



XOX BHD

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 JUNE 2023

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Additional information required by the Bursa Malaysia Securities Listing Requirements
("Bursa Securities LR")



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Quarter Ended 30-Jun-23 RM'000	Quarter Ended 30-Jun-22 RM'000	Period Ended 30-Jun-23 RM'000	Period Ended 30-Jun-22 RM'000
Revenue		65,458	66,948	207,221	225,653
Operating Expenses		(144,750)	(64,095)	(286,816)	(296,038)
Other Income		389	587	1,399	1,651
Finance Costs		(3,843)	(354)	(4,665)	(1,107)
Share of results of associates and joint venture, net of tax		(10,029)	(2,239)	(12,601)	(2,085)
(Loss)/Profit Before Tax	B6	(92,775)	847	(95,462)	(71,926)
Tax Expenses	B7	(9)	(286)	(66)	(367)
(Loss)/Profit for the period, net of tax		(92,784)	561	(95,528)	(72,293)
Other comprehensive income, net of tax Item that may be reclassified subsequently to profit or loss					
Foreign currency translation		(12,011)	(7,094)	(3,290)	(7,367)
Total comprehensive income for the financial period		(104,795)	(6,533)	(98,818)	(79,660)
(Loss)/Profit for the period, net of tax					
Attributable to:					
- Owners of the Company		(92,245)	770	(94,034)	(71,614)
- Non-controlling Interest		(539)	(209)	(1,494)	(679)
		(92,784)	561	(95,528)	(72,293)
Total comprehensive income					
Attributable to:					
- Owners of the Company		(104,206)	(6,315)	(97,300)	(78,972)
- Non-controlling Interest		(589)	(218)	(1,518)	(688)
		(104,795)	(6,533)	(98,818)	(79,660)
Basic (loss)/earnings per ordinary share attributable to Owners of the Company (sen):					
- Basic & Diluted	B13	(1.83)	0.02	(1.86)	(1.53)

Notes:-

The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2022 and the accompanying explanatory notes attached to this interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited as at 30-Jun-23 RM'000	Audited as at 30-Sep-22 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		81,461	76,634
Intangible assets		38,346	34,196
Investment in associates		69,395	39,623
Investment in a joint venture		4,611	2,299
Other investments	A13	18,083	18,597
Goodwill on consolidation		14,282	14,282
Finance lease receivable		-	55
Other receivables		203	207
Deferred tax assets		305	305
		<u>226,686</u>	<u>186,198</u>
Current assets			
Inventories		12,363	10,464
Trade receivables	B11	13,158	11,875
Finance lease receivable		101	176
Other receivables, deposits and prepayments		52,014	51,980
Tax recoverables		1,508	1,533
Cash and short term deposits		42,975	83,301
		<u>122,119</u>	<u>159,329</u>
TOTAL ASSETS		<u>348,805</u>	<u>345,527</u>
EQUITY AND LIABILITIES			
Equity			
Ordinary shares		468,851	468,848
Irredeemable Convertible Preference Shares (ICPS)		1,949	1,949
Capital reserve		2,200	2,200
Warrants B reserve		-	2,527
Other reserve		-	(2,527)
Exchange reserve		(21,293)	(18,027)
Accumulated losses		(315,365)	(221,331)
Total equity attributable to owners of the Company		<u>136,342</u>	<u>233,639</u>
Non-controlling interest		(4,430)	(2,912)
		<u>131,912</u>	<u>230,727</u>



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

	Note	Unaudited as at 30-Jun-23 RM'000	Audited as at 30-Sep-22 RM'000
Non-current liability			
Lease liabilities	B10	7,292	7,265
Other payables		94,151	-
Deferred tax liabilities		2,036	2,053
		<u>103,479</u>	<u>9,318</u>
Current Liabilities			
Trade payables		23,755	22,764
Other payable and accruals		58,376	53,372
Contract liabilities		26,081	25,045
Tax payable		-	1
Lease liabilities	B10	5,202	4,300
		<u>113,414</u>	<u>105,482</u>
TOTAL LIABILITY		<u>216,893</u>	<u>114,800</u>
TOTAL EQUITY AND LIABILITIES		<u>348,805</u>	<u>345,527</u>
Net assets per share attributable to equity holders of the Company (sen) #		<u>2.70</u>	<u>4.63</u>

