



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 2024

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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 SECOND QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Quarter Ended	Quarter Ended	Period Ended	Period Ended
		31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
		RM'000	RM'000	RM'000	RM'000
Revenue		61,461	71,830	123,111	141,763
Operating expenses		(81,822)	(66,697)	(160,426)	(142,066)
Other income		224	591	788	1,010
Finance costs		(1,486)	(417)	(2,841)	(822)
Share of results of associates and joint venture, net of tax		1,358	(4,637)	16	(2,572)
(Loss)/Profit before tax	B6	(20,265)	670	(39,352)	(2,687)
Income tax expense	B7	(41)	33	(162)	(57)
(Loss)/Profit for the period, net of tax		(20,306)	703	(39,514)	(2,744)
Other comprehensive income, net of tax Item that may be reclassified subsequently to profit or loss					
Foreign currency translation		(5,379)	(170)	(1,299)	8,721
Total comprehensive income for the financial period		(25,685)	533	(40,813)	5,977
(Loss)/Profit for the period, net of tax					
Attributable to:					
- owners of the Company		(19,989)	1,057	(38,660)	(1,788)
- non-controlling Interest		(317)	(354)	(854)	(956)
		(20,306)	703	(39,514)	(2,744)
Total comprehensive income					
Attributable to:					
- owners of the Company		(25,368)	928	(39,975)	6,907
- non-controlling Interest		(317)	(395)	(838)	(930)
		(25,685)	533	(40,813)	5,977
Basic (loss)/earnings per ordinary share attributable to Owners of the Company (sen):					
- Basic & diluted	B13	(0.39)	0.02	(0.76)	(0.04)

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 2023 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 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited as at 31-Mar-24 RM'000	Audited as at 30-Sep-23 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		45,260	48,498
Intangible assets		80,222	78,666
Investment in associates		90,773	95,129
Investment in a joint venture		2,094	3,637
Other investments	A13	18,820	19,003
Goodwill on consolidation		8,894	8,894
Other receivables		189	191
Deferred tax assets		654	654
		246,906	254,672
Current assets			
Inventories		10,953	11,733
Trade receivables	B11	16,486	16,553
Finance lease receivable		-	55
Other receivables, deposits and prepayments		42,651	43,551
Tax recoverables		2,034	1,574
Cash and short term deposits		26,493	33,849
		98,617	107,315
TOTAL ASSETS		345,523	361,987
EQUITY AND LIABILITIES			
Equity			
Ordinary shares		472,341	468,851
Irredeemable convertible preference shares (ICPS)		1,949	1,949
Capital reserve		2,200	2,200
Exchange reserve		(23,572)	(22,257)
Share options reserve		1,873	-
Accumulated losses		(327,472)	(288,812)
Total equity attributable to owners of the Company		127,319	161,931
Non-controlling interest		(5,500)	(4,662)
		121,819	157,269



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

	Note	Unaudited as at 31-Mar-24 RM'000	Audited as at 30-Sep-23 RM'000
Non-current liability			
Borrowing	B10	92,624	91,595
Lease liabilities	B10	6,350	8,542
Deferred tax liabilities		4,229	4,112
Other payables		50	170
		<u>103,253</u>	<u>104,419</u>
Current Liabilities			
Trade payables		29,541	11,153
Other payable and accruals		58,879	57,988
Contract liabilities		27,511	26,213
Lease liabilities	B10	4,520	4,945
		<u>120,451</u>	<u>100,299</u>
TOTAL LIABILITY		<u>223,704</u>	<u>204,718</u>
TOTAL EQUITY AND LIABILITIES		<u>345,523</u>	<u>361,987</u>
Net assets per share attributable to equity holders of the Company (sen) #		<u>2.45</u>	<u>3.21</u>

