ASSETS | 52,496 | 53,678 |
| <u>EQUITY AND LIABILITIES</u> | | |
| Share capital | 30,200 | 30,200 |
| Capital reserve | 2,200 | 2,200 |
| Share premium | 32,610 | 32,610 |
| Accumulated losses | (54,939) | (53,405) |
| <i>Total Equity</i> | 10,071 | 11,605 |
| <u>NON CURRENT LIABILITY</u> | | |
| Hire Purchase Payables | 536 | 580 |
| <u>CURRENT LIABILITIES</u> | | |
| Trade payables | 29,516 | 29,658 |
| Other payable and accruals | 12,198 | 11,660 |
| Hire purchase payables | 175 | 175 |
| <i>Total Liabilities</i> | 41,889 | 41,493 |
| TOTAL EQUITY AND LIABILITIES | 52,496 | 53,678 |
| Net assets per share attributable to equity holders of the Company (sen) # | 3.33 | 3.84 |

Notes: -

- # The net assets per share attributable to equity holders of the Company is computed based on the net assets divided by 302,000,000 ordinary shares of RM0.10 each of the Company.
- (a) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial period ended 30 June 2012 and the accompanying explanatory notes attached to this interim financial statements.

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Unaudited Condensed Consolidated Statement of Changes in Equity

| | ← Non-distributable → | | | Distributable | |
|---|-------------------------|---------------------------|-------------------------|------------------------------|------------------------|
| | Share capital RM'000 | Capital Reserve RM'000 | Share premium RM'000 | Accumulated losses RM'000 | Total equity RM'000 |
| At 1 July 2012 | 30,200 | 2,200 | 32,610 | (53,405) | 11,605 |
| Total comprehensive expenses for the period | - | - | - | (1,534) | (1,534) |
| At 30 September 2012 | <u>30,200</u> | <u>2,200</u> | <u>32,610</u> | <u>(54,939)</u> | <u>10,071</u> |
| At 1 July 2011 # | 30,200 | 2,200 | 32,506 | (37,323) | 27,583 |
| Reclassification of listing expenses | - | - | 104 | - | 104 |
| Total comprehensive expenses for the period | - | - | - | (6,536) | (6,536) |
| At 30 September 2011 | <u>30,200</u> | <u>2,200</u> | <u>32,610</u> | <u>(43,859)</u> | <u>21,151</u> |

Notes:-

The Company was incorporated on 10 May 2010 and the acquisition of the subsidiaries was completed on 4 April 2011. As the financial statements of one of its subsidiary has been consolidated using the merger method of accounting, the balance brought forward represents the brought forward balances of the subsidiary.

(a) The Unaudited Condensed Consolidated Statement of Changes to Equity should be read in conjunction with the audited financial statements for the financial period ended 30 June 2012 and the accompanying explanatory notes attached to this interim financial statements.

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Unaudited Condensed Consolidated Statement of Cash Flow

| | Cumulative quarter ended 30 September 2012 | Preceding Year Corresponding Quarter ended 30 September 2011 |
|---|--|---|
| NOTE | RM'000 | RM'000 |
| CASH FLOWS FOR OPERATING ACTIVITIES | | |
| Loss before taxation | (1,534) | (6,536) |
| Adjustments for: | | |
| Depreciation of equipment | 754 | 837 |
| Reclassification of listing expenses | - | 104 |
| Interest expense | 9 | 11 |
| Interest income | (59) | (132) |
| OPERATING LOSS BEFORE WORKING CAPITAL CHANGES | (830) | (5,716) |
| Increase in inventories | 53 | (514) |
| Decrease in trade and other receivables | 14 | 2,311 |
| Increase/(Decrease) in trade and other payables | 396 | (8,099) |
| Cash for operations | (367) | (12,018) |
| Interest paid | (9) | (11) |
| Tax paid | (1) | (1) |
| Net cash for operating activities | (377) | (12,030) |
| CASH FLOWS FOR INVESTING ACTIVITIES | | |
| Interest received | 58 | 132 |
| Purchase of equipment | (342) | (1,387) |
| Net cash for investing activities | (284) | (1,255) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of hire purchase payables | (44) | (41) |
| Net cash from financing activities | (44) | (41) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (705) | (13,326) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD | 9,031 | 28,809 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD | 8,326 | 15,483 |
| A15 | | |

Notes: -

The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the financial period ended 30 June 2012 and the accompanying explanatory notes attached to this interim financial statements.

