



XOX BHD

(Company Registration No.: 201001016682 (900384-X)
(Incorporated in Malaysia under the Companies Act, 1965)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 MARCH 2021

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
 SECOND QUARTER ENDED 31 MARCH 2021

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 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Revenue	72,175	58,922	144,807	124,080
Operating Expenses	(94,417)	(62,560)	(161,930)	(127,127)
Other Income	9,527	75	10,182	171
Finance Costs	(359)	(522)	(745)	(828)
Share of results of associates, net of tax	178	-	178	-
Loss Before Tax	(12,896)	(4,085)	(7,508)	(3,704)
Tax Expenses	(29)	(15)	(166)	(122)
Loss for the period, net of tax	(12,925)	(4,100)	(7,674)	(3,826)
Other comprehensive income, net of tax				
Item that may be reclassified subsequently to profit or loss				
Foreign currency translation	186	(1)	61	(1)
Total comprehensive income for the financial period	(12,739)	(4,101)	(7,613)	(3,827)
Loss for the period, net of tax Attributable to:				
- Owners of the Company	(12,774)	(4,011)	(7,125)	(3,653)
- Non-controlling Interest	(151)	(89)	(549)	(173)
	(12,925)	(4,100)	(7,674)	(3,826)
Total comprehensive income Attributable to:				
- Owners of the Company	(12,586)	(4,011)	(7,072)	(3,653)
- Non-controlling Interest	(153)	(90)	(541)	(174)
	(12,739)	(4,101)	(7,613)	(3,827)
Loss per Share Attributable				
To Equity Holders of the Parent				
- Basic (sen)	(0.36)	(0.37)	(0.20)	(0.33)
- Diluted (sen)	(0.36)	(0.37)	(0.20)	(0.33)

Notes:-

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 2020 and the accompanying explanatory notes attached to this interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Description	Unaudited as at 31 March 2021 RM'000	Audited as at 30 September 2020 RM'000
<u>ASSETS</u>		
<u>NON-CURRENT ASSETS</u>		
Plant and equipment	48,665	52,883
Intangible assets	45,695	37,123
Deferred tax assets	1,449	1,449
Investment in associate company	45,777	-
Other investment	74,662	6,152
Other receivables	235	238
Lease receivables	311	-
<i>Total Non-Current Assets</i>	216,794	97,845
<u>CURRENT ASSETS</u>		
Inventories	8,563	7,929
Trade receivables	8,553	12,451
Other receivables, deposits and prepayments	57,849	46,890
Lease receivables	145	
Tax recoverables	717	347
Cash and short term deposits	140,289	182,275
<i>Total Current Assets</i>	216,116	249,892
TOTAL ASSETS	432,910	347,737
<u>EQUITY AND LIABILITIES</u>		
Share capital	427,014	343,519
Irredeemable Convertible Preference Shares (ICPS)	1,949	2,160
Capital reserve	2,200	2,200
Warrant reserves	2,527	2,527
Other reserves	(2,527)	(2,527)
Exchange reserves	30	(23)
Share Issuance Scheme Options Reserve	-	2,976
Accumulated losses	(93,563)	(89,409)
<i>Total Equity</i>	337,630	261,423
Non-controlling interest	(405)	137
	337,225	261,560



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

Description	Unaudited as at 31 March 2021 RM'000	Audited as at 30 September 2020 RM'000
<u>NON-CURRENT LIABILITY</u>		
Lease liabilities	6,689	8,760
Deferred tax liabilities	336	170
<i>Total Non-Current Liability</i>	<i>7,025</i>	<i>8,930</i>
<u>CURRENT LIABILITIES</u>		
Trade payables	29,171	18,687
Other payable and accruals	31,421	30,038
Contract liability	23,559	24,034
Tax payable	5	15
Lease liabilities	4,504	4,473
<i>Total Current Liability</i>	<i>88,660</i>	<i>77,247</i>
TOTAL LIABILITY	95,685	86,177
TOTAL EQUITY AND LIABILITIES	432,910	347,737
Net assets per share attributable to equity holders of the Company (sen) #	8.58	8.52

Notes: -

The net assets per share attributable to equity holders of the Company is computed based on the net assets divided by 3,935,402,575 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 2020 and the accompanying explanatory notes attached to this interim financial statements.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 MARCH 2021

