XOX BHD

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2019

Contents

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 15 MONTHS YEAR ENDED 30 SEPTEMBER 2019

Description	INDIVIDUAL PERIOD		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30 Sep 2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 Sep 2018 RM'000	CURRENT YEAR TO-DATE 30 Sep 2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 Sep 2018 RM'000
Revenue	61,556	57,391	312,289	N/A
Operating Expenses	(97,842)	(57,069)	(348,862)	N/A
Other Income	15,542	12	15,659	N/A
Finance Costs	(72)	(58)	(381)	N/A
(Loss)/Profit Before Tax	(20,816)	276	(21,295)	
Tax Expenses	(89)	(74)	(198)	N/A
(Loss)/Profit After Tax/Total Comprehensive (Expense)/Income	(20,905)	202	(21,493)	N/A
(Loss)/Profit After Tax / Total Comprehensive (Expense)/Income Attributable to:				
- Ordinary Equity Holders of the Parent	(20,813)	52	(21,315)	N/A
- Non-controlling Interest	(92)	150	(178)	N/A
	(20,905)	202	(21,493)	N/A
(Loss)/Earnings per Share Attributable To Equity Holders of the Parent				
- Basic (sen)	(1.95)	0.01	(2.00)	N/A
- Diluted (sen)	(1.95)	0.01	(2.00)	N/A

Notes:-

(I) The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial statements.

(II) The financial year end has been changed from 30 June to 30 September. The next audited financial statements shall be for a period of fifteen (15) months from 1 July 2018 to 30 September 2019 and thereafter, the financial year end shall be 30 September for each subsequent year.

(III) In addition, the comparative figures stated in the income statement, statement of changes in equity, cash flow statement and the related notes are not comparable.

(The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Notes to the Quarterly Report on pages 9 to 20).

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIFTH QUARTER ENDED 30 SEPTEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Description	**Unaudited as at 30 September 2019 RM'000**	**Audited as at 30 June 2018 RM'000**
ASSETS		(Restated)
NON-CURRENT ASSETS		
Property, plant and equipment	88,911	82,328
Other investment	1,442	2,724
Total Non-Current Assets	90,353	85,052
CURRENT ASSETS		
Inventories	7,202	9,260
Trade receivables	27,892	20,242
Other receivables, deposits and prepayments	44,661	48,191
Tax recoverables	307	214
Cash and short term deposits	8,953	12,565
Total Current Assets	89,015	90,472
TOTAL ASSETS	**179,368**	**175,524**
EQUITY AND LIABILITIES		
Share capital	127,093	122,455
Capital reserve	2,200	2,200
Warrant reserves	-	19,741
Other reserves	-	(19,741)
Exchange reserves	(15)	(3)
Share Issuance Scheme Options Reserve	962	1,124
Accumulated losses	(37,340)	(16,187)
Total Equity	92,900	109,589
Non-controlling interest	482	660
	93,382	110,249
NON CURRENT LIABILITY		
Finance lease payables	2,889	1,445
Deferred tax liabilities	106	52
	2,995	1,497
CURRENT LIABILITIES		
Trade payables	34,301	22,140
Other payable and accruals	47,586	41,066
Finance lease payables	1,104	572
	82,991	63,778
TOTAL LIABILITY	85,986	65,275
TOTAL EQUITY AND LIABILITIES	**179,368**	**175,524**
Net assets per share attributable to equity holders of the Company (sen) #	8.50	11.04

Notes: -

I. The net assets per share attributable to equity holders of the Company is computed based on the net assets divided by 1,092,396,675 ordinary shares of the Company. 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 2018 and the accompanying explanatory notes attached to this interim financial statements.

II. The financial year end has been changed from 30 June to 30 September. The next audited financial statements shall be for a period of fifteen (15) months from 1 July 2018 to 30 September 2019 and thereafter, the financial year end shall be 30 September for each subsequent year.

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Notes to the Quarterly Report on pages 9 to 20).