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A. Explanatory Notes Pursuant To FRS 134

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“FRS”) 134 Interim Financial Reporting and Appendix 9B of the ACE Market Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”).

The interim financial report should be read in conjunction with the latest audited financial statements of XOX Bhd (“XOX” or the “Company”) and its subsidiaries (“Group”) for the financial period ended 30 June 2012.

The accounting policies adopted by the Group in this interim financial statements are consistent with those of the audited financial statements for the financial period ended 30 June 2012.

2. Audit report of the Group’s preceding annual financial statements

The auditors’ report of the Group’s annual audited financial statements for the financial period ended 30 June 2012 was qualified on the following matters:

- (a) Recoverability of certain trade receivables as at 30 June 2012 of RM4.9 million. The auditors are of the opinion that these receivables may not be recoverable and hence impairment losses should be provided for. The directors are of the opinion that these amounts outstanding are recoverable and accordingly no impairment losses should be provided for. Those trade receivables are still currently in business with the Group and have been purchasing regularly the Group’s products and services on cash basis. Over and above the ongoing cash sales, the trade receivables are also repaying their balances outstanding. As at 30 September 2012, those trade receivable balances outstanding are RM4.5 million.
- (b) Impairment of capital work-in-progress of approximately RM3.5 million. The auditors are unable to obtain sufficient and appropriate audit evidence that the capital work-in-progress is not impaired and that the Group has sufficient financial resources to complete the development of the capital work-in-progress for their intended use. The directors are of the opinion that, although the development of the capital work-in-progress has been halted, their development will continue and accordingly, no impairment losses have been made in the financial statements. The Group is currently reviewing its plans for the revival of the projects and they are expected to be restarted in the third or fourth quarter of the current financial year.
- (c) Accrual of cost of unrealised sales. The auditors were unable to obtain sufficient appropriate audit evidence to substantiate the non-accrual of cost for unrealised sales amounting to approximately RM2.3 million. The Directors have arrived at a basis whereby the costs were over-accrued or at the very least not incurred and hence no accruals are necessary.

3. Seasonality or cyclicity factors

The business of the Group was not affected by any significant seasonal and cyclical factors for the current quarter under review and financial year-to-date.

4. Nature and amount of exceptional and extraordinary items

There were no exceptional or extraordinary items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review and financial year-to-date.

5. Changes in estimates

There were no material changes in estimates for the current quarter under review and financial year-to-date.

6. Debt and equity securities

There were no issuance, cancellations, repurchase, resale and repayment of debt and equity securities, share buy backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter and financial year to date.

7. Dividends

No dividends were declared or paid by the Group in the current quarter under review.

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8. Segment information

No segmental information has been provided as the Company operates principally in Malaysia and in one major business segment.

9. Material events subsequent to the end of the reporting period

On 30 October 2012, the Company entered into an arrangement with a trade creditor of the Group. The salient terms of the arrangement are as follows:

- (i) The deposits with the licensed bank of RM8 million will be withdrawn to repay the trade creditor;
- (ii) The trade creditor agreed to convert the net balance outstanding at the end of the reporting period of approximately RM22 million to convertible loan stocks ("CLS");
- (iii) The repayment of the abovementioned CLS at the end of the reporting period of approximately RM22 million shall only be effective 12 months from 30 October 2012; and
- (iv) The trade creditor undertakes to extend credit period for sales/invoices to the Group in the next 12 months.

The above arrangement has been agreed in principle and is subject to the approval from the relevant parties.

10. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review.

11. Contingent liabilities and assets

- (a) There was approximately RM16.9 million due to one of the trade creditors of the Group, relating to the shortfall in the minimum commitment level for the quarter under review. Pursuant to the Mobile Virtual Network Operator ("MVNO") services agreement signed between XOX COM Sdn Bhd (a wholly owned subsidiary of the Company) and the said trade creditor, the minimum commitment level to the said trade creditor for the year 2012 is RM109 million.

