



# ANNUAL REPORT 2023

XOX 5G



BLACK  
MARKET



XOX  
wallet



BLACK APP

WHERE IMAGINATION  
MEETS INNOVATION



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### DATO' SERI ABDUL AZIM BIN MOHD ZABIDI

Non-Independent  
Non-Executive Chairman

### ANDY LIEW HOCK SIM

Independent  
Non-Executive Director

### ROY HO YEW KEE

Executive Director

### KARINA BINTI IDRIS AHMAD SHAH

Independent  
Non-Executive Director

### TAN SIK EEK

Executive Director

### CHUAH HOON HONG

Independent  
Non-Executive Director

#### AUDIT COMMITTEE

##### Andy Liew Hock Sim

(Chairman)

##### Karina binti Idris Ahmad Shah

(Member)

##### Chuah Hoon Hong

(Member)

#### NOMINATION AND REMUNERATION COMMITTEE

##### Karina binti Idris Ahmad Shah

(Chairperson)

##### Andy Liew Hock Sim

(Member)

##### Chuah Hoon Hong

(Member)

#### INVESTMENT COMMITTEE

##### Chuah Hoon Hong

(Chairman)

##### Tan Sik Eek

(Member)

##### Roy Ho Yew Kee

(Member)

##### Andy Liew Hock Sim

(Member)

#### EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

##### Tan Sik Eek

(Chairman)

##### Roy Ho Yew Kee

(Member)

##### Ng Kok Heng

(Member)

#### COMPANY SECRETARIES

##### Chong Voon Wah

(SSM PC No. 202008001343)

(MAICSA 7055003)

##### Thai Kian Yau

(SSM PC No. 202008001515)

(MIA 36921)

#### REGISTERED OFFICE

22-09, Menara 1MK

No. 1, Jalan Kiara

Mont Kiara

50480 Kuala Lumpur

Telephone: (603) 2856 7333

Email:

[vw.chong@silverocean.com.my](mailto:vw.chong@silverocean.com.my)

#### BUSINESS ADDRESS

Lot 8.1, 8<sup>th</sup> Floor

Menara Lien Hoe

No. 8, Persiaran Tropicana

Tropicana Golf & Country

Resort

47410 Petaling Jaya

Selangor Darul Ehsan

Telephone: (603) 7884 2388

Facsimile: (603) 7803 0778

#### SHARE REGISTRAR

##### ShareWorks Sdn. Bhd.

No. 2-1, Jalan Sri Hartamas 8

Sri Hartamas

50480 Kuala Lumpur

Telephone: (603) 6201 1120

Facsimile: (603) 6201 3121

Email:

[sharereg@shareworks.com.my](mailto:sharereg@shareworks.com.my)

#### AUDITORS

##### Messrs Moore Stephens

##### Associates PLT

**201304000972**

**(LLP0000963-LCA)**

##### Chartered Accountants

**(AF002096)**

Unit 3.3A, 3<sup>rd</sup> Floor

Surian Tower

No. 1, Jalan PJU 7/3

Mutiara Damansara

47810 Petaling Jaya

Selangor Darul Ehsan

Telephone: (603) 7728 1800

Facsimile: (603) 7728 9800

#### PRINCIPAL BANKERS

##### Ambank (M) Berhad

##### Public Bank Berhad

##### Hong Leong Bank Berhad

#### STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia

Securities Berhad

Stock Name: XOX

Stock Code: 0165

#### WEBSITE

[www.xox.com.my](http://www.xox.com.my)

#### INVESTOR RELATIONS

Telephone: (603) 7884 2388

Email: [ir@xox.com.my](mailto:ir@xox.com.my)

# PROFILE OF DIRECTORS



## DATO' SERI ABDUL AZIM BIN MOHD ZABIDI

Non-Independent Non-Executive Chairman

**Nationality:** Malaysian

**Gender:** Male

**Age:** 64

**Length of Services:** 13 years 6 months  
(as at 31 December 2023)

Dato' Seri Abdul Azim bin Mohd Zabidi, was appointed to the Board on 30 June 2010. He graduated with a Masters of Arts in Business Law from the London Metropolitan University, United Kingdom in 1983. He is also a Fellow of The Chartered Institute of Secretaries and Administrators, United Kingdom.

Dato' Seri Azim was Chairman of Bank Simpanan Nasional (BSN), Malaysia's National Savings Bank, a position he held for 10 years from 1999 – 2009. He had quickly risen through the ranks of the Malaysian financial industry, having started his banking career in 1984.

Growing from his work with BSN, Dato' Seri Azim was also active in the work undertaken by the Brussels based World Savings Banks Institute (WSBI). In 2000, he was appointed President (Asia Pacific) for WSBI and in 2003, he was elevated to its Board of Directors. In 2007, he became the first non-European since WSBI's inception, to be appointed to the dual post of Vice President and Treasurer.

A long association with the unit trusts/mutual funds and fund management industry culminated in Dato' Seri Azim's election as President of the Federation of Malaysian Unit Trust Managers, a post he held from 1998 to 2003. During this period, he was appointed Member of the Board of Directors of the International Investment Funds Association (IIFA), with headquarters in Montreal, Canada, a post he relinquished in 2008. The year prior to that, he was also appointed Chairman of the Board's Audit Committee.

His love for the arts and being an avid collector of Malaysian art works saw him being appointed Chairman of the Board of Trustees of the National Art Gallery, Malaysia in March 2009 until 2010.

In the field of sports, he was appointed Chairman of the National Sports Institute in May 2017 and subsequent to that appointed Malaysia's Chef-de-Mission to the Asian Games 2018 in Jakarta and Palembang, Indonesia. On 5 May 2018, Dato' Seri Azim was elected Deputy President of the Olympic Council of Malaysia, a position he held until September 2021.

He now sits on numerous local and foreign Boards of Companies, both public and private, amongst which are Fintec Global Berhad, LYC Healthcare Berhad and Seacera Group Berhad.

He has no relationship with any other Directors or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past 5 years other than the traffic offence, if any.

## PROFILE OF DIRECTORS

### ROY HO YEW KEE

Executive Director

**Nationality:** Malaysian

**Gender:** Male

**Age:** 48

**Length of Services:** 4 years 9 months  
(as at 31 December 2023)

Mr Roy Ho Yew Kee was appointed to the Board on 22 March 2019 as Non-Independent Non-Executive Director, and as the representative of Key Alliance Group Berhad, the major shareholder of the Company.

On 16 March 2020, he was re-designated as Executive Director of the Company. He obtained his Bachelor of Commerce from the Griffith University, Brisbane, Australia. Mr Roy brings over 20 years of financial service and restructuring experience both locally and abroad in various capacities.

Mr Roy started his career in Australia in 1998, in the financial services industry, joining Hartley Poynton Ltd, a subsidiary of Royal Bank of Canada, where he was trained as a financial advisor, specialising in derivatives and first generation fintech products.

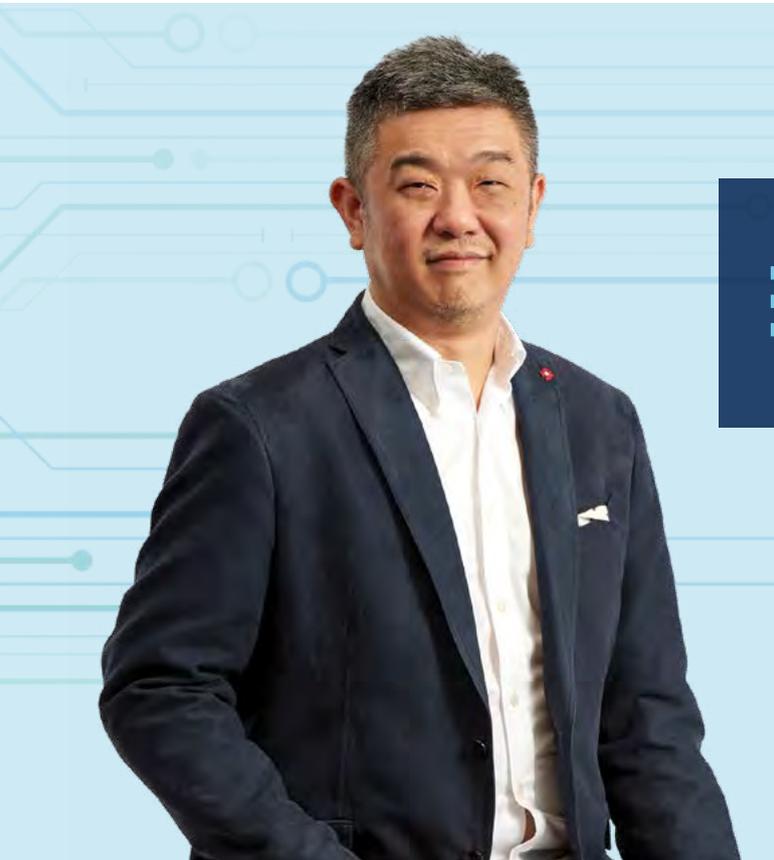
He then moved to a boutique trading firm, Tricom Futures Ltd, in 2003, where he set up a trading desk in greenfield markets, specialising in debt instruments, capital raising, equity linked structures and derivatives.

In 2011, Mr Roy returned to Malaysia where he joined Key Alliance Group Berhad as an Executive Director overseeing corporate strategy and in 2017, he was redesignated as Managing Director of Key Alliance Group Berhad, the major shareholder of the Company.

At present, he also sits on the board of directors of Key Alliance Group Berhad, Cheetah Holdings Berhad, Komarkcorp Berhad and Nexion Technologies Limited.

He is presently a member of the Employees' Share Option Scheme Committee and Investment Committee of the Company.

He has no relationship with any other Directors or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past 5 years other than the traffic offence, if any.



## PROFILE OF DIRECTORS



### TAN SIK EEK

Executive Director

**Nationality:** Malaysian

**Gender:** Male

**Age:** 47

**Length of Services:** 7 years 4 months  
(as at 31 December 2023)

Mr Tan Sik Eek was appointed to the Board on 25 August 2016 as an Independent Non-Executive Director. On 17 August 2018, he was re-designated as Executive Director of the Company. He majored in Economics and Political Science from University of Sydney, Australia.

He has more than two decades of experience ranging from corporate finance advisory to private equity investments. He was previously a partner in a private equity firm focused on investing in companies seeking growth funding and pre-IPO capital. Prior to that, he was specialising in securing funding from a series of established North America global opportunity fund, for companies listed on the regional capital markets.

Since 2013, he has been engaged as the Director of several public companies to provide management strategy, day to day operational oversight, fund raising and business development planning of the various companies.

He is also a Director of Fintec Global Berhad, Mlabs Systems Berhad, NetX Holdings Berhad and Symphony Life Berhad.

He is presently the Chairman of the Employees' Share Option Scheme Committee and a member of Investment Committee of the Company.

He has no relationship with any other Directors or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past 5 years other than the traffic offence, if any.

## PROFILE OF DIRECTORS

### ANDY LIEW HOCK SIM

Independent Non-Executive Director



**Nationality:** Malaysian

**Gender:** Male

**Age:** 43

**Length of Services:** 3 years 9 months  
(as at 31 December 2023)

Mr Andy Liew Hock Sim was appointed to the Board on 1 March 2020 as an Independent Non-Executive Director.

Mr Andy is a Chartered Accountant with Malaysian Institute of Accountants (“MIA”) and member of Certified Practising Accountant (“CPA”) Australia.

Mr Andy has 20 years of experience with major audit firms in audit, taxation and accountancy that gained from both Malaysia and oversea. He was involved in numerous successful initial public offering (“IPO”) in Malaysia, Singapore, Hong Kong and Germany throughout his career.

Mr Andy started his career with a local audit firm in Malaysia. He then joined KPMG Kuala Lumpur after obtained his professional qualifications, i.e. MIA and CPA Australia in 2006. In KPMG Kuala Lumpur, he started to involve in the audit of multinational corporation and public listed company. He was also involved in the IPO of a financial services company in the Main Market of Kuala Lumpur Stock Exchange.

In 2008, he ventured to China and since then, spent 8 years in China. From 2008 to 2012, he worked in KPMG Beijing as Manager and actively involved in audit and IPO engagements. In 2012, he joined a China-based manufacturing company in the capacity of Chief Financial Officer, and listed the company in Frankfurt Stock Exchange in 2014 prior to his return to Malaysia.

Upon his return to Malaysia in 2016, he joined Baker Tilly Malaysia as the Director of the Transaction Reporting department. He was then promoted to Partner in 2017 and led a team of 40 specialise in IPO engagements and actively involved in various corporate exercises, e.g. business restructuring, merger and acquisition, reverse takeover, transfer listing, financial due diligence, regularisation plan for PN17 company, fund raising and etc.

In 2019, he started his own public practice and assumed the role of Managing Partner.

At present, he also sits on the board of directors of XOX Networks Berhad, Perak Corporation Berhad and Oversea Enterprise Berhad.

He is presently the Chairman of the Audit Committee and a member of Nomination and Remuneration Committee and Investment Committee of the Company.

He has no relationship with any other Directors or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past 5 years other than the traffic offence, if any.

## PROFILE OF DIRECTORS



### KARINA BINTI IDRIS AHMAD SHAH

Independent Non-Executive Director

**Nationality:** Malaysian

**Gender:** Female

**Age:** 54

**Length of Services:** 1 year 9 months  
(as at 31 December 2023)

Ms Karina Shah was appointed to the Board on 28 March 2022 as an Independent Non-Executive Director. She holds a Bachelor of Laws (LLB Hons) from the National University of Malaysia (UKM).

She has over 15 years of extensive in house experience as a legal consultant in a wide variety of disciplines namely telecommunication, construction, fast moving consumer goods (FMCG) and oil and gas industry.

She began her career in the Attorney Generals Chamber in 1994 and later progressed to a legal firm and various organisations in Kuala Lumpur. In 2007 she joined Iskandar Regional Development Authority (IRDA) a statutory body to develop Iskandar Malaysia in Johor and was instrumental in setting up the legal and secretarial unit for IRDA.

In 2011, she took a legal role in Doha, Qatar for WCT Berhad and upon her return she joined Zico Insource Kuala Lumpur as Legal Consultant providing consultancy to Time dot com, Heng Yuan Refining Co. (fka Shell Refining Co.), Dutch Lady Milk Industries Bhd, Genting Bhd, Bumi Armada, Maxis Bhd and Axiata Enterprise Sdn. Bhd.

She is also a Director of Mlabs Systems Berhad.

She is presently the Chairperson of Nomination and Remuneration Committee and a member of the Audit Committee of the Company.

She has no relationship with any other Directors or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past 5 years.

## PROFILE OF DIRECTORS

### CHUAH HOON HONG

Independent Non-Executive Director



**Nationality:** Malaysian

**Gender:** Male

**Age:** 37

**Length of Services:** 6 months  
(as at 31 December 2023)

Mr Chuah Hoon Hong was appointed to the Board on 30 June 2023 as an Independent Non-Executive Director. Mr Chuah holds a Bachelor of Science degree with First Class Honours in Applied Accounting from Oxford Brookes University.

He is a Fellowship Member of the Association of Chartered Certified Accountants (ACCA) and a practicing member of the Malaysia Institute of Accountants (MIA).

Mr Chuah, currently serving as a Director of CNP Group and Silver Ocean Consulting Group, with over seventeen (17) years of extensive and diverse experience in financial advisory and consultancy, brings a wealth of expertise to his role.

Mr Chuah founded CNP in 2014 and has been actively involved in its growth and development since then. He specialises in pre- and post-IPO exercises & compliances and merger & acquisitions for both local and international financial markets.

Mr Chuah embarked on his professional journey in the audit firm in Kuala Lumpur, Malaysia. In addition to handling audit assignments, he actively participated in providing advisory and consultancy services, including IPO exercises, financial due diligence, and forensic accounting. Following this, Mr Chuah joined a Singapore-based consulting firm that focused on fundraising, merger & acquisitions, and restructuring initiatives for public-listed and private companies in Singapore, the People's Republic of China, and Malaysia.

Currently, Mr Chuah also serves as an Independent Non-Executive Director for Mlabs Systems Berhad, Vsolar Group Berhad, and Sinaran Advance Group Berhad, all of which are listed on Bursa Malaysia Securities Berhad.

He is presently the Chairman of Investment Committee and a member of the Audit Committee and Nomination and Remuneration Committee of the Company.

He has no relationship with any other Directors or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past 5 years.

# PROFILE OF KEY SENIOR MANAGEMENT



## NG KOK HENG

Chief Executive Officer

**Nationality:** Malaysian

**Gender:** Male

**Age:** 60

Mr Ng Kok Heng was appointed as Managing Director and Chief Executive Officer of the Company on 30 June 2010. After retiring as Managing Director on 9 December 2013, he continued to contribute as the Chief Executive Officer. On 17 August 2018, he took on the additional responsibility of Executive Director until his retirement from this position on 27 February 2020. He holds a Bachelor of Computer Science (Honours) from the University Sains Malaysia, Penang, graduating in 1987.

With a wealth of experience, Mr Ng has made significant contributions to the telecommunications industry. He served as a consultant to Teligent AB in Sweden, a prominent telecommunications provider, and collaborated with key players in various Southeast Asian countries, including Telekom Malaysia Berhad, Singapore Telecommunications Limited, and Smart Communications Inc. His leadership has been instrumental in guiding highly specialised teams of IT integrators and implementers to successfully deploy systems for telecommunications providers.

In his role as CEO, Mr Ng has been a dynamic force in driving innovation and sales growth.

He is known for his unwavering commitment to the development of new and innovative products, consistently propelling the company forward in a rapidly evolving industry. His strategic vision, coupled with a keen eye for detail, has played a pivotal role in the success of the organisation. Mr Ng's leadership is marked by a determined and benevolent approach, driving the company rigorously towards growth and excellence. His resilience in navigating challenges and fostering a culture of continuous improvement has established him as a forward-thinking, results-driven leader.

Currently, Mr Ng serves as a member of the Share Issuance Scheme ("SIS") Committee of the Company.

Importantly, Mr Ng maintains an impeccable professional record with no affiliations or conflicts.

He has no relationship with any Director or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than the traffic offence, if any.



## SYLVIA KONG CHOO HUI

Chief Financial Officer

**Nationality:** Malaysian

**Gender:** Female

**Age:** 57

Sylvia Kong Choo Hui graduated with a Bachelor of Business (Accounting) from the University of Technology, Sydney, Australia. With an extensive career spanning over thirty (30) years, she has demonstrated expertise in finance, accounting, and financial and operational management. Her professional background includes invaluable experience in both the manufacturing and telecommunications industries, where she actively contributed to corporate restructuring and successfully executed fundraising initiatives.

Before joining the company, Ms Kong served as the Finance Director of a multinational company in the manufacturing sector. Since assuming the role of Chief Financial Officer in 2015, her responsibilities encompass overseeing the Finance, Taxation, Legal, Human Resources, and Administration functions of the group.

She has no relationship with any Director or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than the traffic offence, if any.



## WINSON WONG MUN ONN

Chief Operating Officer

**Nationality:** Malaysian

**Gender:** Male

**Age:** 40

Mr Winson Wong Mun Onn is responsible for Big Data, Digital, Strategic Marketing and Product Development in XOX. Mr Winson joined the Company in May 2015 as Assistant General Manager, Marketing and was subsequently promoted to be Vice President, Big Data in September 2019. Currently, he holds the position of Chief Operating Officer.

Throughout Mr Winson's time in XOX, he has made significant contributions towards Analytics & Big Data development creating new experiences, services, products and performing Risk Analysis.

Prior to joining XOX, Mr Winson held the position of Head of Marketing with a multinational mobile phone company in Bangkok, Thailand.

Mr Winson is awarded with a Master's in Business Administration from Anglia Ruskin University, United Kingdom.

He has no relationship with any Director or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than the traffic offence, if any.

## PROFILE OF KEY SENIOR MANAGEMENT



### AZRIL BIN ALIUDDIN

Chief Strategy Officer

**Nationality:** Malaysian

**Gender:** Male

**Age:** 45

Mr Azril Bin Aliuddin graduated from Universiti Teknologi Mara with a Bachelor's Degree in Information Management. He is the Chief Strategy Officer of the Company who oversees the implementation of the business strategy of the Company. He has been in the Company since 2009 in various roles from project management, business process engineering, business development and business strategy. He is part of the pioneer team in the Company which form and develop the Company to be the 'thick' MVNO in the country. He is instrumental in driving the technology initiatives in the Company and setting up the technical foundation for the Company moving forward.

Prior to joining the Company, Mr Azril Aliuddin has various experiences in IT consultancy, IT project management and business process engineering. He was involved in a national level project which is Malaysia's Multimedia Super Corridor (MSC) Initiatives, the merger of two (2) major telecommunication operators in Malaysia and implementation of an internet service provider for one of the State in Malaysia.

He has no relationship with any Director or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than the traffic offence, if any.



### TAN TAI LIANG

Chief Sales Officer

**Nationality:** Malaysian

**Gender:** Male

**Age:** 57

Mr Tan Tai Liang graduated with a Diploma in Marketing from the Institute of Marketing, UK. He joined the Company in 2009 with the position of General Manager. He was very proficient in all job aspects and with his outperforming work attitude, he currently holds the position of Chief Sales Officer. Mr Tan is also one of the board of directors of Perak FC Sdn. Bhd. since 2022.

Aside from his notable contributions to the Company which includes assisting in the acquisition of One XOX Sdn. Bhd. as a subsidiary for the Company in 2014, he has also overseen sizeable growth for the activations and revenue of the Company since 2013.

He has no relationship with any Director or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than the traffic offence, if any.

Mr Tan has over thirty-five (35) years of managerial experience in both Sales and Business Development field with a successful record of sales accomplishments in the telecommunication, mobile and IT industries.



### SIM CHIN YEE

Chief Technology Officer

**Nationality:** Malaysian

**Gender:** Male

**Age:** 45

Mr Sim Chin Yee graduated from University of Portsmouth, United Kingdom with Bachelor's Degree in Computing. He has more than fifteen (15) years of experience in Telecommunication and Information Technology industry. He is part of the pioneer team in the Company and responsible for development and operation of telecommunication and IT infrastructure of the Company.

He has no relationship with any Director or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than the traffic offence, if any.

# FINANCIAL HIGHLIGHTS

## GROUP FINANCIAL SUMMARY

|   | 12 Months<br>FY2023<br>RM | Restated<br>12 Months<br>FY2022<br>RM | 12 Months<br>FY2021<br>RM | 12 Months<br>FY2020<br>RM | 15 Months*<br>FY2019<br>RM |
|---|---------------------------|---------------------------------------|---------------------------|---------------------------|----------------------------|
| <b>FINANCIAL RESULTS</b>  |                           |                                       |                           |                           |                            |
| Revenue   | <b>273,654,779</b>        | 293,615,791                           | 334,626,293               | 251,436,160               | 311,361,314                |
| Loss Before Tax   | <b>(67,425,953)</b>       | (89,227,245)                          | (46,858,141)              | (55,663,403)              | (21,344,657)               |
| Loss After Tax  | <b>(69,231,968)</b>       | (92,079,768)                          | (47,395,229)              | (54,447,415)              | (21,499,673)               |
| Losses Before Interest Tax<br>Depreciation & Amortisation<br>("LBITDA") | <b>(45,240,921)</b>       | (72,601,541)                          | (32,220,975)              | (37,341,225)              | (6,565,775)                |
| Loss Attributable to Shareholders                                       | <b>(67,480,275)</b>       | (90,976,473)                          | (45,488,924)              | (52,323,588)              | (21,177,600)               |
| <b>FINANCIAL POSITION</b>   |                           |                                       |                           |                           |                            |
| Ordinary shares   | <b>468,851,182</b>        | 468,848,306                           | 432,150,129               | 343,519,338               | 126,892,891                |
| Irredeemable convertible<br>preference shares ("ICPS")                  | <b>1,949,285</b>          | 1,949,285                             | 1,949,285                 | 2,160,345                 | -                          |
| Reserves  | <b>(308,868,833)</b>      | (237,158,305)                         | (128,384,857)             | (84,256,163)              | (33,706,396)               |
| <b>Shareholders' Equity</b>   | <b>161,931,634</b>        | 233,639,286                           | 305,714,557               | 261,423,520               | 93,186,495                 |
| Non-controlling interests   | <b>(4,661,614)</b>        | (2,911,756)                           | (1,776,145)               | 136,572                   | 2,312,034                  |
| Total Equity  | <b>157,270,020</b>        | 230,727,530                           | 303,938,412               | 261,560,092               | 95,498,529                 |
| Non-Current Liabilities   | <b>104,418,217</b>        | 9,317,813                             | 8,918,403                 | 8,929,674                 | 2,987,008                  |
| Current Liabilities   | <b>100,298,920</b>        | 105,482,625                           | 107,771,334               | 77,247,375                | 83,448,889                 |
| <b>Total Equity and Liabilities</b>                                     | <b>361,987,157</b>        | 345,527,968                           | 420,628,149               | 347,737,141               | 181,934,426                |
| Non-Current Assets  | <b>254,672,406</b>        | 183,563,907                           | 188,290,782               | 97,844,878                | 90,597,168                 |
| Current Assets  | <b>107,314,751</b>        | 161,964,061                           | 232,337,367               | 249,892,263               | 91,337,258                 |
| <b>Total Assets</b>   | <b>361,987,157</b>        | 345,527,968                           | 420,628,149               | 347,737,141               | 181,934,426                |
| <b>FINANCIAL RATIOS</b>   |                           |                                       |                           |                           |                            |
| Net Assets Per Share (sen)  | <b>3.21</b>               | 4.63                                  | 7.57                      | 8.52                      | 8.53                       |
| Net Loss Per Share (sen)  | <b>(1.34)</b>             | (1.91)                                | (1.21)                    | (3.77)                    | (1.98)                     |

\* The financial year end of the Group and of the Company were changed from 30 June to 30 September.

# FINANCIAL HIGHLIGHTS

## REVENUE

(RM'000)



## ORDINARY SHARES

(RM'000)



## SHAREHOLDERS' EQUITY

(RM'000)



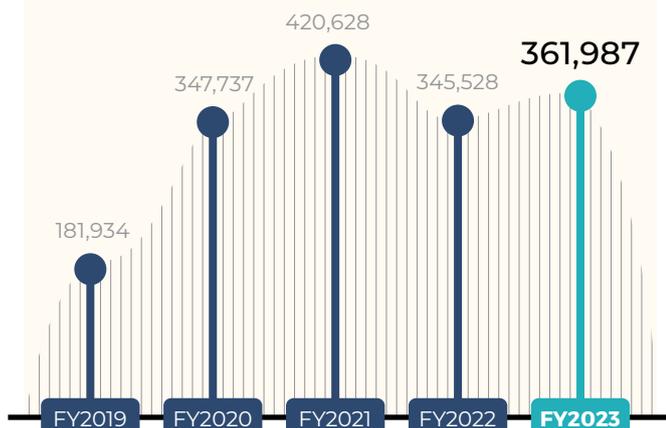
## TOTAL EQUITY AND LIABILITIES

(RM'000)



## TOTAL ASSETS

(RM'000)



## NET ASSETS PER SHARE

(Sen)



## CORPORATE STRUCTURE



## CORPORATE STRUCTURE



# MANAGEMENT DISCUSSION AND ANALYSIS

## Overview of the Group’s Business and Operations

**XOX Bhd (“XOX” or “the Company” or “the Group”) is primarily involved in offering mobile telecommunications products and services, e-Wallet services, e-commerce solutions, and digital advertising. Since June 2011, we have held the distinction of being the only publicly listed Mobile Virtual Network Operator (“MVNO”) in Malaysia.**

Our core business revolves around the strategic growth of the SIM card subscriber base, featuring products such as “ONEXOX Prepaid,” “ONEXOX BLACK,” and “XOX eSIM”; with a robust online and physical presence comprising around 145 touchpoints across Malaysia, including flagship stores, customer service centers, kiosks and X-Bikes to provide convenient access.

The distinctive attributes of our products empower users to seamlessly carry forward their data and minutes. Our “Season Pass” facilitates bulk advance purchases with unlimited sharing of Data, Talk Time, and SMS quotas; while XOX eSIM is tailored to meet the needs of our digitally savvy customers in this new era of communication.

At the heart of our operations is the relentless pursuit of innovation and the commitment to providing groundbreaking digital solutions to our ever-expanding base of 2.5 million subscribers. “Where Imagination Meets Innovation” signifies a strategic shift from the role of MVNO to a diversified digital solutions provider, and our goal is to propel the Group into a leading technology company. Our offerings encompass a wide array of services and solutions, creating connections within the digital ecosystem and providing tailored platforms for our customers’ needs.



## MANAGEMENT DISCUSSION AND ANALYSIS

### REVENUE



RM273.65  
million

compared to RM293.62 million

### LBITDA



RM45.24  
million

compared to RM72.60 million

### CASH POSITION



RM33.85  
million

with a stable cash position

### TOTAL ASSETS



RM361.99  
million

compared to RM345.53 million

Our network keeps users seamlessly connected. Beyond traditional telecommunication services, we have successfully created an ecosystem that transcends the boundaries of mere connectivity. Our E-commerce platform empowers customers to shop conveniently from the comfort of their homes, while our Fintech services pave the way for a future of financial transactions with unparalleled ease. Through Smart Retail, we infuse innovation into the shopping experience, and Prosport leverages on sports marketing to elevate customer engagement. The linchpin is our BLACK APP, seamlessly connecting these services in the digital landscape, creating diversified revenue streams.

In tandem with our strategic evolution into a digital solutions provider, XOX has proactively cultivated a diverse investment portfolio, encompassing both quoted and unquoted shares in companies with the ability to complement and enhance our existing business model. This strategic initiative serves a dual purpose – fortifying our operational foundations and positioning us optimally for future growth. Our methodical approach is centered on unlocking synergies that concurrently drive revenue growth and optimise costs. Our unwavering commitment to establishing a robust and sustainable investment portfolio underscores our dedication to long-term value accretion, directly benefiting our esteemed shareholders.

XOX is more than a telco; we are architects of an interconnected digital future, redefining how people connect, shop, transact, and engage with the world around them. As we continue to evolve in the dynamic telecommunications landscape, we remain steadfast in our commitment to innovation, customer-centricity remains unwavering, propelling XOX into a new era of technological excellence.

### FINANCIAL REVIEW

|   | FY2023<br>RM        | FY2022<br>RM |
|---|---------------------|--------------|
| <b>Financial Results</b>  |                     |              |
| Revenue   | <b>273,654,779</b>  | 293,615,791  |
| Loss Before Interest Tax Depreciation & Amortisation ("LBITDA") | <b>(45,240,921)</b> | (72,601,541) |
| Loss Before Tax ("LBT")   | <b>(67,425,953)</b> | (89,227,245) |
| Loss After Tax ("LAT")  | <b>(69,231,968)</b> | (92,079,768) |
| Loss Attributable to Shareholders                               | <b>(67,480,275)</b> | (90,976,473) |
| <b>Financial Positions</b>                                      |                     |              |
| Shareholders' Equity  | <b>161,931,634</b>  | 233,639,286  |
| Total Assets  | <b>361,987,157</b>  | 345,527,968  |
| Net Assets Per Share (sen)                                      | <b>3.21</b>         | 4.63         |
| Net Loss Per Share (sen)  | <b>(1.34)</b>       | (1.91)       |

# MANAGEMENT DISCUSSION AND ANALYSIS

For the financial year ended 30 September 2023, the Group witnessed a decline in revenue from RM293.62 million to RM273.65 million, reflecting a 6.8% drop compared to the preceding financial year.

The decline was primarily attributed to the intensified price competition within our core telecom business, resulting in a 6.7% drop in blended Average Revenue Per User (ARPU). Despite a commendable increase in the number of subscribers by approximately 270,000, our financial performance has been significantly impacted by the challenging market conditions and aggressive pricing strategies. Additionally, our e-commerce revenue experienced a notable decline, mainly due to the consumers increasingly favouring in-person shopping experiences, seeking more tangible interactions and immediate gratification, coupled with a lack of unique products offered.

However, the Group's loss before tax improved by 24.43% from RM89.23 million to RM67.43 million for the current year, mainly due to lower non-operating losses of RM64.87 million (FY 2022: RM94.38 million) from investments. Consequently, the Group reported an improved LBITDA of RM45.24 million from RM72.60 million reported in the previous financial year.

There was no payment of dividends during the financial year under review.

## Financial Position

During the financial year, the share capital of the Company increased from RM468,848,306 to RM468,851,182 by way of the issuance of 47,925 new ordinary shares pursuant to the exercise of Warrant B 2020/2023.

The Group ended the financial year with shareholders' equity of RM161.93 million, on account of RM67.48 million losses attributed to shareholders mainly due to the impairment loss on investments. However, the Group's total assets increased from RM345.53 million to RM361.99 million after accounting for the additional investment in associate companies.

## BUSINESS AND OPERATIONAL REVIEW

XOX's core consumer telecom business had expanded through strategic partnerships, delivering tailored packages to specific consumer demographics. During the financial year 2023, XOX introduced two new additions to its postpaid lineup—the MySISWA Plan and ONEFamily Plan. These plans offer a higher internet allowance, catering to bandwidth-heavy activities such as mobile gaming, livestreaming, and video conferencing, meeting diverse subscriber needs.

The MySISWA Plan, fully endorsed by the Ministry of Higher Education of Malaysia, forms an ecosystem designed specifically for the 1.5 million tertiary students nationwide. Beyond providing telecom services, XOX's involvement extends to a larger initiative including the development of a youth entrepreneurship program, comprehensive e-commerce platforms, and exclusive fintech services for financial assistance.

XOX strategically acquired Perak FC Sdn. Bhd. ("Perak FC") as part of its broader agenda to expand its Group's footprint. This move had brought benefits to various entities across diverse industries under its umbrella. The acquisition facilitated the sale of Cheetah-produced Perak FC merchandise, and leading to the engagements with seven additional football clubs, tapping into Malaysia's 15.6 million-strong football fanbase. XOX had launched 8 exclusive Malaysia Football Club Plans to acquire quality and captive subscribers, deploying on-ground promotion initiatives nationwide in collaboration with its counterparts.

Simultaneously, the prepaid segment, albeit slower, has also shown noteworthy progress. The enhancement of UNL35 Data Plan caters to consumers who prefer a valuable choice without committing to a postpaid monthly subscription.

In response to changing consumer preferences, XOX's retention strategy involves diversifying beyond core offerings by bundling with non-telecom-related products available within its ecosystem. The success of XOX's on-demand campaigns contribute not only to the telecom business but also enhances other services, aligning with market sentiment.