Notes: -

The net assets per share attributable to equity holders of the Company is computed based on the net assets divided by 5,050,878,500 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 September 2022 and the accompanying explanatory notes attached to this interim financial statements.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent		Non-distributable					Share Issuance Scheme Option Reserve		Accumulated Losses	Total	Non-Controlling Interest	Total Equity
	Share Capital	ICPS	Other Reserve	Sub-total	Capital Reserve	Warrants Reserve	Warrants Reserve	Exchange Reserves	Share Issuance Scheme Option Reserve				
At 1 October 2022	468,848	1,949	(2,527)	468,270	2,200	2,527	-	(18,027)	-	(221,331)	233,639	(2,912)	230,727
Loss for the financial period	-	-	-	-	-	-	-	-	-	(94,034)	(94,034)	(1,494)	(95,528)
Other comprehensive income	-	-	-	-	-	-	-	(3,266)	-	-	(3,266)	(24)	(3,290)
Foreign currency translations	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	-	-	-	-	(3,266)	-	(94,034)	(97,300)	(1,518)	(98,818)
Transactions with owners of the Company:													
Issuance of ordinary shares pursuant to:													
- Exercise of warrants B	3	-	1	4	-	(1)	-	-	-	-	3	-	3
Warrants B expired	-	-	2,526	(2,526)	-	(2,526)	-	-	-	-	-	-	-
Total transactions with owners of the company	3	-	2,527	(2,527)	-	(2,527)	-	-	-	-	3	-	3
At 30 June 2023	468,851	1,949	-	468,274	2,200	-	(21,293)	136,342	(315,365)	(4,430)	131,912		



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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 Issuance Scheme Option Reserve							
Share Capital	ICPS	Other Reserve	Sub-total	Capital Reserve	Warrants 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	RM'000	RM'000	RM'000	
At 1 October 2021	432,150	1,949	(2,527)	431,572	2,200	2,527	(1,694)	3,036	(131,927)	305,714	(1,776)	303,938	
Loss for the financial period	-	-	-	-	-	-	-	-	(71,614)	(71,614)	(679)	(72,293)	
Other comprehensive income	-	-	-	-	-	(7,358)	-	-	(7,358)	(7,358)	(9)	(7,367)	
Foreign currency translations	-	-	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income	-	-	-	-	-	(7,358)	-	-	(7,358)	(7,358)	(688)	(79,660)	
Transactions with owners of the Company:													
Issuance of ordinary shares pursuant to:													
- Share options exercised	36,698	-	-	36,698	-	-	-	(6,490)	-	30,208	-	30,208	
Share options granted	-	-	-	-	-	-	-	5,026	-	5,026	-	5,026	
Share options expired	-	-	-	-	-	-	-	(1,572)	1,572	-	-	-	
Total transactions with owners of the company	36,698	-	(2,527)	36,698	2,200	2,527	(9,052)	(3,036)	1,572	35,234	-	35,234	
At 30 June 2022	468,848	1,949	(2,527)	468,270	2,200	2,527	(9,052)	-	(201,969)	261,976	(2,464)	259,512	

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 2022 and the accompanying explanatory notes attached to this interim financial statements.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Period Ended 30-Jun-23 RM'000	Period Ended 30-Jun-22 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Loss before taxation	(95,462)	(71,926)
Adjustments for:		
Depreciation of property, plant and equipment	11,460	9,994
Amortisation of intangible assets	2,508	2,573
Share-based payment expenses	-	5,027
Gain on modification of lease contract:		
- Modification of right-of-use assets	121	192
- Modification of Lease liability	(153)	(240)
Gain on disposal of:		
- property, plant and equipment	-	(200)
Fair value adjustment on other investment	134	16,129
Impairment loss on:		
- trade receivables	1,508	2,667
- investment in associates	62,658	62,859
Interest expense	4,665	1,107
Interest income	(612)	(1,019)
Lease interest income	(16)	(32)
Share of joint venture's (profit)/loss	(2,312)	1,212
Share of associate's loss	14,913	873
Written off:		
- property, plant and equipment	-	3
- intangible assets	-	106
Covid-19 related rent concession	(17)	(135)
Unrealised loss on foreign exchange	4,011	(4,385)
Operating profit before working capital changes	3,406	24,805
Changes in working capital:		
Inventories	(1,900)	(1,563)
Trade and other receivables	(2,815)	(19,286)
Finance lease receivables	130	114
Trade and other payables	5,369	(6,281)
	784	(27,016)
Cash generated from/(used in) operations	4,190	(2,211)