The differences have not been provided for in the accounts of the Group as the management of the Group has been having regular meetings with the said trade creditor and the said trade creditor has not invoiced XOX and is receptive in waiving the aforementioned minimum commitment level and have also waived the minimum commitments to 30 June 2012.

However, had this amount been provided for in the results ended 30 September 2012, the loss for the quarter ended 30 September 2012 would be RM18.4 million and the shareholders' deficit would amount to RM6.8 million. This would trigger certain Prescribed Criteria set out in Guidance Note 3 of the ACE Market Listing Requirements ("GN3"), which indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

- (b) On 30 July 2012, a subsidiary, XOX Com Sdn. Bhd. was served a Writ of Summons and Statement of Claim by one of its suppliers. The total outstanding sum of approximately RM422,000 together with interest at the rate of 1.5% per month on the amount claimed from the date of accrual until the date of full settlement.

The Group is not expected to incur any material loss arising from the Writ of Summons and the Statement of Claim as the Group has provided for the amount comprising invoices from December 2011 to May 2012 which represent approximately 91% of the total outstanding sum claimed by the said supplier.

XOX Com Sdn. Bhd. has filed a defence and counterclaim on 3 September 2012 against the said supplier. The total counterclaim filed amounted to approximately RM323,000.

The Court has fixed the case management to be held on 21 November 2012 and 12 and 13 December 2012 for trial.

Save as disclosed above, there are no other material contingent liabilities or assets which may have material effect on the financial position of the Group as the date of this announcement.

12. Equipment

The Group acquired additional equipment amounting to approximately RM342,000 in the current and cumulative quarter under review.

13. Capital commitment

Authorised capital expenditure not provided for in the interim financial report at the end of the current quarter under review are as follows:-

| | RM'000 |
|------------------------------|------------|
| Approved and contracted for: | |
| - Equipment | <u>862</u> |

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14. Significant related party transactions

- (a) Identities of related parties
- (i) the Company has a controlling related party relationship with its subsidiaries;
 - (ii) the directors who are the key management personnel; and
 - (iii) entities controlled by certain key management personnel, directors and/or substantial shareholders.
- (b) In addition to the information detailed elsewhere in the financial statements, the Group carried out the following significant transactions with the related parties during the quarter:

| | Current quarter 30 September 2012 | Preceding year corresponding quarter 30 September 2011 |
|--|--|---|
| | RM'000 | RM'000 |
| (i) Key management personnel compensation: Short-term employee benefits | 479 | 490 |
| (ii) Related party – rental received | 8 | 8 |

15. Cash and cash equivalents

| | As At 30 September 2012 | As At 30 June 2012 |
|-------------------------------|------------------------------------|-------------------------------|
| | RM'000 | RM'000 |
| Deposits with a licensed bank | 8,000 | 8,000 |
| Short-term investment | 19 | 9 |
| Cash and bank balances | 307 | 1,022 |
| | <u>8,326</u> | <u>9,031</u> |

The deposits with a licensed bank are pledged as security for guarantees provided by the bank to a trade creditor.

16. Other investments

Save for the short-term investment placed with a bank disclosed in Section A.15, there were no other investments during the current quarter under review and financial year-to-date.

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B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities

1. Performance of the current quarter and financial year-to-date against preceding year corresponding quarter and year-to-date

XOX recorded revenue for the quarter and year to date under review of RM9.2 million, an increase of RM0.2 million from RM9.0 million of the previous year's corresponding quarter and year to date. XOX was able to maintain its revenue despite refocusing on subscriber retention and quality subscriber acquisition during the current quarter instead of the outright mass acquisition of subscribers as was the strategy during the previous year corresponding quarter, as the commissions and discounts paid out are lower.

XOX recorded a loss before taxation of RM1.5 million during the quarter and year to date under review compared to the loss before taxation of RM6.5 million in the previous year's corresponding quarter and year to date. The significant reduction in the loss was due mainly to the better gross profit and reduced selling and distribution expenses. The gross profit was improved due to reduced rates granted by XOX's main trade creditor and lower commissions and discounts incurred for its sales. The reduced selling and distribution expenses were mainly due to reduced promotion expenses incurred as the focus was on subscriber retention and quality subscriber acquisition instead of outright mass acquisition of subscribers.