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent									
	Non-distributable									
	Share Capital	Capital Reserve	Warrant Reserve	Other Reserve	Exchange Reserves	Share Issuance Scheme Option Reserve	Accumulated Losses	Total	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 30 June 2018, as previously reported	122,455	2,200	19,741	(19,741)	(3)	1,124	(7,450)	118,326	660	118,986
Adjustments from adoption of MFRS 15	-	-	-	-	-	-	(8,162)	(8,162)	-	(8,162)
Adjustments from adoption of MFRS 9	-	-	-	-	-	-	(575)	(575)	-	(575)
Restated balance at 1 July 2018	122,455	2,200	19,741	(19,741)	(3)	1,124	(16,187)	109,589	660	110,249
Net (loss)/profit for the financial year, representing total comprehensive (loss)/income for the financial year	-	-	-	-	-	-	(21,315)	(21,315)	(178)	(21,493)
Transactions with owners:										
Issue of ordinary shares										
- pursuant to private placement	4,637	-	-	-	-	-	-	4,637	-	4,637
- pursuant to conversion/expired of warrants	1	-	(19,741)	19,741	-	-	-	1	-	1
Realization of share options	-	-	-	-	-	(162)	162	-	-	-
Other comprehensive gain during the financial year	-	-	-	-	(12)	-	-	(12)	-	(12)
At 30 September 2019	**127,093**	**2,200**	**-**	**-**	**(15)**	**962**	**(37,340)**	**92,900**	**482**	**93,382**
At 30 June 2017, as previously reported	107,637	2,200	19,741	(19,741)	-	5,931	(6,703)	109,065	605	109,670
Adjustments from adoption of MFRS 15	-	-	-	-	-	-	(2,790)	(2,790)	-	(2,790)
Adjustments from adoption of MFRS 9	-	-	-	-	-	-	(353)	(353)	-	(353)
Restated balance at 1 July 2017	107,637	2,200	19,741	(19,741)	-	5,931	(9,846)	105,922	605	106,527
Net (loss)/profit for the financial year, representing total comprehensive (loss)/income for the financial year	-	-	-	-	-	-	(11,870)	(11,870)	55	(11,815)
Transactions with owners:										
Issue of ordinary shares										
- pursuant to private placement	8,374	-	-	-	-	-	-	8,374	-	8,374
- pursuant to share option exercised	6,444	-	-	-	-	722	-	7,166	-	7,166
Realization of share options	-	-	-	-	-	(5,529)	5,529	-	-	-
Share base payment transactions	-	-	-	-	-	-	-	-	-	-
Other comprehensive loss during the financial year	-	-	-	-	(3)	-	-	(3)	-	(3)
At 30 June 2018	**122,455**	**2,200**	**19,741**	**(19,741)**	**(3)**	**1,124**	**(16,187)**	**109,589**	**660**	**110,249**

Notes:-

(i) The Unaudited Condensed Consolidated Statement of Changes to Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial statements.

(ii) The financial year end has been changed from 30 June to 30 September. The next audited financial statements shall be for a period of fifteen (15) months from 1 July 2018 to 30 September 2019 and thereafter, the financial year end shall be 30 September for each subsequent year.

(iii) In addition, the comparative figures stated in the income statement, statement of changes in equity, cash flow statement and the related notes are not comparable.

(The Unaudited Condensed Consolidated Statements of Statement of Changes in Equity should be read in conjunction with the Notes to the Quarterly Report on pages 9 to 20).