In diversifying beyond telecom, XOX focuses on enhancing its BLACK App, the hub of its ecosystem, for seamless access to various services. BLACK Market, the e-commerce arm, faces challenges but it has its strengths within XOX's ecosystem, strategically positioning itself for growth, including through SpaceX vending machines. Endorsed partnerships with government entities boost its nationwide reach amid supply chain concerns. XOX is confident in its robust alliances to navigate market uncertainties.

While striving to strengthen recently established revenue growth engines, XOX remains steadfast in its commitment to offer customer-centric value-added services. The objective is to enhance subscribers' holistic digital experience, positioning XOX as a reliable presence at every stage of their journey.

# MANAGEMENT DISCUSSION AND ANALYSIS

## CORPORATE EXERCISES

### Irredeemable Convertible Preference Shares (“ICPS”)

There were no conversion of ICPS to ordinary shares during the financial year, and the total number of ICPS that remains unconverted amounted to 77,971,406 as at 30 September 2023.

### Employee Share Option Scheme (“ESOS”)

There were no options granted to eligible employees and no ESOS options exercised by eligible employees during the financial year.

### Warrants B & Warrants C

During the financial year, 47,925 of Warrant B were exercised at an issue price of RM0.06 per Warrant. The total numbers of Warrants B 2020/2023 that remain unexercised which stood at 231,784,951 lapsed on 3 March 2023.

No Warrants C was exercised during the financial year. As at 30 September 2023, the total number of Warrants C that remains unexercised remains at 1,412,612,765.

### Capital Contribution to Subsidiaries

The capital contribution to XOX Media Sdn. Bhd. and XOX Pro Sport Sdn. Bhd. amounted to RM36,442,664 during the financial year. It represented amounts due from subsidiaries which are non-trade in nature, unsecured and interest-free and the settlement of the amount is neither planned nor likely to occur in the foreseeable future. As this amount is in substance, it will be represented as an additional investment in the subsidiaries.

### Acquisition of Subsidiary and Associates

On 12 July 2022, XOX (Hong Kong) Limited entered into a Share Sale Agreement (“SSA”) with Muar Ban Lee Group Berhad for the acquisition of 2 ordinary shares in Theron Holdings Sdn. Bhd. (“Theron”), representing 100% of the total issued and paid-up share capital of Theron, for a total purchase consideration of RM19,254,590. The condition precedents as stipulated in the SSA had been fulfilled and the acquisition of Theron as 100% subsidiary was completed on 13 December 2022.

Theron is a special purpose vehicle incorporated for the purpose of acquiring and holding 98,090,536 ordinary shares in Symphony Life Berhad (“Symlife”), representing 13.7% of the total and issued ordinary shares of Symlife.

By virtue of this and the Group's contractual right to appoint a Director to the Board of Symlife to safeguard the Group's interest, Symlife was recognised as an associate company effective 1 January 2023.

# MANAGEMENT DISCUSSION AND ANALYSIS

## ANTICIPATED RISKS AND MITIGATING FACTORS

XOX acknowledges the presence of a wide array of risk factors that can impact our financial and operational performance. These risks permeate various levels of our operations. In response, we are committed to mitigating our exposure by implementing effective risk management strategies and internal control processes. Our goal is to minimise uncertainties and maximise potential opportunities within our business landscape.

### Market and Competition

In the fiercely competitive Malaysian telecommunications industry, XOX faces the dual challenges of market saturation and intense competition. As the market matures, acquiring new users becomes challenging, intensifying competition among telcos and emphasising the need for robust customer retention strategies and service differentiation. XOX needs to stand out through service quality, digital solutions and strategic marketing. Price wars impact the profit margins, prompting XOX to innovate and maintain a competitive edge. In addition, customer shifting their preferences pose a risk, in which case, XOX needs to leverage on data analytics for tailored offerings to mitigate subscriber retention risks.

### Human Resources

In the competitive talent landscape, the loss of key management or challenges in attracting and developing talent can impact our operations. The scarcity of digital and technology expertise, combined with rising acquisition costs, is a concern in the telecom industry. XOX is steadfast in its belief that sustained growth requires a diverse, sustainable workforce. To address talent shortages, we are committed to investing in attracting, developing, and retaining skilled professionals. We conduct annual succession reviews to ensure effective management and create an environment supporting talent growth. Our focus on upskilling aligns with digital transformation, fostering engagement for a dynamic and innovative workplace, essential for staying at the forefront of industry advancements.

### Technology

In the rapidly evolving landscape of the Malaysian telecommunications industry, XOX is confronted with multifaceted challenges related to technology disruption, infrastructure limitations, and the emergence of substitute technologies. The rapid pace of technological advancements, including the advent of 5G, demands substantial investments to stay at the forefront.

Concurrently, infrastructure challenges such as maintenance issues or delays in development projects pose threats to the quality and reach of XOX's telecommunications services. XOX needs to navigate these challenges to ensure seamless connectivity and meet the increasing demands of tech-savvy consumers.

Furthermore, with the rise in substitute technologies pose competition, XOX needs to strategically position itself to align offerings with evolving consumer preferences and technological shifts for sustained competitiveness.

### Cybersecurity and Data Privacy

In the digital realm of Malaysian telecom, XOX is also confronted with the challenges posed by cybersecurity amidst rapid digitisation and ensuring robust data protection. To mitigate these risks, XOX prioritise comprehensive cybersecurity strategies, incorporating advanced threat detection, encryption, and regular security audits. Adherence to strict data protection regulations is crucial, emphasising secure handling of customer data. Proactive cybersecurity, aligned with stringent data protection, are expected to safeguard against breaches, thus preserving customer trust. By investing in advanced technologies and complying with data protection standards, XOX fortifies its defences, ensuring customer data confidentiality and integrity.

### Regulatory

In the dynamic Malaysian telecom sector, XOX faces challenges and opportunities due to evolving regulations. Adapting swiftly to changes in data protection, privacy, and industry practices is crucial. Staying abreast of regulatory shifts, engaging with stakeholders, and proactively influencing policy changes are essential for XOX to thrive compliantly. This approach ensures stability and sustained growth in the ever-changing regulatory landscape.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Economic

XOX is directly impacted by economic conditions in Malaysia. Economic downturns can lead to reduced consumer spending on telecom services, while economic growth may increase demand. Currency fluctuations and inflation rates can affect operational costs, and changes in interest rates influence capital expenses. XOX must remain agile in adapting to economic shifts, leveraging growth opportunities during economic upturns and implementing strategic measures to withstand challenges during downturns. Understanding and navigating these economic factors are vital for sustaining growth and resilience.

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## OUTLOOK & PROSPECTS

XOX Group operates in an industry where innovative information technology solutions are key drivers for the business. Consequently, the Group's business model will continually evolve in providing cutting-edge mobile solutions for its customers. Despite this, the Group remains committed to its core business of offering attractive mobile subscription plans for connectivity services to mobile network subscribers and customers. With 2.5 million subscribers, XOX is dedicated to technology and innovation, transforming into a technology company by consistently offering innovative digital solutions. This allows the Group to adapt to rapid industry changes and stay ahead of competition.

Furthermore, the Group has implemented various strategies, such as marketing and promotional activities, to increase brand awareness and maintain brand loyalty. Subscriber retention initiatives, including attractive mobile subscription packages, and the introduction of innovative products and services, allow the Group to adapt to dynamic changes and stay ahead of competition in its existing industry.

In addition to telecommunications industry, XOX has acquired Perak Football Club, leveraging on its expertise in brand strategy, digital marketing, and public relations. Live events during football matches serve as an effective channel to distribute XOX's products and services. Investments in quoted and unquoted shares in companies aim to unlock synergies that concurrently drive revenue growth and optimise costs for long-term value creation.

As the Group enters the 5G era, it anticipates tapping into the potential outcomes and benefits, beyond just faster connectivity but also its potential impact on business models and timelines. The Group will continue to expand digital ecosystems to deepen engagement with the Group's mobile network subscriber base.

Despite challenges like market saturation and uncertain economic factors, XOX remains cautiously optimistic about its future. Key approaches encompass enhancing brand awareness, implementing subscriber retention initiatives, and expanding digital ecosystems to harness the potential of the 5G era.

# EVENTS HIGHLIGHTS 2023



10 February  
2023

**MOU with  
KLFC**

XOX and Kuala Lumpur City Sdn. Bhd. (“KLFC”) have signed a MOU at the Kuala Lumpur Stadium to offer telecommunications services to football fans. The collaboration kickstarts XOX’s Football Club Project with football clubs involved in Liga Super Malaysia and enables KLFC to earn income whilst reaching out to their fans, enhancing their profile via home games activities, social media content and XOX Season Pass rewards, while at the same time allowing the XOX Brand reach and telecommunication services to be expanded to football fans all across Malaysia.

**MEMORANDUM OF  
UNDERSTANDING  
(“MOU”)**



17 February  
2023

**MOU with  
NSFC**

A MOU between XOX and Negeri Sembilan Football Club Sdn. Bhd. (“NSFC”) was signed at XOX’s office in Menara Lien Hoe to offer telecommunications services to football fans. NSFC is the second football club to sign with XOX, and the collaboration allows NSFC to earn income, reach out to their fans via social media content, enhance their profile at home games activities, and earn XOX Season Pass rewards while enabling XOX to expand their brand reach and telecommunication services to football fans in Malaysia.

**MOU with  
DAFC**

18 February  
2023



XOX and Darulaman Football Club Sdn. Bhd. (“DAFC”) signed a MOU at Stadium Darul Aman, Kedah to offer telecommunications services and reach out to football fans. This collaboration with DAFC enables them to earn income from the dealership and reach out to their fans from home games activities, social media content, XOX Season Pass rewards, and at the same time, for the XOX brand to increase their reach and telecommunication services to football fans across Malaysia, especially in Kedah.

20 February  
2023

**MOU with  
SPFC**



XOX and Sri Pahang Football Club Sdn. Bhd. ("SPFC") signed a MOU at Timorra Venue, Kuantan before Sri Pahang's squad reveal and jersey launch event. The collaboration encompasses an opportunity for SPFC to earn income, reach out to their fans, and enhance their profile via home games activities, social media content and XOX Season Pass rewards, while enabling XOX to increase their brand reach and telecommunications services to football fans in Malaysia, especially in Pahang.

**MOU with  
KCFC**



24 March  
2023

XOX and Kuching City FC Sdn. Bhd. ("KCFC") signed a MOU at Bangunan Koperkasa, Kuching to offer telecommunications services to football fans in Sarawak. The collaboration entails an opportunity for KCFC to earn income from the dealership and at the same time, enhance their profile from home games activities, social media content, and XOX Season Pass rewards. Meanwhile, XOX is able to expand their brand reach and telecommunication services to football fans across Malaysia, including Sarawak.

**MOU with  
KUFC**



12 April  
2023

XOX and Kelantan United FC Sdn. Bhd. ("KUFC") signed a MOU at XOX's office in Menara Lien Hoe to offer telecommunications services to football fans. The collaboration includes an opportunity for KUFC to earn income, reach out to their fans, and enhance their profile via home game activities, social media content, and XOX Season Pass rewards while maximising XOX brand reach and telecommunication services to football fans in Malaysia and specifically in Kelantan.

**MOU with  
ABMB**



19 May  
2023

The signing of the MOU between XOX and Alliance Bank Malaysia Berhad ("ABMB") officiated the partnership to introduce the convenience of digital banking in the XOX BLACK App. The signing was carried out by ABMB's Ms Gan Pai Li, Group Chief Consumer Banking Officer, and Mr Edwin Lee, Head of Cards and Loans, and XOX's Mr Ng Kok Heng, Chief Executive Officer and Mr Azril bin Aliuddin, Chief Strategy Officer, in the presence of XOX's Board of Directors, top management, and the media.

# EVENTS HIGHLIGHTS 2023



**20 June  
2023**

## MOU with PFC

XOX and Penang FC Sdn. Bhd. ("PFC") signed a MOU at PFC's office in Komtar Tower, Penang to offer telecommunications services to football fans. This collaboration enables PFC to earn income from the dealership, reach out to their fans and enhance their profile via home game activities, social media content and XOX Season Pass rewards and at the same time, expand the XOX brand reach and telecommunication services to football fans in Malaysia and specifically in Penang.



**28 June  
2023**

## MOU with KDDI

XOX has entered into a MOU with KDDI Malaysia Sdn. Bhd. ("KDDI"), aiming to offer enhanced telecommunication services, including e-SIM, to subscribers. This collaboration encompasses the deployment of XOX's innovative SpaceX vending machines and the joint development of the Nimbus mobile application. This value-added service benefits mobile consumers across all regions of Japan and Malaysia.

# MEMORANDUM OF UNDERSTANDING ("MOU")

**31 July  
2023**

## MySiswa MOU Signing

XOX has signed a MOU with the Ministry of Higher Education Malaysia and VMR Three Sdn. Bhd. to develop a comprehensive MySiswa ecosystem for students in public and private universities. The MySiswa ecosystem is designed to offer a wide array of digitally enabled services with the inclusion of a platform for entrepreneurial knowledge and skillset development, e-learning, and a student-focused marketplace featuring exclusive offerings that aligns with the Ministry's objectives. The MySiswa ecosystem consists of the MySiswa Mobile Plan and System, Vending Machines, BLACK Market, e-Wallet, and ADX Loyalty System. Students who are keen to further develop their entrepreneurial skills have an opportunity to create their own income streams under XOX's established framework and training programmes.



# EVENTS HIGHLIGHTS 2023

## COLLABORATION AGREEMENT

**Collaboration Agreement with Tourism Perak Management Berhad**

17 March 2023



XOX partners with Tourism Perak to promote and market "Visit Perak Year 2024" to its network of subscribers and sports fans. The collaboration will see the production of digital media about all places of attraction in Perak be directed, produced, and shared with the public. Through the collaboration, Perak FC players will also play the role of state ambassadors to attract more visitors to the state.

10 - 11 November 2022

**Main Distributors & Area Distributors Retreat 2022**



Two days filled with inspiration, collaboration, and celebration! Our Main Distributors and Area Distributors made the ONEXOX Retreat at Geno Hotel, Subang Jaya an unforgettable experience.

From problem-solving to celebrating victories, these shared experiences forge bonds that stand the test of time. Here's to the driving forces behind our success!

## EVENTS

**XOX CNY Lion Dance**

2 February 2023



It has been the annual Chinese New Year tradition for XOX to organise the lion dance performances to welcome and pay tribute to Cai Shen (the God of Wealth or Prosperity) to usher in good fortune and prosperity to our offices.

In keeping with tradition, offerings (such as mandarin oranges, pomelos, pineapples, Chinese lettuce, lotus roots, just to name a few) were tied with red ribbons that symbolises prosperity and abundance.

To add joy into this annual event, a Chinese New Year Buffet Lunch for our staff was held at Level 7 of our office, complete with the traditional tosses of Yee Sang (Prosperity Toss).

It was a wonderful opportunity for all staff members to bond at this event.



# EVENTS HIGHLIGHTS 2023

24 - 25 February  
2023



**Management  
Retreat**

The Annual Management Retreat is an event to provide the opportunity for Management Teams from respective companies within the XOX Group to come together for team building and work cohesively to build a strong team through forming bonds and connections. Brainstorming towards the common goal of determining the Company's future goals and directions for success.

Ipoh was chosen as the venue as it is away from the hustle and bustle of the Klang Valley, while additionally, Ipoh is well renowned as the food haven where one is totally spoiled for food choices.

A welcome dinner was held at a hotel with sumptuous Chinese delicacies, and it was an evening to remember.

## EVENTS



**JOM Gegor Ipoh  
(Perak FC vs  
Kedah FC)**

24 - 25 February  
2023



Perak FC threw its crafted carnival for Perak football fans called Jom Gegor Ipoh to celebrate the team's first match in the Malaysian Super League for 2023 season in style with scrumptious food & beverage offerings, various offers on team jerseys & merchandise plus exciting activities including a small performance to welcome the fans back to the stadium to cheer for their favourite team. It has traditionally been a football culture among fans and Perak FC intends to keep the tradition going.

# PRODUCTS AND SERVICES LAUNCHED DURING THE YEAR

## MySiswa

In tandem with the MySiswa MOU Signing, we have rolled out a suite of Mobile Plan which aims to deliver customised experience for students in public and private universities.

Designated as "MySiswa Mobile Plan", these plans offer unlimited data with highspeed and unlimited calls to subscribers.



## ONEfamily

The ultimate family plan is designed to cater to the connectivity needs of both small and large families. Our plan is crafted to provide seamless communication and unlimited connectivity, ensuring that every family member stays connected, no matter the size of the household. The plan offers unlimited data and calls to all ONEfamily users, with just RM10 for every supplementary line.

The ONEfamily plan is about unlimited connectivity, unbeatable affordability – keeping your loved ones closer, without breaking the bank!



# SUSTAINABILITY STATEMENT

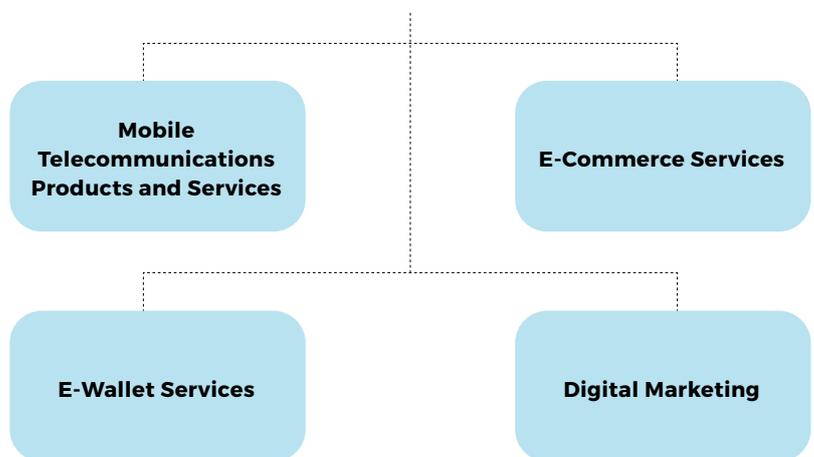
## About The Report

### The Report

**XOX Bhd (“XOX” or the “Company”) has issued the Sustainability Report (“Report”) for five consecutive years since the Report was first released in 2019. This Report provides an in-depth explanation of the Group’s ideas, methods and accomplishments in relation to sustainable development, social responsibility and governance during financial year ended (“FYE”) 30 September 2023. It covers the Group’s performance and activities in economic, environmental and social (“EES”) as well as governance aspects.**

### Scope of the Report

The Report encompasses XOX and its subsidiaries (“the Group”). It provides information on our major activities related to provisions of mobile telecommunications products and services, e-Wallet services, e-commerce services and digital marketing. Revenue from other business segments of the Group accounts for a very small percentage of total revenue and has a minimal impact on the overall performance of the Group, so it is not included in the scope of this Report.



The Report covers the period from 1 October 2022 to 30 September 2023. All information in the Report is disclosed from the Group level.

### Reporting principles

The Report is prepared in reference to the principles of:

- Bursa Malaysia Securities Berhad’s Sustainability Reporting Guide (2<sup>nd</sup> Edition);
- Listing Requirements of Bursa Malaysia Securities Berhad [Paragraph (30) of Appendix 9C of the ACE Market Listing Requirements (supplemented by Guidance Note 11)]; and
- Sustainability Reporting Standards (“GRI Standards”) core option published by Global Reporting Initiative (“GRI”).

# SUSTAINABILITY STATEMENT

The Report follows the reporting principles of:



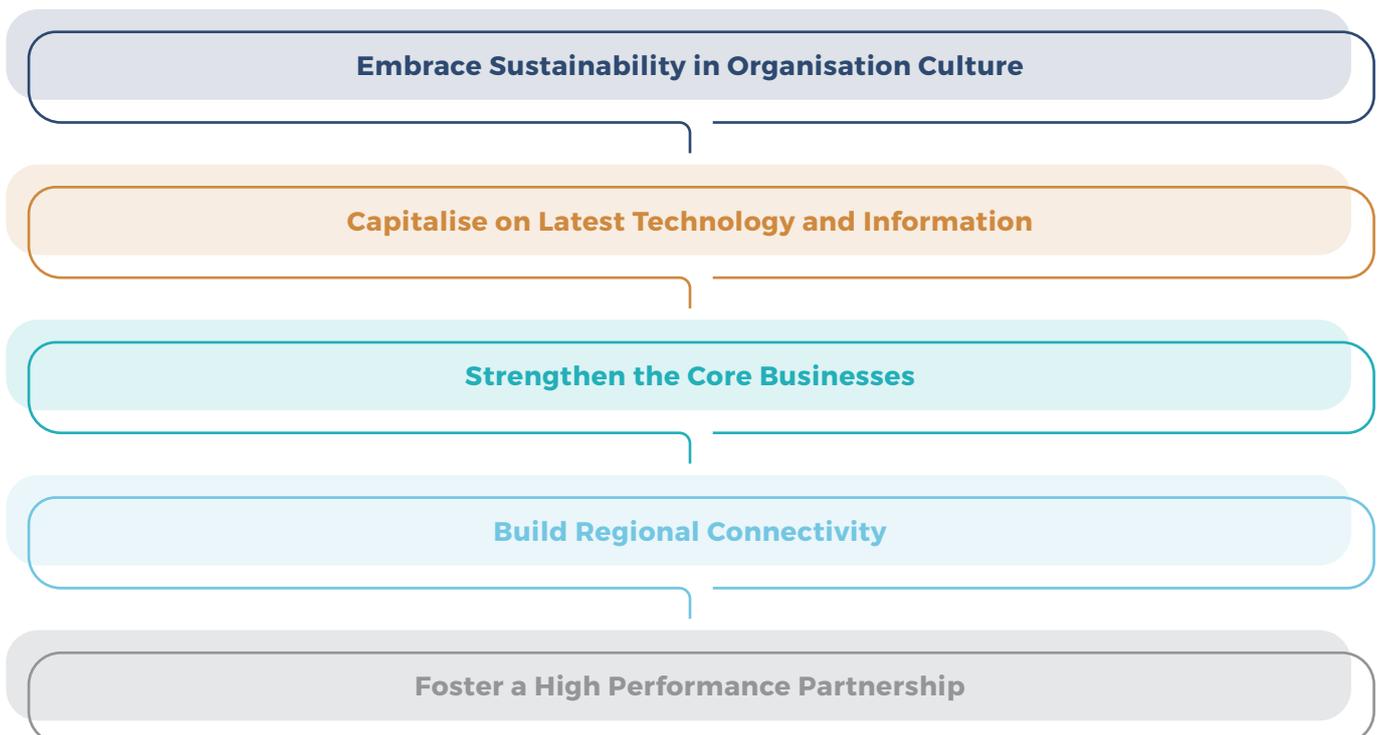
## COMMITMENT TO SUSTAINABILITY DEVELOPMENT

XOX has always considered sustainability to be a fundamental aspect of our organisational culture, as we aim to attain sustained growth and profitability while prioritising safety, care and environmental sustainability. We acknowledge that sustainability practices are a crucial factor in investors' decisions regarding investments.

In line with Bursa Malaysia Securities Berhad's Sustainability Reporting Guide (2<sup>nd</sup> Edition), the Group's sustainability practices are to ensure that EES risks and opportunities are tied in with our governance framework and social responsibilities. This enables our corporate success and behaviour to be judged and measured by the public.

As a responsible corporate entity, our objective is to uphold high standards of governance throughout our operations. This is in line with our corporate culture, which seeks to promote responsible business practices, manage our environmental footprint and address the social needs of the communities where we operate.

Our policy on sustainability:



# SUSTAINABILITY STATEMENT

The Group's ability to maintain a sustainable business and create long-term value for its shareholders is subject to various internal and external factors. Each material factor presents unique risks and opportunities to our organisation and is a key consideration in our approach to strategies formulation and execution as it substantially influences the assessments and decisions of our stakeholders. We regularly review these factors to assess their impacts on our business model over the near, medium and long term.



### Economic

**Sustaining Our Economy**

- Delivering sustainable returns to our shareholders
- Providing professional services in addressing customers' requirements
- Create value, by looking for opportunities to collaborate and to share best practices with our suppliers



### Environment

**Conserving Our Environment**

- Protecting our environment and improving our environmental performance and adopting environmental-friendly practices



### Social

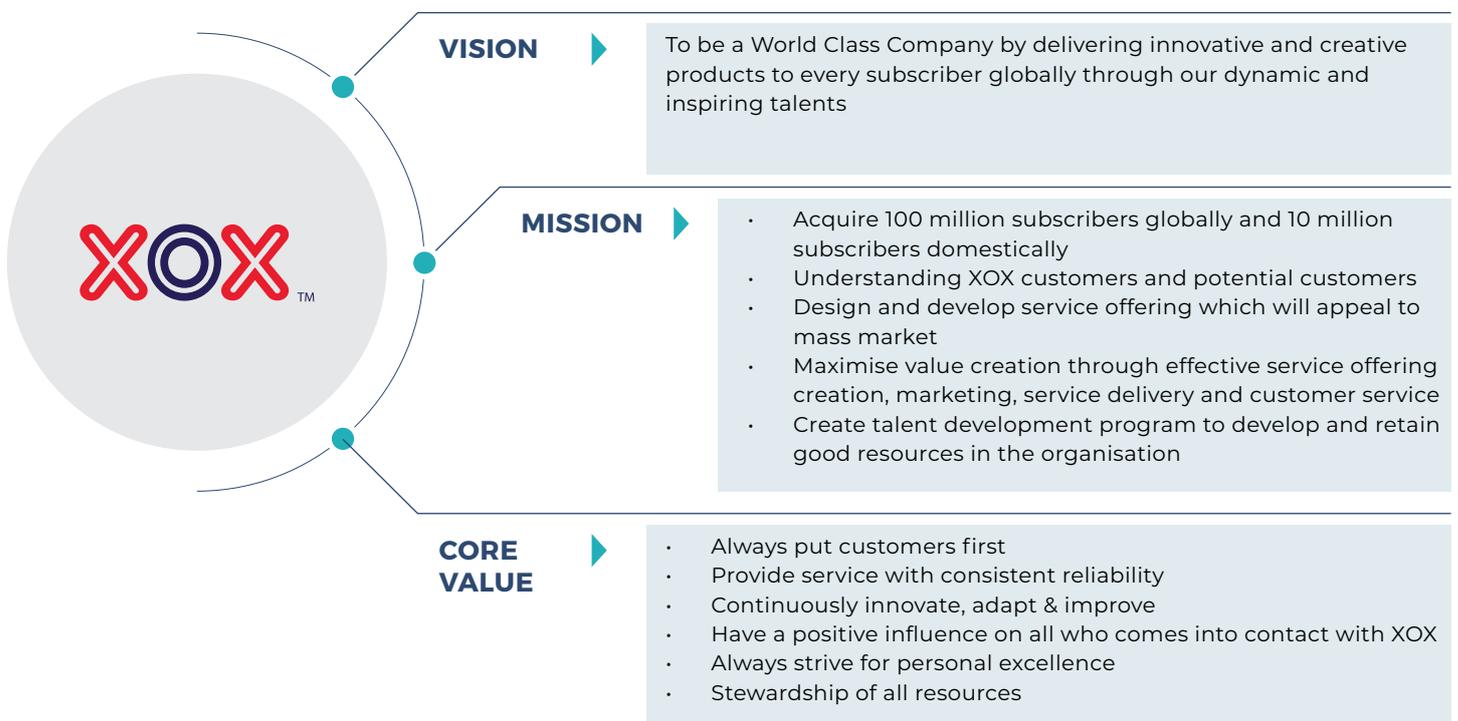
**Building A Resilient Workforce & Serving Our Community**

- Ensuring a positive work environment for our employees to learn and grow
- Contributing to the well-being of the community around us

## GOVERNANCE FRAMEWORK

### Vision, Mission and Core Value

The foundation of our dedication to the sustainability of the Group lies in our vision and mission. Our day-to-day operations are guided by our core values, serving as the principles that shape our culture and support our overarching vision.



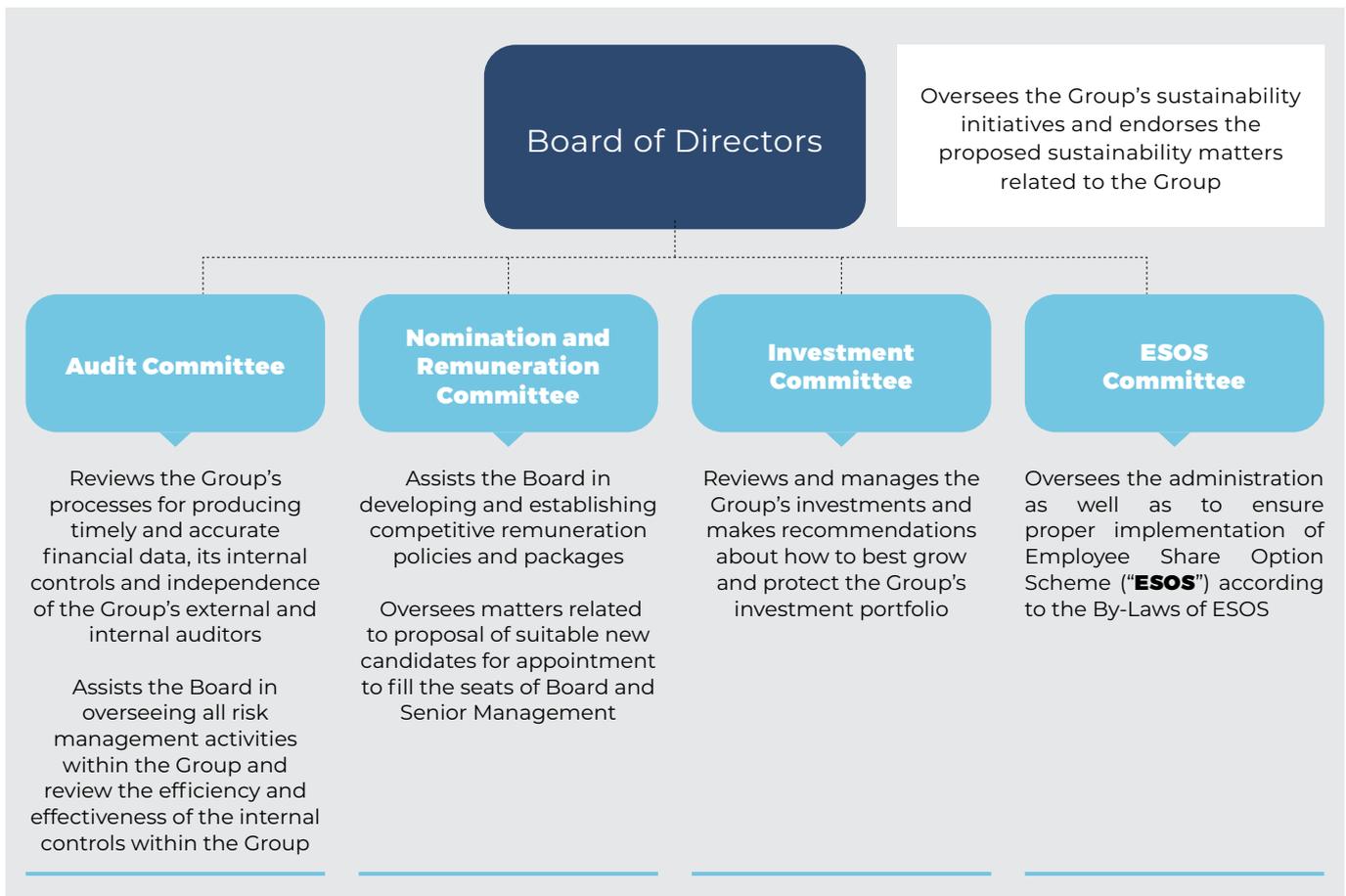
# SUSTAINABILITY STATEMENT

## Corporate Governance

We have integrated sustainability into our organisational approach, which is championed by our top leadership. The Board of Directors (“**Board**”) with the assistance from Chief Executive Officer (“**CEO**”) and Senior Management plays a vital role in guiding and overseeing sustainability initiatives throughout the organisation. It is imperative for the Board to possess a comprehensive understanding of sustainability in order to connect sustainability issues with strategic decision-making for the business. The Board must be familiar with the fundamentals of sustainability to enable them to ask pertinent questions and ultimately link sustainability with the business and strategic decision-making processes.

The Board also acknowledges that risk management and internal controls are integral to our corporate governance and it is responsible for establishing a sound risk management framework and internal control system as well as to ensure their adequacy and effectiveness. The review of the adequacy and effectiveness of the risk management framework and the internal control system is delegated by the Board to the Audit Committee.

The Group’s performance is also tracked with the assistance of the Nomination and Remuneration Committee. Performance evaluation of the Board and Senior Management include a review of the performance of the Group in addressing the Group’s material sustainability risks and opportunities.



The responsibility of the Board to promote and embed sustainability in the Group includes overseeing the following:

- Stakeholders' engagement
- Materiality assessment and identification of sustainability risks and opportunities relevant to us
- Management of material sustainability risks and opportunities
- Tracking and communication of sustainability strategies, priorities and targets as well as performance against targets to internal and external stakeholders

The Board also delegates sustainability management to Senior Management, which comprises representatives from various business units in the form of Sustainability Policy, internal memos and updates to the Group's Standard Operating Procedures (“**SOPs**”) to continue embedding sustainability in every aspect of the Group's daily operations.

# SUSTAINABILITY STATEMENT

## Ethical Business Practices and Anti-Bribery & Anti-Corruption Policy

The Board acknowledges the significance of ethical business practices throughout the organisation to preserve the trust of our stakeholders. We uphold the highest standards of integrity in our operations through good governance, as outlined in the Group’s Code of Ethics and Conducts.

At the core of our business lies good governance, which is founded upon ethical business practices and integrity. We have incorporated the highest standards of governance into our business, not only by adhering to the law, but also by implementing processes and guidelines that reinforce these principles.

The Group has established and adopted Anti-Bribery & Anti-Corruption Policy as we are committed to a zero-tolerance against all forms of bribery and corruption. We are committed to conduct our business ethically, as well as in conformity with all applicable laws. This Anti-Bribery & Anti-Corruption Policy is applicable to the Board, our employees as well as any third parties associated with us.

The Group inducts all new employees on the Company’s Anti-Bribery & Anti-Corruption Policy as well as Code of Ethics and Conducts, during the dedicated in-house orientation programme. Any updates to the Employee Handbook are done through the internal network and all employees have to sign off on the Company’s policies on confidentiality and conflict of interest, integrity and prevention of staff fraud once they have attended the Group’s internal briefings. All business operations have been assessed for corruption related risks. There was no reported complaints of bribery or corruptions in FYE 2023.