Notes: -

The net assets per share attributable to equity holders of the Company is computed based on the net assets divided by 5,190,892,950 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 2023 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 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the parent →							Total	Non-Controlling Interest	Total Equity
	← Non-distributable →			Capital Reserve	Exchange Reserves	Share Option Reserve	Accumulated Losses			
	Share Capital	ICPS	Sub-total	Capital Reserve	Exchange Reserves	Share Option Reserve	Accumulated Losses	Total	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 October 2023	468,851	1,949	470,800	2,200	(22,257)	-	(288,812)	161,931	(4,662)	157,269
Loss for the financial period	-	-	-	-	-	-	(38,660)	(38,660)	(854)	(39,514)
Other comprehensive income										
Foreign currency translations	-	-	-	-	(1,315)	-	-	(1,315)	16	(1,299)
Total comprehensive income for the financial period	-	-	-	-	(1,315)	-	(38,660)	(39,975)	(838)	(40,813)
Transactions with owners of the Company:										
Issuance of ordinary shares pursuant to:										
- exercise of warrants C	5	-	5	-	-	-	-	5	-	5
- share Options exercised	3,485	-	3,485	-	-	1,873	-	5,358	-	5,358
Total transactions with owners of the company	3,490	-	3,490	-	-	1,873	-	5,363	-	5,363
At 31 March 2024	472,341	1,949	474,290	2,200	(23,572)	1,873	(327,472)	127,319	(5,500)	121,819



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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	Sub-total	Capital Reserve	Warrants Reserve	Exchange Reserves	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 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 year	-	-	-	-	-	-	-	(1,788)	(1,788)	(956)	(2,744)
Other comprehensive income											
Foreign currency translations	-	-	-	-	-	-	8,695	-	8,695	26	8,721
Total comprehensive income the financial year	-	-	-	-	-	-	8,695	(1,788)	6,907	(930)	5,977
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	2,530	-	(2,527)	-	-	3	-	3
At 31 March 2023	468,851	1,949	-	470,800	2,200	-	(9,332)	(223,119)	240,549	(3,842)	236,707

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 2023 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 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Period Ended 31-Mar-24 RM'000	Period Ended 31-Mar-23 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Loss before tax	(39,352)	(2,687)
Adjustments for:		
Depreciation of property, plant and equipment	4,722	4,175
Amortisation of intangible assets	5,419	5,053
Share-based payment expenses	3,399	-
Gain on modification of lease contract:		
- modification of right-of-use assets	-	121
- modification of lease liability	-	(153)
Fair value adjustment on other investments	2,641	(7,296)
Impairment loss on:		
- trade receivables	1,321	848
- investment in associates	9,315	-
Reversal of Impairment loss on investment in associates	-	(9,324)
Interest expense	2,841	822
Interest income	(332)	(497)
Lease interest income	(1)	(12)
Share of results of a joint venture, net of tax	1,543	(1,744)
Share of results of associates, net of tax	(1,559)	4,316
Covid-19 related rent concession	-	(17)
Unrealised (gain)/loss on foreign exchange	(341)	11,268
Operating (loss)/profit before working capital changes	(10,384)	4,873
Changes in working capital:		
Inventories	780	(965)
Trade and other receivables	(363)	(446)
Finance lease receivables	55	85
Trade and other payables	18,854	2,271
	19,326	945
Net cash generated from operating activities	8,942	5,818



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

	Period Ended 31-Mar-24 RM'000	Period Ended 31-Mar-23 RM'000
Interest received	328	493
Lease interest income	1	12
Tax paid	(505)	(729)
	<u>(176)</u>	<u>(224)</u>
Net cash generated from operating activities	8,766	5,594
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(1,262)	(4,808)
Acquisition of intangible assets	(6,975)	(8,793)
Acquisition of other investments	(2,494)	-
Investments in associate	(3,400)	-
Acquisition of subsidiary, net of cash and cash equivalent acquired	-	(18,775)
	<u>(14,131)</u>	<u>(32,376)</u>
Net cash used in investing activities	(14,131)	(32,376)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liability	(2,839)	(2,727)
Proceeds from issuance of shares	1,964	3
Interest paid	(759)	(822)
	<u>(1,634)</u>	<u>(3,546)</u>
Net cash used in financing activities	(1,634)	(3,546)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,999)	(30,328)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	33,849	83,301
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS HELD	(357)	(979)
	<u>(357)</u>	<u>(979)</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	26,493	51,994
	<u>26,493</u>	<u>51,994</u>

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 2023 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 2024

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 ("the Group") for the financial year ended 30 September 2023.

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 2023 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 2024

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-Current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

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 for the following:-

- Issuance of 48,450 (YTD: 48,450) ordinary shares from the exercise of Warrants C at the exercise price of RM0.10 each; and
- Issuance of 139,966,000 (YTD: 139,966,000) ordinary shares pursuant to the exercise of Employees' Share Option Scheme ("ESOS") at the exercise price of RM0.014 each.