XOX BHD

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIFTH QUARTER ENDED 30 SEPTEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

Description	Cumulative Quarter Ended 30 Sep 2019 RM'000	Audited 12 Months Ended 30 June 2018 RM'000 (Restated)
CASH FLOWS FOR OPERATING ACTIVITIES		
Loss before taxation	(21,295)	(11,609)
Adjustments for:		
Depreciation of property, plant and equipment	14,367	8,201
Equity-settled share-base payment expenses	-	1,558
Gain on disposal of other investment	-	(606)
Impairment loss/(gain) on other investment	1,282	(755)
Impairment loss on trade receivables	9,833	568
Impairment loss on other receivables	10	14
Impairment on trade receivable written back	(27)	(2,170)
Impairment of capital work in progress	900	-
Interest expense	381	120
Interest income	(9)	(131)
Property, plant and equipment written off	293	-
Unrealised gain on foreign exchange	(2)	11
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	5,733	(4,799)
Changes in working capital:		
Inventories	2,058	(1,674)
Trade and other receivables	(13,935)	(8,492)
Trade and other payables	18,673	12,999
	6,796	2,833
Cash generated from/(used in) operations	12,529	(1,966)
Interest received	9	131
Interest paid	(381)	(120)
Tax paid	(521)	(438)
Tax refund	284	460
	(609)	33
Net cash generated from/(used in) operating activities	11,920	(1,933)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(18,838)	(19,888)
Proceeds from disposal of other investments	-	4,372
Net cash used in investing activities	(18,838)	(15,516)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(1,332)	(562)
Proceeds from issuance of share capital	4,638	13,983
Net cash generated from financing activities	3,306	13,421
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,612)	(4,028)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	12,565	16,593
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	8,953	12,565

Notes: -

(i) The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial statements.

(ii) The financial year end has been changed from 30 June to 30 September. The next audited financial statements shall be for a period of fifteen (15) months from 1 July 2018 to 30 September 2019 and thereafter, the financial year end shall be 30 September for each subsequent year.

(iii) In addition, the comparative figures stated in the income statement, statement of changes in equity, cash flow statement and the related notes are not comparable.

(The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Notes to the Quarterly Report on pages 9 to 20).

A. Explanatory Notes Pursuant To MFRS 134

1. Basis of preparation

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

The unaudited 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 year ended 30 June 2018.

The accounting policies adopted by the Group in this interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2018 except for the changes arising from the adoption of MFRS 9 "Financial Instruments" and MFRS 15 "Revenue from Contracts with Customers" as described below:

(a) Adoption of MFRS 9 "Financial Instruments"

MFRS 9 replaces MFRS 139 "Financial Instruments: Recognition and Measurement". The adoption of MFRS 9 has resulted in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets.

(i) <u>Classification and measurement of financial instruments</u>

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss ("FVPL") and FVOCI. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at FVPL with the irrevocable option at inception to present changes in FVOCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

MFRS 9 retains most of the MFRS 139 requirements for classification and measurement of financial liabilities. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statement of profit or loss, unless this creates an accounting mismatch.

(ii) MFRS 9 introduces an expected credit loss ("ECL") model on impairment that replaces the incurred loss impairment model used in MFRS 139. The ECL model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Group assesses on a forward-looking basis the ECLs associated with its financial assets classified at amortised cost and contract assets under MFRS 15 Revenue from Contracts with Customers. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

MFRS 9 did not affect the classification and measurement of the Group's financial assets and financial liabilities, except for additional impairment loss on trade and other receivables after reassessment under ECL model by RM353k and RM222k as at 1 July 2017 and 30 June 2018 respectively. As permitted by the transitional provisions of MFRS 9, the Group has elected to adopt the full retrospective approach, requiring the restatement of the comparative year presented in the financial statements. Refer to Note 1(c) for the adjustments made to the comparative figures.

1. Basis of preparation (cont'd)

(b) Adoption of MFRS 15 "Revenue from Contracts with Customers"

The Group has adopted MFRS 15 in the current financial period. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods and services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

MFRS 15 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The main changes are explained below:

(i) Sales of telecommunication services

The Group recognises telecommunication services revenue when services are rendered. Revenue is recognised when the customers use the services and is measured at the consideration specified in the contract.

(ii) Costs incurred to obtain

Under the MFRS 15, the Group capitalises sales commission/incentive and cost of sales that associate to the services yet to be rendered are presented as assets within receivables and are amortised consistently with the transfer of the service to the customer. Previously, the sales commission/incentive and cost of sales were recognised in the statement of profit and loss.

