



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD QUARTER ENDED 30 JUNE 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
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Revenue	58,536	74,097	182,617	N/A
Operating Expenses	(69,598)	(73,665)	(196,726)	N/A
Other Income	113	29	284	N/A
Finance Costs	(408)	(78)	(1,236)	N/A
(Loss)/Profit Before Tax	(11,357)	383	(15,061)	
Tax Expenses	(104)	62	(227)	N/A
(Loss)/Profit for the period, net of tax	(11,461)	445	(15,288)	N/A
Other comprehensive income, net of tax				
Item that may be reclassified subsequently to profit or loss				
Foreign currency translation	236	-	27	N/A
Total comprehensive income for the financial period	(11,225)	445	(15,261)	N/A
(Loss)/Profit for the period, net of tax				
Attributable to:				
- Owners of the Company	(11,325)	682	(14,979)	N/A
- Non-controlling Interest	(136)	(237)	(309)	N/A
	(11,461)	445	(15,288)	N/A
Total comprehensive income				
Attributable to:				
- Owners of the Company	(10,964)	682	(14,966)	N/A
- Non-controlling Interest	(261)	(237)	(295)	N/A
	(11,225)	445	(15,261)	N/A
(Loss)/ Earnings per Share Attributable				
To Equity Holders of the Parent				
- Basic (sen)	(1.02)	0.06	(1.35)	N/A
- Diluted (sen)	(1.02)	0.06	(1.35)	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 9 to 16).

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Description	Unaudited as at 30 June 2020 RM'000	Audited as at 30 September 2019 RM'000
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	41,932	49,336
Intangible assets	45,272	39,575
Right-of-use-assets	9,078	-
Other investment	2,243	1,442
Other receivables	233	244
<i>Total Non-Current Assets</i>	98,758	90,597
CURRENT ASSETS		
Inventories	7,577	7,201
Trade receivables	18,487	27,892
Other receivables, deposits and prepayments	47,418	46,948
Tax recoverables	353	343
Cash and short term deposits	34,221	8,953
<i>Total Current Assets</i>	108,056	91,337
TOTAL ASSETS	206,814	181,934
EQUITY AND LIABILITIES		
Share capital	139,634	126,893
Irredeemable Convertible Preference Shares (ICPS)	20,108	-
Capital reserve	2,200	2,200
Warrant reserves	5,385	-
Other reserves	(5,385)	-
Exchange reserves	1	(12)
Share Issuance Scheme Options Reserve	959	962
Accumulated losses	(52,342)	(36,856)
<i>Total Equity</i>	110,560	93,187
Non-controlling interest	1,999	2,312
	112,559	95,499
NON CURRENT LIABILITY		
Lease liabilities	9,377	2,889
Deferred tax liabilities	146	98
	9,523	2,987
CURRENT LIABILITIES		
Trade payables	30,853	34,300
Other payable and accruals	29,683	28,108
Contract liability	20,477	19,936
Lease liabilities	3,719	1,104
	84,732	83,448
TOTAL LIABILITY	94,255	86,435
TOTAL EQUITY AND LIABILITIES	206,814	181,934
Net assets per share attributable to equity holders of the Company (sen) #	8.21	8.53



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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 9 to 16).



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent						Share Issuance Scheme Option Reserve	Accumulated Losses	Total	Non- Controlling Interest	Total Equity
	Share Capital	ICPS	Capital Reserve	Warrant Reserve	Other Reserve	Exchange Reserves					
	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	-	-	-	-	-	-	-	(510)	(510)	(18)	(528)
Restated balance at 1 October 2019	126,893	-	2,200	-	-	(12)	962	(37,366)	92,677	2,294	94,971
Loss for the financial period	-	-	-	-	-	-	-	(14,979)	(14,979)	(309)	(15,288)
Other comprehensive income											
Foreign currency translations	-	-	-	-	-	13	-	-	13	14	27
Total comprehensive income for the financial period	-	-	-	-	-	13	-	(14,979)	(14,966)	(295)	(15,261)
Transactions with owners:											
Issue of ordinary shares pursuant to											
- Irredeemable Convertible Preference Shares (ICPS)	-	26,526	-	-	-	-	-	-	26,526	-	26,526
- Conversion of ICPS	12,741	(6,418)	-	-	-	-	-	-	6,323	-	6,323
- Free detachable warrants	-	-	-	5,385	(5,385)	-	-	-	-	-	-
Realization of share options	-	-	-	-	-	-	(3)	3	-	-	-
	12,741	-	-	5,385	(5,385)	-	(3)	3	32,849	-	32,849
At 30 June 2020	139,634	20,108	2,200	5,385	(5,385)	1	959	(52,342)	110,560	1,999	112,559
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	-	-	-	-	-	-	-	(502)	(502)	(86)	(588)
Other comprehensive income											
Foreign currency translations	-	-	-	-	-	(11)	-	-	(11)	-	(11)
Total comprehensive income for the financial period	-	-	-	-	-	(11)	-	(502)	(513)	(86)	(599)
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 30 June 2019	127,093	-	2,200	-	-	(14)	1,069	(7,897)	122,451	574	123,025



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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 9 to 16).