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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

Segment information is presented in respect of the Group's business segments. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

- (i) Provision of mobile communication services and its related products, e-commerce services and digital advertising in Malaysia.
- (ii) Sports segment which involve in establishing, managing and controlling a football club.
- (iii) Investment holding involve in investment activities.
- (iv) Other segments refer to non-core business activities of the Group.

Segmental information for the financial period ended:-

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Quarter Ended</u> 31-Mar-24 <u>RM'000</u>	<u>Quarter Ended</u> 31-Mar-23 <u>RM'000</u>	<u>Period Ended</u> 31-Mar-24 <u>RM'000</u>	<u>Period Ended</u> 31-Mar-23 <u>RM'000</u>
<u>Revenue</u>				
Mobile communication services	100,115	119,148	200,578	235,548
Sports	1,200	1,552	3,169	1,603
Other segments	121	131	251	265
	101,436	120,831	203,998	237,416
Intra-group elimination	(39,975)	(49,001)	(80,887)	(95,653)
	61,461	71,830	123,111	141,763
<u>Segmental Result</u>				
Mobile communication services	(10,692)	1,860	(17,581)	2,890
Sports	(2,910)	(3,163)	(5,333)	(6,692)
Investment holding	(4,401)	2,578	(14,080)	1,941
Other segments	(2,350)	(316)	(2,891)	(861)
	(20,353)	959	(39,885)	(2,722)
Elimination	47	(256)	371	(22)
(Loss)/Profit for the period, net of tax	(20,306)	703	(39,514)	(2,744)



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

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 25 April 2024, XOX announced the extension of the existing ESOS which is expiring on 27 May 2024 for another 3 years until 27 May 2027 in accordance with the terms of ESOS By-Laws;
- (b) On 3 May 2024, XOX proposed to undertake the proposed reduction of up to RM303,000,000 of the issued share capital of XOX pursuant to Section 117 of the Companies Act 2016 ("Proposed Share Capital Reduction"); and
- (c) On 16 May 2024, XOX issued the Circular in relation to the Proposed Share Capital Reduction to the Shareholders.

9. Changes in the composition of the Group

There were no material changes in the composition of the Group for the current quarter under review except for the following:

- (a) XOX (Hong Kong) Limited ("XOXHK") had subscribed for 45,500,000 rights issue of warrants in Bioalpha Holdings Berhad for a total consideration of approximately RM1,592,500;
- (b) XOXHK had subscribed for 10,010,000 ordinary rights with warrants in Fast Energy Holdings Berhad for a total consideration of approximately RM901,031; and
- (c) XOXHK had subscribed for 34,000,000 Warrant of Symphony Life Berhad for a total consideration of approximately RM3,400,000.

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

8,357



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 MARCH 2024

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 31 March 2024 RM'000	Quarter Ended 31 March 2023 RM'000
(i) Services to a related party:		
- Web blasting	23	41
- Mobile services	1	1
- E-commerce and other services	574	1,839
- Rental income	49	49
(ii) Services from related parties:		
- Rental charged/handling fee	(94)	(138)
- Marketing and consultancy related expenses	(356)	(1,190)
- Printing & packaging	(284)	(387)
- Healthcare product	-	(142)
- Apparels	(584)	(1,237)
- Purchase of software/hardware & equipment	(845)	(644)
- Renovation	(2)	-

13. Other investments

Save for the funds of RM1.11 million placed with a licensed bank, invested in money market investments and short to medium-term fixed income instruments as at 31 March 2024, details of other investments are as follows:-

Company	Nos of Share Held	Market Value RM
XOX Networks Berhad	171,000,000	5,985,000
Nexion Technologies Limited	117,848,500	1,848,242
DGB Asia Berhad	25,600,000	2,688,000
BioAlpha Holdings Berhad	68,000,000	5,780,000
Bioalpha Holdings Bhd -Warrants	45,500,000	1,592,500
Fast Energy Holdings Bhd	10,010,000	750,750
Fast Energy Holdings Bhd-Warrants	5,005,000	175,175
Total		18,819,667