In accordance with the transitional provisions in MFRS 15, the Group has elected to adopt the full retrospective approach, requiring the restatement of the comparative period/year presented in the financial statements. Refer to Note 1(c) for the adjustments made to the comparative figures.

1. Basis of preparation (cont'd)

(c) Restatement of comparative figures

(i) Reconciliation of financial position and equity

Description		As at 30/6/2018	
	Previously reported RM'000	Effect of MFRS 15 & 9 RM'000	Restated RM'000
ASSETS			
NON-CURRENT ASSETS			
Other Non-Current Assets	85,052	-	85,052
Total Non-Current Assets	85,052	-	85,052
CURRENT ASSETS			
Inventories	9,260	-	9,260
Trade receivables	20,464	(222)	20,242
Other receivables, deposits and prepayments	32,118	16,073	48,191
Other current assets	12,779	-	12,779
Total Current Assets	74,621	15,851	90,472
TOTAL ASSETS	**159,673**	**15,851**	**175,524**
EQUITY AND LIABILITIES			
Share capital	122,455	-	122,455
Reserve	(4,129)	(8,737)	(12,866)
Total Equity	118,326	(8,737)	109,589
Non-controlling interest	660	-	660
	118,986	(8,737)	110,249
NON CURRENT LIABILITY			
Other Non-Current Liability	1,497	-	1,497
	1,497	-	1,497
CURRENT LIABILITIES			
Other payable and accruals	16,478	24,588	41,066
Other Current Liability	22,712	-	22,712
	39,190	24,588	63,778
TOTAL LIABILITY	40,687	24,588	65,275
TOTAL EQUITY AND LIABILITIES	**159,673**	**15,851**	**175,524**

1. Basis of preparation (cont'd)

(c) Restatement of comparative figures (cont'd)

(ii) Reconciliation of cash flows statement

Description		As at 30/6/2018	
	Previously RM'000	Effect of MFRS 15 &	Restated RM'000 (Restated)
CASH FLOWS FOR OPERATING ACTIVITIES			
Loss before taxation	(6,015)	(5,594)	(11,609)
Adjustments for:			
Impairment loss on trade receivables	458	110	568
Other expenses	6,242	-	6,242
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	**685**	**(5,484)**	**(4,799)**
Changes in working capital:	(2,651)	5,484	2,833
Cash used in operations	(1,966)	-	(1,966)
Other expenses	33	-	33
Net cash used in operating activities	(1,933)	-	(1,933)
Net cash used in investing activities	(15,516)	-	(15,516)
Net cash generated from financing activities	13,421	-	13,421
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(4,028)**	**-**	**(4,028)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	16,593		16,593
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	12,565	-	12,565

The adoption of the following amendments to MFRS and Issues Committee ("IC") Interpretation that came into effect on 1 January 2018 did not have any significant impact on the audited condensed consolidated financial statements upon their initial application**.**

- Amendments to MFRS 2 — Classification and Measurement of Share-based Payment Transaction
- IC Interpretation 22 — Foreign Currency Transactions and Advance Consideration

MFRS, amendments and improvements to MFRSs and IC Interpretation that are applicable to the Group but not yet effective

The Malaysian Accounting Standards Board had issued the following new standard, amendments and improvements to MFRSs and IC Interpretation, all of which are effective for the financial period/year beginning on or after 1 January 2019. The Group did not early adopt these new standards, amendments and improvements to MFRSs and IC Interpretation:

(i) The followings are not expected to have a significant effect on the consolidated financial statements of the Group:

- Amendments to MFRS 119 — Plan Amendment, Curtailment or Settlement
- Annual Improvements to MFRSs 2015 2017 Cycle
- IC Interpretation 23 — Uncertainty over Income tax Treatments

1. Basis of preparation (cont'd)

MFRS, amendments and improvements to MFRSs and IC Interpretation that are applicable to the Group but not yet Effective (cont'd)

(ii) MFRS 16"Leases" ("MFRS16")

MFRS 16 will supersede the existing MFRS 117 Leases , IC Interpretation 4 Determining whether an Arrangement contains a Lease , IC Interpretation 115 Operating Leases – Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and it sets out the principles for the recognition, measurement, presentation and disclosures of leases.