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
 THIRD QUARTER ENDED 30 JUNE 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

Description	Cumulative Quarter Ended 30 June 2020 RM'000	Preceding Year Corresponding Quarter Ended 30 June 2019 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Loss before taxation	(15,061)	N/A
Adjustments for:		
Depreciation of plant and equipment	7,459	N/A
Amortisation of intangible assets	2,958	N/A
Amortisation of right-to-use-assets	2,411	N/A
Gain on disposal of plant & equipment	(100)	N/A
Fair value adjustment on other investment	(801)	N/A
Impairment loss on trade receivables	2,516	N/A
Impairment loss on other receivables	2,435	N/A
Interest expense	1,236	N/A
Interest income	(89)	N/A
Written off:		
- Plant and equipment	585	N/A
- Intangible assets	3,813	N/A
Unrealised gain on foreign exchange	(69)	N/A
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	7,293	-
Changes in working capital:		
Inventories	(376)	N/A
Trade and other receivables	3,996	N/A
Trade and other payables	(1,244)	N/A
	2,376	-
Cash generated from operations	9,669	-
Interest received	89	N/A
Interest paid	(1,236)	N/A
Tax paid	(189)	N/A
	(1,336)	-
Net cash generated from operating activities	8,333	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment	(844)	N/A
Acquisition of intangible assets	(12,469)	N/A
Proceeds from disposal of plant and equipment	312	N/A
Net cash used in investing activities	(13,001)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liability	(2,913)	N/A
Proceeds from conversion of ICPS	6,418	N/A
Proceeds from issuance of Irredeemable Convertible Preference Shares (ICPS)	26,431	N/A
Net cash generated from financing activities	29,936	-
NET INCREASED IN CASH AND CASH EQUIVALENTS	25,268	-
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	34,221	N/A



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 JUNE 2020

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 9 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 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.

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 on 12 March 2020:-

- (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;
- (ii) Issuance of 265,256,876 Warrants B which have an exercise price of RM0.06 each and are expiring on 3 March 2023; and
- (iii) The Company increased its issued and paid up ordinary share capital pursuant to the conversion of 256,712,200 ICPS to 254,827,200 new shares.

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: -

- (a) Private Placement has been completed on 23 July 2020, following the quotation of 327,719,000 Placement Shares on the ACE Market of Bursa Securities, resulted an increase of RM 19,663,140 in share capital of the Company;
- (b) Conversion of 696,056,300 ICPS to 696,056,300 new shares; and
- (c) Conversion of 31,932,500 Warrant B to 31,932,500 new shares.

9. Changes in the composition of the Group

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

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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.

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>1,072</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 30 June 2020 RM'000	Preceding year corresponding quarter 30 June 2019 RM'000
(i) Key management personnel compensation:		
Short-term employee benefit	584	345
(ii) Services to a related party		
- Web blasting	50	32
- Black plan	3	-
(iii) Services from related parties		
- Rental of equipment	-	12
- Rental of office	50	106
- Electronic Data Management System	2,400	-

13. Other Investments

Save for the short-term investment of RM14.24 million placed with a licensed bank; the Company is holding 32,049,200 ordinary shares of M3 Technologies (Asia) Berhad at total market value of RM2,243,444 as at 30 June 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 (3rd Quarter)				Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes		Current Year To-date	Preceding Year Corresponding Period
	30 June 2020	30 June 2019	RM'000	%	30 June 2020	30 June 2019
	RM'000	RM'000	RM'000	%	RM'000	RM'000
Revenue	58,536	74,097	(15,561)	-21%	182,617	N/A
Earnings Before Interest Tax Depreciation & Amortisation ("EBITDA")	(6,826)	2,896	(9,722)	-336%	(1,086)	N/A
(Loss)/Profit Before Tax ("LBT/PBT")	(11,357)	383	(11,740)	-3065%	(15,061)	N/A
(Loss)/Profit After Tax ("LAT/PAT")	(11,461)	445	(11,906)	-2676%	(15,288)	N/A
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(11,325)	682	(12,007)	-1761%	(14,979)	N/A

For the quarter ended 30 Jun 2020, XOX Group revenue decreased by 21% to RM58.50 million as compared to the previous year corresponding quarter, mainly due to:-

1. The impact of COVID-19 outbreak and Movement Control Order (MCO) in March to June this year;
2. The free 1GB per day community offering to subscribers during the Movement Control period; and
3. The previous year corresponding quarter's revenue included the GST refunds amounting to RM7.7m.