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

	Period Ended 30-Jun-23 RM'000	Period Ended 30-Jun-22 RM'000
Interest received	606	1,013
Lease interest income	16	32
Interest paid	(4,665)	(1,107)
Tax paid	(955)	(503)
Tax refund	897	-
	(4,101)	(565)
Net cash generated from/(used in) operating activities	89	(2,776)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(11,092)	(23,389)
Acquisition of intangible assets	(6,658)	(1,095)
Acquisition of other investments	(1,450)	(5,067)
Investments in associate	-	(56,650)
Acquisition of subsidiary, net of cash and cash equivalent acquired	(18,775)	-
Proceeds from disposal of plant and equipment	-	200
Net cash used in investing activities	(37,975)	(86,001)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liability	(4,216)	(3,617)
Drawdown of facility	1,309	-
Proceeds from issuance of shares	3	30,207
Net cash (used in)/generated from financing activities	(2,904)	26,590
NET DECREASE IN CASH AND CASH EQUIVALENTS	(40,790)	(62,187)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	83,301	163,767
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS HELD	464	692
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	42,975	102,272

Notes: -

The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2022 and the accompanying explanatory notes attached to this interim financial statements.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 JUNE 2023

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 September 2022.

The accounting policies adopted by the Group in this interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 September 2022 except for the adoption of the following standard, interpretation and amendments to Malaysian Financial Reporting Standards ("MFRS"):

MFRS, Interpretation and Amendments to MFRSs effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a contract
Annual Improvements to MFRSs 2018 - 2020	

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

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 under review and financial year to date.

- (a) Nil (YTD: 47,925) of Warrant B were exercised at an exercise price of RM0.06 per Warrant B; and
- (b) 231,832,876 Warrant B remain unexercised and lapsed on 3 March 2023.



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A. Explanatory Notes Pursuant to MFRS 134 (Cont'd)

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 quarter

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 except for the following:

- (a) On 31 July 2023, XOX Bhd ("XOX") had entered into a Memorandum of Understanding with the Government of Malaysia acting through the Ministry of Higher Education, Malaysia and VMR Three Sdn. Bhd. ("VMR3") to provide cooperation and support to XOX and VMR3 for the implementation of the Program Keusahawanan MYSISWA (MYSISWA Entrepreneurship Program).

9. Changes in the composition of the Group

There were no material changes in the composition of the Group during the financial quarter under review except for the followings:-

- (a) Between 14 June 2023 to 15 June 2023, XOX Hong Kong Limited ("XOXHK") has acquired from the open market an aggregate of 18,000,000 ordinary shares in Komarkcorp Bhd ("Komark") for a total purchase consideration of approximately RM1,449,532. XOXHK holds a total 18,000,000 Komark's shares, representing 1.56% equity interest in Komark as at 30 June 2023.

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:-

Approved and contracted for:
- Capital Expenditure

RM'000

6,321



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A. Explanatory Notes Pursuant to MFRS 134 (Cont'd)

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:

	Quarter Ended 30 June 2023 RM'000	Quarter Ended 30 June 2022 RM'000
(i) Services to a related party:		
- Web blasting	34	46
- Mobile services	1	1
- E-commerce and other services	69	12
- Rental income	49	48
(ii) Services from related parties:		
- Rental charged/handling fee	132	24
- Marketing and consultancy related expenses	1,083	1,674
- Printing & packaging	279	130
- Healthcare product	-	4
- Vending machine	48	1,079
- Apparels	449	-
- Purchase of software/hardware & equipment	737	1,884
- Renovation	1,895	1,178

13. Other Investments

Save for the funds of RM9.102 million placed with a licensed bank, invested in money market investments and short to medium-term fixed income instruments as at 30 June 2023, details of other investments are as follows:-

Company	Nos of Share Held	Market Value RM
XOX Networks Berhad	171,000,000	5,130,000
Nexion Technologies Limited	117,848,500	4,222,747
DGB Asia Berhad	256,000,000	1,280,000
BioAlpha Holdings Berhad	68,000,000	6,460,000
Komarkcorp Bhd	18,000,000	990,000
Total		18,082,747