Under the existing MFRS 117, lessees and lessors are required to classify their leases as either finance leases or operating leases and account for those two types of leases differently. It requires a lessee to recognise assets and liabilities arising from finance leases but not from operating leases.

The new MFRS 16 introduces a single accounting model and requires a lessee to recognise assets and liabilities for the rights and obligations arising from all leases and hence eliminates the distinction between finance leases and operating leases. As a consequence, a lessee recognises right-of-use assets and lease liabilities arising from operating leases. The right- of-use asset is depreciated in accordance with the principle in MFRS 116 Property, Plant and Equipment and the lease liability is accreted over time with interest expense recognised in the profit or loss.

The financial effects arising from the application of this Standard are still being assessed by the management.

2. Change of Financial Year End

The Company has changed the financial year end from 30 June to 30 September. The next audited financial statements shall be for a period of fifteen (15) months from 1 July 2018 to 30 September 2019 and thereafter, the financial year end shall be 30 September for each subsequent year.

3. Seasonality or cyclicality 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 other 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; except for the Company increased its issued and paid up ordinary share capital by the followings:-

(1) issuance of 99,300,000 new ordinary shares of RM0.0467 each pursuant to the Private Placement on 26 October 2018; &

(2) 2,500 shares pursuant to the conversion of Warrant A at RM0.20 per share.

7. Dividends Paid

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

8. Segment information

Segmental information is neither included in the internal management reports nor provided regularly to the Management as the Group operates principally in Malaysia and in one major business segment that is in the provision of mobile communication services and its related products.

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

There were no material events subsequent to the end of this current quarter that have not been reflected in the financial statement for this current financial quarter under review.

10. Changes in the composition of the Group

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

11. Contingent liabilities and assets

There are no material contingent liabilities or assets which may have material effect on the financial position of the Group as the date of this announcement.

12. Capital commitment

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

	RM'000
Approved and contracted for:	
- Equipment	3,710

13. 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 Sept 2019 RM'000	Preceding year corresponding quarter 30 Sept 2018 RM'000
(i) Key management personnel compensation:		
Short-term employee benefits	347	400
(ii) Sales of web blasting services to a related party	7	12
(iii) Rental of equipment from a related party	-	1
(iv) Rental of office from related party	47	-

14. Other Investments

The Company is holding 32,049,200 ordinary shares of M3 Technologies (Asia) Berhad at total market value of RM1,442,214 as at 30 September 2019.

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

Description	Individual Period (5th Quarter)				Cumulative Period	
	Current Year Quarter 30 Sep 19	Preceding Year Corresponding Quarter 30 Sep 18	Changes		Current Year To-date 30 Sep 19	Preceding Year Corresponding Period 30 Sep 18
	RM'000	RM'000	RM'000	%	RM'000	RM'000
Revenue	61,556	57,391	4,165	7%	312,289	N/A
(Loss)/Earnings Before Interest Tax Depreciation & Amortisation ("LBITDA/EBITDA")	(15,513)	2,512	(18,025)	-718%	(6,555)	N/A
(Loss)/Profit Before Tax ("LBT/PBT")	(20,816)	276	(21,092)	-7642%	(21,295)	N/A
(Loss)/Profit After Tax ("LAT/PAT")	(20,905)	202	(21,107)	-10449%	(21,493)	N/A
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(20,813)	52	(20,865)	-40125%	(21,315)	N/A

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

For the 5th quarter ended 30 September 2019, the Group reported a 7% growth in revenue to RM61.56 million from RM57.39 million against the preceding year corresponding quarter. Revenue reported for the current quarter was lower by the reclassification of GST rebate of RM7.73 million from revenue to other income.