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 MARCH 2024

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	
	31-Mar-24	31-Mar-23	RM'000	%	31-Mar-24	31-Mar-23	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	61,461	71,830	(10,369)	-14%	123,111	141,763	(18,652)	-13%
(Loss)/Earnings Before Interest Tax Depreciation & Amortisation ("LBITDA/EBITDA")	(13,766)	5,521	(19,287)	-349%	(26,702)	6,853	(33,555)	-490%
(Loss)/Profit Before Tax ("LBT/PBT")	(20,265)	670	(20,935)	-3125%	(39,352)	(2,687)	(36,665)	1365%
(Loss)/Profit After Tax ("LAT/PAT")	(20,306)	703	(21,009)	-2988%	(39,514)	(2,744)	(36,770)	1340%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(19,989)	1,057	(21,046)	-1991%	(38,660)	(1,788)	(36,872)	2062%

In Q2 2024, the Group witnessed a notable 14% decline in revenue compared to the preceding Q2 2023, amounting to RM10.37 million. The decrease was primarily driven by ongoing adjustments to product offerings due to competitive market conditions.

Consequently, the Group's YTD revenue also exhibited a significant drop of 13% equivalent to RM18.65 million compared to the corresponding period in the preceding year. This decline was attributed to strategic modifications in product offerings aimed at maintaining competitiveness, resulting in a dilution of Average Revenue Per User ("ARPU").

The financial performance in Q2 2024 revealed a substantial LBT of RM20.27 million, contrasting with a PBT of RM0.67 million in Q2 2023. Besides the drop in margin in tandem with the decrease in revenue, the drastic shift was primarily attributed to a fair value adjustment on other investments of RM2.89 million and an impairment loss on investment in associates of RM4.32 million, coupled with share-based payment expenses of RM3.40 million; compared to a fair value gain on other investments of RM7.87 million and a reversal of impairment loss on investments in associates of RM2.54 million in Q2 2023.

As a consequence of these factors, including reduced revenue, fair value adjustment, impairment loss in associates and share-based payment expenses, the Group reported LBITDA of RM13.77 million and RM26.70 million in Q2 2024 & YTD 2024, compared to EBITDA of RM5.52 million and RM6.85 million in Q2 2023 and YTD 2023, respectively.



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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 Quarter	Immediate	Changes	
	31-Mar-24	Preceding		
	RM'000	Quarter	RM'000	%
		31-Dec-23		
		RM'000		
Revenue	61,461	61,650	(189)	0%
Loss Before Interest Tax				
Depreciation & Amortisation ("LBITDA")	(13,766)	(12,936)	(830)	6%
Loss Before Tax ("LBT")	(20,265)	(19,086)	(1,179)	6%
Loss After Tax ("LAT")	(20,306)	(19,207)	(1,099)	6%
Loss Attributable to Ordinary Equity Holders of the Parent	(19,989)	(18,670)	(1,319)	7%

In Q2 2024, the Group revenue remained resilient at RM61.46 million compared to Q1 2024, despite operating within a contracting mobile market.

However, the quarter reported a higher LBT of RM20.26 million compared to RM19.09 million in Q1 2024. The decline in profitability was primarily attributable to a RM2.89 million fair value adjustment on other investments and share-based payment expenses totalling RM3.40 million after offsetting the foreign exchange gain of RM3.12 million. These factors directly impacted the LBITDA of the quarter, resulting in a higher LBITDA of RM13.77 million.

3. Prospects and business outlook

The telecommunications and technology industries are plagued by uncertainties over the phased transition to 5G networks. In addition, revenue from data and voice stagnated as competition hampered monetisation and with regulatory demands intensifying will have an impact on the Group's performance for the ensuring period.

Despite the challenges and outlook of the telecommunications and technology industry, XOX remains cautiously optimistic about the future with key approaches encompassing enhancements brand awareness, implementing subscriber retention initiatives, and expanding digital ecosystems to deepen engagement with the Group's mobile network subscriber base and to harness the potential of the 5G era.

4. Profit forecast or profit guarantee

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

5. Qualification of preceding audited financial statements

There was no audit qualification reported in the audited financial statements of the Group for the financial year ended 30 September 2023.