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 JUNE 2023

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")

	Individual Quarter				Cumulative Quarter			
	Quarter Ended	Quarter Ended	Changes		Period Ended	Period Ended	Changes	
	30-Jun-23	30-Jun-22	RM'000	%	30-Jun-23	30-Jun-22	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	65,458	66,948	(1,490)	-2%	207,221	225,653	(18,432)	-8%
(Losses)/Earnings Before Interest Tax Depreciation & Amortisation ("LBITDA/EBITDA")	(84,312)	5,395	(89,707)	-1663%	(77,459)	(59,304)	(18,154)	31%
(Loss)/Profit Before Tax ("LBT/PBT")	(92,775)	847	(93,622)	-11053%	(95,462)	(71,926)	(23,536)	33%
(Loss)/Profit After Tax ("LAT/PAT")	(92,784)	561	(93,345)	-16639%	(95,528)	(72,293)	(23,235)	32%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(92,245)	770	(93,015)	-12080%	(94,034)	(71,614)	(22,420)	31%

Across the telecommunication industry, the sentiment surrounding prepaid services has been rather soft, we observed minimal changes in prepaid revenue among all players. However, our postpaid performance dropped substantially as Mobile Network Operators (MNOs) refreshed or introduced new postpaid plans featuring greatly reduced pricing, as well as heavily subsidizing their mobile devices and bundling with their mobile plans, typically through contractual programs, creating a challenging environment for XOX to remain competitive.

Consequently, Group revenue for the reporting quarter recorded at RM65.46 million, trimmed 2% from the previous corresponding quarter; YTD revenue contraction of 8% year-on-year to RM207.22 million mainly coming from the lower postpaid revenue.

In the current reporting quarter, we recognized the impairment of investment in associate of RM82.58 million due to the weak share market performance. Consequently, the reporting quarter LBT & LBITDA recorded at RM92.78 million and RM84.31 million respectively compared to PBT of RM0.85 million and EBITDA of RM5.40 million reported in the previous corresponding quarter and current YTD LBT & LBITDA stood at RM95.46 million and RM77.46 million.



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B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities (Cont'd)

2. Performance of the current quarter against the preceding quarter

	Current	Immediate	Changes	
	Quarter	Preceding		
	30-Jun-23	31-Mar-23	RM'000	%
	RM'000	RM'000		
Revenue	65,458	71,830	(6,372)	-9%
(Loss)/Earnings Before Interest Tax Depreciation & Amortisation ("LBITDA/EBITDA")	(84,312)	5,521	(89,833)	-1627%
(Loss)/Profit Before Tax ("LBT/PBT")	(92,775)	670	(93,445)	-13943%
(Loss)/Profit After Tax ("LAT/PAT")	(92,784)	703	(93,487)	-13300%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(92,245)	1,057	(93,302)	-8829%

The Group revenue declined by 9% quarter-on-quarter to RM65.46 million attributable to lower postpaid revenue recorded on the back of intense price competitive environment.

After accounting for the impairment loss on investment in associate companies of RM82.58 million in the quarter, the Group reported LBT of RM92.78 million and LBITDA of RM84.31 million accordingly for the current reporting quarter.

3. Prospects and business outlook

The telecommunications and technology industries have so far been resilient to the effects of the pandemic. However, the cost of digital transformation and the macro headwinds from weaker economic growth and higher inflation will have an impact in the ensuing period.

Premised on the challenges and outlook of the telecommunications and technology industry with the accelerating macroeconomic trends such as technology proliferation and digitalisation, uncertainty associated with lower economic growth and higher inflation, the Board is optimistic, albeit cautiously, about the future prospects of the Group.

The Group will continue to invest in new technology, hire the best talent, develop strategic partnerships, deliver innovative products and services to serve our customers, and focus on curating an engaging and seamless digital journey to increase customer acquisition and retention rates.

4. Profit forecast or profit guarantee

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



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B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities (Cont'd)

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 September 2022.