The Group reported a loss after tax of RM20.91 million against PAT of RM0.20 million of preceding year corresponding quarter, the higher loss for the current quarter was due to the additional debts provision of RM7.52 million from the change of debts assessment for BLACK subscribers, higher cost of sales due to aggressive sales campaign and rate adjustments, and higher depreciation due to the migration of data centre and system enhancement.

The Group generated RM312.29 million in revenue for the 15 months period with a loss after tax of RM21.49 million recorded, the higher losses was due to the change of debts assessment for BLACK subscribers, resulted a debts provision of RM9.83 million, higher cost of sales by RM9.98 million due to rate adjustments, initial set up and operating cost of Indonesia operation of RM1.36 million, total impairment loss of RM1.28 million on other investment and higher depreciation cost. No comparative figures are available for the corresponding 15 months periods, as the Group has changed the financial year end from 30 June to 30 September.

2. Performance of the current quarter against the preceding quarter

Description	Current Quarter 30 September 2019	Immediate Preceding Quarter 30 June 2019	Changes	
	RM'000	RM'000	RM'000	%
Revenue	61,556	74,097	(12,541)	-17%
(Loss)/Earnings Before Interest Tax Depreciation & Amortisation ("LBITDA/EBITDA")	(15,513)	2,896	(18,409)	-636%
(Loss)/Profit Before Tax ("LBT/PBT")	(20,816)	383	(21,199)	-5530%
(Loss)/Profit After Tax ("LAT/PAT")	(20,905)	445	(21,350)	-4794%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(20,813)	682	(21,495)	-3152%

For the quarter ended 30 September 2019, the Group registered a revenue of RM61.57 million, a 17% lower than the previous quarter of RM74.10 million. The differences was due to the classification of the GST rebate of RM7.73 million from revenue in Q4 to other income in Q5, thus the revenue reported for the current quarter should be at par with the preceding quarter after considering the above adjustment.

For Q5 2019, the Group reported a LAT of RM20.91 million compared to PAT of RM0.45 million in the preceding quarter, the higher losses for the current quarter was due to the impact from the change in method of debts assessment for BLACK subscribers, resulted an additional debts provision, higher cost of sales from intensive sales campaign and higher depreciation due to new data centre and system enhancement.

3. Prospects and business outlook

XOX will continue to enlarge our customer base to strengthen the market position supported by business plans for revenue growth; besides further enhancement on the existing products offerings, we will also focus on new technology offerings and digital products in response to the digital transformation and capture opportunities from mobile internet and big data.

Barring any unforeseen circumstances albeit with the continued competitive market pressure ahead, the Board of Directors is of the view that XOX's outlook for the next few quarters will be is expected to be improved with goals to capture the digital transformation opportunities.

4. Profit forecast or profit guarantee

The Board of Directors wishes to inform that the XOX Group did not issue any profit forecast.

5. Qualification of preceding audited financial statements

There was no audit qualification reported in the audited financial statements of the Group for the financial year ended 30 June 2018.

6. (Loss)/ Profit before tax

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
Descriptions	30 Sep 19	30 Sep 18	30 Sep 19	30 Sep 18
	RM'000	RM'000	RM'000	RM'000
Interest income	(2)	(2)	(9)	N/A
Interest expense	72	58	381	N/A
Depreciation on plant and equipment	5,232	2,180	14,367	N/A
Property plant and equipment written off	293	-	293	N/A
Impairment loss/(gain) on other investment	-	641	1,282	N/A
Impairment loss on trade receivables	7,520	-	9,833	N/A
Impairment loss on other receivables	-	-	10	N/A
Impairment loss on capital work in progress	900	-	900	N/A

7. Income Tax Expense

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
Descriptions	30 Sep 19	30 Sep 18	30 Sep 19	30 Sep 18
	RM'000	RM'000	RM'000	RM'000
Income Tax:				
- Current	32	55	143	N/A
Deferred Tax				
- Net originating and reversal of timing differences	58	19	55	N/A
Income tax expenses	89	74	198	N/A

The effective tax rate of the Group for the current quarter and financial period to-date is slightly lower than the statutory income tax rate mainly due to utilisation of tax losses and unabsorbed capital allowances.