The Group reported a loss after tax of RM4.92 million against profit after tax of RM0.45 million of preceding year corresponding quarter; the higher losses were due to:-

1. DATA acquisition cost on the free 1 GB per day community offering to subscribers;
2. Increased in depreciation as continued investment in Capex to support the data traffic growth;
3. Higher initial costs on DATA storage system to support the data traffic growth and increase the retention of subscribers;
4. Writing off of assets; and
5. Impairment loss on other receivables.

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2. Performance of the current quarter against the preceding quarter

Description	Current Quarter	Immediate Preceding Quarter	Changes	
	30 June 2020	31 March 2020	RM'000	%
Revenue	58,536	58,922	(386)	-1%
Earnings Before Interest Tax Depreciation & Amortisation ("EBITDA")	(6,826)	675	(7,501)	-1111%
Loss Before Tax ("LBT")	(11,357)	(4,085)	(7,272)	-178%
Loss After Tax ("LAT")	(11,461)	(4,099)	(7,362)	-180%
Loss Attributable to Ordinary Equity Holders of the Parent	(11,325)	(4,011)	(7,314)	-182%

The Group registered a revenue of RM58.50 million, 1% lower than the previous quarter of RM58.92 million which was mainly due to the impact of COVID-19 outbreak and Movement Control Order (MCO) in March to June under the reporting period and the free 1GB per day community offering to subscribers during the Movement Control period.

For the current quarter, the Group recorded a LAT of RM4.92 million as compared to LAT of RM4.10 million in the previous quarter; the loss was mainly due to the DATA cost on the free 1GB per day community offering to subscribers during the reporting period; assets written off; impairment loss on other receivables and higher initial costs on DATA storage system to support the data traffic growth and increase the retention of subscribers.

3. Prospects and business outlook

The Year 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 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 challenging 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
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Interest income	(50)	(1)	(89)	N/A
Interest expense	408	78	1,236	N/A
Depreciation of plant and equipment	2,469	2,436	7,459	N/A
Amortisation of Intangible assets	987	-	2,958	N/A
Amortisation of right-to-use-assets	717	-	2,411	N/A
Fair value adjustment on other investment	(1,282)	160	(801)	N/A
Impairment loss on trade receivables	635	2312	2,516	N/A
Impairment loss on other receivables	2,435	-	2,435	N/A
Written off:				
- Plant and equipment	585	-	585	N/A
- Intangible assets	3,813	-	3,813	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
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Income Tax:				
- Current	111	(47)	179	N/A
Deferred Tax				
- Net originating and reversal of timing differences	(6)	(15)	48	N/A
Income tax expenses	104	(62)	227	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.

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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 except:-

- A. On 18 August 2017, XOX Media Sdn. Bhd. (“XOX Media”), a wholly owned subsidiary of the Company, had 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.
- B. On 26 February 2019, XOX Mobile Sdn. Bhd. (“XOX Mobile”), a wholly owned subsidiary of the Company, had 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.
- C. 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.
- D. Utilisation of Proceeds

Utilisation of proceeds from various corporate exercises as at 30 June 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	5,080,827	9,919,173
(b) Expansion of XOX’s E-Wallet function	10,525,688	3,241,599	7,284,089
(c) Expenses incurred for the Rights Issue	1,000,000	1,000,000	-
Total	26,525,688	9,322,426	17,203,262

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 30 June 2020 RM’000	As at 30 September 2019 RM’000
Lease Liabilities		
Short-term	3,719	1,104
Long-term	9,377	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.

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11. Trade Receivables

Description	As at 30 June 2020 RM'000	As at 30 September 2019 RM'000
Trade Receivables	32,332	39,234
Less: Allowance for impairment losses	(13,845)	(11,342)
	18,487	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.

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
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Net (loss)/profit attributable to equity holders of the company	(11,325)	682	(14,979)	N/A
Weighted average number of ordinary shares in issue ('000)	1,107,115	1,060,565	1,107,115	N/A
Net (Loss)/Profit Per Share - Basic (sen)	(1.02)	0.06	(1.35)	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.