6. (Loss)/Profit before tax

	Individual Quarter		Cumulative Quarter	
	Quarter Ended 30-Jun-23 RM'000	Quarter Ended 30-Jun-22 RM'000	Period Ended 30-Jun-23 RM'000	Period Ended 30-Jun-22 RM'000
Amortisation of Intangible assets	836	833	2,508	2,573
Depreciation of property, plant and equipment	3,904	3,594	11,460	9,994
Gain on disposal of:				
- Property, plant & equipment	-	(200)	-	(200)
Fair value adjustment on other investment	7,430	(3,322)	134	16,129
Interest expense	3,843	354	4,665	1,107
Interest income	(115)	(224)	(612)	(1,019)
Lease Interest Income	(4)	(9)	(16)	(32)
Impairment loss:				
- Trade receivables	660	813	1,508	2,667
- Investment in Associates	71,982	9,085	62,658	62,859
Share options granted under ESOS/SIS	-	(180)	-	5,027
Written off:				
- Property, plant and equipment	-	-	-	3
- Intangible assets	-	106	-	106

7. Income Tax Expense

	Individual Quarter		Cumulative Quarter	
	Quarter Ended 30-Jun-23 RM'000	Quarter Ended 30-Jun-22 RM'000	Period Ended 30-Jun-23 RM'000	Period Ended 30-Jun-22 RM'000
Income Tax:				
- Current	19	265	83	292
Deferred Tax				
- Relating to origination & reversal of temporary differences	(10)	22	(17)	74
Income tax expenses	9	286	66	367

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



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 JUNE 2023

B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities (Cont'd)

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 except:-

- (a) On 24 May 2022, XOX Bhd has entered into a Memorandum of Understanding (“MOU”) with Majlis Bandaraya Ipoh (“MBI”) for the purpose to solidify the parameters and lay the foundation for formalisation of the strategic technology partnership to collectively enhance the current infrastructure and services provided by MBI to the residents of Ipoh, by virtue of digitalisation, augmented reality application, cashless applications and automation. To date, both parties are working on finalising the strategic technology partnership arrangement.
- (b) On 12 October 2022, Perak FC Sdn Bhd, an indirect wholly-owned subsidiary of XOX Bhd had entered into a MOU with VFL WOLFSBURG-FUßBALL GMBH (“Wolfsburg”) to setup a working executive committee to build a commercial and professional sporting partnership framework between both football clubs, focusing on 3 key areas, youth development, technology transfer and merchandising opportunities. To date, both parties are still in the midst of discussion.
- (c) On 10 February 2023, XOX Pro Sport Sdn. Bhd a wholly-owned subsidiary of XOX Bhd had entered into a MOU with Kuala Lumpur City FC Sdn. Bhd. (“KLCFC”) for the purpose to explore a business collaboration between the parties particularly in the scope of commercial activities, including sports marketing and management. To date, KLCFC had signed up as XOX’s dealer and both parties are still in the midst of finalising the collaboration.
- (d) On 17 February 2023, XOX Pro Sport Sdn. Bhd a wholly-owned subsidiary of XOX Bhd had entered into a MOU with Negeri Sembilan Football Club Sdn. Bhd. (“NSFCB”) for the purpose to explore a business collaboration between the parties particularly in the scope of commercial activities, including sports marketing and management. To date, NSFCB had signed up as XOX’s dealer and both parties are still in the midst of finalising the collaboration.
- (e) On 18 February 2023, XOX Pro Sport Sdn. Bhd a wholly-owned subsidiary of XOX Bhd had entered into a MOU with Darulaman Football Club Sdn. Bhd. (“DAFCB”) for the purpose to explore a business collaboration between the parties particularly in the scope of commercial activities, including sports marketing and management. To date, DAFCB had signed up as XOX’s dealer and both parties are still in the midst of finalising the collaboration.
- (f) On 20 February 2023, XOX Pro Sport Sdn. Bhd a wholly-owned subsidiary of XOX Bhd had entered into a MOU with Sri Pahang Football Club Sdn. Bhd. (“SPFC”) for the purpose to explore a business collaboration between the parties particularly in the scope of commercial activities, including sports marketing and management. To date, SPFC had signed up as XOX’s dealer and both parties are still in the midst of finalising the collaboration.
- (g) On 24 March 2023, XOX Pro Sport Sdn. Bhd a wholly-owned subsidiary of XOX Bhd had entered into a MOU with Kuching City FC Sdn. Bhd. (“KCFCSB”) for the purpose to explore a business collaboration between the parties particularly in the scope of commercial activities, including sports marketing and management. To date, KCFCSB had signed up as XOX’s dealer and both parties are still in the midst of finalising the collaboration.
- (h) On 12 April 2023, XOX Pro Sport Sdn. Bhd a wholly-owned subsidiary of XOX Bhd had entered into a MOU with Kelantan United FC Sdn. Bhd. for the purpose to explore a business collaboration between the parties particularly in the scope of commercial activities, including sports marketing and management.