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

6. (Loss)/Profit before tax

	Individual Quarter		Cumulative Quarter	
	Quarter Ended 31-Mar-24 RM'000	Quarter Ended 31-Mar-23 RM'000	Period Ended 31-Mar-24 RM'000	Period Ended 31-Mar-23 RM'000
Amortisation of Intangible assets	2,708	2,558	5,419	5,053
Depreciation of property, plant and equipment	2,465	2,131	4,722	4,175
Fair value adjustment on other investments	2,889	(7,866)	2,641	(7,296)
Interest expense	1,486	417	2,841	822
Interest income	(159)	(250)	(332)	(497)
Lease interest income	-	(6)	(1)	(12)
Impairment loss:				
- trade receivables	691	109	1,321	848
- investment in associates	4,317	-	9,315	-
Reversal of impairment loss on investment in associates	-	(2,538)	-	(9,324)
Share-based payment expenses	3,399	-	3,399	-
Unrealised (gain)/loss on foreign exchange	(2,746)	2,391	(341)	11,268

7. Income tax expense

	Individual Quarter		Cumulative Quarter	
	Quarter Ended 31-Mar-24 RM'000	Quarter Ended 31-Mar-23 RM'000	Period Ended 31-Mar-24 RM'000	Period Ended 31-Mar-23 RM'000
Income tax:				
- current	26	48	46	64
Deferred tax:				
- relating to origination & reversal of temporary differences	15	(81)	117	(7)
Income tax expenses	41	(33)	162	57

The effective tax rate of the Group for the current quarter and financial year to-date 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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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 MARCH 2024

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

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) XOX had on 14 September 2023 entered into a MOU with MBI ("MOU") for the purposes of strengthening the parameters, framework, and intent of the Parties to finalise the partnership for the Proposed Technology Collaboration. The MOU will strengthen the appointment of XOX as a strategic technology partner to MBI for the purpose of enabling XOX to provide technical recommendations for MBI to consider implementing based on the needs of the public. To date, both parties are working on the collaboration.
- (b) XOX Pro Sport Sdn. Bhd ("XOX Pro Sport") a wholly-owned subsidiary of XOX had entered into several MOUs 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, there is no material development pertaining to these MOUs:
- Kuala Lumpur City FC Sdn Bhd. dated 10 February 2023;
 - Negeri Sembilan Football Club Sdn. Bhd. dated 17 February 2023;
 - Darulaman Football Club Sdn. Bhd. dated 18 February 2023;
 - Sri Pahang Football Club Sdn. Bhd. dated 20 February 2023;
 - Kuching City FC Sdn. Bhd. dated 24 March 2023;
 - Kelantan United FC Sdn. Bhd. dated 12 April 2023; and
 - Penang FC Sdn. Bhd. dated 20 June 2023.
- (c) On 19 May 2023, XOX Com Sdn. Bhd ("XOX Com") a wholly-owned subsidiary of XOX 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. To date, both parties are in the midst of discussion.
- (d) On 28 June 2023, XOX Com, a wholly-owned subsidiary of XOX 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. To date, both parties are in the midst of discussion.
- (e) On 31 July 2023, XOX had entered into a MOU with the Government of Malaysia acting through the Ministry of Higher Education, Malaysia and VMR Three Sdn. Bhd. ("VRM3") to provide cooperation and support to XOX and VMR3 for the implementation of the Program Keusahawanan MYSISWA (MYSISWA Entrepreneurship Program). To date, all parties involved are working on the program.
- (f) On 20 December 2023, XOX Com entered into a MOU with Uni Comms International Sdn. Bhd. ("UNICOMMS") for the purpose to discuss and explore business collaboration between the parties particularly in the scope of White Label Mobile Services and to enhance the digital lifestyle of the students from higher education institution in Malaysia under the MYSISWA Program in particular to students from UCSI University ("UCSI"). To date, there is no material development pertaining to the MOU.



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

(g) 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	10,058,230	9,004,910	Within 48 months
(ii) Expenses incurred for the Private Placement	600,000	600,000	-	Immediate
Total	19,663,140	10,658,230	9,004,910	

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	44,014,465	3,985,535	Within 48 months
(ii) Rebranding exercise to reposition the XOX brand into a Fintech solution and telecommunication provider	5,000,000	3,591,990	1,408,010	Within 48 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	55,237,300	5,393,545	



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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 31-Mar-24 RM'000	Audited As at 30-Sep-23 RM'000
Lease liabilities		
Short-term	4,520	4,945
Long-term	<u>6,350</u>	<u>8,542</u>
Borrowing - security-back advance facility, secured		
Long-term	<u>92,624</u>	<u>91,595</u>

The lease liabilities are pertaining to the acquisition of motor vehicles, telecommunication network, right-of-use-assets, and the security-back advance facility is secured by listed securities held by the Group.

