



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND QUARTER ENDED 31 MARCH 2020

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Description	INDIVIDUAL PERIOD		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO- DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Mar 2020 RM'000	31 Mar 2019 RM'000	31 Mar 2020 RM'000	31 Mar 2019 RM'000
Revenue	58,922	60,476	124,080	N/A
Operating Expenses	(62,560)	(60,174)	(127,127)	N/A
Other Income	75	22	171	N/A
Finance Costs	(522)	(83)	(828)	N/A
(Loss)/Profit Before Tax	(4,085)	241	(3,704)	
Tax Expenses	(15)	(3)	(122)	N/A
(Loss)/Profit for the period, net of tax	(4,100)	238	(3,826)	N/A
Other comprehensive income, net of tax				
Item that may be reclassified subsequently to profit or loss				
Foreign currency translation	(209)	-	(209)	N/A
Total comprehensive income for the financial period	(4,309)	238	(4,035)	N/A
(Loss)/Profit for the period, net of tax				
Attributable to:				
- Owners of the Company	(4,011)	361	(3,653)	N/A
- Non-controlling Interest	(89)	(123)	(173)	N/A
	(4,100)	238	(3,826)	N/A
Total comprehensive income				
Attributable to:				
- Owners of the Company	(4,095)	361	(3,737)	N/A
- Non-controlling Interest	(214)	(123)	(298)	N/A
	(4,309)	238	(4,035)	N/A
(Loss)/ Earnings per Share Attributable				
To Equity Holders of the Parent				
- Basic (sen)	(0.37)	0.03	(0.33)	N/A
- Diluted (sen)	(0.37)	0.03	(0.33)	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 period ended 30 September 2019 and the accompanying explanatory notes attached to this interim financial statements.
- (II) In view of change in financial year end in previous year, 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 8 to 16).



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Description	Unaudited as at 31 March 2020 RM'000	Audited as at 30 September 2019 RM'000
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	44,925	49,336
Intangible assets	45,655	39,575
Right-of-use-assets	10,156	-
Other investment	961	1,442
Other receivables	237	244
<i>Total Non-Current Assets</i>	101,934	90,597
CURRENT ASSETS		
Inventories	7,746	7,201
Trade receivables	27,974	27,892
Other receivables, deposits and prepayments	50,528	46,948
Tax recoverables	402	343
Cash and short term deposits	28,150	8,953
<i>Total Current Assets</i>	114,800	91,337
TOTAL ASSETS	216,734	181,934
EQUITY AND LIABILITIES		
Share capital	126,893	126,893
Irredeemable Convertible Preference Shares (ICPS)	26,526	-
Capital reserve	2,200	2,200
Warrant reserves	5,385	-
Other reserves	(5,385)	-
Exchange reserves	(96)	(12)
Share Issuance Scheme Options Reserve	959	962
Accumulated losses	(41,009)	(36,856)
<i>Total Equity</i>	115,473	93,187
Non-controlling interest	1,996	2,312
	117,469	95,499
NON CURRENT LIABILITY		
Lease liabilities	10,035	2,889
Deferred tax liabilities	152	98
	10,187	2,987
CURRENT LIABILITIES		
Trade payables	41,910	34,300
Other payable and accruals	23,110	28,108
Contract liability	19,762	19,936
Lease liabilities	4,296	1,104
	89,078	83,448
TOTAL LIABILITY	99,265	86,435
TOTAL EQUITY AND LIABILITIES	216,734	181,934
Net assets per share attributable to equity holders of the Company (sen) #	10.57	8.53

Notes: -

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 period ended 30 September 2019 and the accompanying explanatory notes attached to this interim financial statements.

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Notes to the Quarterly Report on pages 8 to 16).