## RESPONSES TO SUSTAINABLE DEVELOPMENT GOALS (“SDG(s)”)

“Agenda 2030” was adopted by all 193 United Nation member states in September 2015. This plan aims to address the world’s most pressing EES problems over the next 15 years. It consists of 17 goals and 169 targets that cover a broad set of challenges such as economic inclusion, geopolitical instability, depleting natural resources, environmental degradation and climate change. Malaysia is dedicated to achieving “Agenda 2030” through its SDG Roadmap.

We endorse the SDGs and acknowledge their significance to our business and the world. As a result, we are determined to aid in achieving them. The Group has implemented well-established initiatives to ensure sustainable and responsible operations, in accordance with our longstanding pledge to ethical corporate citizenship and sustainability promotion in all our endeavors. All of the SDGs are relevant to our operations to varying extents, and we already contribute to several of these objectives. We focus on supporting goals where we can make the greatest contribution.



## SUSTAINABILITY STATEMENT

5 GENDER EQUALITY



### Achieve gender equality and empower all women and girls

XOX adapts SDG 5 on gender equality and this reflects the Company's commitment to promote and advance gender balance and inclusivity across its operations. The Company committed on creating a more diverse and inclusive workforce by ensuring equal opportunities for men and women at all levels. This includes recruitment, promotions, and leadership positions.

In addition to that, the implementation of policies and practices that ensure equal pay for equal work is essential. This involves conducting regular pay equity assessments and addressing any disparities.

8 DECENT WORK AND ECONOMIC GROWTH



### Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

A clear avenue for XOX to contribute to the SDGs is by fostering economic growth through the expansion of our business. However, it is imperative to emphasise that growth should not compromise the well-being of the planet or people, particularly our vulnerable employees.

Four of the ten identified Sustainability Matters crucial to the Group pertain to our employees, underscoring their significance in the success of XOX.

Our focus is on cultivating a vibrant and thriving organisation by recruiting and nurturing talented individuals, empowering them to achieve their full potential, consistently enhancing our leadership, and fostering a high-performance culture through strong engagement. We are dedicated to creating a safe and healthy workplace, ensuring equal opportunities in recruitment, career development, promotion, training, and rewards for all employees, irrespective of gender, ethnicity, or physical ability. This commitment aims to cultivate a diverse workforce, supported by comprehensive training and succession plans.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



### Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

In the highly competitive landscape of the business world, providing exceptional customer service is imperative for staying ahead. Customer satisfaction stands out as a key determinant of business success. XOX is committed to a "consumer-oriented" business approach, consistently diversifying our range of products and services to enhance customer satisfaction. Moreover, our business operations align with the guidelines of the Malaysian Personal Data Protection Act 2010 ("PDPA") concerning the collection, utilisation, and disclosure of personal data.

10 REDUCED INEQUALITIES



### Reduce inequality within and among countries

Having a diverse Board and Senior Management team can bring various benefits to a company, such as a wider range of perspectives, improved decision-making, and better performance in a dynamic business environment. Gender diversity is one aspect of diversity that companies should prioritise, as it can bring unique perspectives and skillsets to the table.

To promote gender diversity, companies should take proactive measures to seek out and recruit qualified women candidates for Board and Senior Management positions. This can include initiatives such as targeted outreach to women candidates, unbiased recruitment processes, and mentorship and sponsorship programs to support the development and advancement of women leaders. By creating a more diverse and inclusive leadership team, companies can foster a culture of innovation and drive sustainable business success.

# SUSTAINABILITY STATEMENT

## STAKEHOLDERS' ENGAGEMENT AND COMMUNICATION

Throughout the fiscal year, we remained committed to actively engaging with our stakeholders as part of our sustainability assessment process. By engaging with our stakeholders, we are better able to gain a comprehensive understanding of the material issues and concerns they may have. Through this engagement, we are also able to capture the key aspects and impacts of our sustainability journey.

The table below lists our key stakeholder groups and their respective areas of interest as well as methods by which the Board engages them.

| STAKEHOLDERS                                 | ENGAGEMENT METHODS  | ENGAGEMENT AREAS   |
|--|---|--|
| <b>Shareholders</b>                          | <ul style="list-style-type: none"> <li>Annual &amp; Extraordinary General Meetings</li> <li>Press releases</li> <li>Bursa announcements</li> <li>Quarterly report</li> <li>Annual report</li> <li>Timely update on corporate website</li> </ul> | <ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>Return on investments</li> <li>Corporate governance</li> </ul>   |
| <b>Government</b>                            | <ul style="list-style-type: none"> <li>Compliances to laws and regulations</li> </ul>   | <ul style="list-style-type: none"> <li>Operation regulations</li> <li>Bursa listing requirements</li> <li>Companies Act</li> <li>Labour law</li> <li>Taxations</li> <li>Anti-Bribery and Corruption</li> </ul> |
| <b>Board of directors</b>                    | <ul style="list-style-type: none"> <li>Board meetings</li> </ul>  | <ul style="list-style-type: none"> <li>Corporate strategy</li> <li>Corporate governance</li> </ul>   |
| <b>Employees</b>                             | <ul style="list-style-type: none"> <li>Technical and skills trainings</li> <li>Performance appraisal</li> <li>Team building activities</li> </ul>   | <ul style="list-style-type: none"> <li>Remuneration policy</li> <li>Career development</li> <li>Performance review</li> <li>Fair employment practices</li> </ul>   |
| <b>Financial Institutions</b>                | <ul style="list-style-type: none"> <li>Bursa announcements</li> <li>Quarterly report</li> <li>Annual report</li> <li>Timely update on corporate website</li> </ul>  | <ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>Funding requirement</li> </ul>   |
| <b>Customers (Dealers &amp; Subscribers)</b> | <ul style="list-style-type: none"> <li>Subscription package</li> <li>Website</li> <li>Social media</li> <li>Company events</li> <li>Online store</li> </ul>   | <ul style="list-style-type: none"> <li>Customer satisfactions</li> <li>After-sales services</li> <li>Quality assurance</li> </ul>  |
| <b>Suppliers</b>                             | <ul style="list-style-type: none"> <li>Service vendor evaluation form</li> <li>Regular meetings</li> <li>Quality audit on products and services</li> <li>Contract negotiation</li> </ul>  | <ul style="list-style-type: none"> <li>Quality of products and services</li> <li>Supply commitment</li> </ul>  |
| <b>Communities</b>                           | <ul style="list-style-type: none"> <li>Community events</li> </ul>  | <ul style="list-style-type: none"> <li>Social contribution</li> <li>Job opportunities</li> <li>Donation and financial aid</li> </ul>   |
| <b>Analyst/Media</b>                         | <ul style="list-style-type: none"> <li>Annual &amp; Extraordinary General Meetings</li> <li>Press conferences and media releases</li> </ul>   | <ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>General announcements</li> </ul>   |

## SUSTAINABILITY RISKS AND RESPONSES

The Board understands the importance of addressing sustainability risks and opportunities in an integrated and strategic manner to support the Group's long-term strategy and success. The Board proactively considers sustainability issues when overseeing the planning, performance and long-term strategy of the Company, to ensure the Company remains resilient, is able to deliver durable and sustainable value as well as maintain the confidence of its stakeholders.

# SUSTAINABILITY STATEMENT

## RISK: CYBERSECURITY THREATS

### Risk Analysis:

Cyber threats like hacking, malware, phishing and ransomware have the potential to jeopardise IT infrastructure, resulting in data breaches, system downtime and financial setbacks.

### Risk Responses:

The Group formulates policies and procedures detailing the organisation's cybersecurity strategy, encompassing password guidelines, incident response protocols and plans for data backup and recovery, with a focus on practical implementation by the infrastructure team.

The Group also invests in advanced technologies by incorporating advanced threat detection, encryption, and regular security audits to comply with data protection standards.

We continue to enhance the cybersecurity proficiency of the infrastructure team by enrolling them in training program conducted by reputable organisation, aiming to increase their capabilities in managing cybersecurity challenges.

## RISK: COMPETITIVE RISK

### Risk Analysis:

The telecommunications sector in which we operate remains highly competitive, particularly in the field of mobile connectivity. There are significant possibilities for an increased acceptance of digital technologies by both consumers and businesses.

### Risk Responses:

To address the challenges and effectively compete while navigating the wave of 5G implementation, we are adjusting our targets and goals. Our focus is shifting towards becoming a technology solutions provider. As part of this strategic realignment, we are actively forming key partnerships that will enhance our digital value proposition, facilitating revenue growth and leveraging advancements in digital and internet adoption. Our approach involves introducing a diverse array of innovative digital solutions to customers, incorporating edge computing, data analytics, artificial intelligence, e-commerce platforms, cloud services, and blockchain applications. This comprehensive strategy encompasses offerings from both our in-house developments and collaborative ventures with partners.

## RISK: DATA LOSS OR CORRUPTION

### Risk Analysis:

IT infrastructure risks pose a multifaceted challenge, with data vulnerability arising from hardware failures, software bugs or human errors. Hardware failures, encompassing malfunctions in servers, storage devices or networking components, can disrupt data accessibility and compromise integrity. Software bugs, involving errors or glitches in applications or systems, may lead to unpredictable behaviours, jeopardising data accuracy and system stability. Additionally, the potential for human error introduces another layer of risk, as mistakes or oversights in IT management or usage can inadvertently result in data loss or corruption.

### Risk Responses:

The Group implements routine critical data backup measures, employing multiple copies stored across different locations to mitigate the risk of loss from a singular event. A backup solution is systematically implemented to automate and regularly safeguard crucial server data. Additionally, End Point Detection and Response (EDR) mechanisms are deployed to proactively prevent data breaches.

## RISK: UNPLANNED DOWNTIME

### Risk Analysis:

Unexpected downtime can be triggered by both hardware and software failures, leading to diminished productivity, dissatisfied customers and revenue setbacks. Hardware failures encompass issues with servers, storage devices, network equipment and other vital components. On the software front, challenges like bugs, application conflicts and compatibility issues can disrupt system functionality, causing unplanned downtime.

### Risk Responses:

The Group implements a system monitoring solution to identify abnormalities in the system proactively, averting potential downtimes. Additionally, we enhance downtime notifications through more frequent reviews and updates to related standard operating procedures. The team also designs an active-active distributed system architecture, enhancing overall system uptime.

## RISK: STAFF ENGAGEMENT

### Risk Analysis:

Staff engagement: Transforming staff to evolving needs and supporting employment with limited resources without compromise is challenging.

Workplace wellness: Expectation on work-life balance and workplace health and safety are even higher after the pandemic.

### Risk Responses:

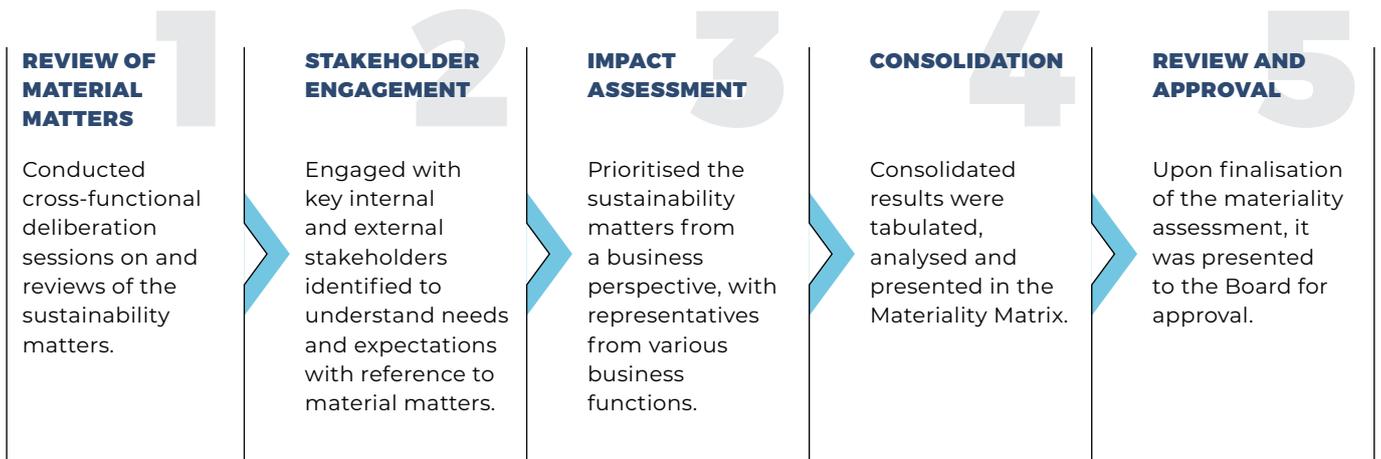
The Group continues to cultivate a high-performance culture and nurture a vibrant and diverse workforce with robust training and succession plan.

The Group focused on upskilling aligns with digital transformation, fostering engagement for a dynamic and innovative workplace, essential for staying at the forefront of industry advancements.

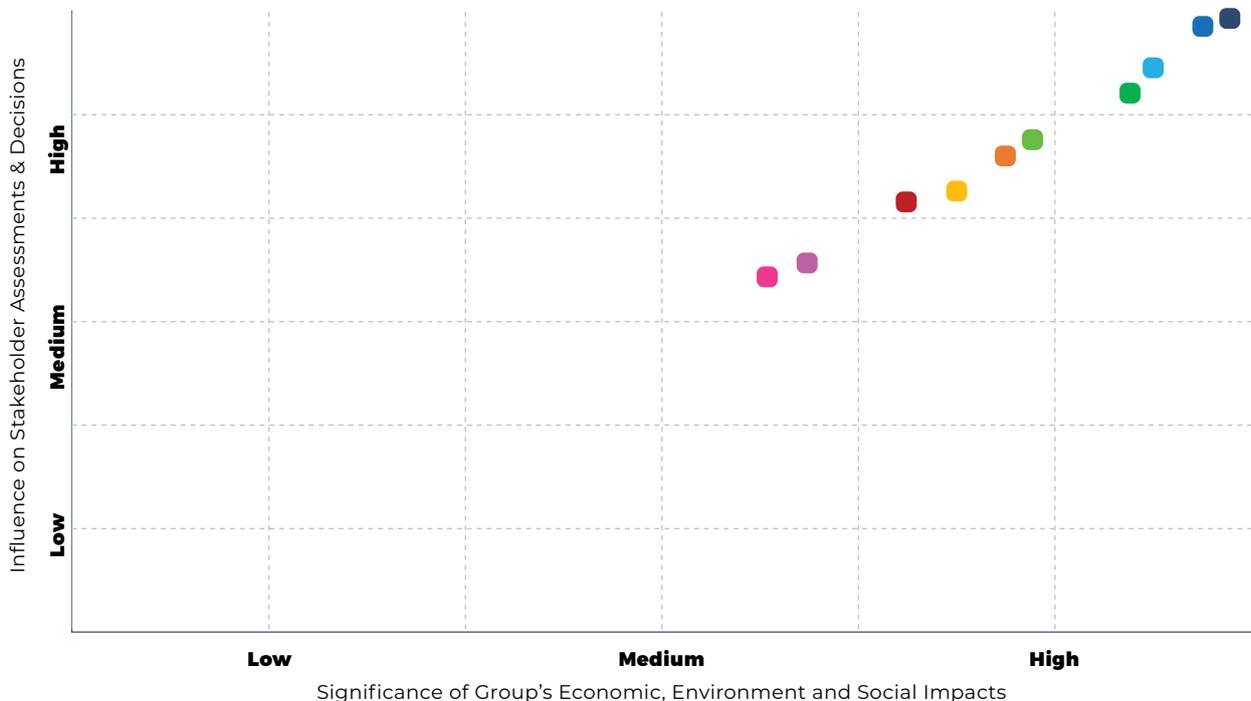
# SUSTAINABILITY STATEMENT

## MATERIALITY ASSESSMENT

We conducted a structured materiality assessment exercise to prioritise our sustainability matters based on both business and stakeholder expectations. Our materiality assessment process was guided by Bursa Malaysia’s Sustainability Reporting Guide (2<sup>nd</sup> Edition) and Bursa Malaysia Toolkit.



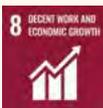
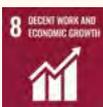
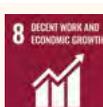
We assess our sustainability material matters annually to fully understand how to manage the risks and opportunities they present. This ensures that we prioritise the issues that have the greatest impact on the economy, society and the environment.



- Consumers & products
- Diversity & inclusion
- Community engagement
- Shareholders
- Labour practises
- Energy savings
- Suppliers & vendors
- Safe workplace
- Waste management
- Talent motivation & skill development

# SUSTAINABILITY STATEMENT

The table below shows key relationships between the Group's top material sustainability matters, and the related SDGs.

| Ranking | Material Sustainability Matters       | ESS Pillars   | Related SDGs  |
|---------|---------------------------------------|---------------|---|
| 1.      | Customers & Products                  | Economic      |     |
| 2.      | Shareholders                          | Economic      |    |
| 3.      | Suppliers & Vendors                   | Economic      |       |
| 4.      | Talent Motivation & Skill Development | Social        |    |
| 5.      | Diversity & Inclusion                 | Social        |    |
| 6.      | Labour Practices                      | Social        |    |
| 7.      | Safe Workplace                        | Social        |     |
| 8.      | Community Engagement                  | Social        |     |
| 9.      | Energy Savings                        | Environmental |     |
| 10.     | Waste Management                      | Environmental |    |

# SUSTAINABILITY STATEMENT



## ECONOMIC

### SHAREHOLDERS

As the ultimate proprietors of our company, our shareholders' interests are of utmost importance to us. Therefore, one of the significant sustainability concerns for our group is maintaining a robust and sustainable financial performance and position. We are committed to achieving economic growth that is sustainable for the benefit of our shareholder.

The Group recognises the importance of prioritising financial sustainability and considers it a crucial aspect of its operations. Our fundamental principle is that the long-term profitability and value for shareholders are best achieved by taking into account the interests of all stakeholders, including shareholders, employees, suppliers, and the wider community. We believe that by adopting a holistic approach that considers the needs of all stakeholders, we can create sustainable value for our shareholders over the long run.

To promote transparency, our shareholders are entitled to timely and quality information on the Group's financial performance and position. Apart from the Annual General Meeting where shareholders are encouraged to ask questions to the Board and Senior Management on business operations, and the financial performance and position of the Group, the Group's corporate website at [www.xox.com.my](http://www.xox.com.my) also provides a link on investor relations where quarterly and annual financial statements, announcements, financial information, annual reports, circulars/statements to shareholders and other pertinent information are uploaded on a timely basis when available.

### CUSTOMERS & PRODUCTS

The Group is dedicated to ensure that not only our shareholders' interests but also those of our customers are well-taken care of. For our customers, we are committed to supply and provide high-quality products and services that meet their satisfaction and expectations. We strive to achieve this by continually improving our technology and processes as required.



At XOX, we believe that staying at the forefront of the technological advancements is essential to keep up with the rapid development of the customers' needs and preferences. Our presence across multiple industries have created a wide canvas to harmonise various technological innovations into one single ecosystem. The XOX ecosystem will create limitless opportunities for business-minded individuals to compete in the modern economy. We take pride in receiving the prestigious "Most Affordable Postpaid & Prepaid Telco Brand" Award by The Brandlaureate in 2023.



# SUSTAINABILITY STATEMENT

In this competitive business world and digital era, offering excellent customer service is a necessity for businesses to stay ahead of the curve. Customer satisfaction is one of the major factors that contribute to the business success. XOX adheres to the “consumer-oriented” business concept. We are constantly offering variety of products and services to ensure higher satisfaction from our customers.

- Implemented an optimised procedure for resolving issues by assigning dedicated support agents to address specific categories of problems. This ensures quicker response times and specialised expertise in handling various types of issues.
- Introduced an effective Interactive Voice Response System (“IVR”) call routing system with a user-friendly menu, ensuring easy navigation for customers. By directing customers to the appropriate agent based on their menu selection – for instance, prioritising complex network issues to specialised agents or giving them priority in the queue – we aim to minimise unnecessary transfers. This strategy accelerates call resolution, reducing customer frustration.
- Established new live chat feature on WhatsApp facilitating instant responses to customer inquiries and ensuring swift and effective support.



The Group also engaged in sponsorships to increase our brand visibility and awareness. Sponsorship often comes with marketing and promotional opportunities, such as logo placement, advertising and mentions. This allows us to promote our products or services and building a positive brand perception.



In today’s business environment, ensuring the security and privacy of clients’ data is a top priority. The Group recognises the risks associated with cyberattacks and takes measures to minimise or eliminate them. To this end, the Company provides training for its Information Technology (“IT”) officers to enhance their skills in addressing cybersecurity concerns. This helps to instil confidence in clients that their data is being protected and that the Company is taking appropriate steps to prevent cyberattacks.

In the year under review, similar to last year, there have been no incidence or breach from malware, ransomware, hacking or other cyberattacks on its database. The Group’s IT Department has conducted its routine IT audits and has given the Group’s assets a clean bill of health, including exposure from unauthorised software usage.

**We conduct our business in compliance with the Personal Data Protection Act 2010 (“PDPA”)’s guidance with the collection, use and disclosure of personal data. We have also safeguarded against external attempts to breach any confidential information. There were no reported cases of non-compliance with PDPA in FYE 2023.**

**Number of substantiated complaints concerning breaches of customer privacy and losses of customer data (FYE2023)**

Nil

# SUSTAINABILITY STATEMENT

## SUPPLIERS & VENDORS

We have cultivated a proficient network of suppliers grounded in integrity, trust, and reliability. This has allowed us to foster strong and enduring relationships with our current suppliers, who have seamlessly assimilated into our working culture, incorporated sustainability measures into their operations, and demonstrated a willingness to surpass expectations in terms of both quality and services.

We place a high value on the enduring collaboration with our suppliers, a partnership that has led to enhanced efficiency and the dependable delivery of services or products. Regular assessments are carried out to verify that the quality of products and services aligns with our established requirements and standards. For new suppliers, adherence to the quality standards expected by our customers is a prerequisite to ensure the quality of their products and services.

In our commitment to suppliers, we strive to improve our processes and actively engage with them to identify and manage risks, boost productivity, and enhance efficiency within the supply chain. This commitment is rooted in values of integrity and transparency. We seek to create value by actively exploring opportunities for collaboration and sharing best practices with our suppliers.

During the process of supplier acceptance, our suppliers undergo a meticulous selection procedure, ensuring engagement only with those meeting the specified criteria. We adhere to an internal checklist in the Vendor Evaluation Form to assess the qualifications and systems of potential suppliers, enabling us to approve those who meet the required standards. The Group conducts assessments encompassing quality management, environmental considerations, social responsibility, governance risk, and other relevant factors to thoroughly evaluate potential suppliers.

XOX is committed to address the environmental and social impacts of our business within our operations and across our supply chain. We promote sustainable supply chain by embedding this into the Group's value chain creates a sense of corporate responsibility on resource management. We trust operating a sustainable business will enable us to serve our customers for generations to come.

We encourage our suppliers to adopt responsible and sustainable practises with respect to a range of environmental and social issues outlined in our Code of Ethics and Conducts. This process gives preference to suppliers which integrate considerations for environmental conservation, protection of endangered species, protection of labour rights and welfare, equal opportunities, no corruptions or bribery and no pending environmental issues.

The Group consistently carries out inspections on services and products received from suppliers, supplemented by an annual performance evaluation based on the specified criteria. Should suppliers fail either the inspection or the annual review, we prioritise prompt action and terminate sourcing from them immediately. This approach ensures a proactive stance in maintaining the quality and performance standards expected from our suppliers.

The Group places a strategic emphasis on procuring from local suppliers to contribute to local job creation and maintain price competitiveness. During the period under review, the Group efficiently allocated the majority of its budgets to identify, assess, and partner with local suppliers possessing a commendable service history, untarnished reputations, and the ability to deliver high-quality work within agreed-upon schedules.



## ENVIRONMENT



### ENERGY SAVINGS

In response to the global commitment and the accelerated push towards transitioning to a net-zero economy, we have conducted a thorough assessment of our operations. This evaluation aims to improve energy efficiency, thereby reducing our carbon footprint and fostering cleaner and sustainable growth. Our commitment to environmental protection involves integrating environmental considerations into our decision-making processes. Through the implementation of appropriate measures, we actively work towards advancing energy efficiency to mitigate the environmental impacts associated with our daily operations.

Our ongoing efforts to reduce energy consumption include advocating for the maintenance of a temperature range between 22-25 degrees Celsius for the air-conditioning systems in all our office spaces. Additionally, we consistently install and replace lighting fixtures with energy-efficient LED lights on an annual basis. Furthermore, we actively practice turning off unnecessary ventilation, air conditioning systems, and lighting when not in use or during non-business hours as part of our commitment to energy conservation.

In FYE 2023, the Group's total energy consumption stood at 305,885kWh amounting to RM162,761 with an increase in usage of 18.6% from 257,850kWh in FYE 2022 due to the increased number of physical events that took place as we entered the "Transition to Endemic" phase and the operation of new office floor and outlets.

### WASTE MANAGEMENT

In alignment with our commitment to sustainable consumption and production patterns, we actively strive to reduce consumption and responsibly utilise available resources. Ongoing paper recycling initiatives involve encouraging employees to prioritise electronic methods for sharing and storing documents, minimising printing or photocopying, and opting for double-sided printing when necessary. The adoption of a Human Resource Management System for leave applications and access to payslips further eliminates the requirement for physical copies, contributing to our sustainable resource management efforts. Leveraging tablets for board meetings and transitioning to electronic document distribution represents a forward-thinking approach to further reduce paper consumption. Embracing this digital shift not only enhances efficiency but also aligns with environmental sustainability practices.

Additionally, other materials such as furnishing, and fixture are recycled or reused where possible. Waste segregation has been done by placing different bins in and around our offices. The employees are encouraged to subscribe "Let's Swapp Digital Business Card" application to reduce the need for physical name card.

# SUSTAINABILITY STATEMENT



## SOCIAL

### SAFE WORKPLACE

The Group firmly believes that the safety and well-being of its employees form the cornerstone of its success. Therefore, we are dedicated to fostering a safe and healthy environment for our workforce, promoting secure practices in every facet of our business operations. To underscore this commitment, the Group has established a policy designed to:

- ensure compliance with laws and regulations in relation to occupational safety and health; and
- promote a culture where all employees share the commitment to prevent harm to the safety and health of our employees and the general public.

The Group is regularly engaging and educating employees to inculcate a culture of safety and compliance through safety and health awareness talk.

Throughout 2023, a series of awareness talks were organised with the aim to provide information, promote healthy lifestyles and underscore the importance of maintaining well-being both in and outside the workplace. The sessions covered topics such as colorectal cancer, hypertension, long covid and etc. The goal was to foster a culture that prioritises the overall health and wellness of the employees, recognising its positive impact on both individual performance and the collective well-being of the organisation.

The Group aimed to achieve a zero-accident rate for occupational safety and health. There were no work-related fatalities as well as zero accident on our employees reported in FYE 2023.

### LABOUR PRACTICES

We are dedicated to upholding and respecting fundamental human rights, ensuring protection against any violations. Our commitment extends to maintaining a workplace that is both anti-discriminatory and anti-harassment, prioritising safety, health, and ethical conduct. Employees have the freedom to unionise in accordance with local laws and practices. It's noteworthy that no complaints regarding human rights violations or unfair treatment of employees were filed throughout the year 2023.

In addition to this, all employee benefits provided by the Group is above minimum statutory requirements and includes healthcare and insurance coverage, leaves, statutory payment and career development bonuses. Remuneration packages, while strictly private and confidential, are determined upon the employees' experience, expertise, qualifications and job grade.

**Number of substantiated complaints concerning human rights violations (FYE2023)**

**Nil**

### TALENT MOTIVATION & SKILL DEVELOPMENT

The old adage, "Our people are our best assets" may sound cliché but it is nonetheless true. At XOX, we have always recognised this and have strived to bring out the best in our people and ensure that they share a vision to always be ahead in all we do. The development of our employees is a key priority which we take seriously as we believe in creating value through the growth of our own people. Our approach is a holistic one that considers learning needs, individual development plans to drive career growth and retention, and the embedding of our culture and values.

The Group acknowledges that the Industrial Revolution 4.0 will compel organisations to consistently upskill and reskill their workforce to remain relevant and productive. Employees are actively encouraged to participate in internal or external training programmes, or pursue professional development opportunities. This initiative aims to enhance their knowledge and skills, contributing to career advancement and personal development in areas such as human resource management, technical skills, and more.

In FYE 2023, the total training hours for external training and internal training amounted to 359 hours (2022: 30 hours) and 2,468 hours (2022: 2,184) respectively, indicating a remarkable increase of 1,097% for external training and 13% for internal training.

## SUSTAINABILITY STATEMENT

| FYE 2023                             | External Training |                | Internal Training |                |
|--------------------------------------|-------------------|----------------|-------------------|----------------|
|                                      | No. of employees  | Training hours | No. of employees  | Training hours |
| Senior Management                    | 5                 | 37             | 11                | 141            |
| Middle Management                    | 10                | 127            | 104               | 1,319          |
| Administrative Workforce             | 0                 | 0              | 53                | 630            |
| Frontline Sales and Customer Service | 0                 | 0              | 23                | 315            |
| Technical and Professional Workforce | 12                | 195            | 5                 | 35             |
| Management Trainee                   | 0                 | 0              | 2                 | 28             |
| <b>Total</b>                         | <b>27</b>         | <b>359</b>     | <b>198</b>        | <b>2,468</b>   |

Our Management Trainee Programme continues to attract talented graduates to undergo a comprehensive programme and on-the-job engagement, to develop them as the future leaders of XOX, to broaden their minds by providing them opportunities for interchange of experiences, and to correct the narrow outlook they may feel arising from over specialisation. We also create jobs opportunities for our dealers and hire additional workforce for the business transformation. We share the responsibility of improving the well-being of society, thus assisting in a small way towards reducing and preventing poverty.

As part of the Group's talent management pipeline, the Group supports internships by partnering local institutions of higher learning to place their undergraduates within departments relevant to their studies for real-life work experiences.

In ensuring the long-term performance and sustainability of our Group, succession planning is deemed essential for critical and leadership roles. The Executive Directors, CEO and Senior Management play a crucial role in reviewing the Group's human resources plan, which encompasses the succession management framework and related activities. This evaluation includes a thorough examination of human resources initiatives, such as job and salary reviews, along with an assessment of the annual manpower budget. The implementation of succession planning across the Group occurs in stages, with specially tailored training programmes designed for management staff.

For many years, we have recognised the importance of engaging with our workforce. Employees' engagement is important to an organisation because it motivates employees to do their best. We consider effective engagement a key element of the Company's ability to create value as we recognise that our people are our greatest asset. Management regularly engages with the workforce through a range of activities such as annual dinner, festive season celebration, birthday celebration, awareness talks etc.



# SUSTAINABILITY STATEMENT

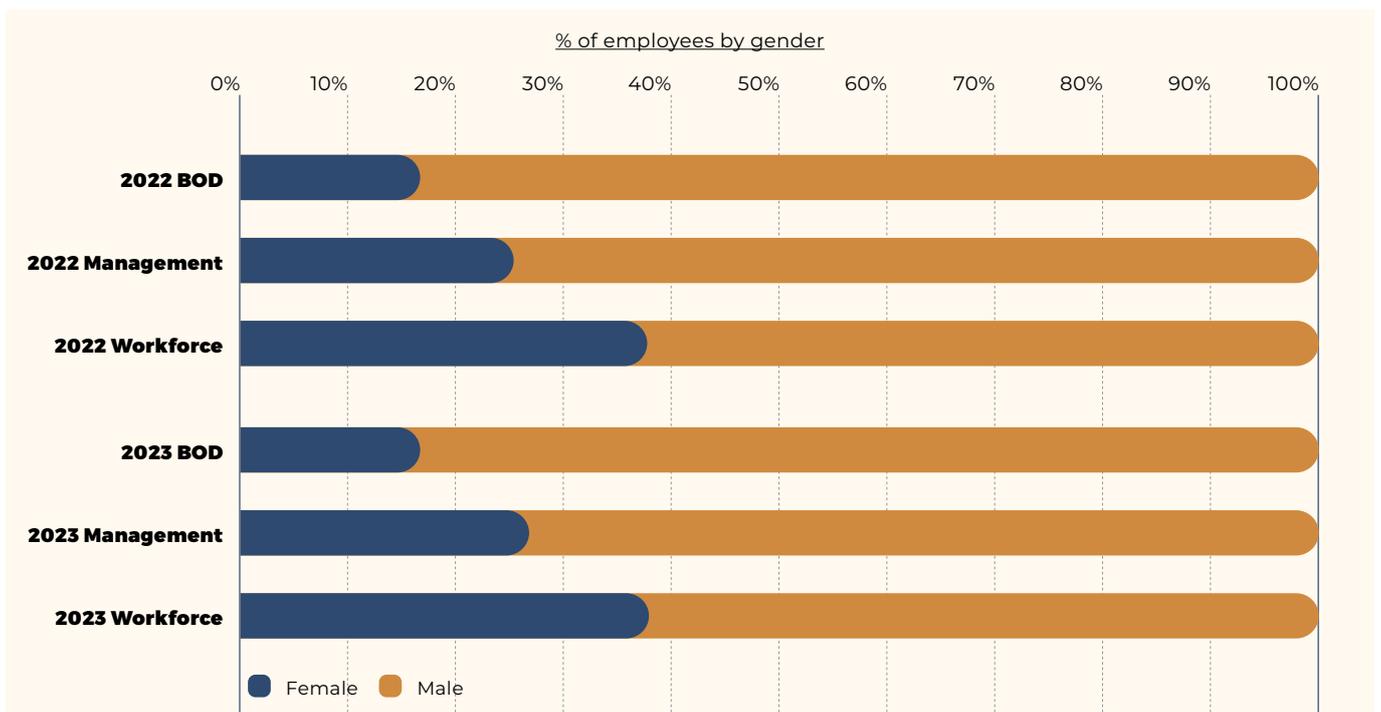


As at 30 September 2023, the Group had a total staff strength of 478 personnel, an expansion of 5.8% from 1 October 2022's 452 personnel.