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	Other Reserve	Capital Reserve	Warrant 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	
At 1 October 2020	343,520	2,160	(2,528)	2,200	2,528	(23)	2,976	(89,409)	261,424	136	261,560
Loss for the financial period	-	-	-	-	-	-	-	(7,125)	(7,125)	(549)	(7,674)
Other comprehensive income											
Foreign currency translations	-	-	-	-	-	53	-	-	53	8	61
Total comprehensive income for the financial period	-	-	-	-	-	53	-	(7,125)	(7,072)	(541)	(7,613)
Transactions with owners:											
Issuance of ordinary shares pursuant to:											
- Private placement	60,631	-	-	-	-	-	-	-	60,631	-	60,631
- Conversion of ICPS	422	(211)	-	-	-	-	-	-	211	-	211
- Exercise of warrants	5	-	1	-	(1)	-	-	-	5	-	5
- Share options exercised	22,436	-	-	-	-	-	(1,883)	-	20,553	-	20,553
Share options granted	-	-	-	-	-	-	(1,093)	2,971	1,878	-	1,878
Total transactions with owners	83,494	(211)	1	-	(1)	-	(2,976)	2,971	83,278	-	83,278
At 31 March 2021	427,014	1,949	(2,527)	2,200	2,527	30	-	(93,563)	337,630	(405)	337,225



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

	Attributable to owners of the parent								Total	Non-Controlling Interest	Total Equity
	Non-distributable										
	Share Capital	ICPS	Other Reserve	Capital Reserve	Warrant 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 1 October 2019	126,893	-	-	2,200	-	(12)	962	(36,856)	93,187	2,312	95,499
Effect on adoption of MFRS 16	-	-	-	-	-	-	-	(503)	(503)	(18)	(521)
At 1 October 2019, as restated	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:											
Issuance of ordinary shares pursuant to:											
- Irredeemable Convertible Preference Shares (ICPS)	-	26,526	-	-	-	-	-	-	26,526	-	26,526
- Free detachable warrants	-	-	(5,385)	-	5,385	-	-	-	-	-	-
- Share options exercised	-	-	-	-	-	-	(3)	3	-	-	-
Total transactions with owners	-	26,526	(5,385)	-	5,385	-	(3)	3	26,526	-	26,526
At 31 March 2020	126,893	26,526	(5,385)	2,200	5,385	(96)	959	(41,009)	115,473	1,996	117,469

Notes:-

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 September 2020 and the accompanying explanatory notes attached to this interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

Description	Quarter Ended 31 March 2021 RM'000	Preceding Year Corresponding Quarter Ended 31 March 2020 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Loss before taxation	(7,508)	(3,704)
Adjustments for:		
Depreciation of property, plant and equipment	6,388	6,684
Amortisation of intangible assets	1,521	1,972
SIS fair value adjustment	1,879	-
Gain on remeasurement of lease liability	(15)	-
Gain on disposal of other investment	(8,763)	-
Fair value adjustment on other investment	7,228	481
Impairment loss on:		
- trade receivables	906	1,880
Interest expense	745	828
Interest income	(1,285)	(39)
Lease interest income	(15)	-
Accretion of interest income on other receivables	(5)	-
Unrealised loss/(gain) on foreign exchange	304	(94)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,380	8,008
Changes in working capital:		
Inventories	(633)	(544)
Trade and other receivables	(7,961)	(5,536)
Trade and other payables	9,755	2,379
	1,161	(3,701)
Cash generated from operations	2,541	4,307
Interest received	1,285	39
Lease interest income	15	-
Interest paid	(745)	(828)
Tax paid	(380)	(128)
	175	(917)
Net cash generated from operating activities	2,716	3,390

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
 SECOND QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (CONT'D)

Description	Quarter Ended 31 March 2021 RM'000	Preceding Year Corresponding Quarter Ended 31 March 2020 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(2,516)	(637)
Acquisition of intangible assets	(10,093)	(8,052)
Acquisition of other investments	(74,887)	-
Acquisition of investments in associate company	(44,992)	-
Proceeds from disposal of other investments	8,763	-
Proceeds from disposal of plant and equipment	-	2
Net cash used in investing activities	(123,725)	(8,687)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liability	(2,161)	(2,032)
Proceed from lease receivables	26	-
Proceeds from issuance of shares	81,400	26,526
Net cash generated from financing activities	79,265	24,494
NET (DECREASED)/INCREASED IN CASH AND CASH EQUIVALENTS	(41,744)	19,197
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	182,275	8,953
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS HELD	(242)	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	140,289	28,150

Notes: -

The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial period ended 30 September 2020 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND QUARTER ENDED 31 MARCH 2021

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 2020.

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 2020 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 2020:

Effective for financial periods beginning on or after 1 January 2020

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 9 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to References to the Conceptual Framework in MFRSs	

The adoption of the above did not have any significant effects on the interim financial report upon their initial application.