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent								Total	Non-Controlling Interest	Total Equity
	Non-distributable										
	Share Capital	ICPS	Capital Reserve	Warrant Reserve	Other Reserve	Exchange Reserves	Share Issuance Scheme Option Reserve	Accumulated Losses			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 30 September 2019, as previously reported	126,893	-	2,200	-	-	(12)	962	(36,856)	93,187	2,312	95,499
Adjustments from adoption of MFRS 16	-	-	-	-	-	-	-	(503)	(503)	(18)	(521)
Restated balance at 1 October 2019	126,893	-	2,200	-	-	(12)	962	(37,359)	92,684	2,294	94,978
Loss for the financial period	-	-	-	-	-	-	-	(3,653)	(3,653)	(173)	(3,826)
Other comprehensive income											
Foreign currency translations	-	-	-	-	-	(84)	-	-	(84)	(125)	(209)
Total comprehensive income for the financial period	-	-	-	-	-	(84)	-	(3,653)	(3,737)	(298)	(4,035)
Transactions with owners:											
Issue of ordinary shares pursuant to											
- Irredeemable Convertible Preference Shares (ICPS)	-	26,526	-	-	-	-	-	-	26,526	-	26,526
- Free detachable warrants	-	-	-	5,385	(5,385)	-	-	-	-	-	-
Realization of share options	-	-	-	-	-	-	(3)	3	-	-	-
	-	-	-	5,385	(5,385)	-	(3)	3	26,526	-	26,526
At 31 March 2020	126,893	26,526	2,200	5,385	(5,385)	(96)	959	(41,009)	115,473	1,996	117,469
At 1 July 2018	122,455	-	2,200	19,741	(19,741)	(3)	1,124	(7,450)	118,326	660	118,986
(Loss)/profit for the financial period	-	-	-	-	-	-	-	(1,184)	(1,184)	151	(1,033)
Other comprehensive income											
Foreign currency translations	-	-	-	-	-	7	-	-	7	-	7
Total comprehensive income for the financial period	-	-	-	-	-	7	-	(1,184)	(1,177)	151	(1,026)
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	-	-	-	-	-	-	(55)	55	-	-	-
Total transactions with owners	4,638	-	-	(19,741)	19,741	-	(55)	55	4,638	-	4,638
At 31 March 2019	127,093	-	2,200	-	-	4	1,069	(8,579)	121,787	811	122,598



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 MARCH 2020

Notes:-

- (i) 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 September 2019 and the accompanying explanatory notes attached to this interim financial statements.
- (ii) In view of change in financial year end in previous year, 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 8 to 16).

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

Description	Cumulative Quarter Ended 31 Mar 2020 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2019 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Loss before taxation	(3,704)	N/A
Adjustments for:		
Depreciation of plant and equipment	4,990	N/A
Amortisation of intangible assets	1,972	N/A
Amortisation of right-to-use-assets	1,694	N/A
Fair value adjustment on other investment	481	N/A
Impairment loss on trade receivables	1,880	N/A
Interest expense	828	N/A
Interest income	(39)	N/A
Unrealised gain on foreign exchange	(94)	N/A
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	8,008	-
Changes in working capital:		
Inventories	(544)	N/A
Trade and other receivables	(5,536)	N/A
Trade and other payables	2,379	N/A
	(3,701)	-
Cash used in operations	4,307	-
Interest received	39	N/A
Interest paid	(828)	N/A
Tax paid	(128)	N/A
	(917)	-
Net cash generated from operating activities	3,390	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment	(637)	N/A
Acquisition of intangible assets	(8,052)	N/A
Proceeds from disposal of property, plant and equipment	2	N/A
Net cash used in investing activities	(8,687)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(2,032)	N/A
Proceeds from right issue of ICPS	26,526	N/A
Net cash generated from financing activities	24,494	-
NET INCREASED IN CASH AND CASH EQUIVALENTS	19,197	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	8,953	N/A
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	28,150	N/A



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Notes: -

- (i) The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial period ended 30 September 2019 and the accompanying explanatory notes attached to this interim financial statements.
- (ii) In view of change in financial year end in previous year, 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 8 to 16).

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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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 period ended 30 September 2019.

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 September 2019 except for Malaysian Financial Reporting Standards (“MFRS”), interpretation and amendments to standards to be applied by all Entities Other Than Private Entities for the financial periods beginning on or after 1 January 2019:

MFRS 16:	Leases
MFRS 128:	Long-term Interests in Associates and Joint Ventures (Amendments to MFRS 128)
MFRS 119:	Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119)
IC Interpretation 23:	Uncertainty over Income Tax Treatments
Annual Improvements to MFRS Standards 2015–2017 Cycle	

The adoption of the above did not have any significant effects on the interim financial report upon their initial application, other than as disclosed below:

Adoption of MFRS 16 Leases (“MFRS 16”)

The Group has adopted MFRS 16 in the current financial period, where MFRS 16 supersedes MFRS 117 “Leases” and the related interpretations. Under MFRS 16, a lease is a contract (or part of contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. MFRS 16 eliminates the classification of leases by the lessee as either finance leases or operating leases.

MFRS 16 requires the lessee to recognise in the statements of financial position a “right-of-use” of the underlying asset and a lease liability reflecting future lease payment for most leases. The right-of-use asset is depreciated in accordance with the principal in MFRS 116 “Property, Plant and Equipment” and the lease liability is accreted over time with interest expense recognised in the statement of profit or loss.