## DIVERSITY & INCLUSION

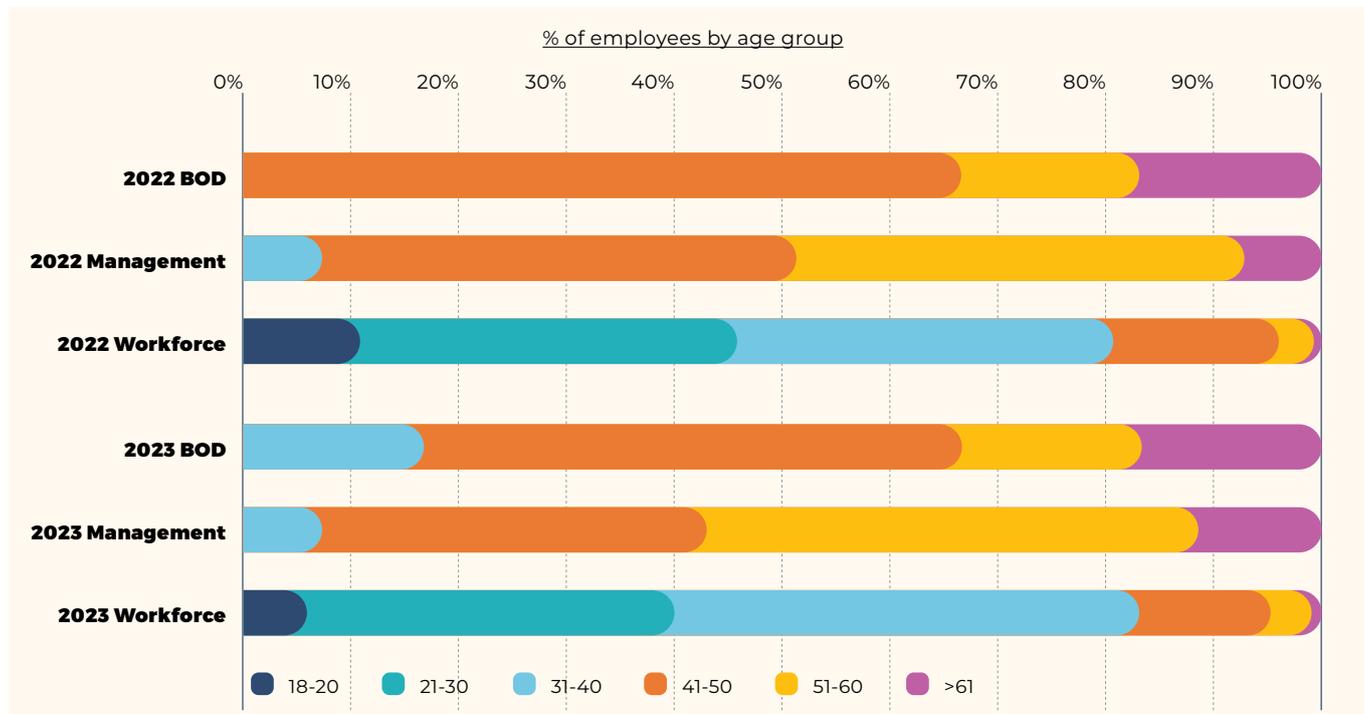
Diversity encompasses variations in the workforce based on factors such as gender, age, ethnicity, and disability. This measure is evaluated across all levels, including the Board, Management, and the broader workforce.

In the appointment and recruitment process, we pride ourselves being an employer that provides equal opportunities and continuously seek to promote it regardless of religious belief, age, marital status, gender, family status or any disability. Our commitment in that respect applies to all areas of the working environment, all employment activities, resource allocation and all employment terms and conditions. Every employee is given an equal opportunity to rise up in their careers through hard work and dedication.



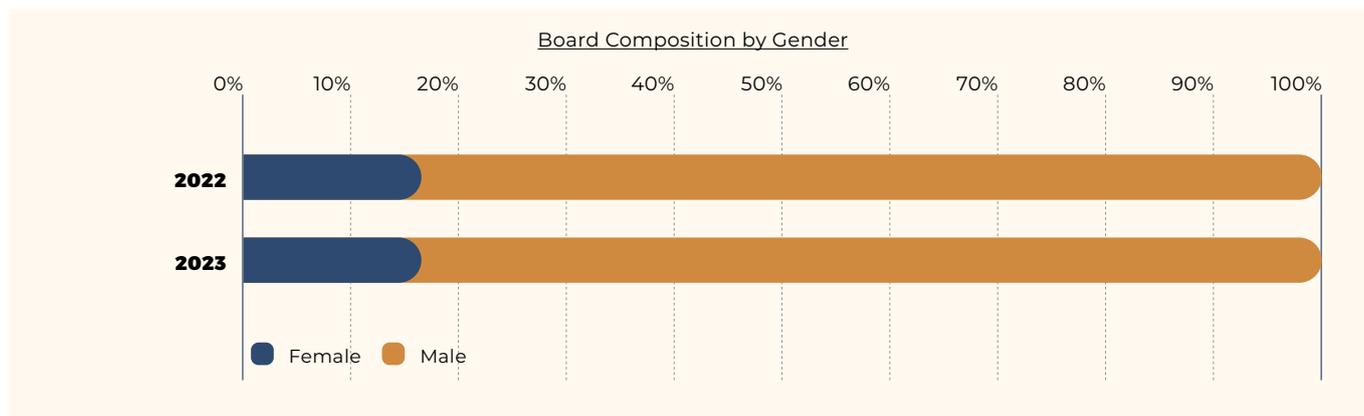
Maintaining a diverse team of employees, spanning various age groups, genders, and industry experiences, fosters open-minded dialogues, expands our positive influence and outreach, bridges gaps, and introduces fresh perspectives and strategies.

# SUSTAINABILITY STATEMENT

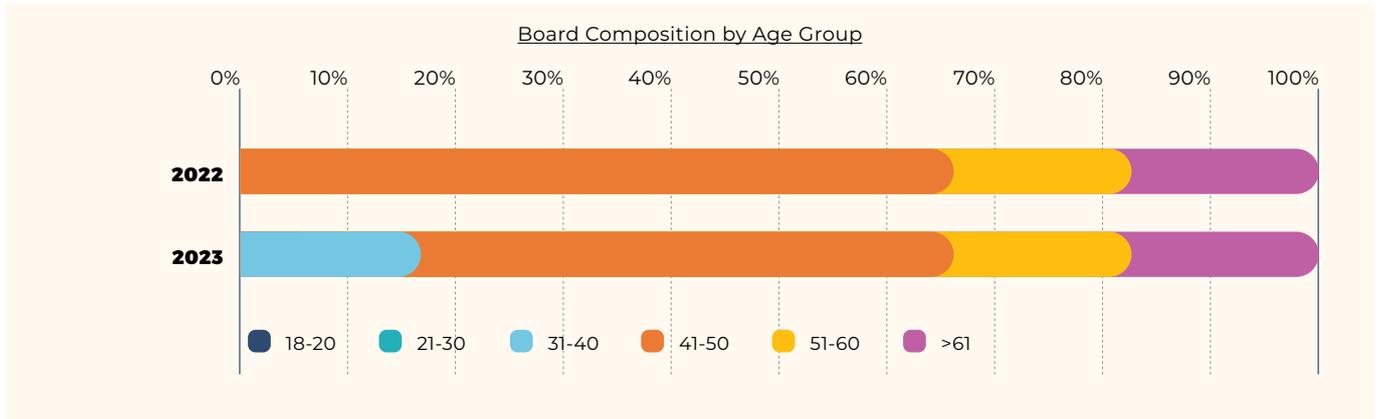


Aside from this, we also ensure that the welfare and wellbeing of senior staff with the age over 60 are not neglected. It is a commitment by XOX to provide employment opportunities to them ever since we commenced our business operations, and as at 30 September 2023, approximately 1.0% (2022: 0.9%) of the Group’s workforce is over the age of 60. We acknowledge that the senior staff could contribute positively to the Company even after their retirement and that the valuable experience, skills and mastery in their industries can still be gainfully utilised. In this respect, the Group is proud that it has been a strong source of employment for these senior staff for past years. This has raised the quality of life of these senior staff as there is greater income stability and consequently, better and improved living standards and conditions.

We continue to adopt an approach of strong corporate governance. The Nomination and Remuneration Committee continues to review the composition of the Board and skills and diversity of the Directors and will make further appointments where it considers them necessary, having regard to diversity. The Nomination and Remuneration Committee endeavours to create a diverse pipeline with a good mix of people with varied experiences and backgrounds to enrich the organisation including board composition.



## SUSTAINABILITY STATEMENT



### COMMUNITY ENGAGEMENT

Engaging with the community and providing support, particularly to those from vulnerable groups, constitutes a significant aspect of our outreach initiatives. We take pride in the privilege of serving diverse segments of the community, including individuals with low incomes, people living with disabilities, senior citizens, and more. Our commitment extends towards fostering social empowerment and making a positive impact on people from all walks of life.

We have from time to time made various donations and contribution to orphanages, old folks homes, disability homes and non-profit organisations, as listed below:

- Pertubuhan Kebajikan Orang Tua Cacat & Kurang Upaya, Cheras
- Home Care Old Folks Home Bandar Damai, Cheras
- Sunshine Disability Welfare Home, Cheras

**Total amount invested in the communities with external beneficiaries (FYE2023)**

**RM158,602**



## SUSTAINABILITY STATEMENT

On 18 – 19 February 2023, we visited Pahang Orang Asli Village, contributing a donation of RM15,000 to purchase school bags for the children.



In conjunction with Watt-A-Run Charity Run, we donated RM6,000 to “Teach For Malaysia” organised by Heriot-Watt University, with the aim to raise awareness of the importance of good health, sustainability and in support of the United Nations Sustainable Development Goals.



## SUSTAINABILITY STATEMENT

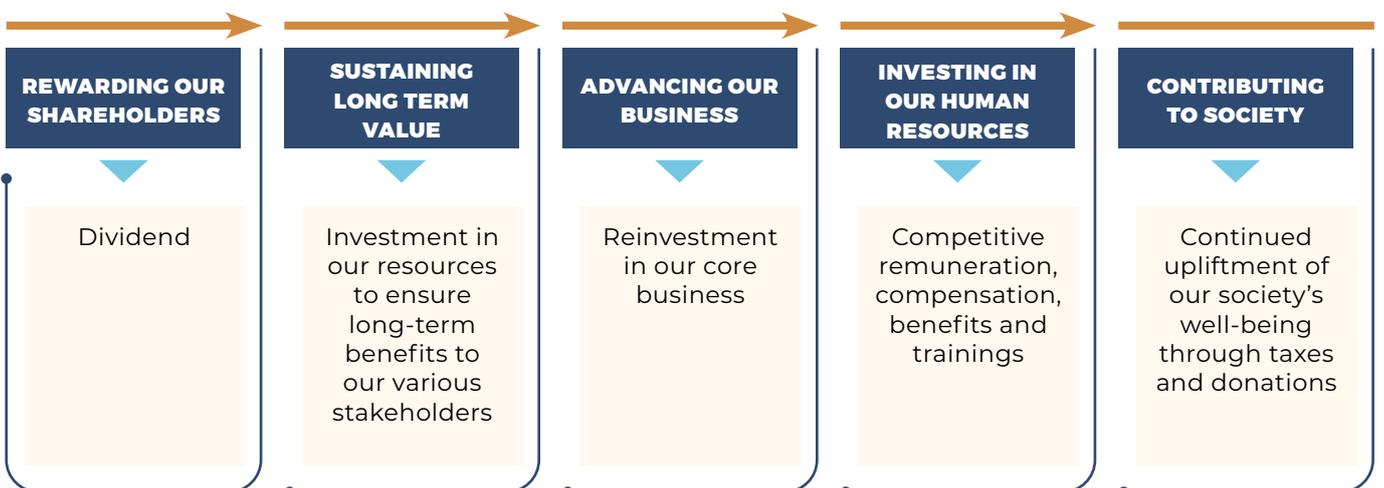


Our signature corporate social responsibility initiative, JomBantu, focused on digital-inclusion was originally launched in September 2021 and has been extended throughout the FYE 2023. This is an initiative to provides disadvantaged students with free mobile connectivity. Individual subscribers can also participate by donating their data to the pool and we are immensely proud to have helped >1,500 new students with >78,000GB donated to passionate learners to further develop their education.



### OUR COMMITMENT

The Group aims to be a responsible member of the corporate community by prioritising sustainable and responsible practices that promote sustainable business growth, environmental stewardship, and social responsibility.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

**The Board of Directors (“the Board”) of XOX Bhd (“XOX” or “the Company”) strives to ensure that a high standard of corporate governance practices is implemented and maintained throughout the Company and its subsidiaries (“the Group”) in discharging its responsibilities with integrity, transparency and professionalism, to protect and enhance shareholders’ value and the financial position of the Group.**

The Board recognises the importance of good corporate governance and fully supports the principles and best practices promulgated in the Malaysian Code on Corporate Governance (“MCCG”) to enhance business prosperity and maximise shareholders’ value. The Board will continuously evaluate the Group’s corporate governance practices and procedures, and where appropriate will adopt and implement the best practices as enshrined in MCCG in the best interest of the shareholders of the Company.

This Corporate Governance Overview Statement (“CG Statement”) sets out the manner in which the Group has applied and the extent of compliance with principles and recommendations as set out in the MCCG, throughout the financial year ended 30 September 2023 pursuant to Rule 15.25 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”).

The CG Statement shall be read together with the Corporate Governance Report 2023, available on the Company’s website at [www.xox.com.my](http://www.xox.com.my).



## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### Board Leadership

The respective roles and responsibilities of the Board and management are clearly set out and understood by both parties to ensure accountability.

The Board is responsible for the oversight and overall management of the Group including assessing and agreeing with the Group’s corporate objectives, and the goals and targets to be met by management.

The Board has a formal schedule of matters reserved to itself for the decision, which includes the overall Group strategy and direction, investment policy, major capital expenditures, consideration of significant financial matters and review of the financial and operating performance of the Group.

The management, including the Executive Directors of the Company, is responsible for managing the day-to-day running of the business activities in accordance with the direction and delegation of the Board. The management meets regularly to discuss and resolve operational issues. During the quarterly Board meeting, the Executive Directors brief the Board on business performance and operations as well as the management initiatives.

The Board is entrusted with the responsibility to promote the success of the Group by directing and supervising the Group’s affairs. Hence, to develop corporate objectives and position descriptions including the limits to management’s responsibilities, which the management is aware of and is responsible for meeting.

The Board understands the principal risks of all aspects of the business that the Group is engaged in recognising that business decisions require the incurrence of risk. To achieve a proper balance between risks incurred and potential returns to shareholders, the Board ensures that there are in place systems that effectively monitor and manage these risks with a view to the long-term viability of the Group.

The roles and responsibilities of the Board are clearly defined in the Board Charter, which is available on the Company’s website at [www.xox.com.my](http://www.xox.com.my).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The principal roles and responsibilities assumed by the Board are as follows:

## **i) Review and the Adopt Strategic Plan of the Group**

The Board plays an active role in the development of the Group's overall corporate strategy, investment plan, marketing plan and financial plan. The Board will be briefed by the Executive Directors on the short and long-term strategy of the Group together with its proposed business plans for the forthcoming year. The Board also monitors budgetary exercise which to support the Group's business plan and budget plan.

## **ii) Implementation of Internal Compliance Controls and Justifies Measures to Address Principal Risks**

The Board is fully alert to the responsibilities to maintain a proper internal control system. The Board's responsibilities for the Group's system of risk management and internal controls include the financial condition of the business, operational and regulatory compliance.

## **iii) To Formulate and Have in Place an Appropriate Succession Plan**

The Board is responsible for formulating and having in place an appropriate succession plan encompassing the appointment, training, and determination of compensation for senior management of the Group, as well as assessing the performance of Directors and Committee members and, where appropriate, retiring and appointing new members of the Board and Executive Directors.

## **iv) Developing and Implementing an Investor Relations Program or Shareholder Communications Policy for the Group**

The Board recognises that shareholders and other stakeholders are entitled to be informed in a timely and readily accessible manner of all material information concerning the Company through a series of regular disclosure events during the financial year. Hence, the Company's website is the primary medium for providing information to all shareholders and stakeholders.

The Board will normally hold meetings at least four (4) times in each financial year to consider, amongst others, the following matters:

- i) Relevant operational reports from the management;
- ii) Reports on the financial performance;
- iii) Specific proposals for capital expenditure and acquisitions, if any;
- iv) Significant issues and opportunities for the Company, if any; and
- v) Quarterly financial statements for the announcement to authorities.

In addition, the Board will, at intervals of not more than one (1) year:

- i) Review and approve annual financial statements and other reports to shareholders;
- ii) Consider and, if appropriate, declare or recommend the payment of dividends;
- iii) Review the Board's composition, structure and succession plan;
- iv) Review the Company's audit requirements;
- v) Review the performance and composition of Board committees;
- vi) Undertake Board and individual Board member evaluations;
- vii) Review Board's remuneration; and
- viii) Review risk assessment policies and controls and compliance with legal and regulatory requirements.

The roles and responsibilities of the Independent Non-Executive Directors and Executive Directors are clearly defined and adequately segregated. All the Independent Non-Executive Directors are independent of the Executive Directors, management and major shareholders of the Company. They are free from any business or other relationship with the Group that could materially interfere with the exercise of their independent judgment. This offers a strong check and balance on the Board's deliberations.

The Executive Directors are responsible for the overall performance and operations as well as the corporate affairs and administrations of the Group. The senior management of the Group assists them in managing the business activities of the Group in the manner that is consistent with the policies, standards, guidelines, procedures and/or practices of the Group and in accordance with the specific plans, instructions and directions set by the Board.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Executive Directors hold the principal obligations in focusing, guiding, addressing, supervising, regulating, managing, controlling and communicating the Company's goals and objectives, as well as all significant corporate matters, corporate restructuring plans, business extension plans and proposals. The Executive Directors, assisted by the senior management, are also responsible for proposing, developing and implementing applicable and relevant new policies and procedures.

The Independent Non-Executive Directors of the Company play a key role in providing unbiased and independent views, advice and contributing their knowledge and experience toward the formulation of policies and in the decision-making process. The Board structure ensures that no individual or group of individuals dominates the Board's decision-making process. Although all the Directors have equal responsibility for the Company and the Group's operations, the role of the Independent Directors are particularly important in ensuring that the strategies proposed by the Executive Directors are deliberated on and have taken into consideration the interest, not only of the Company, but also that of the shareholders, employees, customers, suppliers and the community.

In discharging its fiduciary duties, the Board has delegated specific tasks to three (3) Board Committees, namely Audit Committee ("AC") and Nomination and Remuneration Committee ("NRC") and Investment Committee. All the Board Committees have its terms of reference and have the authority to act on behalf of the Board within the authority as laid out in terms of reference and report to the Board with the necessary recommendation.

## **The Chairman of the Board**

During the financial year under review, the Board is chaired by a Non-Independent Non-Executive Director who is not related to the Executive Directors and half of the Board comprises Independent Non-Executive Directors. The Board of the Company, notwithstanding that the Chairman is a Non-Independent Non-Executive Director, is of the opinion that the element of independence that currently exists is adequate to provide assurance that there is a balance of power and authority of the Board. In addition, the Chairman is not involved in the day-to-day management of the Group's business and has no relationship that could materially interfere with his judgment.

The Chairman is responsible for the Board's effectiveness and conduct, implementing the Group's policies, business plans and executive decision making and is assisted by the Executive Directors. The Chairman also promotes an open environment for debate and ensures effective contributions from Non-Executive Directors. He also exercises control over the quality, quantity and timeliness of information flow between the Board and management. Together with the other Non-Executive Directors, he leads the discussion on the strategies and policies recommended by the management.

At a general meeting, the Chairman plays a role in fostering constructive dialogue between shareholders, the Board and management.

In line with the recommendation of the MCCG, the Chairman is not a member of any of the Board Committees. This is to ensure checks and balance as well as that objectivity will not be influenced by the Chairman of the Board who also sits on Board Committee(s).

## **Separation of Positions of the Chairman and Chief Executive Officer**

During the financial year under review, the Company has complied with the recommendation of the MCCG where different individuals hold the positions of the Chairman and the Chief Executive Officer, and the Chairman is a non-executive member of the Board.

The roles of the Chairman and the Chief Executive Officer are clearly defined and segregated, to ensure an appropriate balance of power and authority, increased accountability and enhanced capacity of the Board for independent decision-making. The Chairman is not related to the Chief Executive Officer, and is responsible for leading the Board in the oversight and supervision of the Group's management; whilst the Executive Directors together with the Chief Executive Officer are responsible for the day-to-day operations of the Group, making a strategic business decision and implementing the Board's policies and decisions.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## **Qualified and Competent Company Secretaries**

The Board is supported by qualified and competent Company Secretaries who are responsible for ensuring that the Company's Constitution, procedures and policies and regulations are complied with. The Board is regularly updated and advised by the Company Secretaries on any new statutory and regulatory requirements in relation to their duties and responsibilities. The Board recognises that the Company Secretaries are suitably qualified and capable of carrying out the duties required. The Board is satisfied with the service and support rendered by the Company Secretaries in the discharge of their functions.

The Company Secretaries attend all Board and all Board Committees meetings and ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly.

## **Information and Support for Directors**

Unless otherwise agreed, a notice of each meeting confirming the venue, time, date and agenda of the meeting together with relevant Board papers will be forwarded to each director no later than seven (7) days before the date of the meeting. This is to ensure that Board papers comprising due notice of issues to be discussed and supporting information and documentations were provided to the Board sufficiently in advance. Furthermore, Directors are given sufficient time to read the Board paper and seek any clarification as and when they may need advice or further explanation from management and Company Secretaries. The deliberations of the Board in terms of the issues discussed during the meetings and the Board's conclusions in discharging its duties and responsibilities are recorded in the minutes of meetings by the Company Secretaries. Minutes of meetings are circulated and confirmed as a correct record by the Board and Board Committees at the next meeting.

The Board has access to all information within the Company as a full Board to enable them to discharge their duties and responsibilities and is supplied on a timely basis with information and reports on financial, regulatory and audit matters by way of Board papers for informed decision making and meaningful discharge of its duties.

In addition, all Directors have direct access to the advice and services of the Company Secretaries who are responsible for ensuring the Board's meeting procedures are adhered to and that applicable rules and regulations are complied with. External advisers are invited to attend meetings to provide insights and professional views, advice and explanation on specific items on the meeting agenda, when required. The senior management team from different business units will also be invited to participate in the Board meetings to enable the Board members to have equal access to the latest updates and developments of business operations of the Group presented by the senior management team. The Chairman of the Board Committees, namely, the AC and NRC briefs the Board on matters discussed as well as decisions taken at the meetings of their respective Board Committees meetings.

When necessary, Directors may whether as a full Board or in their individual capacity, seek independent professional advice, including the internal and external auditors, at the Company's expense to enable the directors to discharge their duties with adequate knowledge on the matters being deliberated, subject to approval by the Chairman of the Board, and depending on the quantum of the fees involved.

## **Board Charter**

As part of the governance process, the Board has formalised and adopted the Board Charter. This Board Charter sets out the composition and balance, roles and responsibilities, operation and processes of the Board and is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members.

The Board Charter is reviewed periodically as and when the need arises to ensure that the dynamic needs of the Group are consistently met. A copy of the Board Charter is available on the Company's website at [www.xox.com.my](http://www.xox.com.my).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Code of Conduct and Ethics

The Board is committed to maintaining a corporate culture which engenders ethical conduct through its Code of Conduct and Ethics, which summarises what the Company must endeavour to do proactively in order to increase corporate value, and which describes the areas in daily activities that require caution in order to minimise any risks that may occur.

The Code of Conduct and Ethics was adopted on 27 May 2016 and will be reviewed from time to time when necessary to ensure it remains relevant and appropriate. A copy of the Code of Conduct and Ethics is available on the Company's website at [www.xox.com.my](http://www.xox.com.my).

## Sustainability Policy

XOX Group is committed to adhering to all standards of upright business conduct through integrity, transparency with a constant and growing progression towards excellence in every area of business conduct. To this end, the Board is in place a Sustainability Policy, embedding the principles of sustainability into the Group's business operations.

The policy outlines the general principles and structures of the foundations that govern the sustainability strategy of the Group to ensure that all its corporate activities and businesses are carried out while enhancing the sustainable creation of value for shareholders and taking into account the other stakeholders related to its business activities, natural resources, society and neighbouring communities, promoting the values of sustainability, integration and dynamism, favouring the achievement of the sustainable development goals.

The Board fulfils its responsibilities by delegating to the senior management which comprises representatives from various business units. The senior management is responsible for implementing, overseeing and addressing all sustainability related issues from stakeholders and updating the Board on the Group's sustainability management performance, key material issues identified by stakeholders and planned follow-up measures.

The Sustainability Policy is accessible on the Company's corporate website at [www.xox.com.my](http://www.xox.com.my).

## Whistle-Blowing Policy

The Board has formalised a Whistle-blowing Policy, with the aim to provide an avenue for raising concerns related to a possible breach of business conduct, non-compliance with laws and regulatory requirements as well as other malpractices. The policy is a specific means by which an employee can exercise their responsibility to report or disclose through established channels, their legitimate concerns regarding any unethical conduct, illegal acts or failure to comply with the Company's policies and regulatory requirements responsibly and sensibly.

A copy of the Whistle-Blowing Policy is available on the Company's website at [www.xox.com.my](http://www.xox.com.my).

## Anti-Bribery and Anti-Corruption Policy ("ABAC Policy")

In line with the amendments to the Malaysian Anti-Corruption Commission Act 2009 to incorporate a new Section 17A on corporate liability for corruption which took effect on 1 June 2020, the Group had adopted the ABAC Policy which set out the Group's responsibilities in providing principles, guidelines and recommendation to the employees on the procedures to deal with solicitation, bribery and corruption that could possibly arise on the business dealing and operation activities.

The Company had also conducted briefings and trainings for all employees of the Group to create awareness of the ABAC Policy to foster the commitment of the employees to instil the spirit of integrity and avoid all forms of corruption practices within the organisation.

The ABAC Policy is accessible to the public through the Company's website at [www.xox.com.my](http://www.xox.com.my).

## Directors' Fit and Proper Policy

The Board has established the Directors' Fit and Proper Policy, to ensure that any person to be appointed or elected/re-elected as a Director of the Group shall possess the necessary quality and character as well as integrity, competency and commitment to enable the discharge of the responsibilities required of the appointed position in the most effective manner. The Directors' Fit and Proper Policy is accessible on the Company's website at [www.xox.com.my](http://www.xox.com.my).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Board Composition

The current Board of Directors consists of six (6) members, comprising a Non-Independent Non-Executive Chairman, two (2) Executive Directors and three (3) Independent Non-Executive Directors. The Company thus complies with Rule 15.02 of the Listing Requirements whereby at least two (2) or one-third (1/3) of the Board of Directors, whichever is higher, are Independent Directors and one (1) of the Directors of the Company is a woman. The Company also complies with the recommendation of the MCCG of which at least half of the Board is Independent Director. In the event of any vacancy in the Board of Directors resulting in non-compliance with the Listing Requirements, the Board shall fill the vacancy within three (3) months from the date of that event.

The Board views the present number of its Independent Directors as ideal to provide the necessary check and balance to the Board's decision-making process. There is a good mix of skills and core competencies in the current Board membership. The Board is of the opinion that the existing three (3) Independent Non-Executive Directors, with their extensive knowledge and experience would be able to represent the investment of the public and the minority shareholders. The profile of each Director is presented separately on pages 2 to 7 of this Annual Report.

## Tenure of Independent Directors

In line with the MCCG, the Board has adopted the nine (9) years policy for Independent Directors. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the re-designation of the said person as a Non-Independent Director. In the event the Board intends to retain such Director as Independent Director after the latter has served a cumulative term of nine (9) years, the Board will justify the decision and seek annual shareholders' approval through a two-tier voting process.

The Board is of the view that the independence of the Independent Directors should not be determined solely or arbitrarily by their tenure of service. The Board believes that continued contribution will provide stability and benefits to the Board and the Company as a whole, especially their invaluable knowledge of the Group and its operations gained through the years. The calibre, qualification, experience and personal qualities, particularly of the Director's integrity and objectivity in discharging his/her responsibilities in the best interest of the Company should be the predominant factors to determine the ability of a Director to serve effectively as an Independent Director.

The Board is also confident that the Independent Directors themselves, after having provided all the relevant confirmations on their independence, will be able to determine if they can continue to bring independent and objective judgement on Board deliberations and decision making.

As at 30 September 2023, none of the Independent Non-Executive Director of the Company has served the Board for a cumulative term of more than nine (9) years.

## Board Appointment Process

The Group has in place a formal and transparent procedure for the appointment of new directors to the Board. The Board had entrusted NRC to identify and nominate suitable candidates for appointments to the Board for approval, either to fill vacancies or as an addition to meet the changing needs of the Group. The NRC may engage in professional recruitment or from recommendations by existing Board members, to search for suitable candidates subject to approval by the Chairman or the Board, depending on the quantum of the fees involved.

Before recommending an appointment to the Board, the NRC will undertake a comprehensive evaluation and assessment of the candidates in accordance with the criteria as set out in the Directors' Fit & Proper Policy adopted by the Group. The NRC also takes into account the Group's business and matches the capabilities and contribution expected for a particular appointment. In the selection of Board candidates, the NRC takes into account the mix of skills, competencies, experience, integrity, personal attributes and time commitment required to effectively discharge his/her role as a director. The NRC shall ensure that the Board has the right balance of skills, experience, independence and business knowledge necessary to discharge its responsibilities in keeping with the highest standards of governance.

Currently, the sources to identify suitably qualified candidates for appointment of directors are recommendations from existing Board members, senior management or major shareholders. However, the Board and NRC would not hesitate to utilise independent sources to identify suitably qualified candidates, where necessary.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Boardroom Diversity

The Board is aware of the importance of boardroom diversity and is supportive of the recommendation of MCCG to establish of boardroom and workforce gender diversity policy. The Board had adopted the Board Diversity Policy which sets out the Company's approach to diversity on the Board of XOX. The Board together with the NRC will assess and evaluate current diversity levels, identify and analyse gaps and criteria for new board appointments, and thereafter recommend the strategies, objectives, targets and practical goals against an indicative time frame in order to maintain an appropriate range and balance of skills, experience and background on the Board. The Group will evaluate the suitability of candidates as a new Board member or as a member of the workforce based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Group, regardless of gender. Equal opportunity is given and does not practise discrimination of any form, whether based on age, gender, race and religion, throughout the organisation.

Currently, our Board comprises one (1) female Director, representing approximately 16.7% of the total number of the Board. In line with the MCCG of at least 30% representation of women on Boards, the Board will evaluate and match the criteria of the potential candidate as well as consider the appointment of female director onto the Board in future to bring about a more diverse perspective.

## Time Commitment and Directorship in Other Public Listed Companies

Under the Board Charter, the directorships in other public listed companies in Malaysia held by any Board member at any one time shall not exceed any number as may be prescribed by the relevant authorities. In addition, at the time of appointment, the Board shall obtain the Director's commitment to devote sufficient time to carry out his/her responsibilities. Directors are required to notify the Chairman before accepting any new directorship(s). Any Director is, while holding office, at liberty to accept other Board appointments in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his/her duty as a Director of the Company.

Each Board member is expected to achieve at least 50% attendance of total Board Meetings in any applicable financial year with appropriate leave of absence be notified to the Chairman and/or Company Secretaries, where applicable.

During the financial year ended 30 September 2023, the Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities as Directors of the Company. The Board is satisfied with the level of time and commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out in the section below.

## Conflict of Interest and Related Party Transactions

To assure accountability and prevent conflict of interest in relation to issues that come before the Board, Directors are reminded by the Company Secretaries of their statutory duties and responsibilities and are provided with updates on any changes thereon. Hence, all related party transactions (if any) will be submitted to the AC for review on a quarterly basis.

The Directors further acknowledge that they are also required to abstain from deliberation and voting on relevant resolutions in which they have an interest at the Board or any general meeting convened. In the event a corporate proposal is required to be approved by shareholders, the interested Directors will abstain from voting in respect of their shareholdings and will further undertake to ensure that persons connected to them will similarly abstain from voting on the resolutions.

As part of the governance process, the Board has formalised and adopted the Conflict of Interest Policy for Directors ("COI Policy"). The purpose of the COI Policy is to ensure that actual, potential and perceived conflicts of interest are effectively identified and managed, and to provide guidance on how to deal with conflict of interest situations as they arise. A copy of the COI Policy is available on the Company's website at [www.xox.com.my](http://www.xox.com.my).

## Board Meetings

There were five (5) Board of Directors meetings held during the financial year ended 30 September 2023. Details of the attendance of the Directors at the Board of Directors' meetings are as follow:

| Name of Directors                                  | No. of Meetings Attended |
|--|--------------------------|
| Dato' Seri Abdul Azim bin Mohd Zabidi              | 5/5                      |
| Roy Ho Yew Kee                                     | 4/5                      |
| Tan Sik Eek  | 5/5                      |
| Andy Liew Hock Sim                                 | 5/5                      |
| Karina binti Idris Ahmad Shah                      | 5/5                      |
| Chuah Hoon Hong ( <i>Appointed on 30.06.2023</i> ) | 1/1                      |
| Hew Tze Kok ( <i>Resigned on 31.01.2023</i> )      | 2/2                      |

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

All the Directors have complied with the minimum 50% attendance requirement in respect of Board meetings held during the financial year ended 30 September 2023.

The Board meets on a quarterly basis, with amongst others, review of the operations, financial performance, reports from the various Board Committees and other significant matters of the Group. Where any direction or decisions are required expeditiously or urgently from the Board between the regular meetings, special Board meetings will be convened by the Company Secretaries, after consultation with the Chairman. Additionally, in between Board meetings, the Directors also approved various matters requiring the sanction of the Board by way of circular resolutions.

The tentative dates for Board and Board Committee meetings for the year will be circulated by the Company Secretaries well in advance towards the end of the previous year to ensure that each of the Directors is able to attend the planned Board and/or Board Committee meetings including that of the Annual General Meeting. At the end of each Board and AC meetings, the date of the next meetings is to be re-confirmed.

### Continuing Education Programmes

All Directors appointed to the Board have undergone the Mandatory Accreditation Program ("MAP") prescribed by Bursa Securities. Although the Board does not have a policy requiring each Director to attend a specific number and types of training sessions each year, the Directors are encouraged to attend continuous education programmes/seminars/conferences and shall as such receive further training from time to time to keep themselves abreast of the latest development in statutory laws, regulations and best practices, where appropriate, in line with the changing business environment and enhance their business acumen and professionalism in discharging their duties to the Group.