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 under review and financial year-to date except that the Company increased its issued ordinary share capital pursuant to -

- (a) The conversion of 547,200 (YTD: 8,442,400) ICPS to 547,200 (YTD: 8,442,400) ordinary shares;
- (b) The exercise of nil (YTD: 80,000) Warrant B to ordinary shares;
- (c) Issuance of nil (YTD: 614,851,000) share pursuant to Private Placement completed on 15 December 2020; &
- (d) Issuance of 172,181,400 (YTD: 243,197,600) ordinary shares through the exercise of the share options that was granted under Share Issuance Scheme.



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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.

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>5,954</u>

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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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 2021 RM'000	Preceding year corresponding quarter 31 March 2020 RM'000
(i) Key management personnel compensation:		
Short-term employee benefit	580	345
(ii) Services to a related party		
- Web blasting	37	40
- Black plan	1	-
- Rental income/deposit	93	-
(iii) Services from related parties		
- Rental charged	65	42
- Purchase of Mask	65	-
- Purchase of software	126	-

13. Other Investments

Save for the funds of RM101.79 million placed with a licensed bank, invested in money market investments and short to medium-term fixed income instruments as at 31 March 2021, details of other investments are as follows:-

Company	Nos of Share Held	Market Value (RM)
M3 Technologies (Asia) Berhad	72,380,000	3,619,000
MACPIE Berhad	46,300,000	18,983,000
Nexion Technologies Limited	117,848,500	33,309,761
DGB Asia Berhad	250,000,000	18,750,000
Total		74,661,761

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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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 31-Mar-21	Preceding Year Corresponding Quarter 31-Mar-20	Changes		Current Year-To-date 31-Mar-21	Preceding Year Corresponding Period 31-Mar-20	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	72,175	58,922	13,253	22%	144,807	124,080	20,727	17%
Earnings Before Interest Tax Depreciation & Amortisation ("EBITDA")	(9,386)	675	(10,061)	-1491%	(155)	5,740	(5,895)	-103%
Loss Before Tax ("LBT")	(12,896)	(4,085)	(8,811)	-216%	(7,508)	(3,704)	(3,804)	-103%
Loss After Tax ("LAT")	(12,925)	(4,100)	(8,825)	-215%	(7,674)	(3,826)	(3,848)	-101%
Loss Attributable to Ordinary Equity Holders of the Parent	(12,774)	(4,011)	(8,763)	-218%	(7,125)	(3,653)	(3,472)	-95%

For the quarter ended 31 March 2021, XOX Group revenue increased by 22% to RM72.18 million as compared to the previous year corresponding quarter under the challenging operating environment, it was mainly underpinned by the recurring revenue from the subscribers' conversion from a prepaid plan to "Black Plan" (postpaid).

The Group reported a loss after tax of RM12.94 million against a loss after tax of RM4.10 million in the preceding year corresponding quarter, the losses was due to the fair value loss of RM13.14 million arising from the investment in quoted shares of M3 Technologies (Asia) Berhad, MACPIE Berhad, Nexion Technologies Limited and DGB Asia Berhad after offsetting RM8.76 million gain on disposal of Warrants for the current quarter.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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2. Performance of the current quarter against the preceding quarter

Description	Current Quarter	Immediate	Changes	
	31 March 2021	Preceding Quarter	31 December 2020	
	RM'000	RM'000	RM'000	%
Revenue	72,175	72,632	(457)	-1%
Earnings Before Interest Tax Depreciation & Amortisation ("EBITDA")	(9,386)	9,232	(18,618)	-202%
(Loss)/Profit Before Tax ("LBT/PBT")	(12,896)	5,389	(18,285)	-339%
(Loss)/Profit After Tax ("LAT/PAT")	(12,925)	5,252	(18,177)	-346%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(12,774)	5,650	(18,424)	-326%

Despite the pandemic, the Group managed to sustain the momentum from last quarter and registered a stable revenue of RM72.18 million for the current quarter.

For the current quarter, the Group recorded a LAT of RM12.92 million as compared to PAT of RM5.25 million reported in the previous quarter. It was due to fair value loss of RM13.14 million after offsetting the gain on disposal of warrant, details of which as highlighted in Note B8 (Gain or loss on disposal of quoted and/or unquoted investments and/or properties) below, in relation to investment in quoted shares as compared to a fair value gain of RM14.67 million in the previous quarter.

3. Prospects and business outlook

Despite the market conditions remaining unpredictable due to ongoing hardship stemming from the COVID-19 health crisis, the Group remains committed to our core business by offering attractive mobile subscription plans for connectivity services.

The Group is also developing a digital ecosystem to capture the unique combination of the core business, customer base and capabilities to build new sources of business and revenue stream.

Premised on the overview and outlook of the telecommunication, e-commerce, digital lending and electronic payment in Malaysia, the Board is cautiously optimistic about the future prospects of the Group despite a challenging economic outlook 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 2020.