On the date of initial application, the Group applied the simplified transition approach and did not restate comparative amounts for the period prior to first adoption. Right-of-use assets were measured on transition as if the new rules had always been applied.

The adoption of MFRS 16 impacts in the Group’s financial performance un the current financial period as below:

- (a) On the statements of profit or loss, expenses which previously included operating lease rentals within EBITDA, were replaced by interest expense on lease liabilities (included within “finance costs”) and amortisation of the right-of-use assets (included within “depreciation and amortization”).
- (b) On the statements of cash flows, operating lease rental outflows previously recorded within net cash flows from operating activities” were reclassified as “net cash flows used in financing activities” for repayment of the principal and interest of lease liabilities.

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2. Seasonality or cyclical 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.

3. 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.

4. Changes in estimates

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

5. 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 the following pursuant to the completion of Right Issues during the quarter:-

- (i) Issuance of 1,061,027,506 Irredeemable Convertible Preference Shares ("ICPS") which have a conversion price of RM0.05 each and are expiring on 5 March 2030; and
- (ii) Issuance of 265,256,876 Warrants B which have an exercise price of RM0.06 each and are expiring on 3 March 2023.

6. Dividends Paid

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

7. 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.

8. 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.

9. Changes in the composition of the Group

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

10. 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.

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11. 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	<u>5,773</u>

12. 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 31 March 2020 RM'000	Preceding year corresponding quarter 31 March 2019 RM'000
(i) Key management personnel compensation:		
Short-term employee benefits	345	326
(ii) Sales of web blasting services to a related party	40	29
(iii) Rental of equipment from a related party	-	17
(iv) Rental of office from related party	42	-
	42	-

13. Other Investments

The Company is holding 32,049,200 ordinary shares of M3 Technologies (Asia) Berhad at total market value of RM961,476 as at 31 March 2020.

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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 ("YTD")

Description	Individual Period (2nd Quarter)				Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes		Current Year To-date	Preceding Year Corresponding Period
	31 Mar 20	31 Mar 19	RM'000	%	31 Mar 20	31 Mar 19
	RM'000	RM'000	RM'000	%	RM'000	RM'000
Revenue	58,922	60,476	(1,554)	-3%	124,080	N/A
Earnings Before Interest Tax Depreciation & Amortisation ("EBITDA")	675	2,604	(1,929)	-74%	5,740	N/A
Profit/(Loss) Before Tax ("PBT/LBT")	(4,085)	241	(4,326)	-1795%	(3,704)	N/A
(Loss)/Profit After Tax ("LAT/PAT")	(4,100)	238	(4,338)	-1823%	(3,826)	N/A
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(4,011)	361	(4,372)	-1211%	(3,653)	N/A

For the quarter ended 31 March 2020, XOX Group revenue decreased by 3% to RM58.92 million as compared to the previous year corresponding quarter, mainly due to decline from voice revenue and early impact of COVID-19.

The Group reported a loss after tax of RM4.10 million against profit after tax of RM0.24 million of preceding year corresponding quarter, the higher losses was mainly due to higher depreciation and impact of MFRS 16; couple with the non-operating expenses arising from fair value adjustment on other investment and the expenses incurred associated with the Corporate exercises completed in March 2020.

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2. Performance of the current quarter against the preceding quarter

Description	Current Quarter	Immediate Preceding	Changes	
	31 March 2020	Quarter 31 December 2019	RM'000	%
Revenue	58,922	65,158	(6,236)	-10%
(Loss)/Earnings Before Interest Tax Depreciation & Amortisation ("LBITDA/EBITDA")	675	5,066	(4,391)	-87%
(Loss)/Profit Before Tax ("LBT/PBT")	(4,085)	381	(4,466)	-1172%
(Loss)/Profit After Tax ("LAT/PAT")	(4,100)	273	(4,373)	-1601%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(4,011)	358	(4,369)	-1221%

The Group registered a revenue of RM58.92 million, 10% lower than the previous quarter of RM65.16 million. Besides the early impact from COVID-19, previous quarter's results were driven by higher year end promotion activities for holiday season.

For the current quarter, the Group recorded a higher LAT of RM4.10 million as compared to PAT of RM273K in previous quarter, the loss was mainly due to a drop in revenue, alongside the impact from the adoption of MFRS 16, non-recurring expenses of fair value adjustment on other investment and expenses incurred associated with Corporate exercises completed in March 2020.