Details of seminars/conferences/training programmes attended by the Board members during the financial year as listed below:

| Name of Director                                      | Seminars/Conferences/Training Programmes Attended   |
|---|---|
| <b>Dato' Seri Abdul Azim bin Mohd Zabidi</b>          | <ul style="list-style-type: none"> <li>Origins of the Nation's Capital</li> <li>5G Introduction for Management</li> <li>Diversity, Equity and Inclusion</li> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>   |
| <b>Roy Ho Yew Kee</b>                                 | <ul style="list-style-type: none"> <li>Baker Tilly Malaysia Tax &amp; Budget Webinar</li> </ul>   |
| <b>Tan Sik Eek</b>                                    | <ul style="list-style-type: none"> <li>2023 Budget Seminar</li> <li>5G Introduction for Management</li> </ul>   |
| <b>Andy Liew Hock Sim</b>                             | <ul style="list-style-type: none"> <li>MFRS/IFRS Technical Update 2022</li> <li>Business Combinations and Changes in Controlling Interest</li> <li>5G Introduction for Management</li> <li>Detecting &amp; Deferring Financial Statement Fraud</li> <li>Tax Audits and Investigations Framework - The Latest Practical Procedures and Challenges</li> </ul> |
| <b>Karina binti Idris Ahmad Shah</b>                  | <ul style="list-style-type: none"> <li>Bursa Malaysia Immersive Session: The Board: "Agender"</li> </ul>  |
| <b>Chuah Hoon Hong</b><br>(Appointed on 30 June 2023) | <ul style="list-style-type: none"> <li>Bursa Academy: Conflict of Interest ("COI") and Governance of COI Programme</li> </ul>   |

The Board will continually evaluate and determine the training needs of each Director, particularly on relevant new laws and regulations and essential practices for effective corporate governance and risk management to enable the Directors to discharge their duties effectively.

In addition to the above, Directors would be updated on recent developments in the areas of statutory and regulatory requirements from the briefing by the External Auditors, the Internal Auditors and Company Secretaries during the Board Committees and Board Meetings.

### Nomination and Remuneration Committee

The Board has established the NRC which comprises exclusively of Independent Non-Executive Directors, with the responsibilities of assessing the balanced composition of Board members, nominating the proposed Board member by looking into his/her skills and expertise for contribution to the Company on an ongoing basis. At the same time, the NRC is authorised by the Board to establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors.

The Terms of Reference of the NRC can be viewed on the Company's website at [www.xox.com.my](http://www.xox.com.my).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The present members of the NRC of the Company are:

| Designation | Name                                 | Directorship                       |
|-------------|--------------------------------------|------------------------------------|
| Chairperson | <b>Karina binti Idris Ahmad Shah</b> | Independent Non-Executive Director |
| Member      | <b>Andy Liew Hock Sim</b>            | Independent Non-Executive Director |
| Member      | <b>Chuah Hoon Hong</b>               | Independent Non-Executive Director |

The summary of activities undertaken by the NRC during the financial year included the following:

- i) Reviewed the effectiveness of the Board, as a whole, Board Committees and individual Directors and made an appropriate recommendation to the Board;
- ii) Reviewed and recommended the retirement and re-election of Directors for shareholders' approval at the Annual General Meeting in accordance with the Company's Constitution;
- iii) Reviewed and recommended the payment of Directors' fees and other benefits payable to Directors;
- iv) Reviewed and recommended the payment of additional Directors' fees and allowance to the Directors;
- v) Reviewed and recommended the payment of bonuses to the Executive Directors and Chief Executive Officer;
- vi) Reviewed and recommended the revision of the remuneration of the Executive Directors and Chief Executive Officer;
- vii) Reviewed and recommended the appointment of Mr Chuah Hoon Hong as Independent Non-Executive Director and member of the AC and NRC of the Company;
- viii) Reviewed and recommended the restructuring of the composition of AC and NRC; and
- ix) Reviewed and recommended any modification and/or amendment to the terms of reference of the NRC.

## Evaluation for Board, Board Committees and Individual Directors

The NRC would assess the performance of the Board, as a whole, Board Committees and individual Directors, by way of self and peer assessment approach on an annually basis. From the results of the assessment, including the mix of skills and experience possess by Directors, the Board will consider and approve the recommendations on the re-election and re-appointment of Directors at the forthcoming Annual General Meeting of the Company, to meet current and future requirements of the Group.

The criteria used by the NRC in evaluating the performance of an individual, including contribution to interaction, integrity, competency and time commitment of the members of the Board and Board Committees in discharging their duties, are in a set of questionnaires. The Board did not engage any external party to undertake an independent assessment of the Directors.

Based on the assessment conducted for the financial year ended 30 September 2023, the Board and the NRC are satisfied with the current size, composition as well as mixture of qualifications, skills and experience among the Board and Board Committees members and the independence of its Independent Non-Executive Directors.

## Annual Assessment of Independence

The NRC will conduct annual assessments on an annually basis and the criteria for assessment covers areas such as contributions to interaction, roles and responsibilities and quality of input to enhance the Board's effectiveness. The independence of Independent Directors was assessed based on their relationship with the Group and their involvement in any significant transactions with the Group including their ability to exercise independent judgment at all times and based on the criteria set out in the Listing Requirements of Bursa Securities.

Based on the assessment carried out for the financial year ended 30 September 2023, the Board and the NRC are satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company during the financial year under review, and that each of them continues to fulfil the definition of independence as set out in the Listing Requirements of Bursa Securities.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Re-Election of Directors

The procedure for the re-election of directors by rotation is set out in the Company's Constitution. Pursuant to the Company's Constitution, all Directors who are appointed by the Board during the year are subject to re-election by shareholders at the first meeting after their appointment. The Company's Constitution also provides that at least one-third (1/3) of the remaining Directors are subject to re-election by rotation at each Annual General Meeting, and retiring directors can offer themselves for re-election. All Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election.

The NRC has assessed the suitability of the Directors who are subject to re-election at the forthcoming Annual General Meeting and is satisfied that the retiring Directors meet the criteria of character, experience, integrity, competence and time commitment to effectively discharge their respective roles as Directors of the Company and recommended the retiring Directors be re-elected as the Directors of the Company.

The Directors who are standing for re-election and re-appointment at the forthcoming Annual General Meeting of the Company are as stated in the Notice of Annual General Meeting.

## Remuneration Policy

The Board has adopted a Remuneration Policy to ensure the payment of equitable, competitive remuneration to the Directors and senior management of the Company which is based on individual performance, Company's benchmark, industry practices and performance of the Group as a whole.

The determination of the remuneration for Non-Executive Directors is a matter of the Board as a whole. The level of remuneration for Non-Executive Directors reflects the amount paid by other comparable organisations, adjusted for the experience and levels of responsibilities undertaken by the particular Non-Executive Directors concerned. The remuneration package of Non-Executive Directors will be a matter to be deliberated by the Board, with the Director concerned abstaining from deliberations and voting on deliberations in respect of his remuneration. In addition, the Company also reimburses reasonable out-of-pocket expenses incurred by all the Non-Executive Directors in the course of their duties as Directors of the Company. The aggregate annual Directors' fees and other benefits payable are to be approved by shareholders at the Annual General Meeting based on recommendations of the Board. A copy of the Company's Remuneration Policy is available on the Company's website at [www.xox.com.my](http://www.xox.com.my).

## Directors' Remuneration

Details of the Directors' remuneration paid or payable to all Directors of the Company (both by the Company and the Group) for the financial year ended 30 September 2023 are as follows:

### i) The Company

| Name   | Fees<br>RM     | Salaries<br>RM | Bonus<br>RM | Allowance<br>RM | Benefits in<br>Kind<br>RM | Other<br>Emoluments<br>RM | Total<br>RM    |
|--|----------------|----------------|-------------|-----------------|---------------------------|---------------------------|----------------|
| Dato' Seri Abdul Azim bin Mohd Zabidi        | 194,000        | -              | -           | 5,000           | -                         | -                         | 199,000        |
| Roy Ho Yew Kee                               | 147,000        | -              | -           | 78,000          | -                         | -                         | 225,000        |
| Tan Sik Eek                                  | 147,000        | -              | -           | 78,000          | -                         | -                         | 225,000        |
| Hew Tze Kok<br>(Resigned on 31.01.2023)      | 57,000         | -              | -           | 5,000           | -                         | -                         | 62,000         |
| Andy Liew Hock Sim                           | 105,000        | -              | -           | 11,000          | -                         | -                         | 116,000        |
| Karina binti Idris Ahmad Shah                | 99,500         | -              | -           | 11,000          | -                         | -                         | 110,500        |
| Chuah Hoon Hong<br>(Appointed on 30.06.2023) | 18,000         | -              | -           | 2,000           | -                         | -                         | 20,000         |
| <b>Total</b>                                 | <b>767,500</b> | <b>-</b>       | <b>-</b>    | <b>190,000</b>  | <b>-</b>                  | <b>-</b>                  | <b>957,500</b> |

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## ii) The Group

| Name   | Fees<br>RM       | Salaries<br>RM   | Bonus<br>RM    | Allowance<br>RM | Benefits in<br>Kind<br>RM | Other<br>Emoluments<br>RM | Total<br>RM      |
|--|------------------|------------------|----------------|-----------------|---------------------------|---------------------------|------------------|
| Dato' Seri Abdul Azim bin Mohd Zabidi        | 471,070          | -                | -              | 5,000           | -                         | -                         | 476,070          |
| Roy Ho Yew Kee                               | 267,246          | 506,839          | 78,400         | 78,000          | -                         | -                         | 930,485          |
| Tan Sik Eek                                  | 267,246          | 506,839          | 78,400         | 78,000          | -                         | -                         | 930,485          |
| Hew Tze Kok<br>(Resigned on 31.01.2023)      | 57,000           | -                | -              | 5,000           | -                         | -                         | 62,000           |
| Andy Liew Hock Sim                           | 105,000          | -                | -              | 11,000          | -                         | -                         | 116,000          |
| Karina binti Idris Ahmad Shah                | 99,500           | -                | -              | 11,000          | -                         | -                         | 110,500          |
| Chuah Hoon Hong<br>(Appointed on 30.06.2023) | 18,000           | -                | -              | 2,000           | -                         | -                         | 20,000           |
| <b>Total</b>                                 | <b>1,285,062</b> | <b>1,013,678</b> | <b>156,800</b> | <b>190,000</b>  | <b>-</b>                  | <b>-</b>                  | <b>2,645,540</b> |

### Remuneration of Senior Management

The Company notes the need for corporate transparency in the remuneration of its senior management executives, however, given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Company's business activities, such disclosure may be detrimental to the business interests and give rise to recruitment and talent retention issues. Thus, the Company is of the view that the interest of the shareholders will not be prejudiced as a result of the non-disclosure of the Group's senior management personnel who are not directors of the Company.

The remuneration of the senior management personnel, which is a combination of annual salary, bonus and benefits-in-kinds are determined in a similar manner as other management employees of the Group. The basis of determination has been consistently applied and is based on individual performance and the overall performance of the Group. The aggregate remuneration of the top five (5) senior management received for the financial year ended 30 September 2023 was RM3.09 representing 7.52% of the total employees' remuneration of the Group.

The Board is of the opinion that disclosure of remuneration of the Directors of the Board by appropriate components and the top five (5) senior management's total combined remuneration package should meet the intended objectives of the MCCG.



### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### Audit Committee

The Board has set up the AC which comprises exclusively of Independent Non-Executive Directors and the Chairman of the AC is not the Chairman of the Board.

The primary objective of the AC is to establish a documented, formal and transparent procedure to assist the Board in fulfilling its fiduciary responsibilities relating to corporate accounting, financial reporting practices, a system of risk management and internal control, the audit process and the process of monitoring compliance with laws and regulations.

A summary of the activities undertaken by the AC during the financial year are set out in the Audit Committee Report in this Annual Report.

The performance of the AC is reviewed annually by the NRC. The evaluation covered aspects such as the members' financial literacy levels, its quality and composition, skills and competencies and the conduct and administration of the AC meetings. Based on the evaluation, the NRC concluded that the AC has been effective in its performance and has carried out its duties in accordance with its Terms of Reference during the financial year ended 30 September 2023.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## **Independence of the Audit Committee**

XOX recognised the need to uphold the independence of its external auditors and that no possible conflict of interest whatsoever should arise. Currently, none of the members of the Board nor the AC of the Company was former key audit partners of the external auditors appointed by the Group. As recommended by MCCG, the Company will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the AC was a key audit partner of the external auditors of the Group.

## **Financial Literacy of the Audit Committee Members**

Collectively, the members of the AC have the relevant experience and expertise in finance and accounting, and have carried out their duties in accordance with the Terms of Reference of the AC. The qualification and experience of the individual AC members are disclosed in the Directors' Profiles on pages 2 to 7 of this Annual Report. During the financial year ended 30 September 2023, all other members of the AC had undertaken the relevant training programmes to keep themselves abreast of the latest development in accounting and auditing standards, statutory laws, regulations and best practices to enable them to discharge their duties effectively.

## **Compliance with Applicable Financial Reporting Standards**

The Board is assisted by the AC to oversee the Group's and Company's financial reporting process and the quality of financial reporting and to ensure that the financial statements comply with the provisions of the Companies Act 2016 and the applicable Malaysian Financial Reporting Standards in Malaysia.

In presenting the annual audited financial statements to the shareholders, the Board takes responsibility to present a balanced and meaningful assessment of the Group's and Company's financial performance and prospects and ensures that the financial statements are prepared in accordance with the provisions of the Companies Act 2016 and applicable Malaysian Financial Reporting Standards in Malaysia so as to present a true and fair view of the financial position, financial performance and cash flows of the Group and Company. In addition, the AC reviews the annual financial statements and quarterly financial results before they are submitted to the Board for approval.

A statement by the Directors pursuant to Rule 15.26(a) of the Listing Requirements on its responsibilities in preparing the financial statements is set out on page 65 of this Annual Report.

## **Assessment of Suitability and Independence of External Auditors**

The Company has established a transparent arrangement with the External Auditors to meet their professional requirements. From time to time, the External Auditors highlight to the AC and Board on matters that require their attention.

The AC is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the External Auditors. The AC has been explicitly accorded the power to communicate directly with both the External Auditors and Internal Auditors. The terms of engagement for services provided by the External Auditors are reviewed by the AC prior to submission to the Board for approval. The effectiveness and performance of the External Auditors are reviewed annually by the AC.

To assess or determine the suitability and independence of the External Auditors, the AC has taken into consideration, among others, the following:

- i) The adequacy of the experience and resources of the External Auditors;
- ii) The External Auditors' ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;
- iii) The nature of the non-audit services provided by the External Auditors and fees paid for such services relative to the audit fee; and
- iv) Whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the External Auditors.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

Annual appointment or re-appointment of the External Auditors is via shareholders' resolution at the Annual General Meeting on the recommendation of the AC and the Board. The External Auditors are being invited to attend the Annual General Meeting of the Company to respond and reply to the shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statement.

Where necessary, the AC will meet with the External Auditors without the presence of Executive Directors and members of management to ensure that the independence and objectivity of the External Auditors are not compromised and matters of concerns expressed by the AC are duly recorded by the Company Secretaries. In presenting the Audit Planning Memorandum to the AC, the External Auditors have highlighted their internal policies and procedures with respect to their audit independence and objectivity which include safeguards and procedures and independent policy adopted by the External Auditors. The External Auditors have also provided the required independence declaration to the AC and the Board for the financial year ended 30 September 2023.

The AC is satisfied with the competence and independence of the External Auditors for the financial year under review. Having regard to the outcome of the annual assessment of the External Auditors, the Board approved the AC's recommendation for the shareholders' approval to be sought at the Annual General Meeting on the re-appointment of Messrs Moore Stephens Associates PLT as the External Auditors of the Company for the financial year ending 30 September 2024.

### **Risk Management and Internal Control**

The Board is entrusted with the overall responsibility of continually maintaining a sound system of internal control, which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard shareholders' investments and the Company's assets. The internal control system is designed to access current and emerging risks, respond appropriately to the risks of the Group.

As an effort to enhance the system of internal control, the Board together with the assistance of the external professional Internal Audit firm adopted on-going monitoring and reviewed the existing risk management process in place within the various business operations, with the aim of formalising the risk management functions across the Group. This function also acts as a source to assist the AC and the Board to strengthen and improve current management and operating style in pursuit of best practices.

As an ongoing process, significant business risks faced by the Group are identified and evaluated, and consideration is given to the potential impact of achieving the business objectives. This includes examining principal business risks in critical areas, assessing the likelihood of material exposures and identifying the measures taken to mitigate, avoid or eliminate these risks.

The details of the risk management and internal control of the Group is further elaborated on pages 67 to 69 in the Statement on Risk Management and Internal Control of this Annual Report.

### **Internal Audit Function**

The Group has appointed an established external professional internal audit firm, who reports to the AC and assists the AC in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives.

For the financial year ended 30 September 2023, the internal audit firm appointed by the Company is staffed by a total of two (2) professionals for each cycle of internal audit and is led by Mr Low Chiun Yik ("Mr Low"), the Founder and Executive Partner of the firm. Mr Low holds a MSc in Accountancy and Finance Degree from Birmingham City University, United Kingdom, and has more than 10 years of experience in the field of consulting, including internal audit. The internal audit firm appointed by the Company is independent from the activities related to Group's business operations and performs its duties in accordance with standards set by relevant professional bodies, namely the Institute of Internal Auditors.

Internal audit provides an independent assessment on the design and effectiveness of the internal controls utilising an acceptable audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide reasonable assurance to the AC.

The AC approved the internal audit plan proposed by the internal auditors and management of the Company. Any subsequent changes to the internal audit plan shall be reviewed and approved by the AC. The scope of the internal audit covers the audits of all units and operations, including subsidiaries as stated in the letter of engagement.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The cost incurred by the Group for the internal audit function during the financial year ended 30 September 2023 amounted to RM38,000.

The functions of the internal auditors are to:

- i) Perform internal audit work in accordance with the pre-approved internal audit plan, which covers reviews of the internal control system, risk management and follow up audits to address observations reported in preceding internal audit visits;
- ii) Carry out reviews on the systems of internal control of the Group;
- iii) Review and comment on the effectiveness and adequacy of the existing internal control policies and procedures; and
- iv) Provide recommendations, if any, for the improvement of the internal control policies and procedures.

During the financial year, the following activities were carried out by the internal auditors in the discharge of its responsibilities:

- i) Reviewed the adequacy and effectiveness of the systems of internal control and compliance with the Group's policies and procedures on the following companies over the business process/area set out below:
  - (a) Regulatory compliance (Malaysian Communication and Multimedia Commission Act/Regulation) of the Group;
  - (b) Sales and marketing process of One XOX Sdn. Bhd.;
  - (c) Human resource and admin function of One XOX Sdn. Bhd.; and
  - (d) Channel marketing function of the Company.
- ii) Performed follow-up reviews to ensure corrective actions have been implemented in a timely manner; and
- iii) Proposed and presented a risk based internal audit plan to the AC for approval.

The AC and the Board agreed that the internal audit review was done in accordance with the audit plan and the coverage is adequate.

The AC and Board are satisfied with the performance of the internal auditors and have in the interest of greater independence and continuity in the internal audit function, decided to continue with the outsourcing of the internal audit function.



### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDER

#### Communication with Stakeholders

The Board recognises the need for transparency and accountability to the Company's shareholders as well as regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Company. The Company ensures that timely releases of the quarterly financial results, press releases and corporate announcements are made to its shareholders and investors, which are clear, unambiguous, succinct, accurate and contain sufficient and relevant information.

In order to maintain its commitment to effective communication with shareholders, the Group embraces the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as the general investing public.

The practice of disclosure of the information is to adopt the best practices recommended in the MCCG with regard to strengthening engagement and communication with shareholders; it is not only established just to comply with the Listing Requirements.

The Group also endeavours to provide additional disclosures of information on a voluntary basis, where necessary. The management believes that consistently maintaining a high level of disclosure and extensive communication is vital to shareholders and investors in making informed investment decisions.

Besides the above, the Company's Annual Report and financial results will be announced to Bursa Securities on an annually basis to provide an overview of the Group's business activities and performances. The Company strives to provide a high level of transparency reporting in order to provide value for users.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## **Leverage on Information Technology for Effective Dissemination of Information**

The Company's website at [www.xox.com.my](http://www.xox.com.my) incorporates an Investor Section which provides all relevant information on the Company accessible to the public. This section enhances the investor relations function by including all announcements made by the Company and its annual reports.

The quarterly financial results are announced to Bursa Securities after the Board's approval. This is important in ensuring equal and fair access to information by the investing public.

Shareholders and investors may also forward their queries to the Company via email to [ir@xox.com.my](mailto:ir@xox.com.my).

## **Dialogue with Shareholders**

In addition to the dissemination of information to shareholders and other interested parties via announcements to Bursa Securities, its website, circulars and press releases, the Board is of the view that the annual and any extraordinary general meetings as ideal opportunities to communicate with shareholders.

The Chairman or the Executive Directors of the Company will brief shareholders on the Company's projects and elaborate further on proposals for which the approval of shareholders is being sought at the general meeting.

Whilst the Company aims to provide as much information as possible to its shareholders, it is also mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

## **Conducts of General Meetings**

The Annual General Meeting ("AGM") is the principal forum for dialogue with the shareholders. As recommended by the MCGG, the notice of AGM will be despatched to shareholders at least twenty eight (28) days before the AGM, to allow shareholders to have additional time to go through the Annual Report and make the necessary attendance and voting arrangements. The Notice of AGM, which sets out the business to be transacted at the AGM, is also published in a major local newspaper. The Board will ensure that each item of special business included in the notices of the AGM or extraordinary general meeting is accompanied by a full explanation of the effects of any proposed resolution.

At the commencement of all general meetings, the Chairman will inform the shareholders of their rights to a poll voting. Separate resolutions are proposed for substantially separate issues at the meeting. The outcome of the AGM will be announced to Bursa Securities on the same meeting day.

At the AGM, the shareholders are encouraged to participate in the questions and answers session, where they will be given the opportunity to raise questions or seek more information during the AGM. In the event that an answer cannot be readily given at the meeting, the Chairman will undertake to provide a written reply to the shareholders.

The external auditors also will be invited to attend the AGM of the Company to respond and reply to the shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statement.

In line with the recommendation of MCGG, the minutes of the AGM or any general meeting will be posted on the Company's website for public viewing within thirty (30) business days after the AGM or general meeting.

Apart from contacts at general meetings, currently there is no other formal program or schedule of meetings with investors, shareholders, stakeholders and the public generally. However, the management has the option of calling for meetings with investors/analysts if it deems necessary. Thus far, the management is of the opinion that the existing arrangement has been satisfactory.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Attendance of Directors at General Meetings

The tentative dates of the AGM will be discussed and fixed by the Board in advance to ensure that each of the Directors is able to make the necessary arrangement to attend the planned AGM.

All the Directors and chairman of AC and NRC shall endeavor to present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company at the AGM.

The Thirteenth (13<sup>th</sup>) AGM of the Company which was held on 27 February 2023 was conducted by way of a virtual basis and online remote voting using the Remote Participation and Voting Facilities and has been attended by all the Directors of the Company.

## Poll Voting

In line with Rule 8.31A of the Listing Requirements, the Company will ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. At the same time, the Company will appoint at least one (1) scrutineer to validate the votes cast at the general meeting.

## Effective Communication and Proactive Engagement

The Group maintains its effective communication with shareholders by adopting timely, comprehensive, and continuing disclosures of information to its shareholders as well as the general investing public and adopts the best practices recommended by the MCCG with regard to strengthening engagement and communication with shareholders.

To this end, the Group relies on the following channels for effective communication with the shareholders and stakeholders:

- i) Interim financial reports to provide updates on the Group's operations and business developments on a quarterly basis;
- ii) Annual audited financial statements and annual report to provide an overview of the Group's state of governance, state of affairs, financial performance and cash flows for the relevant financial year;
- iii) Corporate announcements to Bursa Securities on material developments of the Group, as and when necessary and mandated by the Listing Requirements; and
- iv) Annual General Meetings.

Shareholders and stakeholders may raise their concerns and queries by contacting the Registered Office of the Group, the details of which as provided under the "Corporate Information" section of this Annual Report. The Share Registrar is also available to attend to administrative matters relating to shareholder interests.

## COMPLIANCE STATEMENT

Other than as disclosed and/or explained in this Annual Report and Corporate Governance Report 2023, the Board is of the view that the Group has complied with and shall remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices set out in MCCG and all other applicable laws, where applicable and appropriate.

Moving forward, the Board will continue to enhance the corporate disclosure requirements in the best interest of the Company's shareholders and stakeholders. The areas to be prioritised by the Board will be principles that have yet to be adopted by the Company as disclosed in the Corporate Governance Report 2023.

# AUDIT COMMITTEE REPORT

## COMPOSITION OF AUDIT COMMITTEE

The Board has set up the Audit Committee ("AC") which comprises exclusively of Independent Non-Executive Directors and the Chairman of the AC is not the Chairman of the Board.

The present members of the AC are as follows:

| Designation | Name                                 | Directorship                       |
|-------------|--------------------------------------|------------------------------------|
| Chairman    | <b>Andy Liew Hock Sim</b>            | Independent Non-Executive Director |
| Member      | <b>Karina binti Idris Ahmad Shah</b> | Independent Non-Executive Director |
| Member      | <b>Chuah Hoon Hong</b>               | Independent Non-Executive Director |

## TERMS OF REFERENCE

The Terms of Reference of the AC which laid down its duties and responsibilities are accessible via the Company's website at [www.xox.com.my](http://www.xox.com.my).

## ATTENDANCE OF MEETINGS

During the financial year ended 30 September 2023, the Audit Committee ("AC") held five (5) meetings and the details of the attendance are as follows:

| Members  | Meeting Attendance |
|--|--------------------|
| Andy Liew Hock Sim                                 | <b>5/5</b>         |
| Karina binti Idris Ahmad Shah                      | <b>5/5</b>         |
| Hew Tze Kok ( <i>Resigned on 31.01.2023</i> )      | <b>2/2</b>         |
| Chuah Hoon Hong ( <i>Appointed on 30.06.2023</i> ) | <b>1/1</b>         |

## SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

In line with the terms of reference of the AC, the following activities were carried out by the AC during the financial year in the discharge of its functions and duties, included the following:

- i) Reviewed the quarterly unaudited financial report of the Group and the Company including the announcements pertaining thereto, before recommending to the Board for their approval and release of the Group's results to Bursa Securities;
- ii) Reviewed with external auditors on their audit planning memorandum on the statutory audit of the Group for the financial year ended 30 September 2023;
- iii) Reviewed the annual audited financial statements of the Group before recommending to the Board for their approval and release of the Group's results to Bursa Securities;
- iv) Reviewed and discussed with the external auditors of their audit findings inclusive of system evaluation, issues raised, audit recommendations and management's response to these recommendations;
- v) Evaluated the performance of the external auditors for the financial year ended 30 September 2023 covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence and considered and recommended the re-appointment of the external auditors;
- vi) Evaluated the performance of internal auditors for the financial year ended 30 September 2023 and assessed the adequacy of the scope and functions of the internal audit plan;
- vii) Reviewed the internal audit reports presented and considered the findings of the internal audit through the review of the internal audit reports tabled and management responses thereof;
- viii) Reviewed the effectiveness of the Group's system of internal control;

# AUDIT COMMITTEE REPORT

- ix) Reviewed the proposed fees for the external auditors and internal auditors in respect of their audit of the Company and the Group;
- x) Reviewed and recommended the renewal of internal audit services provided by internal auditors;
- xi) Reviewed related party transactions and conflict of interest situations that may arise within the Company or the Group;
- xii) Reviewed and recommended the proposed shareholders' mandate for the recurrent related party transactions of a revenue or trading nature for the shareholders' consideration and approval;
- xiii) Verified the options allocated under the Employees' Share Option Scheme ("ESOS") in compliance with criteria as stipulated in the ESOS By-laws of the Company;
- xiv) Reviewed the Company's compliance with the Listing Requirements, applicable Approved Accounting Standards and other relevant legal and regulatory requirements;
- xv) Reviewed the Management Discussion and Analysis, Corporate Governance Overview Statement, Audit Committee Report and Statement on Risk Management and Internal Control before recommending to the Board for approval and inclusion in the Annual Report;
- xvi) Reviewed and recommended for any modification and/or amendment to the terms of reference of the Audit Committee; and
- xvii) Report to the Board on its activities and significant findings and results.

## HOW THE AUDIT COMMITTEE DISCHARGED AND MET ITS RESPONSIBILITIES DURING THE FINANCIAL YEAR

### i) Financial Reporting

The AC had reviewed the unaudited quarterly financial results and the annual audited financial statements of the Company and of the Group and made recommendations to the Board for approval and for the announcement to Bursa Securities.

The AC also had reviewed the annual audited financial statements with the External Auditors and finance team to ensure that the financial statements give a true and fair view of the financial position and performance of the Group are in compliance with the relevant accounting standards, other legal requirements and to ensure compliance with the provisions of the Companies Act 2016 and the Listing Requirements.

### ii) External Auditors

During the financial year under review, the AC had met with the External Auditors to review the issues relating to financial controls and operational efficiencies of the Company and its subsidiaries arising from the audit. Significant matters required to follow up were highlighted in the management letter by the External Auditors and enquired on the adequacy and effectiveness of remedial actions taken by management in resolving these issues.

The AC also had reviewed and evaluated the audit planning memorandum and audit reviewed memorandum prepared and presented by the External Auditors.

The proposed audit fees for the External Auditors in respect of their audit of the financial statements of the Company and its subsidiaries were analysed and reviewed by the AC for recommendation to the Board for approval.

The AC also evaluated the performance and independence of the External Auditors covering areas such as calibre, quality processes/performance, audit team, independence and objectivity, audit scope and planning, audit fees as well as the audit communications of the External Auditors. The AC has been satisfied with the independence and performance of Messrs Moore Stephens Associates PLT, had recommended the re-appointment of Messrs Moore Stephens Associates PLT as External Auditors to the Board for consideration and tabled to the shareholders for approval at the forthcoming Annual General Meeting of the Company.

# AUDIT COMMITTEE REPORT

## iii) Internal Audit

During the financial year under review, the AC had reviewed and evaluated the Internal Audit Reports (“IAR”) pertaining to the internal control on the Group prepared by the outsourced Internal Auditors of the Company.

The IAR on audit findings, description, implication, recommendations to improve any weaknesses or non-compliance and the management action plan and comments thereto were tabled to the AC for their review and deliberations. The management was invited to attend the meetings as and when necessary to brief the AC on matters relating to their areas of responsibility.

Some weaknesses in internal control were identified for the year under review and measures have been or are being taken to address these weaknesses. The Internal Auditors monitored the implementation of management’s action plan on outstanding issues through follow up reports to ensure that all key risks and control weaknesses are being properly addressed.

## iv) Related Party transactions

The related party transactions including recurrent related party transactions of a revenue or trading nature entered into by the Group were reviewed by the AC to ensure that they were conducted on the Group’s normal commercial terms and adequate internal procedures had been deployed in the Group in relation to such transactions to monitor compliance with the Listing Requirements and to ascertain that the transactions entered into were not prejudicial to the interest of the non-controlling shareholders.

## PERFORMANCE OF AUDIT COMMITTEE

The Board assessed and evaluated the performance of the AC and its members through Nomination and Remuneration Committee for the financial year ended 30 September 2023. Based on the outcome of the annual assessment, the Board was satisfied with the performance of the AC and its members and concluded that they have effectively discharged their functions, duties and responsibilities in accordance with the Terms of Reference of the AC.

# STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards so as to give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year.

The Directors are responsible for ensuring that the Company keeps proper accounting records with reasonable accuracy of the financial position of the Company. The Directors are to ensure that the financial statements comply with mandatory provisions of the Companies Act 2016, the Malaysian Financial Reporting Standards and the Listing Requirements. The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and to minimise fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 30 September 2023, the Group has used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

# STATEMENT OF EMPLOYEES' SHARE OPTION SCHEME ("ESOS") COMMITTEE

The ESOS Committee was established on 26 May 2021, the members of the present ESOS Committee are as follows:

| Designation | Name           |
|-------------|----------------|
| Chairman    | Tan Sik Eek    |
| Member      | Roy Ho Yew Kee |
| Member      | Ng Kok Heng    |

The main responsibility of the ESOS Committee is to oversee the administration as well as to ensure proper implementation of the ESOS according to the By-Laws of the ESOS. The ESOS Committee deliberates, neither physically nor via circular resolutions, whenever necessary.

The ESOS was approved by the shareholders of the Company at the Extraordinary General Meeting held on 19 April 2021. The ESOS would be in force for a period of three (3) years from the date of implementation i.e. 27 May 2021 and expire on 26 May 2024.

The total number of ESOS options granted, exercised and outstanding under the ESOS since its commencement up to 30 September 2023 are set out in the table below:

| Category of Employees | No. of ESOS Options Over Ordinary Shares |                      |                            |             |
|-----------------------|--|----------------------|----------------------------|-------------|
|                       | Granted and Vested                       | Exercised            | Lapsed/ Forfeited/ Revoked | Outstanding |
| Directors             | 34,785,000                               | 34,785,000           | -                          | -           |
| Other Employees       | 1,384,474,900                            | 1,080,643,000        | 303,831,900                | -           |
| <b>Total</b>          | <b>1,419,259,900</b>                     | <b>1,115,428,000</b> | <b>303,831,900</b>         | <b>-</b>    |

The options offered to and exercised by the Directors of the Company pursuant to ESOS as well as their outstanding options in respect of the financial year ended 30 September 2023 are as follows:

| Name of Director                                      | No. of ESOS Options Over Ordinary Shares |                                |                                  |                             |                          |
|---|--|--------------------------------|----------------------------------|-----------------------------|--------------------------|
|   | As at 30.09.2022                         | Number of ESOS Options Granted | Number of ESOS Options Exercised | No. of ESOS Options Revoked | Balance as at 30.09.2023 |
| Dato' Seri Abdul Azim bin Mohd Zabidi                 | -  | -                              | -                                | -                           | -                        |
| Roy Ho Yew Kee  | -  | -                              | -                                | -                           | -                        |
| Tan Sik Eek   | -  | -                              | -                                | -                           | -                        |
| Hew Tze Kok ( <i>Resigned on 31.01.2023</i> )         | -  | -                              | -                                | -                           | -                        |
| Andy Liew Hock Sim                                    | -  | -                              | -                                | -                           | -                        |
| Karina binti Idris Ahmad Shah                         | -  | -                              | -                                | -                           | -                        |
| Chuah Hoon Hong<br>( <i>Appointed on 30.06.2023</i> ) | -  | -                              | -                                | -                           | -                        |

Pursuant to the ESOS By-Laws, the aggregate maximum allocation of ESOS Options applicable to the eligible employee (including the allocation to the Directors and senior management) shall be determined by the ESOS Committee at its sole and absolute discretion. As of 30 September 2023, the actual number of ESOS Options granted to the Directors of the Company since the commencement of the ESOS is 2.45%.