2. Performance of the current quarter against the preceding quarter

| | Current Quarter 30 September 2012 | Preceding Quarter 30 June 2012 |
|--|--------------------------------------|-----------------------------------|
| | RM'000 | RM'000 |
| Revenue | 9,188 | 9,188 |
| Loss Before Interest Taxes Depreciation and Amortisation | (830) | (1,152) |
| Loss Before and After Tax | (1,534) | (403) |
| ARPU (RM) | 22.7 | 13.9 |

Revenue for the current quarter under review was similar to the previous quarter's.

The loss before and after tax increased in the current quarter to RM1.5 million compared with RM0.4 million for the previous quarter. The previous quarter included a one-time adjustment for depreciation expenses arising from the reassessment of the useful lives of its telecommunications equipment covering previous periods of the preceding year's depreciation expense.

Without the effect of this adjustment, as highlighted by the loss before interest taxes depreciation and amortization ("LBITDA"), the current quarter's LBITDA is lower than the preceding quarter. XOX is in the process of optimising its resources which is mainly driven by the strategy mentioned in section B1 above. The lower LBITDA is mainly due to cost reductions such as reduced promotion expenditures, commissions and discounts as a result of the optimisation and cost of sales.

3. Prospects and business outlook

Our Group is currently facing a challenging operating environment due to intense competitive pressure from existing and new competitors, rapid technological changes in mobile applications through the use of smart-phones and fast changing consumer preferences. The mobile telecommunications industry, as a whole, is currently facing systematic erosion in ARPU levels due to the gradual substitution of traditional voice, SMS and MMS usage with increased usage of mobile applications like WhatsApp, Viber, Line or MiTalk for IP calls, SMS and MMS services.

Notwithstanding the above, our Group remains committed in maintaining its focus on introducing innovative products and services to expand our subscriber base in accordance with the fast changing trends in the mobile telecommunications industry. XOX's management is cognisant of the challenges faced by the mobile telecommunications industry as a whole and has taken steps to mitigate the lower than expected revenue as a result of decreasing voice, SMS and MMS usage.

In view of the changing consumer behaviour in using more mobile applications on smart-phones to communicate and the erosion in traditional voice, SMS and MMS revenues, our management has taken steps to realign our Group's focus to

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ensure that it is in line with current consumer trends. XOX Group has realigned and re-focused some of its business services to ensure that it is in line with current consumer trends using more mobile applications for voice, SMS and MMS in their daily communications. These include the following:

- Focus, promotion and enhancements on data plans;
- Promotion, enhancements and continuous updates to fix issues of its SIM-Free mobile numbers with mobile service, mobile apps brand named Voopee; and
- Enhancements to and promotions of the Group's Social Network Portal where customers can buy XOX's products online and perform Mobile Number Portability ("MNP") online.

The Group's financial performance is dependent on the growth of its subscriber base and the average monthly revenue from the sales of recharge voucher per subscriber which is expected to be supported by the following factors:-

- a) Expected wider acceptance and availability of the Group's products and services amongst its target market via campaigns initiated in the past and increased new distribution channel via the Social Network Portal which allow our Group's subscribers wider access to recharge vouchers, as well as increase in traditional trade channels;
- b) Realignment of existing distributors and dealers;
- c) Sales to groups of users within a community or organisation;
- d) Introduction of new products and services such as special 3G data packs and feature enhancements to data plans.

The Board expects that the performance of the Group to be satisfactory with the strategies and plans initiated.

4. Profit forecast

The Board of Directors wishes to inform that the XOX Group did not have any profit forecast for the quarter ended 30 September 2012.

5. Loss before tax

| | Individual Quarter | | Cumulative Quarter | |
|--|--------------------------|--------------------------------------|--------------------------|-------------------------------------|
| | Current year quarter | Preceding year corresponding quarter | Current year to date | Preceding year corresponding period |
| | <u>30 September 2012</u> | <u>30 September 2011</u> | <u>30 September 2012</u> | <u>30 September 2011</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Interest income | 59 | 132 | 59 | 132 |
| Interest expense | 9 | 11 | 9 | 11 |
| Provision for and write off of receivables | - | - | - | - |
| Depreciation on plant and equipment | 754 | 837 | 754 | 837 |
| Provision for and write off of inventories | - | - | - | - |
| Gain or loss on disposal of quoted or unquoted investments or properties | - | - | - | - |
| Realised foreign exchange loss/(gain) | - | - | - | - |
| Impairment of assets | - | - | - | - |
| (Gain)/loss on derivatives | - | - | - | - |
| Exceptional items | - | - | - | - |