11. Trade receivables

Descriptions	Unaudited As at 31-Mar-24 RM'000	Audited As at 30-Sep-23 RM'000
Trade receivables	23,461	22,207
Less: allowance for impairment losses	<u>(6,975)</u>	<u>(5,654)</u>
	<u>16,486</u>	<u>16,553</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.



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

12. Material litigation

Saved as disclosed below, the Group is not involved in any material litigation, claims or arbitration and the Board confirmed that there are no proceedings pending or threatened involving the Group, or of any facts likely to give rise to any such proceedings which might materially affect the business or financial position of the Group:

- (i) On 21 October 2022, Lembaga Kumpulan Wang Simpanan Pekerja (“KWSP”) has initiated a suit against Perak FC Sdn Bhd (an indirect wholly-owned subsidiary of the Company) (“Perak FC”) and 11 others vide a writ summon no. AA-22NCvC-79-10/2022 in the Ipoh High Court. This is a suit filed by KWSP against Perak FC and the previous directors of Perak FC for the outstanding contributions for the period of February 2021 until January 2022. KWSP is claiming against Perak FC for the sum of RM1,121,970.00 as well as any dividends on the outstanding contributions and late payment charges chargeable pursuant to the Employees Provident Fund Act 1991.

The solicitors representing Perak FC has filed an application for leave to issue third-party notice against Impact Media & Communication Sdn Bhd (“Impact Media Communication”) to indemnify Perak FC against KWSP’s claims. The application for leave is still pending further instructions from the court.

The trial dates for the suit have been fixed for on 22 and 23 April 2025. The parties are in the midst of reaching settlement out of court. The solicitors representing Perak FC were informed that the 2nd to 5th defendants of the suit have paid/offered to make settlements with KWSP. However, the solicitors representing Perak FC have yet to received confirmation from KWSP on the updated arrears to be settled by parties.

The solicitors representing Perak FC is of the view that Perak FC has a fair chance of success in defending KWSP’s claims.

- (ii) On 5 April 2023, XOX Pro Sport and Perak FC have initiated a suit against Impact Media & Communication vide writ no. AA-22NCvC-20-04/2023 in the Ipoh High Court.

This suit was filed pursuant to the filing of the suit by KWSP against Perak FC and 11 others disclosed in Note 12(i) above.

XOX Pro Sport and Perak FC are seeking for amongst others, declaration that Impact Media Communication pursuant to the share sale agreement dated 17 May 2022 made between XOX Pro Sport and Impact Media Communication (“SSA”) and letter of indemnity dated 12 August 2022 issued by Impact Media Communication, are liable to pay and settle all outstanding payments due and owing by Perak FC to any parties as at the date of the SSA, any outstanding contributions to statutory bodies including the sums claimed by KWSP in the suit disclosed in Note 12(i) above.

Impact Media Communication had counterclaimed against XOX Pro Sport and Perak FC for amongst others, the sum of RM681,496.89 and RM150,000.00 plus interest which are purportedly owed to Impact Media Communication by XOX Pro Sport under the SSA. XOX Pro Sport and Perak FC have filed their defence against the counterclaim.

This matter is still at the case management stage pending updates from the suit disclosed in Note 2(i) above. The next case management for the suit has been fixed for 27 June 2024.

The solicitors representing XOX Pro Sport and Perak FC is of the view that XOX Pro Sport and Perak FC has a good chance of success in their claim and in defending Impact Media Communication’s counterclaim.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 MARCH 2024

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	Quarter	Period	Period
	Ended	Ended	Ended	Ended
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Basic (loss)/earnings per share: (Loss)/Profit after tax attributable to the Owners of the Company (RM'000)	(19,989)	1,057	(38,660)	(1,788)
Weighted average number of ordinary shares ('000)	5,101,377	4,357,044	5,101,377	4,357,044
Basic (loss)/earnings per share (sen)	(0.39)	0.02	(0.76)	(0.04)

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.