The Audit Committee has verified and was satisfied that the allocation of ESOS Options to the eligible Directors and employees of the XOX Group during the financial year ended 30 September 2023, was in accordance with the criteria of allocation of share options set out in the ESOS By-Laws.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the Malaysian Code of Corporate Governance issued by Securities Commission Malaysia; the Board of Directors of XOX is pleased to present the following statement on the state of the risk management and internal control of the Group as a whole for the financial year ended 30 September 2023. This statement is prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by Bursa Securities.

## BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility in maintaining a sound system of risk management and internal controls to safeguard its shareholders' interest and the Group's assets. The risk management framework and internal control systems provide an ongoing process in identifying and evaluating significant risks faced or potentially encountered by the Group, establishing an appropriate control environment and framework in managing the risks, and reviewing the adequacy and effectiveness of these systems.

However, the Group's system of risk management and internal control is designed to minimise and manage rather than to eliminate the risk that may impede the achievement of the Group's business objectives; it can only provide reasonable but not absolute assurance against material misstatement, loss, or breaches of laws or regulations.

The risk management and internal control systems within the Group, inclusive of design, operation, identification, assessment, mitigation and control of risks, are implemented with the assistance of the management throughout the period. The Board, either directly or via the Audit Committee, has regularly reviewed the process for identifying, evaluating and managing the significant risks of the Group with the management.

The key features of the risk management and internal control systems which operate with the assistance of the management are described under the following headings:

### 1. Risk Management Framework

The Group has an embedded process for identifying, evaluating, reporting, managing, monitoring and reviewing the major strategic, business and operational risks within the Group, covering both wholly and partially owned subsidiaries. Both the Audit Committee and the Board review the effectiveness of the risk management function and deliberate on the risk management and internal control frameworks, functions, processes and reports regularly.

Risk management is firmly embedded in the Group's management system as the Board believes that risk management is critical to the Group's sustainability and the enhancement of shareholder value. Key management staff and Head of Departments are delegated to manage identified risks within defined parameters and standards.

The Company has set up a Risk Management Committee that comprises key senior management of the Company to identify, evaluate and manage significant risks faced by the Group and report to the Board on significant risks affecting the Group's strategy and business plans, if any.

The main features of the Group's risk management framework involved the following key processes:

- i) The management is entrusted with developing, implementing and monitoring the systems of risk management and internal controls to address the various risks faced by the Group;
- ii) A database of all risks and controls is maintained and updated, and the information is filtered to produce detailed risk registers and individual risk profiles. Key risk areas are identified and scored for the likelihood of the risks occurring and the magnitude of the impact;
- iii) Risk assessment reports with mitigation responses in place are submitted to the Executive Directors and briefed by the various heads of business units; and
- iv) Risks identified will be discussed with mitigation plans, monitored continuously in various management meetings to mitigate the risk exposures.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## 2. Board of Director / Board Committees

The Board Committees (i.e., Audit Committee, Nomination and Remuneration Committee and Investment Committee) have been established to carry out duties and responsibilities delegated by the Board and are governed by the written terms of references as stated in the Company's website.

Meetings of the Board and respective Board Committees are conducted quarterly to review the performance of the Group, from financial to operational perspectives. The quarterly financial performance review containing key financial results and previous corresponding financial results is presented to the Audit Committee for review and the Board for public release approval.

## 3. Standard Operating Procedures

The Group has a set of well-established standard operating procedures covering all critical and significant facets of the Group's operational process at its subsidiary level.

The standard operating procedures are being reviewed periodically or when the circumstances warrant, to ensure that these documentations remain current and relevant. Compliance with these procedures is an essential element of the risk management and internal control framework.

## 4. Organisation Structure and Authorisation Procedure

The Group has a formal organisational structure in place to ensure the appropriate level of authority and responsibilities are delegated appropriately to the competent staff to achieve operational effectiveness and efficiency.

The authorisation requirement of the key internal control points of key business processes is included in the standard operating procedures of the Group.

## 5. Internal Audit

The Group outsources the internal audit function to an external firm. The firm is appointed by and reports directly to the Audit Committee. Its role is to provide the Audit Committee with regular assurance on the internal control system's continuity, integrity and effectiveness through regular monitoring and independent review of the internal control framework and management processes.

The internal audit firm prepares audit plans for presentation to the Audit Committee for approval wherein the scope of work encompasses management and operational audit of the functions in the Group.

During the financial year under review, the internal audit has conducted various assignments quarterly and made recommendations on improving the system of internal controls to the Audit Committee. The areas of the internal audit covered are regulatory compliance (Malaysian Communication and Multimedia Commission Act/Regulation), sales and marketing process, human resource and admin function and channel marketing function of XOX Group.

Based on the internal audit review conducted, none of the weaknesses noted has resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## 6. Other Key Risk Management and Internal Control Elements

- i) The Board meets regularly to review the performance and operations of the Group.
- ii) The Audit Committee reviews the effectiveness of the Group's system of risk management and internal control on behalf of the Board. The Audit Committee is not restricted in conducting its duties and has unrestricted access to the internal and external auditors of the Company and all employees of the Group. The Audit Committee is also entitled to seek such other third party independent professional advice deemed necessary in the performance of its responsibility.
- iii) Review by the Audit Committee on internal control issues identified by the external and internal auditors and action taken by management in respect of the findings. The internal audit function reports directly to the Audit Committee. Findings are communicated to management and the Audit Committee with recommendations for improvements and follow-up to confirm all agreed recommendations are implemented. The internal audit plan is structured on a risk-based approach and is reviewed and approved by the Audit Committee.
- iv) Regular training and development programs are attended by the employee with the objective of enhancing their knowledge and competency.
- v) Active involvement by the Executive Directors and Chief Executive Officer in the day-to-day business operations of the Group, including weekly operational and management meetings to identify, discuss and resolve business and operational issues.
- vi) Periodic review of management accounts by key personnel, including the Executive Directors and Chief Executive Officer. The management accounts are also presented to the Board and Audit Committee during the respective meetings.
- vii) The Company outsources its internal audit function to independent professional consulting firms for greater independence and accountability in the internal audit function.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Rule 15.23 of the Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report of the Group for the financial year ended 30 September 2023.

Based on their review, the External Auditors have reported to the Board that nothing has come to the attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system.

## MANAGEMENT'S ASSURANCE

In accordance with the requirements of the statement on Risk Management and Internal Control (Guidelines for Directors of Listed Issuers), the Executive Directors and Chief Executive Officer, representing the management, has given reasonable assurance to the Board that the Group's risk management and internal control systems are adequate and effective, in all material aspects, based on the risk management and internal controls adopted by the Group and similar assurance given by the respective heads of operations.

## CONCLUSION

The business processes and internal controls of the Group are continually monitored to ensure statutory compliance and maintain data integrity. The effectiveness of the risk management and internal control system is reviewed regularly.

For the financial year under review, there were no significant internal control deficiencies or material weaknesses resulting in material losses or contingencies requiring separate disclosure in the Annual Report. Therefore, the Board is of the view that the existing system of risk management and internal control is adequate and effective. Nevertheless, the Board recognises that the development of risk management and internal control systems is an ongoing process. Therefore, in striving for continuous improvement, the Board will continue to take appropriate action plans to enforce and strengthen the Group's risk management and internal control systems.

# OTHER DISCLOSURE REQUIREMENTS PURSUANT TO THE LISTING REQUIREMENTS OF BURSA SECURITIES

## 1 STATUS OF UTILISATION OF PROCEEDS

As at 30 September 2023, the status of utilisation of gross proceeds raised by the Company from the following corporate proposals are as follows:

### (i) Right Issue of Irredeemable Convertible Preference Shares with Warrants (completed on 12 March 2020) :

| Details   | Proposed Utilisation<br>RM | Actual Utilisation<br>RM | Balance Available for Utilisation<br>RM |
|---|----------------------------|--------------------------|---|
| (a) E-Sim expansion plan                        | 19,063,140                 | 10,058,230               | 9,004,910                               |
| (b) Expenses incurred for the Private Placement | 600,000                    | 600,000                  | ---                                     |
| <b>Total</b>                                    | <b>19,663,140</b>          | <b>10,658,230</b>        | <b>9,004,910</b>                        |

### (ii) Private Placement (completed on 15 December 2020):

| Details  | Proposed Utilisation<br>RM | Actual Utilisation<br>RM | Balance Available for Utilisation<br>RM |
|--|----------------------------|--------------------------|---|
| (a) Fintech Business Expansion   | 48,000,000                 | 41,684,599               | 6,315,401                               |
| (b) Rebranding exercise to reposition the XOX brand into a Fintech solution and telecommunication provider | 5,000,000                  | 3,291,798                | 1,708,202                               |
| (c) Marketing and promotional expenses for the Fintech Business Expansion                                  | 7,060,845                  | 7,060,845                | ---                                     |
| (d) Expenses for the Private Placement   | 570,000                    | 570,000                  | ---                                     |
| <b>Total</b>   | <b>60,630,845</b>          | <b>52,607,242</b>        | <b>8,023,603</b>                        |

## OTHER DISCLOSURE REQUIREMENTS PURSUANT TO THE LISTING REQUIREMENTS OF BURSA SECURITIES

### 2 AUDIT AND NON-AUDIT FEE PAID TO EXTERNAL AUDITORS

During the financial year, the amount of audit and non-audit fees paid/payable to the External Auditors by the Company and the Group respectively for the financial year ended 30 September 2023 were as follows:

|  | Company<br>RM  | Group<br>RM    |
|--|----------------|----------------|
| <b>Audit Services Rendered</b>   | 115,000        | 459,571        |
| <b>Non-Audit Services Rendered</b>   |                |                |
| (a) Review of Statement on Risk Management and Internal Control                                | 12,000         | 12,000         |
| (b) Review of component's audit work papers  | 35,000         | 35,000         |
| (c) Review of Purchased price allocation arising from acquisition of Perak FC Sdn. Bhd.        | 20,000         | 20,000         |
| (d) Special review for compliance with fund management requirements of approved e-Money issues | -              | 55,200         |
| (e) Review and certification of annual MCMC report submission                                  | -              | 53,000         |
| (f) Attestation for large e-Wallet application and e-KYC                                       | -              | 99,000         |
| (g) Review and examination of return of net revenue for designated services                    | -              | 16,000         |
| (h) Preparation and submission of tax return   | 5,500          | 63,900         |
| (i) Preparation of transfer pricing  | 30,000         | 155,000        |
| <b>Total</b>   | <b>217,500</b> | <b>968,671</b> |

### 3 MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOAN

There were no material contracts or contracts relating to loan entered into by the Company and its subsidiaries involving the interests of the Directors and major shareholders during the financial year under review.

### 4 RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE ("RRPT")

The Company is seeking approval from shareholders for the proposed renewal of the existing shareholders' mandate for XOX Group to enter into RRPT(s) of a revenue or trading nature pursuant at the forthcoming Annual General Meeting to be held on 6 March 2024.

## OTHER DISCLOSURE REQUIREMENTS PURSUANT TO THE LISTING REQUIREMENTS OF BURSA SECURITIES

As at 30 September 2023, the details of RRPTs of a revenue or trading nature of the Group which was approved by the shareholders at the last AGM of the Company held on 27 February 2023 are as follows:

| Related Party and its Principal Activities  | XOX Group - Transacting Party | Nature of Transaction with XOX Group  | Value of Transaction RM | Interested Director and Major Shareholders and nature of their relationship with Related Party  |
|---|-------------------------------|---|-------------------------|---|
| Key Alliance Group Berhad ("Key Alliance") and its subsidiaries companies – Data Centre, Information Technology service provider, Interior Design and Renovation service provider, Trading of Medical & Healthcare Products, Hardware & Software service provider | XOX Group                     | Provision of mobile telecommunication services, Fintech products and services, and other services by/to XOX Group | Nil                     | Key Alliance is a Major Shareholder of XOX with a shareholding of 6.89%.<br><br>Mr Roy Ho Yew Kee is the Managing Director and shareholder of Key Alliance with a shareholding of 6.14%. He is also an Executive Director of XOX. |
|   |                               | Provision of cloud data centre services to XOX Group  | Nil                     |   |
|   |                               | Renting of office space / service centres to XOX Group  | 177,518                 |   |
|   |                               | Provision of interior design and renovation work to XOX Group   | 3,304,773               |   |
|   |                               | Provision of Information and Communication Technology services to XOX Group                                       | 636                     |   |
|   |                               | Installation of security and Closed-Circuit Television monitoring system, Internet of Things devices to XOX Group | Nil                     |   |
|   |                               | Provision of medical & healthcare products to XOX Group   | Nil                     |   |

## OTHER DISCLOSURE REQUIREMENTS PURSUANT TO THE LISTING REQUIREMENTS OF BURSA SECURITIES

| Related Party and its Principal Activities  | XOX Group - Transacting Party | Nature of Transaction with XOX Group   | Value of Transaction RM | Interested Director and Major Shareholders and nature of their relationship with Related Party   |
|---|-------------------------------|--|-------------------------|--|
| NetX Holdings Berhad ("NetX") and its subsidiaries companies – Investment holding, research and development of software, system design, integration and installation and provision of information technology services, property management services | XOX Group                     | Provision of mobile telecommunication services, Fintech products and services, and other services by/to XOX Group      | 21,375                  | Mr Tan Sik Eek is an Executive Director and shareholder of NetX with a shareholding of 4.35%. He is also an Executive Director of XOX. |
|   |                               | Provision of solutions on the network infrastructure; security management; and rental of EFTPOS terminals to XOX Group | Nil                     |  |
|   |                               | Provision of Master Merchant and sub-contractor services to XOX Group  | Nil                     |  |
|   |                               | Provision of software licensing, maintenance and support services to XOX Group   | 505,974                 |  |
|   |                               | Provision of business consultation, supply and commissioning of information technologies to XOX Group                  | 9,600                   |  |
|   |                               | Supply of information technology related hardware and software equipment to XOX Group                                  | Nil                     |  |
|   |                               | Provision of advertising services by/to XOX Group  | Nil                     |  |
|   |                               | Provision of celebration events planning and gifting services to XOX Group   | 846                     |  |
|   |                               | Provision of celebration events planning and gifting services to XOX Group   | 846                     |  |

## OTHER DISCLOSURE REQUIREMENTS PURSUANT TO THE LISTING REQUIREMENTS OF BURSA SECURITIES

| Related Party and its Principal Activities   | XOX Group - Transacting Party | Nature of Transaction with XOX Group   | Value of Transaction RM | Interested Director and Major Shareholders and nature of their relationship with Related Party   |
|--|-------------------------------|--|-------------------------|--|
| Cheetah Holdings Berhad ("Cheetah") and its subsidiary companies – Product designing, development, marketing and dealers of garments, apparels and ancillary products and e-commerce   | XOX Group                     | Provision of mobile telecommunication services, Fintech products and services, and other services by/to XOX Group                      | 229,210                 | Mr Roy Ho Yew Kee is an Executive Director for both XOX and Cheetah.   |
|  |                               | Sales of garments, apparels and ancillary products to/by XOX Group   | 1,909,831               |  |
| Komarkcorp Berhad ("Komark") and its subsidiary companies – Provider of packaging solution and manufacturer of labelling   | XOX Group                     | Provision of mobile telecommunication services, Fintech products and services, and other services by/to XOX Group                      | 10,600                  | Key Alliance is a common Major Shareholder of XOX and Komark with a shareholding of 6.89% and 19.20%, respectively.<br><br>Mr Roy Ho Yew Kee is the Managing Director and shareholder of Key Alliance with a shareholding of 6.14%. He is also an Executive Director of XOX and Komark and shareholder of Komark with a shareholding of 0.10%. |
|  |                               | Sales of packaging and project labelling to XOX Group  | 1,002,210               |  |
|  |                               | Sales of surgical face masks and protective apparels to XOX Group  | 1,800                   |  |
| Mlabs Systems Berhad ("Mlabs") and its subsidiary companies – Research and development, trading of multimedia video conferencing system and equipment, e-commerce, kitchen appliances, food and beverage, film production and factoring business | XOX Group                     | Provision of mobile telecommunication services, Fintech products and services, and other services by/to XOX Group                      | 212,765                 | Mr Tan Sik Eek is an Executive Director and shareholder of Mlabs with a shareholding of 0.05%. He is also an Executive Director of XOX.  |
|  |                               | Provision of Videoconferencing maintenance and support services and related products or services on subscriptions basis by Mlabs Group | 20,140                  |  |
|  |                               | Provision of mobile application products and services on subscriptions basis and related support services by Mlabs Group               | 406,136                 |  |
|  |                               | Provision of film production services by Mlabs Group   | Nil                     |  |

## OTHER DISCLOSURE REQUIREMENTS PURSUANT TO THE LISTING REQUIREMENTS OF BURSA SECURITIES

| Related Party and its Principal Activities   | XOX Group - Transacting Party | Nature of Transaction with XOX Group   | Value of Transaction RM | Interested Director and Major Shareholders and nature of their relationship with Related Party   |
|--|-------------------------------|--|-------------------------|--|
| Symphony Life Berhad ("Symphony Life") and its subsidiary companies – Property development and property investment   | XOX Group                     | Provision of mobile telecommunication services, Fintech products and services, and other services by/to XOX Group  | Nil                     | Mr Tan Sik Eek is an Executive Director for both XOX and Symphony Life.  |
|  |                               | Provision of marketing related services such as sponsorship by/to XOX Group  | Nil                     |  |
| Fintec Global Berhad ("Fintec") and its subsidiary companies – Technology incubation, investment holding, manufacturing and sale of rubber gloves, sale and production of microbiology fertiliser and probiotic effective microorganisms | XOX Group                     | Provision of mobile telecommunication services, Fintech products and services, and other services by/to XOX Group  | Nil                     | Mr Tan Sik Eek is an Executive Director of XOX and Managing Director of Fintec. He is also a shareholder of Fintec with a shareholding of 0.01%.   |
|  |                               | Sales of glove and fertiliser products to XOX Group  | Nil                     |  |
| XOX Networks Berhad ("XOX Networks") and its subsidiary companies – Retail & Distribution Management, Event Management, Digital Services & Financial Solution  | XOX Group                     | Marketing agent including provision of branding, digital marketing, online media portal, offline marketing, business events organiser services to/by XOX Group | 4,875,472               | Key Alliance is a common Major Shareholder of both XOX and XOX Networks with shareholding of 6.89% and 12.37% respectively.<br><br>Mr Roy Ho Yew Kee is the Managing Director and shareholder of Key Alliance with a shareholding of 6.14%. He is also an Executive Director of XOX. |

# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 September 2023.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of its subsidiaries are set out in Note 12 to the financial statements.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

## RESULTS

|                                 | Group<br>RM | Company<br>RM |
|---------------------------------|-------------|---------------|
| Net loss for the financial year | 69,231,968  | 77,667,368    |
| Attributable to:                |             |               |
| Owners of the Company           | 67,480,275  | 77,667,368    |
| Non-controlling interests       | 1,751,693   | -             |
|                                 | 69,231,968  | 77,667,368    |

## RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

## DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Company is not in a position to pay or declare dividends for the current financial year.

## ISSUANCE OF SHARES OR DEBENTURES

### Ordinary shares

During the financial year, the Company has increased its issued ordinary shares from RM468,848,306 to RM468,851,182 by way of the issuance of 47,925 new ordinary shares at the issue price of RM0.06 per ordinary share pursuant to the exercise of Warrants B 2020/2023 ("Warrants B").

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

### Irredeemable Convertible Preference Shares ("ICPS")

As at 30 September 2023, the total number of ICPS remain unconverted amounted to 77,971,406.

The Company has not issued any debentures during the financial year.

# DIRECTORS' REPORT (CONT'D)

## OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up any unissued shares of the Company during the financial year apart from the issuance of options pursuant to the warrants B and warrants C.

### Warrants B

During the financial year, 47,925 of Warrants B were exercised at an issue price of RM0.06 per Warrant B and the total number of Warrants B that remain unexercised amounted to 231,784,951 had lapsed.

Further information is disclosed in Note 26(b) to the financial statements.

### Warrants C

As at 30 September 2023, the total numbers of Warrants C that remain unexercised amounted to 1,412,612,765.

Further information is disclosed in Note 26(b) to the financial statements.

## DIRECTORS OF THE COMPANY

The Directors in office since the beginning of the financial year to the date of this report are:-

Dato' Seri Abdul Azim Bin Mohd Zabidi \*  
Tan Sik Eek \*  
Roy Ho Yew Kee \*  
Andy Liew Hock Sim  
Karina Binti Idris Ahmad Shah  
Chuah Hoon Hong  
Hew Tze Kok

(Appointed on 30 June 2023)  
(Resigned on 31 January 2023)

\* *These Directors are also Directors of subsidiaries included in the financial statements of the Group for the financial year.*

## DIRECTORS OF THE SUBSIDIARIES OF THE COMPANY

Pursuant to Section 253(2) of the Companies Act 2016, the Directors who served in the subsidiaries (excluding Directors who are also Directors of the Company) since the beginning of the financial year to the date of this report are as follows:

Azril Bin Aliuddin  
Charissa Lim Zhu Ai  
Imam Pituduh  
Kong Choo Hui  
Loh Boon Teong  
Muhammad Said Aqil  
Ng Kok Heng  
Nicholas Wong Yew Khid  
Rohmat Faisal  
Tommy Kurniawan Yaury  
Neow Choo Seong  
Tan Tai Liang  
Wong Mun Onn  
Datuk Chai Woon Chet  
Heidil Iskandar bin Mohd Shamlan  
Zahrán bin Badaruddin

(Appointed on 9 December 2022)  
(Appointed on 9 December 2022)  
(Appointed on 9 December 2022)  
(Deceased on 16 December 2023)  
(Resigned on 9 December 2022)  
(Resigned on 9 December 2022)

# DIRECTORS' REPORT (CONT'D)

## DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interest of Directors in office at the end of financial year in shares of the Company and its related corporations during the financial year were as follows:

|   | Number of ordinary shares |                |              |                          |
|---|---------------------------|----------------|--------------|--------------------------|
|   | At<br>01.10.2022<br>Unit  | Bought<br>Unit | Sold<br>Unit | At<br>30.09.2023<br>Unit |
| <b>Name of Directors</b>                |                           |                |              |                          |
| The Company                             |                           |                |              |                          |
| <b>Direct Interest:</b>                 |                           |                |              |                          |
| - Dato' Seri Abdul Azim Bin Mohd Zabidi | 451,380                   | -              | -            | <b>451,380</b>           |

None of the other Directors in office at the end of the financial year had any interest in shares of the Company or its related corporations during the financial year.

## DIRECTORS' REMUNERATION AND BENEFITS

The amounts of fees and other benefits paid to or receivable by the Directors or past Directors of the Company and the estimated money value of any other benefits received or receivable by them otherwise than in cash from the Company and its subsidiaries for their services to the Company and its subsidiaries were as follows:

|   | Company<br>RM  | Subsidiaries<br>RM |
|---|----------------|--------------------|
| Fees                                      | <b>767,500</b> | <b>517,562</b>     |
| Salaries, bonus and other emoluments      | <b>190,000</b> | <b>1,043,000</b>   |
| Contribution to defined contribution plan | -              | <b>125,160</b>     |
| Social security contribution              | -              | <b>2,318</b>       |
| <b>Total fees and other benefits</b>      | <b>957,500</b> | <b>1,688,040</b>   |

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than Directors' emoluments received or due and receivable as disclosed in Note 6(a) to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than those as disclosed in Note 32 to the financial statements.

There were no arrangements during or at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

## DIRECTORS' REPORT (CONT'D)

### OTHER STATUTORY INFORMATION (CONT'D)

- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent;
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;
  - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
  - (iv) not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements misleading.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person other than as disclosed in Notes 23 and 27; or
  - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent or other liability has become enforceable, or likely to become enforceable, within the period of twelve months after the end of the financial year, which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
  - (ii) the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and
  - (iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.
- (e) The fees paid to or receivables by the auditors of the Company and its subsidiaries as remuneration for their services as auditor as set out in Note 6 to the financial statements.
- (f) There was no amount paid to or receivable by any third party in respect of the services provided to the Company or any of its subsidiaries by any Director or past Director of the Company.
- (g) The total amount of indemnity given to or insurance effected for the Directors and officers of the Company is RM7,000,000 with insurance premium of RM51,001. No indemnity was given to or insurance effected for auditors of the Company.

### EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR

Details of events subsequent to the end of financial year are disclosed in Note 40 to the financial statements.

### AUDITORS

The auditors, Messrs. Moore Stephens Associates PLT, have expressed their willingness to continue in office.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 18 January 2024.

# STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements as set out on pages 87 to 189 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2023 and of their financial performance and cash flows for the financial year then ended.

Approved and signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 18 January 2024.

**TAN SIK EEK**

**ROY HO YEW KEE**

# STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act 2016

I, NG KOK HENG, being the Officer primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 87 to 189 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the  
abovenamed  
at Kuala Lumpur in the Federal Territory  
on 18 January 2024

**NG KOK HENG**

Before me,

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**MOHAMAD ZULISWANDI BIN MOHAMED**

No. W1006

Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF XOX BHD.

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of XOX Bhd., which comprise the statements of financial position as at 30 September 2023 and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on page 87 to 189.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Impairment Review of Property, Plant and Equipment, Intangible Assets, Goodwill and the Company's Investments in Subsidiaries**

#### Property, Plant and Equipment ("PPE") and Intangible Assets ("IA")

As at 30 September 2023, as shown in Notes 10 and 11 to the financial statements, the carrying amounts of the Group's PPE and IA amounted to RM48,498,253 and RM78,666,349 respectively, representing approximately 13% and 21% of the Group's total assets.

The PPE and IA are mainly contributed by the main operating subsidiaries of the Group, certain of these subsidiaries are in continuous loss-making and/or significant accumulated losses positions and has resulted in multiple indications that the carrying amounts of the PPE and IA may be impaired. Accordingly, the Group estimated the recoverable amount of the PPE and IA based on value-in-use ("VIU") calculations using cash flow projections derived from the most recent financial forecast approved by Directors covering a five-year period. Included in PPE are freehold land and building and motor vehicles of which the recoverable amount were derived based on fair value less cost of disposal.

#### Goodwill

As at 30 September 2023, as shown in Note 16 to the financial statements, the carrying amount of the Group's goodwill amounted to RM8,894,253. The goodwill arose from the Group's acquisition of Perak FC Sdn. Bhd.

The Group is required to, at least annually, perform impairment assessments of goodwill that has an indefinite useful life regardless whether there is any indicator of impairment. The management assessed the recoverable amount of the goodwill by determining the cash-generating unit ("CGU") based on discounted cash flow projections.

# INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF XOX BHD.

## Key Audit Matters (cont'd)

### **Impairment Review of Property, Plant and Equipment, Intangible Assets, Goodwill and the Company's Investments in Subsidiaries (cont'd)**

#### Investments in subsidiaries

As at 30 September 2023, as shown in Note 12 to the financial statements, the carrying amount of the Company's investments in subsidiaries amounted to RM107,307,146.

Certain subsidiaries had recent history of losses, significant accumulated losses and/or the carrying amounts of the investments were lower than the net assets. These observations have resulted in multiple indicators that the carrying amount of these investments in subsidiaries may be impaired. Accordingly, the Company estimated the recoverable amount of these investments in subsidiaries based on FVLCO method using cash flow projections derived from the most recent financial forecast approved by Directors covering a five-year period or net assets of subsidiaries (as the case may be).

We have identified the impairment review of PPE, IA, goodwill, and investments in subsidiaries as key audit matter as impairment test involves significant judgement in estimating the underlying assumptions to be applied in the discounted cash flows projections. The recoverable amount of PPE, IA, goodwill, and investments in subsidiaries is highly sensitive to key assumptions applied in respect of future revenue growth rate, gross margin and the pre-tax and/or post-tax discount rate discount rate used in the cash flows projections. A small change in the assumption can have a significant impact on the estimation of the recoverable amount.

#### **Our audit performed and responses thereon**

In addressing the matters above, we have performed the following audit procedures to evaluate management's basis and assumptions used to determine the recoverable amounts:

- Assessed whether the recoverable amounts were prepared by management based on the approved budgets by the Directors;
- Evaluated management's budgeting process by comparing actual results to historical cash flow projections;
- Evaluated the reasonableness of the Directors' assessment that a group of PPE and IA representing the integrated telecommunications services is the cash generating unit ("CGU") which represents the smallest identifiable group of assets that generate independent cash inflows, by understanding the business model of the Group;
- Reviewed management's impairment assessment including the growth rate, gross margin and discount rate against our knowledge of the Group's historical performance, business and cost management strategies based on facts and circumstances currently available; and
- Performed sensitivity analysis around the key inputs that are expected to be most sensitive to the recoverable amounts of the PPE, IA, Goodwill, and investment in subsidiaries.

#### **Recoverability of Amounts due from Subsidiaries**

As at 30 September 2023, as shown in Note 22 to the financial statements, the amounts due from subsidiaries was RM49,463,940, net of cumulative impairment loss of RM224,918,114 inclusive of an additional impairment loss recognised during the year of RM68,778,205.

We have identified the recoverability of amounts due from subsidiaries as a key audit matter due to judgement involved by management as to the likelihood of the recoverability of these amounts due from subsidiaries, which is based on a number of factors, including whether there will be sufficient cash flows in the future to repay the outstanding amounts.

In addressing the matters above, we have performed the following audit procedures to evaluate management's assessment about the recoverability of amounts due from subsidiaries:-

- Evaluating management's assessment on the sufficiency of future cash flows of respective subsidiaries in support of the amounts due from subsidiaries by comparing management's forecasts of future cash flows approved by the Directors to historical results and evaluating the assumptions used in those forecasts;
- Evaluated management's budgeting process by comparing actual results to historical cash flow projections;
- Reviewed management's impairment assessment including the growth rate, gross margin and discount rate against our knowledge of the Group's historical performance, business and cost management strategies based on facts and circumstances currently available; and
- Performed sensitivity analysis by changing certain key assumptions used in the forecast of future cash flows calculations and assessed the impact to the future cash flows.

# INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF XOX BHD.

## **Information Other than the Financial Statements and Auditors' Report Thereon**

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the Annual Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Annual Report and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Annual Report, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Directors for the Financial Statements**

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are also responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF XOX BHD.

## Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF XOX BHD.

## Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that in our opinion the subsidiaries of which we have not acted as auditors, are disclosed in Note 12 to the financial statements.

## Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

### MOORE STEPHENS ASSOCIATES PLT

201304000972 (LLP0000963-LCA)  
Chartered Accountants (AF002096)

Petaling Jaya, Selangor  
Date: 18 January 2024

### STEPHEN WAN YENG LEONG

02963/07/2025 J  
Chartered Accountant

# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

|   | Note | Group                |               | Company              |               |
|---|------|----------------------|---------------|----------------------|---------------|
|   |      | 2023<br>RM           | 2022<br>RM    | 2023<br>RM           | 2022<br>RM    |
| Revenue   | 4    | <b>273,654,779</b>   | 293,615,791   | -                    | -             |
| Cost of sales   | 5    | <b>(129,770,432)</b> | (140,453,750) | -                    | -             |
| <b>Gross profit</b>   |      | <b>143,884,347</b>   | 153,162,041   | -                    | -             |
| Other income  |      | <b>5,553,183</b>     | 20,263,323    | <b>31,628,717</b>    | 2,610,949     |
| Administrative expenses   |      | <b>(78,009,085)</b>  | (76,967,862)  | <b>(1,589,790)</b>   | (1,733,789)   |
| Selling and distribution expenses   |      | <b>(77,046,168)</b>  | (71,247,709)  | -                    | -             |
| Other expenses  |      | <b>(41,186,313)</b>  | (109,454,637) | <b>(107,706,293)</b> | (113,308,094) |
| <b>Loss from operations</b>   |      | <b>(46,804,036)</b>  | (84,244,844)  | <b>(77,667,366)</b>  | (112,430,934) |
| Finance costs   | 6    | <b>(4,564,409)</b>   | (1,443,363)   | -                    | -             |
| Share of results of associates, net of tax  | 13   | <b>(17,395,363)</b>  | (1,812,152)   | -                    | -             |
| Share of result of joint venture, net of tax                                      | 14   | <b>1,337,855</b>     | (1,726,886)   | -                    | -             |
| <b>Loss before tax</b>  | 6    | <b>(67,425,953)</b>  | (89,227,245)  | <b>(77,667,366)</b>  | (112,430,934) |
| Income tax expense  | 8    | <b>(1,806,015)</b>   | (2,852,523)   | <b>(2)</b>           | -             |
| <b>Loss for the year, net of tax</b>  |      | <b>(69,231,968)</b>  | (92,079,768)  | <b>(77,667,368)</b>  | (112,430,934) |
| <b>Other comprehensive income, net of tax</b>                                     |      |                      |               |                      |               |
| <b>Item that may be reclassified subsequently to profit or loss</b>               |      |                      |               |                      |               |
| Foreign currency translation  |      | <b>(4,228,418)</b>   | (16,364,791)  | -                    | -             |
| <b>Total comprehensive income for the financial year</b>                          |      | <b>(73,460,386)</b>  | (108,444,559) | <b>(77,667,368)</b>  | (112,430,934) |
| <b>Loss for the year, net of tax attributable to:</b>                             |      |                      |               |                      |               |
| Owners of the Company   |      | <b>(67,480,275)</b>  | (90,976,473)  | <b>(77,667,368)</b>  | (112,430,934) |
| Non-controlling interests   |      | <b>(1,751,693)</b>   | (1,103,295)   | -                    | -             |
|   |      | <b>(69,231,968)</b>  | (92,079,768)  | <b>(77,667,368)</b>  | (112,430,934) |
| <b>Total comprehensive income attributable to:</b>                                |      |                      |               |                      |               |
| Owners of the Company   |      | <b>(71,710,528)</b>  | (107,308,948) | <b>(77,667,368)</b>  | (112,430,934) |
| Non-controlling interests   |      | <b>(1,749,858)</b>   | (1,135,611)   | -                    | -             |
|   |      | <b>(73,460,386)</b>  | (108,444,559) | <b>(77,667,368)</b>  | (112,430,934) |
| <b>Basic loss per ordinary share attributable to Owners of the Company (sen):</b> | 9    | <b>(1.34)</b>        | (1.91)        |                      |               |

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

# STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

|                               | Note | Group              |                        | Company            |             |
|-------------------------------|------|--------------------|------------------------|--------------------|-------------|
|                               |      | 2023<br>RM         | Restated<br>2022<br>RM | 2023<br>RM         | 2022<br>RM  |
| <b>ASSETS</b>                 |      |                    |                        |                    |             |
| <b>Non-current Assets</b>     |      |                    |                        |                    |             |
| Property, plant and equipment | 10   | <b>48,498,253</b>  | 37,285,378             | -                  | -           |
| Intangible assets             | 11   | <b>78,666,349</b>  | 76,298,027             | -                  | -           |
| Investments in subsidiaries   | 12   | -                  | -                      | <b>107,307,146</b> | 109,792,570 |
| Investments in associates     | 13   | <b>95,129,067</b>  | 39,622,953             | <b>1,922,952</b>   | 801,230     |
| Investment in a joint venture | 14   | <b>3,637,193</b>   | 2,299,338              | -                  | -           |
| Other investments             | 15   | <b>19,002,678</b>  | 18,597,448             | -                  | -           |
| Goodwill on consolidation     | 16   | <b>8,894,253</b>   | 8,894,253              | -                  | -           |
| Lease receivables             | 17   | -                  | 55,128                 | -                  | -           |
| Other receivables             | 18   | <b>190,419</b>     | 206,470                | -                  | -           |
| Amount due from a subsidiary  | 22   | -                  | -                      | <b>30,174,272</b>  | 75,705,180  |
| Deferred tax assets           | 19   | <b>654,194</b>     | 304,912                | -                  | -           |
|                               |      | <b>254,672,406</b> | 183,563,907            | <b>139,404,370</b> | 186,298,980 |
| <b>Current Assets</b>         |      |                    |                        |                    |             |
| Inventories                   | 20   | <b>11,733,364</b>  | 10,463,672             | -                  | -           |
| Trade receivables             | 21   | <b>16,553,354</b>  | 11,875,117             | -                  | -           |
| Lease receivables             | 17   | <b>55,128</b>      | 176,237                | -                  | -           |
| Other receivables             | 18   | <b>43,550,456</b>  | 54,614,552             | <b>190,138</b>     | 5,128,086   |
| Amounts due from subsidiaries | 22   | -                  | -                      | <b>19,289,668</b>  | 9,699,572   |
| Tax recoverable               |      | <b>1,573,631</b>   | 1,533,281              | <b>16,778</b>      | 48,152      |
| Cash and cash equivalents     | 23   | <b>33,848,818</b>  | 83,301,202             | <b>8,682,020</b>   | 44,051,316  |
|                               |      | <b>107,314,751</b> | 161,964,061            | <b>28,178,604</b>  | 58,927,126  |
| <b>TOTAL ASSETS</b>           |      | <b>361,987,157</b> | 345,527,968            | <b>167,582,974</b> | 245,226,106 |

# STATEMENTS OF FINANCIAL POSITION (CONT'D)

AS AT 30 SEPTEMBER 2023

|   | Note  | Group                |                        | Company              |               |
|---|-------|----------------------|------------------------|----------------------|---------------|
|   |       | 2023<br>RM           | Restated<br>2022<br>RM | 2023<br>RM           | 2022<br>RM    |
| <b>EQUITY AND LIABILITIES</b>                             |       |                      |                        |                      |               |
| <b>Equity</b>   |       |                      |                        |                      |               |
| Ordinary shares   | 24    | <b>468,851,182</b>   | 468,848,306            | <b>468,851,182</b>   | 468,848,306   |
| Irredeemable convertible preference shares ("ICPS")       | 25    | <b>1,949,285</b>     | 1,949,285              | <b>1,949,285</b>     | 1,949,285     |
| Reserves  | 26    | <b>(308,868,833)</b> | (237,158,305)          | <b>(303,435,239)</b> | (225,767,871) |
| <b>Total equity attributable to Owners of the Company</b> |       | <b>161,931,634</b>   | 233,639,286            | <b>167,365,228</b>   | 245,029,720   |
| Non-controlling interests                                 | 12(d) | <b>(4,661,614)</b>   | (2,911,756)            | -                    | -             |
| <b>Total Equity</b>                                       |       | <b>157,270,020</b>   | 230,727,530            | <b>167,365,228</b>   | 245,029,720   |
| <b>Non-current Liabilities</b>                            |       |                      |                        |                      |               |
| Borrowing   | 27    | <b>91,594,741</b>    | -                      | -                    | -             |
| Lease liabilities   | 28    | <b>8,541,662</b>     | 7,264,527              | -                    | -             |
| Deferred tax liabilities                                  | 19    | <b>4,111,814</b>     | 2,053,286              | -                    | -             |
| Other payables  | 29    | <b>170,000</b>       | -                      | -                    | -             |
|   |       | <b>104,418,217</b>   | 9,317,813              | -                    | -             |
| <b>Current Liabilities</b>                                |       |                      |                        |                      |               |
| Trade payables  | 30    | <b>11,153,075</b>    | 22,763,740             | -                    | -             |
| Other payables  | 29    | <b>57,987,715</b>    | 53,373,364             | <b>217,746</b>       | 196,386       |
| Contract liabilities                                      | 31    | <b>26,212,870</b>    | 25,045,284             | -                    | -             |
| Lease liabilities   | 28    | <b>4,945,260</b>     | 4,299,645              | -                    | -             |
| Tax payable   |       | -                    | 592                    | -                    | -             |
|   |       | <b>100,298,920</b>   | 105,482,625            | <b>217,746</b>       | 196,386       |
| <b>Total Liabilities</b>                                  |       | <b>204,717,137</b>   | 114,800,438            | <b>217,746</b>       | 196,386       |
| <b>TOTAL EQUITY AND LIABILITIES</b>                       |       | <b>361,987,157</b>   | 345,527,968            | <b>167,582,974</b>   | 245,226,106   |

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

| Group  | Attributable to Owners of the Company |           |                  |              |                    |                     |                                |  |                       |              | Non-controlling Interests RM | Total Equity RM |
|--|---------------------------------------|-----------|------------------|--------------|--------------------|---------------------|--------------------------------|--|-----------------------|--------------|------------------------------|-----------------|
|  | Ordinary Shares RM                    | ICPS RM   | Other Reserve RM | Sub-total RM | Capital Reserve RM | Warrants Reserve RM | Foreign Translation Reserve RM | Share Issuance Scheme Options Reserve RM | Accumulated Losses RM | Total RM     |                              |                 |
|  |                                       |           |                  |              |                    |                     |                                |  |                       |              |                              |                 |
| <b>2022</b>  | 432,150,129                           | 1,949,285 | (2,526,978)      | 431,572,436  | 2,200,000          | 2,526,978           | (1,694,345)                    | 3,036,252                                | (131,926,764)         | 305,714,557  | (1,776,145)                  | 303,938,412     |
| <b>At 1 October 2021</b>                                 | -                                     | -         | -                | -            | -                  | -                   | -                              | -  | (90,976,473)          | (90,976,473) | (1,103,295)                  | (92,079,768)    |
| Loss for the financial year                              | -                                     | -         | -                | -            | -                  | -                   | -                              | -  | -                     | (16,332,475) | (32,316)                     | (16,364,791)    |
| <b>Other comprehensive income</b>                        | -                                     | -         | -                | -            | -                  | -                   | -                              | -  | (90,976,473)          | (90,976,473) | (1,135,611)                  | (108,444,559)   |
| Foreign currency translations                            | -                                     | -         | -                | -            | -                  | -                   | -                              | -  | -                     | (16,332,475) | (32,316)                     | (16,364,791)    |
| <b>Total comprehensive income for the financial year</b> | -                                     | -         | -                | -            | -                  | -                   | -                              | -  | (90,976,473)          | (90,976,473) | (1,135,611)                  | (108,444,559)   |
| <b>Transactions with Owners of the Company:</b>          |                                       |           |                  |              |                    |                     |                                |  |                       |              |                              |                 |
| Issuance of ordinary shares pursuant to:                 |                                       |           |                  |              |                    |                     |                                |  |                       |              |                              |                 |
| - Share options exercised                                | 36,698,177                            | -         | -                | 36,698,177   | -                  | -                   | -                              | (6,491,338)                              | -                     | 30,206,839   | -                            | 30,206,839      |
| Share options granted                                    | -                                     | -         | -                | -            | -                  | -                   | -                              | 5,026,838                                | -                     | 5,026,838    | -                            | 5,026,838       |
| Share options expired                                    | -                                     | -         | -                | -            | -                  | -                   | -                              | (1,571,752)                              | 1,571,752             | -            | -                            | -               |
| <b>Total transactions with Owners of the Company</b>     | 36,698,177                            | -         | -                | 36,698,177   | -                  | -                   | -                              | (3,036,252)                              | 1,571,752             | 35,233,677   | -                            | 35,233,677      |
| <b>At 30 September 2022</b>                              | 468,848,306                           | 1,949,285 | (2,526,978)      | 468,270,613  | 2,200,000          | 2,526,978           | (18,026,820)                   | -  | (221,331,485)         | 233,639,286  | (2,911,756)                  | 230,727,530     |

# STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

|  | Attributable to Owners of the Company |           |                  |              |                    |                     |                                |                       |              |             | Non-controlling Interests RM | Total Equity RM |  |
|--|---------------------------------------|-----------|------------------|--------------|--------------------|---------------------|--------------------------------|-----------------------|--------------|-------------|------------------------------|-----------------|--|
|  | Non-Distributable                     |           |                  |              |                    | Distributable       |                                |                       |              |             |                              |                 |  |
|  | Ordinary Shares RM                    | ICPS RM   | Other Reserve RM | Sub-total RM | Capital Reserve RM | Warrants Reserve RM | Foreign Translation Reserve RM | Accumulated Losses RM | Total RM     |             |                              |                 |  |
| <b>Group 2023</b>  |                                       |           |                  |              |                    |                     |                                |                       |              |             |                              |                 |  |
| <b>At 1 October 2022</b>                                 | 468,848,306                           | 1,949,285 | (2,526,978)      | 468,270,613  | 2,200,000          | 2,526,978           | (18,026,820)                   | (221,331,485)         | 233,659,286  | (2,911,756) | 230,727,530                  |                 |  |
| Loss for the financial year                              | -                                     | -         | -                | -            | -                  | -                   | -                              | (67,480,275)          | (67,480,275) | (1,751,693) | (69,231,968)                 |                 |  |
| <b>Other comprehensive income</b>                        |                                       |           |                  |              |                    |                     |                                |                       |              |             |                              |                 |  |
| Foreign currency translations                            | -                                     | -         | -                | -            | -                  | -                   | (4,230,253)                    | -                     | (4,230,253)  | 1,835       | (4,228,418)                  |                 |  |
| <b>Total comprehensive income for the financial year</b> | -                                     | -         | -                | -            | -                  | -                   | (4,230,253)                    | (67,480,275)          | (71,710,528) | (1,749,858) | (73,460,386)                 |                 |  |
| <b>Transactions with Owners of the Company:</b>          |                                       |           |                  |              |                    |                     |                                |                       |              |             |                              |                 |  |
| Issuance of ordinary shares pursuant to:                 | 2,876                                 | -         | 522              | 3,398        | -                  | (522)               | -                              | -                     | 2,876        | -           | 2,876                        |                 |  |
| - Exercise of warrants B                                 | -                                     | -         | 2,526,456        | 2,526,456    | -                  | (2,526,456)         | -                              | -                     | -            | -           | -                            |                 |  |
| Warrants B expired                                       | -                                     | -         | -                | -            | -                  | -                   | -                              | -                     | -            | -           | -                            |                 |  |
| <b>Total transactions with Owners of the Company</b>     | 2,876                                 | -         | 2,526,978        | 2,529,854    | -                  | (2,526,978)         | -                              | -                     | 2,876        | -           | 2,876                        |                 |  |
| <b>At 30 September 2023</b>                              | 468,851,182                           | 1,949,285 | -                | 470,800,467  | 2,200,000          | -                   | (22,257,073)                   | (288,811,760)         | 161,931,634  | (4,661,614) | 157,270,020                  |                 |  |

# STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

|   | Attributable to Owners of the Company |           |                  |              |                    |                     |  |                       |  |  | Total Equity RM |  |
|---|---------------------------------------|-----------|------------------|--------------|--------------------|---------------------|--|-----------------------|--|--|-----------------|--|
|   | Non-Distributable                     |           |                  |              |                    |                     |  |                       |  |  |                 |  |
|   | Ordinary Shares RM                    | ICPS RM   | Other Reserve RM | Sub-total RM | Capital Reserve RM | Warrants Reserve RM | Share Issuance Scheme Options Reserve RM | Accumulated Losses RM |  |  |                 |  |
| <b>Company 2022</b>   |                                       |           |                  |              |                    |                     |  |                       |  |  |                 |  |
| <b>At 1 October 2021</b>  | 432,150,129                           | 1,949,285 | (2,526,978)      | 431,572,436  | 2,200,000          | 2,526,978           | 3,036,252                                | (115,536,937)         |  |  | 323,798,729     |  |
| Loss net of tax, representing total comprehensive income for the financial year | -                                     | -         | -                | -            | -                  | -                   | -  | (112,430,934)         |  |  | (112,430,934)   |  |
| <b>Transactions with Owners of the Company:</b>                                 |                                       |           |                  |              |                    |                     |  |                       |  |  |                 |  |
| Issuance of ordinary shares pursuant to:  |                                       |           |                  |              |                    |                     |  |                       |  |  |                 |  |
| - Share options exercised   | 36,698,177                            | -         | -                | 36,698,177   | -                  | -                   | (6,491,338)                              | -                     |  |  | 30,206,839      |  |
| Share options granted   | -                                     | -         | -                | -            | -                  | -                   | 5,026,838                                | -                     |  |  | 5,026,838       |  |
| Share option expired  | -                                     | -         | -                | -            | -                  | -                   | (1,571,752)                              | -                     |  |  | (1,571,752)     |  |
| <b>Total transactions with Owners of the Company</b>                            | 36,698,177                            | -         | -                | 36,698,177   | -                  | -                   | (3,036,252)                              | -                     |  |  | 33,661,925      |  |
| <b>At 30 September 2022</b>   | 468,848,306                           | 1,949,285 | (2,526,978)      | 468,270,613  | 2,200,000          | 2,526,978           | -  | (227,967,871)         |  |  | 245,029,720     |  |

# STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

|   | Attributable to Owners of the Company |                  |                        |                    |                          |                           |                             | Total Equity<br>RM |
|---|---------------------------------------|------------------|------------------------|--------------------|--------------------------|---------------------------|-----------------------------|--------------------|
|   | Non-Distributable                     |                  |                        |                    |                          |                           | Accumulated<br>Losses<br>RM |                    |
|   | Ordinary<br>Shares<br>RM              | ICPS<br>RM       | Other<br>Reserve<br>RM | Sub-total<br>RM    | Capital<br>Reserve<br>RM | Warrants<br>Reserve<br>RM |                             |                    |
| <b>Company<br/>2023</b>   |                                       |                  |                        |                    |                          |                           |                             |                    |
| <b>At 1 October 2022</b>  | 468,848,306                           | 1,949,285        | (2,526,978)            | 468,270,613        | 2,200,000                | 2,526,978                 | (227,967,871)               | 245,029,720        |
| Loss net of tax, representing total comprehensive income for the financial year | -                                     | -                | -                      | -                  | -                        | -                         | (77,667,368)                | (77,667,368)       |
| <b>Transactions with Owners of the Company:</b>                                 |                                       |                  |                        |                    |                          |                           |                             |                    |
| Issuance of ordinary shares pursuant to:  |                                       |                  |                        |                    |                          |                           |                             |                    |
| - Exercise of warrants B  | 2,876                                 | -                | 522                    | 3,398              | -                        | (522)                     | -                           | 2,876              |
| Warrants B expired  | -                                     | -                | 2,526,456              | 2,526,456          | -                        | (2,526,456)               | -                           | -                  |
| <b>Total transactions with Owners of the Company</b>                            | <b>2,876</b>                          | <b>-</b>         | <b>2,526,978</b>       | <b>2,529,854</b>   | <b>-</b>                 | <b>(2,526,978)</b>        | <b>-</b>                    | <b>2,876</b>       |
| <b>At 30 September 2023</b>   | <b>468,851,182</b>                    | <b>1,949,285</b> | <b>-</b>               | <b>470,800,467</b> | <b>2,200,000</b>         | <b>-</b>                  | <b>(505,635,239)</b>        | <b>167,365,228</b> |

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

|   | Note | Group               |                        | Company             |               |
|---|------|---------------------|------------------------|---------------------|---------------|
|   |      | 2023<br>RM          | Restated<br>2022<br>RM | 2023<br>RM          | 2022<br>RM    |
| <b>Cash Flows from Operating Activities</b>       |      |                     |                        |                     |               |
| Loss before tax                                   |      | <b>(67,425,953)</b> | (89,227,245)           | <b>(77,667,366)</b> | (112,430,934) |
| Adjustments for:-                                 |      |                     |                        |                     |               |
| Amortisation of intangible assets                 |      | <b>10,205,958</b>   | 9,664,254              | -                   | -             |
| COVID-19 related rent concession                  |      | <b>(17,638)</b>     | (149,044)              | -                   | -             |
| Depreciation of property, plant and equipment     |      | <b>8,691,179</b>    | 7,379,564              | -                   | -             |
| Fair value adjustment on other investments        |      | <b>(431,110)</b>    | 36,982,054             | -                   | -             |
| Gain on disposal of property, plant and equipment |      | <b>(19,999)</b>     | (200,000)              | -                   | -             |
| Gain on modification of lease contract:           |      |                     |                        |                     |               |
| - modification of right-of-use asset              |      | <b>120,872</b>      | 794,708                | -                   | -             |
| - modification of lease liability                 |      | <b>(152,981)</b>    | (985,510)              | -                   | -             |
| Gain on termination of lease contract:            |      |                     |                        |                     |               |
| - derecognition of right-of-use asset             |      | <b>370,232</b>      | -                      | -                   | -             |
| - derecognition of lease liability                |      | <b>(474,886)</b>    | -                      | -                   | -             |
| Impairment loss on:                               |      |                     |                        |                     |               |
| - intangible assets                               |      | -                   | 616,140                | -                   | -             |
| - other receivables                               |      | <b>2,635,210</b>    | -                      | -                   | -             |
| - trade receivables                               |      | <b>2,566,752</b>    | 4,535,539              | -                   | -             |
| - amounts due from subsidiaries                   |      | -                   | -                      | <b>68,778,205</b>   | 112,186,372   |
| - investments in subsidiaries                     |      | -                   | -                      | <b>38,928,088</b>   | -             |
| - investments in associates                       |      | <b>34,440,670</b>   | 67,126,190             | -                   | 1,121,722     |
| Interest expense                                  |      | <b>4,564,409</b>    | 1,443,363              | -                   | -             |
| Interest income                                   |      | <b>(1,257,439)</b>  | (1,820,808)            | <b>(504,526)</b>    | (952,809)     |
| Inventories written down                          |      | <b>1,960</b>        | -                      | -                   | -             |
| Loss on disposal on other investment              |      | <b>700,498</b>      | -                      | -                   | -             |
| Lease interest income                             |      | <b>(19,075)</b>     | (40,669)               | -                   | -             |
| Reversal of impairment loss on:                   |      |                     |                        |                     |               |
| - amounts due from subsidiaries                   |      | -                   | -                      | <b>(29,956,283)</b> | -             |
| - investments in subsidiaries                     |      | -                   | -                      | -                   | (1,537,754)   |
| - investments in associates                       |      | -                   | -                      | <b>(1,121,722)</b>  | -             |
| - trade receivables                               |      | <b>(6,070)</b>      | (184,260)              | -                   | -             |
| Share-based payment expenses                      |      | -                   | 5,026,838              | -                   | -             |
| Share of results of associates, net of tax        |      | <b>17,395,363</b>   | 1,812,152              | -                   | -             |
| Share of results of a joint venture, net of tax   |      | <b>(1,337,855)</b>  | 1,726,886              | -                   | -             |
| Unrealised loss/(gain) on foreign exchange        |      | <b>1,721,108</b>    | (17,342,259)           | <b>(46,186)</b>     | (120,386)     |
| Balance carried forward                           |      | <b>12,271,205</b>   | 27,157,893             | <b>(1,589,790)</b>  | (1,733,789)   |

## STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

|  | Note | Group               |                        | Company            |             |
|--|------|---------------------|------------------------|--------------------|-------------|
|  |      | 2023<br>RM          | Restated<br>2022<br>RM | 2023<br>RM         | 2022<br>RM  |
| Balance brought forward                                |      | <b>12,271,205</b>   | 27,157,893             | <b>(1,589,790)</b> | (1,733,789) |
| Adjustments for:- (cont'd)                             |      |                     |                        |                    |             |
| Waiver of debt   |      | <b>(678,999)</b>    | -                      | -                  | -           |
| Written off of:  |      |                     |                        |                    |             |
| - intangible assets                                    |      | <b>294,877</b>      | 105,765                | -                  | -           |
| - inventories  |      | <b>357,044</b>      | 18,827                 | -                  | -           |
| - property, plant and equipment                        |      | <b>189,232</b>      | 7,785                  | -                  | -           |
| - trade receivables                                    |      | <b>70</b>           | 183                    | -                  | -           |
| - other receivables                                    |      | -                   | 62,154                 | -                  | -           |
| Operating profit/(loss) before working capital changes |      | <b>12,433,429</b>   | 27,352,607             | <b>(1,589,790)</b> | (1,733,789) |
| <b>Changes in working capital:</b>                     |      |                     |                        |                    |             |
| Inventories  |      | <b>(1,628,696)</b>  | (1,648,039)            | -                  | -           |
| Trade receivables                                      |      | <b>(7,238,989)</b>  | (3,196,860)            | -                  | -           |
| Lease receivable                                       |      | <b>176,237</b>      | 154,643                | -                  | -           |
| Other receivables                                      |      | <b>8,453,046</b>    | (6,163,864)            | <b>4,937,948</b>   | (5,056,995) |
| Trade payables   |      | <b>(11,610,665)</b> | (1,607,125)            | -                  | -           |
| Other payables   |      | <b>(1,442,492)</b>  | (8,008,477)            | <b>21,360</b>      | 46,818      |
| Contract liabilities                                   |      | <b>1,167,586</b>    | 588,210                | -                  | -           |
|  |      | <b>(12,123,973)</b> | (19,881,512)           | <b>4,959,308</b>   | (5,010,177) |
| <b>Cash generated from/(used in) operations</b>        |      | <b>309,456</b>      | 7,471,095              | <b>3,369,518</b>   | (6,743,966) |
| Interest received                                      |      | <b>1,268,565</b>    | 1,852,933              | <b>504,526</b>     | 952,809     |
| Tax paid   |      | <b>(1,240,477)</b>  | (941,831)              | <b>(8,134)</b>     | (9,578)     |
| Tax refund   |      | <b>1,102,766</b>    | 150,000                | <b>39,506</b>      | -           |
| <b>Net cash from/(used in) operating activities</b>    |      | <b>1,440,310</b>    | 8,532,197              | <b>3,905,416</b>   | (5,800,735) |

# STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

|  | Note      | Group               |                  | Company             |              |
|--|-----------|---------------------|------------------|---------------------|--------------|
|  |           | 2023 RM             | Restated 2022 RM | 2023 RM             | 2022 RM      |
| Balance brought forward  |           | <b>1,440,310</b>    | 8,532,197        | <b>3,905,416</b>    | (5,800,735)  |
| <b>Cash Flows from Investing Activities</b>                          |           |                     |                  |                     |              |
| Acquisition of other investments                                     | 15        | <b>(1,449,532)</b>  | (19,008,752)     | -                   | -            |
| Acquisition of subsidiary, net of cash and cash equivalents acquired | 12(a)     | <b>(18,775,187)</b> | (8,794,286)      | -                   | -            |
| Advances to subsidiaries   |           | -                   | -                | <b>(2,881,110)</b>  | (46,097,165) |
| Incorporation of subsidiaries  | 12(a)     | -                   | -                | -                   | (2)          |
| Investments in associates  | 13        | -                   | (56,649,857)     | -                   | -            |
| Investments in subsidiaries  | 12(a)     | -                   | -                | <b>(36,442,664)</b> | -            |
| Proceeds from disposal of other investment                           |           | <b>720,000</b>      | -                | -                   | -            |
| Purchase of property, plant and equipment                            | 10(a)     | <b>(11,809,272)</b> | (17,983,961)     | -                   | -            |
| Purchase of intangible assets  | 11        | <b>(13,783,557)</b> | (13,533,952)     | -                   | -            |
| Proceeds from disposal of property, plant and equipment              |           | <b>20,000</b>       | 200,000          | -                   | -            |
| <b>Net cash used in investing activities</b>                         |           | <b>(45,077,548)</b> | (115,770,808)    | <b>(39,323,774)</b> | (46,097,167) |
| <b>Cash Flows from Financing Activities</b>                          |           |                     |                  |                     |              |
| Drawdown of borrowing  | (iii)     | <b>1,308,840</b>    | -                | -                   | -            |
| Increase in fixed deposit pledged                                    |           | -                   | (7,491)          | -                   | -            |
| Interest paid in relation to lease liabilities                       | (ii)      | <b>(1,768,509)</b>  | (1,443,363)      | -                   | -            |
| Payment for the principal portion of lease liabilities               | (ii)(iii) | <b>(5,686,864)</b>  | (4,937,505)      | -                   | -            |
| Proceeds from issuance of ordinary shares                            |           | <b>2,876</b>        | 30,206,839       | <b>2,876</b>        | 30,206,839   |
| Repayment to a subsidiary  | (iii)     | -                   | -                | -                   | (2,865,515)  |
| <b>Net cash (used in)/from financing activities</b>                  |           | <b>(6,143,657)</b>  | 23,818,480       | <b>2,876</b>        | 27,341,324   |
| <b>Net decrease in cash and cash equivalents</b>                     |           | <b>(49,780,895)</b> | (83,420,131)     | <b>(35,415,482)</b> | (24,556,578) |
| Cash and cash equivalents at the beginning of the financial year     |           | <b>82,888,803</b>   | 163,361,679      | <b>44,051,316</b>   | 68,487,508   |
| Effect of exchange rate changes on cash and cash equivalents held    |           | <b>328,511</b>      | 2,947,255        | <b>46,186</b>       | 120,386      |
| <b>Cash and cash equivalents at the end of the financial year</b>    | (i)       | <b>33,436,419</b>   | 82,888,803       | <b>8,682,020</b>    | 44,051,316   |

# STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

**Note:**

(i) Cash and cash equivalents comprise of the following:-

|  | Group             |            | Company          |            |
|--|-------------------|------------|------------------|------------|
|  | 2023<br>RM        | 2022<br>RM | 2023<br>RM       | 2022<br>RM |
| Fixed deposits with a licensed bank              | <b>412,399</b>    | 412,399    | -                | -          |
| Short-term fund                                  | <b>8,153,304</b>  | 43,212,347 | <b>8,153,304</b> | 43,212,347 |
| Cash and bank balances                           | <b>25,283,115</b> | 39,676,456 | <b>528,716</b>   | 838,969    |
| <b>Total cash and cash equivalents (Note 23)</b> | <b>33,848,818</b> | 83,301,202 | <b>8,682,020</b> | 44,051,316 |
| Less: Fixed deposit pledged (Note 23(ii))        | <b>(412,399)</b>  | (412,399)  | -                | -          |
|  | <b>33,436,419</b> | 82,888,803 | <b>8,682,020</b> | 44,051,316 |

(ii) Cash outflows for leases as a lessee

|  | Group              |             |
|--|--------------------|-------------|
|  | 2023<br>RM         | 2022<br>RM  |
| <b>Included in net cash from operating activities:</b> |                    |             |
| Payment related to short term lease of premises        | <b>(2,483,891)</b> | (1,951,820) |
| Covid-19 related rent concession                       | <b>17,638</b>      | 149,044     |
| <b>Included in net cash from financing activities:</b> |                    |             |
| Interest paid in relation to lease liabilities         | <b>(1,768,509)</b> | (1,443,363) |
| Payment for the principal portion of lease liabilities | <b>(5,686,864)</b> | (4,937,505) |
|  | <b>(9,921,626)</b> | (8,183,644) |

# STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

**Note: (cont'd)**

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities:

|  | ←----- Group -----> |                            | Company<br>Amount due<br>to a subsidiary<br>RM |
|--|---------------------|----------------------------|--|
|  | Borrowing<br>RM     | Lease<br>liabilities<br>RM |  |
| <b>2023</b>  |                     |                            |  |
| <b>At beginning of the financial year</b>                                      | -                   | <b>11,564,172</b>          | -  |
| Drawdown of borrowing  | <b>1,308,840</b>    | -                          | -  |
| Repayment to   | -                   | <b>(5,686,864)</b>         | -  |
| Net changes in cash flows from financing activities                            | <b>1,308,840</b>    | <b>(5,686,864)</b>         | -  |
| Addition of new leases (Note 10(a))  | -                   | <b>8,255,119</b>           | -  |
| Acquisition of Theron (Note 12(a)(ii))   | <b>85,226,582</b>   | -                          | -  |
| Accretion of transaction costs   | <b>(955,611)</b>    | -                          | -  |
| COVID-19 related rent concession   | -                   | <b>(17,638)</b>            | -  |
| Modification of lease liability  | -                   | <b>(152,981)</b>           | -  |
| Termination of lease liability   | -                   | <b>(474,886)</b>           | -  |
| Unrealised loss on foreign exchange  | <b>6,014,930</b>    | -                          | -  |
| <b>At end of the financial year</b>  | <b>91,594,741</b>   | <b>13,486,922</b>          | -  |
| <b>2022</b>  |                     |                            |  |
| <b>At beginning of the financial year</b>                                      | -                   | 13,439,001                 | 2,865,515                                      |
| Repayment to, representing net changes in cash flows from financing activities | -                   | (4,937,505)                | (2,865,515)                                    |
| Addition of new leases (Note 10(a))  | -                   | 4,197,230                  | -  |
| COVID-19 related rent concession   | -                   | (149,044)                  | -  |
| Derecognition of lease liability   | -                   | (985,510)                  | -  |
| <b>At end of the financial year</b>  | -                   | 11,564,172                 | -  |

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2023

## 1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and was listed on the Ace Market of the Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 22-09 Menara 1MK, No.1, Jalan Kiara, 50480 Kuala Lumpur.

The principal place of business of the Company is located at Lot 8.1, 8th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.

The Company is principally engaged in the business of investment holding. The principal activities of its subsidiaries are set out in Note 12. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

The financial statements were authorised for issue in accordance with Board of Directors' resolution dated 18 January 2024.

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The Group and the Company have also considered the new accounting pronouncements in the preparation of the financial statements.

### (i) Accounting pronouncements that are effective and adopted during the financial year

The Group and the Company have adopted the following new accounting pronouncements that are mandatory for the current financial year:

|   |  |
|---|--|
| 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 MFRS Standards 2018 – 2020 |  |

The adoption of the above pronouncements did not have any significant effect on the financial statements of the Group and of the Company.

### (ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted

The Group and the Company have not adopted the following accounting pronouncements that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company.

#### **Effective for financial periods beginning on or after 1 January 2023**

|  |  |
|--|--|
| MFRS 17  | Insurance Contracts  |
| Amendments to MFRS 17                                | Initial Application of MFRS 17 and MFRS 9 – Comparative Information              |
| Amendments to MFRS 101 and MFRS Practice Statement 2 | Disclosure of Accounting Policies  |
| Amendments to MFRS 108                               | Definition of Accounting Estimates   |
| Amendments to MFRS 112                               | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| Amendments to MFRS 112                               | International Tax Reform – Pillar Two Model Rules                                |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 2. BASIS OF PREPARATION (CONT'D)

### (a) Statement of compliance (cont'd)

#### (ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted (cont'd)

##### **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                           |

##### **Effective for financial periods beginning on or after 1 January 2025**

|                        |                         |
|------------------------|-------------------------|
| Amendments to MFRS 121 | Lack of Exchangeability |
|------------------------|-------------------------|

##### **Effective date to be announced**

|                                    |   |
|------------------------------------|---|
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |
|------------------------------------|---|

The Group and the Company will adopt the above accounting pronouncements when they become effective in the respective financial periods. These accounting pronouncements are not expected to have any effect to the financial statements of the Group and of the Company upon their initial application.

### (b) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost convention except for those as disclosed in the accounting policy notes.

### (c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency.

### (d) Significant accounting estimates and judgements

The summary of accounting policies as described in Note 3 are essential to understand the Group's and the Company's results of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Directors exercise their judgement in the process of applying the Group's and the Company's accounting policies.

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 2. BASIS OF PREPARATION (CONT'D)

### (d) Significant accounting estimates and judgements (cont'd)

#### (i) Impairment of financial assets

The Group and the Company assess on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses and adjusts for qualitative and quantitative reasonable and supportable forward-looking information (if any). If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 21.

For other receivables, the Group and the Company apply the approach permitted by MFRS 9, which requires the Group and the Company to measure the allowance for impairment loss for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

For amounts due from joint venture and subsidiaries, the Group and the Company determine the recoverability of its amounts due from joint venture and subsidiaries based on the future discounted cash flows of the joint venture and respective subsidiaries, for which significant judgment is required in the estimation of the present value of future cash flows generated by the joint venture's and respective subsidiaries' operations. This involves uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The net carrying amount of joint venture and amounts due from subsidiaries as at the reporting date is disclosed in Notes 18 and 22 respectively.

#### (ii) Impairment of property, plant and equipment, intangible assets, investments in subsidiaries and investment in a joint venture

The Group and the Company determine whether an item of its property, plant and equipment, intangible assets, investments in subsidiaries and joint venture is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. Discounted cash flows is used to determine the recoverable amount of which significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of property, plant and equipment, intangible assets, investments in subsidiaries and joint venture as at the reporting date are disclosed in Notes 10, 11, 12 and 14.

#### (iii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis and at other times when such indication exists. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill. The carrying amount of goodwill as at reporting date are disclosed in Note 16.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

### (a) Basis of consolidation

#### Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant power activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Company, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to Owners of the Company.

When control ceases, the disposal proceeds and the fair value of any retained investment are compared to the Group's share of the net assets disposed. The difference together with the carrying amount of allocated goodwill and the exchange reserve that relate to the subsidiary is recognised as gain or loss on disposal.