3. Prospects and business outlook

The year of 2020 has ushered in unexpected risk from health and safety aspects due to COVID-19 pandemic, the evolving COVID-19 situation and its adverse impact on the economic outlook and uncertain pace of market recovery, the Group is closely monitoring and assessing the impact of COVID-19 and taking necessary action to ensure the continuity of the business activity and safety and health of the workforce.

Due to the uncertainty related to the severity of the COVID-19 pandemic, the business activities are expected to be challenged with gradual recovery when economic activities resume. The Board remains confident to continue evolving our business and capture the digital transformation opportunities ahead.

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 period ended 30 September 2019.

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6. Profit before tax

Descriptions	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31 Mar 20 RM'000	31 Mar 19 RM'000	31 Mar 20 RM'000	31 Mar 19 RM'000
Interest income	(22)	(1)	(39)	N/A
Interest expense	522	83	828	N/A
Depreciation of plant and equipment	2,493	2,280	4,990	N/A
Amortisation of Intangible assets	986	-	1,972	N/A
Amortisation of right-to-use-assets	781	-	1,694	N/A
Fair value adjustment on other investment	481	-	481	N/A
Impairment loss on trade receivables	722	-	1,880	N/A

7. Income Tax Expense

Descriptions	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31 Mar 20 RM'000	31 Mar 19 RM'000	31 Mar 20 RM'000	31 Mar 19 RM'000
Income Tax:				
- Current	(20)	3	68	N/A
Deferred Tax				
- Net originating and reversal of timing differences	35	-	54	N/A
Income tax expenses	15	3	122	N/A

The effective tax rate of the Group for the current quarter and financial period to-date is slightly higher than the statutory income tax rate mainly due to certain expenses not deductible for tax purposes.

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.

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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 of 6 months from 24 December 2019 up to 23 June 2020 for the Company to implement and complete the Corporate Exercise and the approval was obtained on 2 December 2019.

The issued price of the ICPS at RM0.025 per ICPS and the exercise price of the Warrant at RM0.06 per Warrant was announced on 23 January 2020; and the Abridged Prospectus was issued on 12 February 2020.

The Right Issue of ICPS with Warrants has been completed following the listing and quotation of 1,061,027,506 ICPS and 265,256,876 Warrants B on the ACE market of Bursa Securities on 12 March 2020.

- 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.
- F. On 16 April 2020, XOX Media Sdn. Bhd. (“XOX Media”), a wholly-owned subsidiary of the Company, has entered into a Memorandum of Understanding (“MOU”) with DGB Networks Sdn. Bhd. (“DGB Networks”), a wholly-owned subsidiary of DGB Aisa Berhad (“DGB”) for the purposes of forming a collaborative partnership agreement, to deploy mass market Artificial Intelligence (“AI”) vending machines which will dispense key everyday fast-moving consumer goods such as small sanitiser bottles, face mask, sweets and candy, soft drinks and other sundry consumables across the country in 3 phases.

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G. Utilisation of Proceeds

Utilisation of proceeds from various corporate exercises as at 31 March 2020:-

ICPS (Completed on 12 March 2020)

Details	Proposed Utilisation (based on acceptance of applications for Rights Issue) RM	Actual Utilisation RM	Balance Available for Utilisation RM
(a) E-Sim expansion plan	15,000,000	2,500,000	12,500,000
(b) Expansion of XOX's E-Wallet function	10,525,688	2,500,000	8,025,688
(c) Expenses incurred for the Rights Issue	1,000,000	1,000,000	-
Total	26,525,688	6,000,000	20,525,688

10. Group Borrowings

The increase in lease liabilities arising from the adoption of MFRS 16, there were no other borrowings during the current quarter under review and financial year-to-date.

Description	As at 31 March 2020 RM'000	As at 30 September 2019 RM'000
Lease Liabilities		
Short-term	3,720	1,104
Long-term	10,611	2,889

The lease liabilities are pertaining to the acquisition of motor vehicles, telecommunication network and right-of-use-assets.

The Group does not have any foreign currency denominated borrowings.

11. Trade Receivables

Description	As at 31 March 2020 RM'000	As at 30 September 2019 RM'000
Trade Receivables	41,184	39,234
Less: Allowance for impairment losses	(13,210)	(11,342)
	27,974	27,892

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.

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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	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31-Mar-20 RM'000	31-Mar-19 RM'000	31-Mar-20 RM'000	31-Mar-19 RM'000
Net (loss)/profit attributable to equity holders of the company	(4,011)	361	(3,653)	N/A
Weighted average number of ordinary shares in issue ('000)	1,092,397	1,094,993	1,092,397	N/A
Net (Loss)/Profit Per Share - Basic (sen)	(0.37)	0.03	(0.33)	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.