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6. Income Tax Expense

| | Current Quarter 30 September 2012 | Preceding Year Corresponding Quarter 30 September 2011 |
|--------------------|--------------------------------------|---|
| | RM'000 | RM'000 |
| Income tax expense | - | - |

No provision for income tax expense made as the Group has no assessable profits subject to Malaysia tax for current quarter under review and financial year-to-date.

7. Gain or loss on disposal of quoted and/or unquoted investments and/or properties

There were no disposal of quoted, unquoted and/or properties for the current quarter and financial year to date.

8. Corporate proposals

There are no corporate developments for the current quarter under review.

9. Utilisation of proceeds

The status of the gross proceeds of RM37.4 million from the Public Issue is as follows:

| Nature | Revised utilisation as at 13 October 2011 RM'000 | Balance as at 25 October 2012 RM'000 | Reallocation RM'000 | Revised Utilisation RM'000 | Timeframe |
|------------------------------------|--|--|------------------------|----------------------------------|------------------|
| Payment to creditor | 4,927 | - | - | - | |
| Capital Expenditure | 11,200 | 1,097 | (1,066) | 31 | |
| Convergence charging system | 6,700 | - | - | - | |
| SOA system | 900 | 513 | (513) | - | |
| Social network portal | 3,600 | 584 | (553) | 31 | Within 2 months |
| Working capital | 18,273 | 2,126 | 1,066 | 3,192 | |
| Branding, marketing, promotion | 4,000 | 1,023 | - | 1,023 | Within 12 months |
| Other working capital requirements | 14,273 | 1,103 | 1,066 | 2,169 | Within 12 months |
| Estimated listing expenses | 3,000 | - | - | - | |
| | 37,400 | 3,223 | - | 3,223 | |

Note: IPO proceeds will be utilised within the estimated timeframe. The Group does not expect any material deviation as at the date of this report.

10. Group Borrowings

Save for the following secured borrowings, there were no borrowings during the current quarter under review and financial year-to-date.

| | As at 30 September 2012 RM'000 | As at 30 June 2012 RM'000 |
|----------------------|--------------------------------------|---------------------------------|
| Hire purchase | | |
| Short-term | 175 | 175 |
| Long-term | 536 | 580 |

The hire purchase payables are pertaining to the acquisition of motor vehicles.

The Group does not have any foreign currency denominated borrowings.

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11. Material litigation

The material litigation faced by the Group is disclosed in section A.11 (b). Further announcement on the development of the matter will be made to Bursa Malaysia Securities Berhad in due course.

Save for the above, there were no other litigation or arbitration, which has a material effect on the financial position of the Group and the Board is not aware of any other proceedings pending or threatened or of any fact likely to give rise to any proceedings which has a material effect on the financial position of the Group.

12. Realised and Unrealised Losses Disclosure

| | As at 30 September 2012 | As at 30 June 2012 |
|---------------------------|----------------------------|-----------------------|
| | RM'000 | RM'000 |
| Total accumulated losses: | | |
| - Realised | (54,939) | (53,405) |
| - Unrealised | - | - |
| | (54,939) | (53,405) |

13. Net loss per share

| | Individual Quarter | | Cumulative Quarter | |
|--|------------------------------|---|------------------------------|--|
| | Current year quarter | Preceding year corresponding quarter | Current year to date | Preceding year corresponding period |
| | <u>30 September 2012</u> | <u>30 September 2011</u> | <u>30 September 2012</u> | <u>30 September 2011</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Net Loss attributable to equity holders of the company | (1,534) | (6,536) | (1,534) | (6,536) |
| Weighted average number of ordinary shares in issue ('000) | 302,000 | 302,000 | 302,000 | 302,000 |
| Net Loss Per Share - Basic (sen) | (0.51) | (2.2) | (0.51) | (2.2) |

The fully diluted loss per share is not presented as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

14. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 27 November 2012.