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

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

9. Corporate proposals and utilisation of proceeds

Save as disclosed below, there were no other corporate proposals which had been announced by the Company and are pending for completion as at end of the reporting quarter.

A. On 26 November 2015, XOX announced that its indirect wholly owned subsidiary, XOX Mobile Sdn Bhd ("XOX Mobile") has entered into a Joint Venture Agreement with Mobligation Co. Ltd for the purpose to establish a new joint venture company to jointly promote and develop innovative mobile portal and browser particularly the Timber Browser, Kong Browser and Nepkin Micro Site in South East Asia; to date we are still working on the joint venture arrangement before formation of the joint venture company.

B. On 18 August 2017, XOX Media has entered into a MOU with Multimedia Research Lab Sdn Bhd ("MRL") to cooperate and collaborate with the aim of enhancing the functions of Voopee mobile application by sharing and incorporating MRL range of video conferencing and server technology to exploit market that arises from XOX Media collaboration with PT. Inovasi and PBNU. Both parties are in the midst of finalizing the business model.

C. On 26 February 2019, XOX Mobile has entered into a MOU with 10T Tech Limited ("10T Tech") for the purpose of participating in a platform, to be called as the "eSIM Alliance", which will handle international traffic through eSIM profile switching between its participants. To date, the parties (10T, XOX and other interested telco) are still discussing on the formation of the Alliance and the agreement to govern the Alliance.

D. On 10 June 2019, the Company announced to undertake the following "Proposals":-

I. Proposed Rights Issue of ICPS with Warrants;
II. Proposed Constitution Amendments; &
III. Proposed By-Laws Amendments.

Bursa Securities approved the said proposal on 24 June 2019 and subsequently approved by the Shareholders in the EGM held on 31 July 2019.

On 26 November 2019, the company has submitted an application to seek Bursa Securities' approval for an extension of time pf 6 months from 24 December 2019 up to 23 June 2020 for the Company to implement and complete the Corporate Exercise.

E. On 8 August 2019, XOX Mobile entered into a MOU with TOT Public Company Limited ("TOT") for the purpose to establish the mobile virtual network operator ("MVNO") partnership, cooperation and support between both parties in relation to exploring MVNO market in Thailand, connecting in technicality and testing the mobile telecommunication systems as well as other commercial operations. To date, both parties are working on the project.

10. Group Borrowings

Except for additional Hire Purchase borrowing of RM3,307,150 there were no other borrowings during the current quarter under review and financial year-to-date.

Description	**As at 30 Sept 2019 RM'000**	**As at 30 June 2018 RM'000**
Hire purchase		
Short-term	1,104	572
Long-term	2,889	1,445

The hire purchase payables are pertaining to the acquisition of motor vehicles and telecommunication network.
The Group does not have any foreign currency denominated borrowings.

11. Trade Receivables

Description	As at 30 September 2019 RM'000	As at 30 June 2018 RM'000
		(Restated)
Trade Receivables	39,234	22,502
Less: Accumulated impairment losses	(11,342)	(2,260)
	27,892	20,242

Trade receivables are non-interest bearing and are generally within the stipulated current credit term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

12. Material litigation

There were no 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.

13. Earnings per share

Descriptions	Individual Quarter		Cumulative Quarter	
	Current year quarter 30-Sep-19 RM'000	Preceding year corresponding quarter 30-Sep-18 RM'000	Current year to date 30-Sep-19 RM'000	Preceding year corresponding period 30-Sep-18 RM'000
Net (loss)/profit attributable to equity holders of the company	(20,813)	52	(21,315)	N/A
Weighted average number of ordinary shares in issue ('000)	1,066,972	993,094	1,066,972	N/A
Net (Loss)/Earning Per Share - Basic (sen)	(1.95)	0.01	(2.00)	N/A

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