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6. Loss before tax

Descriptions	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	31-Mar-21 RM'000	31-Mar-20 RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000
Amortisation of Intangible assets	763	986	1,521	1,972
Depreciation of property, plant and equipment	3,083	3,273	6,388	6,684
Gain on disposal of other investment	(8,763)	-	(8,763)	-
Fair value adjustment on other investment	21,899	481	7,228	481
Interest expense	359	522	745	828
Interest income	(680)	(22)	(1,285)	(39)
Lease Interest Income	(15)	-	(15)	-
Impairment loss:				
- Trade receivables	460	722	906	1880
SIS fair value adjustment	304	-	1,879	-

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-21 RM'000	31-Mar-20 RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000
Income Tax:				
- Current	-	(20)	-	68
Deferred Tax				
- Relating to origination & reversal of temporary differences	29	35	166	54
Income tax expenses	29	15	166	122

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.

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SECOND QUARTER ENDED 31 MARCH 2021

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 except the disposal of the following Warrant during the quarter:

- (a) RM5.5 million gain on the disposal of 46,300,000 Warrant of Macpie Bhd; and
- (b) RM3.2 million gain on the disposal of 125,000,000 Warrant of DGB Asia Bhd

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. The discussion on business arrangement was put on hold as the business plan in Indonesia has been halted due to unforeseeable COVID-19 pandemic.
- 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. On 9 October 2020, XOX Media, a wholly owned subsidiary of the Company, had entered into a MOU with GEM Pay Sdn. Bhd. (“GEM Pay”) for the purpose to discuss, explore and enter into negotiations in respect of a business arrangement to rent up to 1,000 units of contactless payment terminals and/or cashless eWallet payment solutions from GEM Pay to be incorporated into smart vending machines.

On 19 May 2021, the company has announced that as there is no conclusion on the negotiation between XOX Media & GEM pay as at the expiry date of the MOU on 8 April 2021; the MOU shall be deemed as lapsed.
- E. On 19 March 2021, the Company proposed establishment of an Employees’ Share Option Scheme (“ESOS”) involving up to 30% of the total number of issued shares of the Company for eligible directors and employees of the Company and its subsidiaries.

The said proposal was approved in the EGM held on 19 April 2021.

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F. Utilisation of Proceeds

Utilisation of proceeds from various corporate exercises as at 31 March 2021:-

ICPS (Completed on 12 March 2020)

Details	Proposed Utilisation (based on acceptance of applications for Rights Issue)	Actual Utilisation	Balance Available for Utilisation
	RM	RM	RM
(a) E-Sim expansion plan	15,000,000	10,666,471	4,333,529
(b) Expansion of XOX's E-Wallet function	10,525,688	9,363,225	1,162,463
(c) Expenses incurred for the Rights Issue	1,000,000	1,000,000	-
Total	26,525,688	21,029,696	5,495,992

Private Placement (Completed on 23 July 2020)

Details	Proposed Utilisation (based on acceptance of applications for Rights Issue)	Actual Utilisation	Balance Available for Utilisation
	RM	RM	RM
(a) Investment in the business of smart vending machine	19,063,140	2,461,531	16,601,609
(b) Expenses incurred for the Private Placement	600,000	600,000	-
Total	19,663,140	3,061,531	16,601,609

Private Placement (Completed on 15 December 2020)

Details	Proposed Utilisation (based on acceptance of applications for Rights Issue)	Actual Utilisation	Balance Available for Utilisation
	RM	RM	RM
(a) Fintech Business Expansion	48,000,000	15,320,331	32,679,669
(b) Rebranding exercise to reposition the xox brand into a Fintech solution and telecommunications provider	5,000,000	202,970	4,797,030
(c) Marketing and promotional expenses for the Fintech Business Expansion	7,060,845	920,000	6,140,845
(d) Expenses for the Private Placement	570,000	570,000	-
Total	60,630,845	17,013,301	43,617,544

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10. Group Borrowings

There were no other borrowings during the current quarter under review and financial year-to-date.

Description	As at 31 March 2021 RM'000	As at 30 September 2020 RM'000
Lease Liabilities		
Short-term	6,689	4,473
Long-term	4,504	8,760

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 2021 RM'000	As at 30 September 2020 RM'000
Trade Receivables	16,649	19,641
Less: Allowance for impairment losses	(8,096)	(7,190)
	8,553	12,451

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.

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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 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Net loss attributable to equity holders of the company	(12,774)	(4,011)	(7,125)	(4,011)
Weighted average number of ordinary shares in issue ('000)	3,560,666	1,092,397	3,560,666	1,092,397
Net Loss Per Share - Basic (sen)	(0.36)	(0.37)	(0.20)	(0.37)

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