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B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities (Cont'd)

- (i) On 19 May 2023, XOX Com Sdn. Bhd a wholly-owned subsidiary of XOX Bhd had entered into a MOU with Alliance Bank Malaysia Berhad for the purpose to explore a business collaboration between the parties particularly in the scope including but not limited to credit card, prepaid card, loans, balance transfers, via readily available technologies, sales and marketing, advertisement and promotion and exchanging business and technical ideas, co-operation in operations and technical services.
- (j) On 20 June 2023 & 8 August 2023, XOX Bhd announced and proposed to undertake a private placement of not more than 10% of the total number of issued shares of XOX to independent third-party investors to be identified later at an issue price to be determined later.
- (k) On 20 June 2023, XOX Pro Sport Sdn. Bhd., a wholly-owned subsidiary of XOX Bhd had entered into a MOU with Penang FC Sdn. Bhd. ("PFCSB") for the purpose to explore a business collaboration between the parties particularly in the scope of commercial activities, including sports marketing and management.
- (l) on 28 June 2023, XOX Com Sdn. Bhd., a wholly-owned subsidiary of XOX Bhd had entered into a MOU with KDDI Malaysia Sdn. Bhd. ("KDDI") for the purpose to explore a business collaboration between the parties particularly in the scope of synergising commercial activities, with cross-border full suite integration of the parties' services.
- (m) Utilisation of proceeds from various corporate exercises:-

Private Placement (Completed on 23 July 2020)

Details	Proposed Utilisation (based on acceptance applications for Private Placement) RM	Actual Utilisation RM	Balance Available for Utilisation RM	Intended Timeframe for Utilisation
(i) Investment in the business of smart vending machine	19,063,140	10,010,000	9,053,140	Within 48 months
(ii) Expenses incurred for the Private Placement	600,000	600,000	-	Immediate
Total	19,663,140	10,610,000	9,053,140	

Private Placement (Completed on 15 December 2020)

Details	Proposed Utilisation (based on acceptance applications for Private Placement) RM	Actual Utilisation RM	Balance Available for Utilisation RM	Intended Timeframe for Utilisation
(i) Fintech Business Expansion	48,000,000	40,661,999	7,338,001	Within 36 months
(ii) Rebranding exercise to reposition the XOX brand into a Fintech solution and telecommunication provider	5,000,000	2,918,384	2,081,616	Within 36 months
(iii) Marketing and promotional expenses for the Fintech Business Expansion	7,060,845	7,060,845	-	Within 36 months
(iv) Expenses for the Private Placement	570,000	570,000	-	Immediate
	60,630,845	51,211,228	9,419,617	



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B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities (Cont'd)

10. Group Borrowings

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

	Unaudited As at 30-Jun-23 RM'000	Audited As at 30-Sep-22 RM'000
Lease Liabilities		
Short-term	5,202	4,300
Long-term	7,292	7,265

The lease liabilities are pertaining to the acquisition of motor vehicles, telecommunication network and right-of-use-assets. And the Group does not have any foreign currency denominated borrowings.

11. Trade Receivables

Descriptions	Unaudited As at 30-Jun-23 RM'000	Audited As at 30-Sep-22 RM'000
Trade Receivables	21,111	18,321
Less: Allowance for impairment losses	(7,953)	(6,446)
	<u>13,158</u>	<u>11,875</u>

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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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 JUNE 2023

B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities (Cont'd)

13. Earnings per share

	Individual Quarter		Cumulative Quarter	
	Quarter Ended	Quarter Ended	Period Ended	Period Ended
	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
Basic loss per share: (Loss)/Profit after tax attributable to the Owners of the Company (RM,000)	(92,245)	770	(94,034)	(71,614)
Weighted average number of ordinary shares ('000)	5,050,857	4,671,992	5,050,857	4,671,992
Basic (loss)/earnings per share (sen)	(1.83)	0.02	(1.86)	(1.53)

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.