#### Business combination

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction cost incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 9 either in profit or loss or a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (a) Basis of consolidation (cont'd)

#### Business combination (cont'd)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

#### Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

#### Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable directly or indirectly, to Owners of the Company, and is presented separately in the Group's statements of comprehensive income and within equity in the Group's statements of financial position, separately from equity attributable to Owners of the Company. Non-controlling interest is initially measured at acquisition-date share of net assets other than goodwill as of the acquisition after and is subsequently adjusted for the changes in the net assets of the subsidiary after the acquisition date.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to Owners of the Company.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

#### Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions between subsidiaries in the Group, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### Associates

Associates are entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the associate's operations or has made payments on behalf of the associate.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (a) Basis of consolidation (cont'd)

#### Associates (cont'd)

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in the profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses. The cost of investment includes transaction costs. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

#### Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement.

The Group's interest in joint venture is accounted for in the consolidated financial statements using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the joint venture in profit or loss, and the Group's share of movements in other comprehensive income of the joint venture in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. An impairment is recognised for the amount by which the carrying amount of the joint venture exceeds its recoverable amount and recognises the amount in profit or loss.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its joint venture because of a loss of joint control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (b) Foreign currencies

#### Foreign currency translations and balances

Transactions in foreign currencies are converted into the functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into the functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rates as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

#### Foreign operations

Financial statements of foreign operations are translated at end of each reporting period exchange rates with respect to their assets and liabilities, and at exchange rates at the dates of the transactions with respect to the statements of comprehensive income. All resulting translation differences are recognised as a separate component of equity.

In the consolidated financial statements, exchange differences arising from the translation of net investment in foreign operations are taken to equity. When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on disposal.

Exchange differences arising on a monetary item that forms part of the net investment of the Company in a foreign operation shall be recognised in profit or loss in the separate financial statements of the Company or the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences shall be recognised initially as a separate component of equity and recognised in profit or loss upon disposal of the net investment.

### (c) Revenue and other income recognition

#### (i) Revenue from contracts with customers

The Group is in the business of providing telecommunication services, mobile application related services, e-commerce, digital advertising and establishing, managing and controlling a football club.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (c) Revenue and other income recognition (cont'd)

#### (i) Revenue from contracts with customers (cont'd)

The Group has identified its Performance Obligation ("PO") toward its customers as follows:

##### (a) Telecommunication services

Telecommunication services revenue from postpaid and prepaid services provided by the Group are recognised over time, as the benefits of telecommunication services are simultaneously received and consumed by the customer. Included in telecommunication services also refer to Short Message Service ("SMS") blasting services rendered to customers which are recognised at point in time.

Revenue from prepaid services (i.e. preloaded talk time, prepaid top-up vouchers, etc.) are satisfied when services are rendered. Consideration from the sale of prepaid sim cards, reload vouchers and e-recharge to customers (subscribers) where services have not been rendered at the reporting date is deferred as contract liability until actual usage or when the cards, vouchers or reloaded amounts are expired or forfeited. Payment from distribution channel is generally due to from 7 to 30 days when e-recharge and prepaid top-up voucher is transferred.

Postpaid services are provided in postpaid packages which consists of various services (i.e. call minutes, internet data, SMS, etc.). These postpaid packages have been assessed to meet the definition of a series of distinct services that are substantially the same and have the same pattern of transfer and as such the Group treats these packages as a single performance obligation. Payment is generally due 30 days from the date when PO is satisfied.

Postpaid packages are either sold separately or bundled together with the sale of a mobile device to a customer. Mobile devices can also be obtained separately from other mobile device retailers and can be used together with the postpaid packages provided by the Group. Postpaid packages and mobile devices are capable of being distinct and separately identifiable, therefore, there are two performance obligations within a bundled transaction. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the postpaid packages and device. Stand-alone selling price are based on observable sales prices; however, where stand-alone selling prices are not directly observable, estimates will be made maximising the use of observable inputs.

Revenue from SMS blasting services are recognised based on monthly actual usage of the customers at point in time. Payment is generally due 30 days from the date when PO is satisfied.

##### (b) Mobile application services

Revenue from mobile application services refers to prepaid services (i.e. preloaded air time) via Voopee mobile application provided by the Group. Sales of mobile application services is satisfied upon services are rendered. Revenue from mobile application services is recognised over time, as the benefits of mobile application services are simultaneously received and consumed by the customer.

##### (c) E-commerce

E-commerce sales refers to sales of phone device and non-telecommunication products to distribution channels or subscribers through digital communications platform. E-commerce sales is satisfied upon delivery of goods where the control of the goods has been transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods, net of indirect taxes and discounts.

For distribution channels, payment is generally due ranging from 30 days to 60 days from the date when PO is satisfied, whereas payment from subscribers is made before the goods are delivered. Revenue is recognised at point in time when customers have acknowledged the receipt of good sold.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (c) Revenue and other income recognition (cont'd)

#### (i) Revenue from contracts with customers (cont'd)

##### (d) *Digital advertising*

Revenue from digital advertising services generally refers to publish the advertisement content provided by the advertiser through digital communications platform. Sales of digital advertising services is satisfied and recognised over the period in which fulfilment in accordance with the contract with customer is met.

Revenue is generated in barter transactions in exchange of the goods provided by the advertisers and is due within 7 days from the date of execution of Agreement. Such revenues are measured at the estimated fair market value of the goods received. The fair market value of the goods received is recorded as an asset when they qualify for asset recognition or are otherwise expensed to profit or loss.

##### (e) *Sales of tickets*

Sales of tickets is satisfied upon completion of each football match at an amount that reflects the consideration to which the Group expects to be entitled, net of indirect taxes and discounts. For physical sales of tickets, all the payments are based on cash on delivery. For online sales of tickets, payment is generally due 30 days from the date when PO is satisfied.

Included in sales of tickets is sales of season pass. Season pass revenue is recognised over the period in which the services are rendered.

##### (f) *Incentives and sponsorships*

The incentives and sponsorships are on annual service contract basis or a one-time off contract basis. Revenue from incentives and sponsorships is recognised progressively over time based on the proportion of contract sum. Payment is generally due from the payment term agreed by both parties.

##### (g) *Royalty fee*

Royalty fee generally refers to the rights and licenses granted to access Perak Football Club's trademark for the purpose of promotion, marketing, merchandising and other business use. Royalty fee is recognised when the rights are made available to the customers over the period of licensing term. Payment is generally due 30 days from the date when PO is satisfied.

#### Cost to obtain a contract

The Group pays sales commissions to external distribution channels as an incentive for each new registration, top-up of reload vouchers or e-recharge by the customers to the Group's telecommunication services or bulk purchase of e-commerce of products. Sales commissions have been determined to be an incremental cost of obtaining a contract and are capitalised as contract costs when the Group expects these costs to be recovered over a period of more than one year.

Contract costs are amortised over the expected customer life cycle by reference to the basis consistent with the subsequent income recognition of the related deferred revenue. For contract costs with an amortisation period of less than one year, the Group has elected to apply the practical expedient to recognise as an expense when incurred. Amortisation of contract costs are included as part of selling and distribution expenses in the profit or loss, based on the nature of commission costs, and not under amortisation expenses.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (c) Revenue and other income recognition (cont'd)

#### (i) Revenue from contracts with customers (cont'd)

##### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

For prepaid, postpaid, mobile application services, e-commerce, digital advertising, sales of tickets and sponsorships, a contract liability is recognised when consideration is received from the customer, but services are yet to be performed.

#### (ii) Interest income

Interest income is recognised on a time proportion basis that reflects the effective yield on asset.

#### (iii) Registration fee

Registration fee is recognised in profit or loss on the date the Group has rendered its services to its dealers. Registration fee from dealers is recognised as other income.

### (d) Employee benefits

#### (i) Short term employee benefits

Wages, salaries (including professional football players), social security contributions and bonuses are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave is recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

#### (ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

#### (iii) Equity-settled share-based payment transaction

The Group operates an equity-settled, share-based compensation plan for the Directors and employees of the Group for equity instruments of the Company (known as "share options"). Employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

In the Company's separate financial statements, the grant of the share options to the subsidiaries' Directors and employees is not recognised as an expense. Instead, the fair value of the share options measured at the grant date is accounted for as an increase to the investment in subsidiary undertaking with a corresponding credit to the employee share option reserve.

When the options are exercised, the Company issues new ordinary shares. The proceeds received net of any directly attributable transaction costs are credited to ordinary shares when the options are exercised. The share options reserves are transferred to ordinary shares when the options are exercised. When options are not exercised and lapsed, the share options reserve is transferred to retained earnings.

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## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (e) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Interest incurred on borrowings costs that are directly attributable to the acquisition, construction or production of a qualifying asset related to property development activities or construction of assets are capitalised as part of the cost of the asset during the period of time required to complete and prepare the asset for its intended use. Capitalisation of borrowing costs ceases when the assets are ready for their intended use or sale whereby the assets are no longer qualifying asset.

#### (f) Income taxes

##### Current tax

Tax expense represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial year, using tax rates enacted or substantively enacted by the reporting date, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

##### Deferred tax

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in relation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (g) Leases

#### As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are presented within property, plant and equipment and lease liabilities are presented as a separate line in the statements of financial position.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The Group applies MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3(n)(ii).

The lease liability is initially measured at the present value of the future lease payments at the commencement date, discounted using the Group's incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less. Low value assets are those assets valued at less than RM20,000 each when purchased new.

#### As a lessor

When the Group is an intermediate lessor, it assesses the lease classification of a sublease as a finance or an operating lease with reference to the right-of-use assets arising from the head lease, not with reference to the underlying asset.

#### Finance leases

The Group classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. The Group derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee. Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return.

### (h) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, which comprise free warrants B and C and ICPS granted to shareholders and share options granted to employees.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (i) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

#### (i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

#### (ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

#### (iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in the profit or loss on straight line basis over its estimated useful lives of each component of an item of property, plant and equipment.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

|   |              |
|---|--------------|
| Freehold land and building              | 50 years     |
| Autonomous retail outlet                | 5 years      |
| Telecommunication network and equipment | 10 years     |
| Office equipment                        | 5 years      |
| Furniture and fittings                  | 10 years     |
| Renovation                              | 10 years     |
| Motor vehicles                          | 5 years      |
| Leased properties                       | 2 to 6 years |
| Leased signboard                        | 3 to 5 years |

Capital work-in-progress are not depreciated but are tested for impairment annually and whenever there is an indication that they may be impaired.

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period and adjusted as appropriate.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (j) Intangible assets

#### (i) Mobile and telecommunication software

##### Recognition and measurement

Intangible assets which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets which have indefinite lives and are not yet available for use are stated at cost less accumulated impairment losses.

Capital work-in-progress is stated at cost less any accumulated impairment losses and includes borrowing cost incurred during the period of development.

##### Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific intangible asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

##### Amortisation

Amortisation is calculated based on the cost of an intangible asset less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

|                                       |              |
|---------------------------------------|--------------|
| Mobile and telecommunication software | 5 - 10 years |
|---------------------------------------|--------------|

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

Intangible assets with indefinite useful lives, intangible assets not yet available for use and capital work-in-progress are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

#### (ii) Trademark

Trademark acquired is measured on initial recognition at cost. The useful life of the trademark is assessed to be indefinite and are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of trademark is reviewed annually to determine whether the useful life assessment continues to be supportable.

#### (iii) Derecognition

Gain or losses arising from derecognition of an intangible asset except goodwill on consolidation are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (k) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on weighted average cost formula, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

### (l) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and on hand, fixed deposits placed with a licensed bank and short-term fund that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of pledged deposits, if any.

### (m) Financial instruments

#### (i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group or the Company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

#### (ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

#### **Financial assets**

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (m) Financial instruments (cont'd)

#### (ii) Financial instrument categories and subsequent measurement (cont'd)

The Group and the Company categorise financial instruments as follows: (cont'd)

#### **Financial assets (cont'd)**

##### (a) *Amortised cost*

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets.

##### (b) *Fair value through profit or loss*

All financial assets not measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to impairment assessment under Note 3(n)(i).

#### **Financial liabilities**

The category of financial liabilities at initial recognition is as follows:

##### Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

#### (iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (m) Financial instruments (cont'd)

#### (iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

#### (v) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risk and rewards of ownership of the financial assets are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

### (n) Impairment of assets

#### (i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

Loss allowance of the Group and of the Company are measured on either of the following basis:

- (i) 12-month ECLs – represents the ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- (ii) Lifetime ECLs – represents the ECLs that will result from all possible default events over the expected life of a financial instrument.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (n) Impairment of assets (cont'd)

#### (i) Financial assets (cont'd)

##### Simplified approach - trade receivables and lease receivables

The Group applies the simplified approach to provide ECLs for all trade receivables and finance lease receivables as permitted by MFRS 9. The simplified approach required expected lifetime losses to be recognised from initial recognition of the receivables. The ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where applicable.

##### General approach - other financial instruments

The Group and the Company apply the general approach to provide for ECLs on all other financial instruments, which requires the loss allowance to be measured at an amount equal to 12-months ECLs at initial recognition.

At each reporting date, the Group and the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward looking information, where available.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

##### Credit impaired financial assets

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost is credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or significant past due event (e.g. being more than the range from 30 to 150 days past due);
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider (e.g. the restructuring of a loan or advance by the Group and the Company on terms that the Group and the Company would not consider otherwise);
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for security because of financial difficulties.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (n) Impairment of assets (cont'd)

#### (i) Financial assets (cont'd)

##### Write-off policy

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery of amounts due. Any recoveries made are recognised in profit or loss.

#### (ii) Non-financial assets

The carrying amounts of non-financial assets (except for deferred tax assets and inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating units is the greater of its value in use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Assets that were previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period. Any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve. Reversal of impairment loss is restricted by the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Except for goodwill, assets that were previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period. Any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve. Reversal of impairment loss is restricted by the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

An impairment loss recognised for goodwill is not reversed.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (n) Impairment of assets (cont'd)

#### (ii) Non-financial assets (cont'd)

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary or associate exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from the investment including the proceeds from its disposal. Any subsequent increase in recoverable amount is recognised in profit or loss.

### (o) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of their liabilities.

#### Ordinary shares

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

#### ICPS

Preference share capital is classified as equity if it is non-redeemable and any dividends are at the Company's discretion. Dividends thereon are recognised as distributions within equity.

#### Bonus Issue of Warrants

There is no proceed received by the Company arising from the Bonus Issue of warrant, accordingly, no allocation of proceeds is required to account for the fair value of warrant issued.

### (p) Operating segments

Operating segments are defined as components of the Group that:

- (a) engage in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);
- (b) whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and
- (c) for which discrete financial information is available.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

- (a) its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments.
- (b) the absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount of:
  - (i) the combined reported profit of all operating segments that did not report a loss; and
  - (ii) the combined reported loss of all operating segments that reported a loss.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (p) Operating segments (cont'd)

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds: (cont'd)

- (c) its assets are 10% or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least 75% of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

### (q) Goodwill on consolidation

Goodwill acquired in a business combination represents the difference between the purchase consideration and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities in the subsidiaries at the date of acquisition.

Goodwill is allocated to cash-generating units and is stated at cost less accumulated impairment losses, if any. Goodwill is not amortised but is tested for impairment annually and whenever there is an indication that they may be impaired. Impairment losses recognised are not reversed in subsequent periods.

Upon the disposal of investment in the subsidiary, the related goodwill will be included in the computation of gain or loss on disposal of investment in the subsidiary in the profit or loss.

### (r) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company used observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : Unobservable inputs for the asset or liability.

The Group and the Company recognised transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 4. REVENUE

|   | Note  | Group              |             |
|---|-------|--------------------|-------------|
|   |       | 2023<br>RM         | 2022<br>RM  |
| <b>Revenue from contracts with customers:</b> |       |                    |             |
| Telecommunication services                    |       |                    |             |
| - SMS blasting services                       |       | <b>6,284,624</b>   | 7,549,745   |
| - Prepaid, postpaid and other services        | (i)   | <b>258,328,669</b> | 277,114,164 |
| Mobile applications services                  | (ii)  | <b>482,328</b>     | 99,232      |
| Digital advertising                           | (iii) | <b>14,812</b>      | 137,243     |
| Incentives and sponsorships                   | (iv)  | <b>2,946,572</b>   | -           |
| Royalty fee                                   | (v)   | <b>637,501</b>     | -           |
| E-commerce                                    | (vi)  | <b>3,647,223</b>   | 8,715,407   |
| Sales of tickets                              | (vii) | <b>1,313,050</b>   | -           |
|   |       | <b>273,654,779</b> | 293,615,791 |
| <b>Timing of revenue recognition:</b>         |       |                    |             |
| Point in time                                 |       | <b>11,244,897</b>  | 16,265,152  |
| Over time                                     |       | <b>262,409,882</b> | 277,350,639 |
|   |       | <b>273,654,779</b> | 293,615,791 |

The accounting policy for the Group's revenue is disclosed in the Note 3(c).

### Unsatisfied contracts

The following table shows unsatisfied performance obligations resulting from telecommunication services revenue (prepaid, postpaid and other services), mobile application services, e-commerce, digital advertising revenue, incentives and sponsorships, royalty fee and sales of tickets.

### Revenue recognised over time:

- (i) Telecommunication services

|  | Group                |               |
|--|----------------------|---------------|
|  | 2023<br>RM           | 2022<br>RM    |
| Total contracted revenue   | <b>282,579,392</b>   | 301,471,369   |
| Less: Telecommunication services revenue recognised  | <b>(258,328,669)</b> | (277,114,164) |
| Aggregate amount of the transaction price allocated to telecommunication services revenue that are partially or fully unsatisfied as at 30 September | <b>24,250,723</b>    | 24,357,205    |

The remaining unsatisfied performance obligations are expected to be recognised as revenue within the next 28 to 36 months (2022: 28 months).

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 4. REVENUE (CONT'D)

Unsatisfied contracts (cont'd)

### **Revenue recognised over time: (cont'd)**

(ii) Mobile application services

|   | Group            |            |
|---|------------------|------------|
|   | 2023<br>RM       | 2022<br>RM |
| Total contracted revenue  | <b>482,328</b>   | 576,063    |
| Less: Mobile applications services revenue recognised   | <b>(482,328)</b> | (99,232)   |
| Aggregate amount of the transaction price allocated to mobile application services revenue that are partially or fully unsatisfied as at 30 September | -                | 476,831    |

In the prior year, the remaining unsatisfied performance obligations were expected to be recognised as revenue within the next 12 months.

(iii) Digital advertising

|   | Group           |            |
|---|-----------------|------------|
|   | 2023<br>RM      | 2022<br>RM |
| Total contracted revenue  | <b>278,246</b>  | 323,739    |
| Less: Digital advertising revenue recognised  | <b>(14,812)</b> | (137,243)  |
| Aggregate amount of the transaction price allocated to digital advertising revenue that are partially or fully unsatisfied as at 30 September | <b>263,434</b>  | 186,496    |

The remaining unsatisfied performance obligations are expected to be recognised as revenue within the next 6 months (2022: 6 months).

(iv) Incentives and sponsorships

|   | Group              |            |
|---|--------------------|------------|
|   | 2023<br>RM         | 2022<br>RM |
| Total contracted revenue  | <b>4,207,395</b>   | -          |
| Less: incentives and sponsorships recognised  | <b>(2,946,572)</b> | -          |
| Aggregate amount of the transaction price allocated to incentives and sponsorships that are partially or fully unsatisfied as at 30 September | <b>1,260,823</b>   | -          |

The remaining unsatisfied performance obligations are expected to be recognised as revenue within the next 12 months (2022: Nil).

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 4. REVENUE (CONT'D)

Unsatisfied contracts (cont'd)

### Revenue recognised over time: (cont'd)

(v) Royalty fee

|  | Group      |            |
|--|------------|------------|
|  | 2023<br>RM | 2022<br>RM |
| Total contracted revenue   | 850,000    | -          |
| Less: Royalty fee income recognised  | (637,501)  | -          |
| Aggregate amount of the transaction price allocated to royalty fee income that are partially or fully unsatisfied as at 30 September | 212,499    | -          |

The remaining unsatisfied performance obligations are expected to be recognised as revenue within the next 3 months (2022: Nil).

### Revenue recognised point-in-time:

(vi) E-commerce

|  | Group       |             |
|--|-------------|-------------|
|  | 2023<br>RM  | 2022<br>RM  |
| Total contracted revenue   | 3,862,932   | 8,740,159   |
| Less: E-commerce revenue recognised  | (3,647,223) | (8,715,407) |
| Aggregate amount of the transaction price allocated to E-commerce revenue that are partially or fully unsatisfied as at 30 September | 215,709     | 24,752      |

The remaining unsatisfied performance obligations are expected to be recognised as revenue within the next 1 month (2022: 1 month).

(vii) Sales of tickets

|  | Group       |            |
|--|-------------|------------|
|  | 2023<br>RM  | 2022<br>RM |
| Total contracted revenue   | 1,322,732   | -          |
| Less: Sales of tickets recognised  | (1,313,050) | -          |
| Aggregate amount of the transaction price allocated to sales of tickets that are partially or fully unsatisfied as at 30 September | 9,682       | -          |

The remaining unsatisfied performance obligations are expected to be recognised as revenue within the next 3 months (2022: Nil).

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 5. COST OF SALES

|                               | Group              |             |
|-------------------------------|--------------------|-------------|
|                               | 2023<br>RM         | 2022<br>RM  |
| Mobile communication services | <b>114,161,007</b> | 140,453,750 |
| Football operation costs      | <b>15,609,425</b>  | -           |
|                               | <b>129,770,432</b> | 140,453,750 |

## 6. LOSS BEFORE TAX

Loss before tax is derived after charging/(crediting):

|   | Group             |                        | Company        |            |
|---|-------------------|------------------------|----------------|------------|
|   | 2023<br>RM        | Restated<br>2022<br>RM | 2023<br>RM     | 2022<br>RM |
| Auditors' remuneration:                           |                   |                        |                |            |
| - statutory audit                                 | <b>459,572</b>    | 413,385                | <b>115,000</b> | 112,000    |
| - other services                                  | <b>290,200</b>    | 238,000                | <b>67,000</b>  | 45,000     |
| Services rendered by                              |                   |                        |                |            |
| Auditor's affiliate:                              |                   |                        |                |            |
| - tax agent fee                                   | <b>63,900</b>     | 64,598                 | <b>5,500</b>   | 5,500      |
| - other services                                  | <b>155,000</b>    | 15,000                 | <b>30,000</b>  | -          |
| Amortisation of intangible assets                 | <b>10,205,958</b> | 9,664,254              | -              | -          |
| COVID-19 related rent concession                  | <b>(17,638)</b>   | (149,044)              | -              | -          |
| Depreciation of property, plant and equipment     | <b>8,691,179</b>  | 7,379,564              | -              | -          |
| Directors' remuneration (Note (a))                | <b>4,220,492</b>  | 8,807,899              | <b>957,500</b> | 1,041,774  |
| Employee benefit expenses (Note (b))              | <b>40,573,457</b> | 26,774,668             | -              | -          |
| Fair value adjustments on other investments       | <b>(431,110)</b>  | 36,982,054             | -              | -          |
| Gain on disposal of property, plant and equipment | <b>(19,999)</b>   | (200,000)              | -              | -          |
| Gain on termination of lease contract:            |                   |                        |                |            |
| - derecognition of right-of-use asset             | <b>370,232</b>    | -                      | -              | -          |
| - derecognition of lease liability                | <b>(474,886)</b>  | -                      | -              | -          |
| Gain on modification of lease contract:           |                   |                        |                |            |
| - modification of right-of-use asset              | <b>120,872</b>    | 794,708                | -              | -          |
| - modification of lease liability                 | <b>(152,981)</b>  | (985,510)              | -              | -          |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 6. LOSS BEFORE TAX (CONT'D)

Loss before tax is derived after charging/(crediting): (cont'd)

|                                      | Group              |                        | Company             |             |
|--------------------------------------|--------------------|------------------------|---------------------|-------------|
|                                      | 2023<br>RM         | Restated<br>2022<br>RM | 2023<br>RM          | 2022<br>RM  |
| (Cont'd)                             |                    |                        |                     |             |
| Impairment loss on:                  |                    |                        |                     |             |
| - intangible assets                  | -                  | 616,140                | -                   | -           |
| - other receivables                  | <b>2,635,210</b>   | -                      | -                   | -           |
| - trade receivables                  | <b>2,566,752</b>   | 4,535,539              | -                   | -           |
| - amounts due from subsidiaries      | -                  | -                      | <b>68,778,205</b>   | 112,186,372 |
| - investments in associates          | <b>34,440,670</b>  | 67,126,190             | -                   | 1,121,722   |
| - investments in subsidiaries        | -                  | -                      | <b>38,928,088</b>   | -           |
| Interest expense:                    |                    |                        |                     |             |
| - borrowing                          | <b>2,795,900</b>   | -                      | -                   | -           |
| - lease liabilities                  | <b>1,768,509</b>   | 1,443,363              | -                   | -           |
| Interest income                      | <b>(1,257,439)</b> | (1,820,808)            | <b>(504,526)</b>    | (952,809)   |
| Inventories written down             | <b>1,960</b>       | -                      | -                   | -           |
| Loss on disposal on other investment | <b>700,498</b>     | -                      | -                   | -           |
| Loss/(Gain) on foreign exchange:     |                    |                        |                     |             |
| - realised                           | <b>143,497</b>     | 125,410                | -                   | -           |
| - unrealised                         | <b>1,721,108</b>   | (17,342,259)           | <b>(46,186)</b>     | (120,386)   |
| Lease interest income                | <b>(19,075)</b>    | (40,669)               | -                   | -           |
| Rental income                        | <b>(221,286)</b>   | (224,645)              | -                   | -           |
| Reversal of impairment loss on:      |                    |                        |                     |             |
| - amounts due from subsidiaries      | -                  | -                      | <b>(29,956,283)</b> | -           |
| - investments in associates          | -                  | -                      | <b>(1,121,722)</b>  | -           |
| - investments in subsidiaries        | -                  | -                      | -                   | (1,537,754) |
| - trade receivables                  | <b>(6,070)</b>     | (184,260)              | -                   | -           |
| Short term lease of premises         | <b>2,483,891</b>   | 1,951,820              | -                   | -           |
| Waiver of debt                       | <b>(678,999)</b>   | -                      | -                   | -           |
| Written off of:                      |                    |                        |                     |             |
| - intangible assets                  | <b>294,877</b>     | 105,765                | -                   | -           |
| - inventories                        | <b>357,044</b>     | 18,827                 | -                   | -           |
| - property, plant and equipment      | <b>189,232</b>     | 7,785                  | -                   | -           |
| - trade receivables                  | <b>70</b>          | 183                    | -                   | -           |
| - other receivables                  | -                  | 62,154                 | -                   | -           |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 6. LOSS BEFORE TAX (CONT'D)

(a) Directors' remuneration:

|   | Group            |            | Company        |            |
|---|------------------|------------|----------------|------------|
|   | 2023<br>RM       | 2022<br>RM | 2023<br>RM     | 2022<br>RM |
| <b>Executive Directors:</b>               |                  |            |                |            |
| Fees                                      | <b>534,492</b>   | 658,073    | <b>294,000</b> | 416,000    |
| Salaries, bonus and other emoluments      | <b>2,604,172</b> | 2,345,080  | <b>156,000</b> | 166,000    |
| Contribution to defined contribution plan | <b>293,782</b>   | 261,503    | -              | -          |
| Social security contribution              | <b>3,476</b>     | 2,829      | -              | -          |
| Share options granted under ESOS (Note 7) | -                | 4,812,840  | -              | -          |
|   | <b>3,435,922</b> | 8,080,325  | <b>450,000</b> | 582,000    |
| <b>Non-executive Directors:</b>           |                  |            |                |            |
| Fees                                      | <b>750,570</b>   | 688,574    | <b>473,500</b> | 420,774    |
| Other emoluments                          | <b>34,000</b>    | 39,000     | <b>34,000</b>  | 39,000     |
|   | <b>784,570</b>   | 727,574    | <b>507,500</b> | 459,774    |
| <b>Total</b>                              | <b>4,220,492</b> | 8,807,899  | <b>957,500</b> | 1,041,774  |

(b) Employee benefit expenses:

|   | Group             |            |
|---|-------------------|------------|
|   | 2023<br>RM        | 2022<br>RM |
| Salaries, allowances and bonus            | <b>35,772,669</b> | 23,560,824 |
| Contribution to defined contribution plan | <b>4,353,835</b>  | 2,761,357  |
| Social security contribution              | <b>446,953</b>    | 238,489    |
| Share options granted under ESOS (Note 7) | -                 | 213,998    |
|   | <b>40,573,457</b> | 26,774,668 |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 7. SHARE OPTIONS

### Employees' Scheme Option ("ESOS")

At an extraordinary general meeting held on 19 April 2021, the Company's shareholders approved the establishment of ESOS for eligible Directors and employees of the Group. The effective date of implementation of the ESOS is on 27 May 2021 ("Effective Date").

The salient features of the ESOS Options are as follows:

- (a) Any employee of the Group shall be eligible if as at the date of offer, the employee:
  - (i) has attained at least eighteen (18) years of age;
  - (ii) under an employment contract for a fixed duration and has been in the employment of any company in the Group for such period as may be determined by the ESOS Committee;
  - (iii) is an employee in a company within the Group which is not dormant belonging to such categories of employment as determined by the ESOS Committee; and
  - (iv) who falls under such categories and criteria that the ESOS Committee may decide at its absolute discretion from time to time.
- (b) The Director of the Group shall be eligible if as at the date of offer, the Director:
  - (i) has attained at least eighteen (18) years of age;
  - (ii) has been appointed as a Director to the Board of Directors of any company of the Group which is not dormant; and
  - (iii) who falls under such categories and criteria that the ESOS Committee may decide at its absolute discretion from time to time.
- (c) The maximum number of new shares to be issued pursuant to the exercise of the ESOS Options which may be granted under the ESOS shares shall not exceed thirty percent (30%) of the total issued and paid-up share capital of the Company (excluding treasury shares, if any) at any point of time throughout the duration of the ESOS.
- (d) The Scheme shall be in force for a period of three (3) years commencing from the effective date. The Scheme may be extended by the Board of Directors, upon the recommendation of the ESOS Committee, without having to obtain approval from the Company's shareholders, for a further period of up to seventh (7) years immediately from the expiry of the first three (3) years but will not in aggregate exceed ten (10) years.
- (e) The options granted may be exercised in whole or part in multiples of 100 shares at any time during the period commencing from the date an Offer is accepted and expiring on the last day of the duration of the Scheme or such other date as stipulated by the ESOS Committee in the Offer or on the date of termination or expiry of the Scheme whichever is the earlier ("Option Period").
- (f) The new Company's shares ("new Shares") to be allotted and issued upon the exercise of the ESOS Options shall, upon allotment and issue, rank pari passu in all respects with the existing Company's ordinary shares save and except that the new Shares will not be entitled to any distributions made or paid prior to the date of allotment of the new Shares. The ESOS Options shall not carry any right to vote at a general meeting of the Company.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 7. SHARE OPTIONS (CONT'D)

Employees' Scheme Option ("ESOS") (cont'd)

The salient features of the ESOS Options are as follows: (cont'd)

(g) The options granted are vesting immediately without any vesting conditions.

The movement of the options over ordinary shares in the Company and the weighted average exercise price in previous financial year are as follows:

|               | Number of options over ordinary shares |               |               |                 |               |               |
|---------------|--|---------------|---------------|-----------------|---------------|---------------|
|               | Exercise price                         | At 01.10.2021 | Granted       | Exercised       | Expired #     | At 30.09.2022 |
| <b>2022</b>   |  |               |               |                 |               |               |
| <b>ESOS:</b>  |  |               |               |                 |               |               |
| Third Grant   | RM0.0425                               | 1,202,300     | -             | -               | (1,202,300)   | -             |
| Fourth Grant  | RM0.0375                               | 300,000,000   | -             | (145,000,000)   | (155,000,000) | -             |
| Fifth Grant   | RM0.0350                               | -             | 482,329,200   | (479,998,600)   | (2,330,600)   | -             |
| Sixth Grant   | RM0.0275                               | -             | 201,731,100   | (99,999,600)    | (101,731,500) | -             |
| Seventh Grant | RM0.0180                               | -             | 329,966,600   | (289,966,600)   | (40,000,000)  | -             |
|               |  | 301,202,300   | 1,014,026,900 | (1,014,964,800) | (300,264,400) | -             |

# All the ESOS had lapsed in the last financial year.

The fair value of services received in return for share options granted in previous financial year was based on the fair value of share options granted, estimated by the management using Trinomial Options Pricing model, taking into account the terms and conditions upon which the options were granted.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 7. SHARE OPTIONS (CONT'D)

The weighted average fair value of share options measured at grant date and the assumptions are as follows:

|                                 | 2023<br>RM | 2022<br>RM |
|---------------------------------|------------|------------|
| Fair value at grant date:       |            |            |
| 26 August 2021                  | -          | 0.0052     |
| Weighted average share price    | -          | 0.039      |
| Weighted average exercise price | -          | 0.043      |
| Expected volatility (%)         | -          | 121.31     |
| Expected life (years)           | -          | 0.03 years |
| Risk free rate (%)              | -          | 1.77       |
| Expected dividend yield (%)     | -          | Nil        |
| Fair value at grant date:       |            |            |
| 16 August 2021                  | -          | 0.0101     |
| Weighted average share price    | -          | 0.039      |
| Weighted average exercise price | -          | 0.038      |
| Expected volatility (%)         | -          | 125.38     |
| Expected life (years)           | -          | 0.10 years |
| Risk free rate (%)              | -          | 1.80       |
| Expected dividend yield (%)     | -          | Nil        |
| Fair value at grant date:       |            |            |
| 22 November 2021                | -          | 0.0064     |
| Weighted average share price    | -          | 0.032      |
| Weighted average exercise price | -          | 0.035      |
| Expected volatility (%)         | -          | 134.65     |
| Expected life (years)           | -          | 0.05 years |
| Risk free rate (%)              | -          | 1.81       |
| Expected dividend yield (%)     | -          | Nil        |
| Fair value at grant date:       |            |            |
| 20 December 2021                | -          | 0.0065     |
| Weighted average share price    | -          | 0.030      |
| Weighted average exercise price | -          | 0.028      |
| Expected volatility (%)         | -          | 122.89     |
| Expected life (years)           | -          | 0.05 years |
| Risk free rate (%)              | -          | 1.79       |
| Expected dividend yield (%)     | -          | Nil        |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 7. SHARE OPTIONS (CONT'D)

The weighted average fair value of share options measured at grant date and the assumptions are as follows: (cont'd)

|                                 | 2023<br>RM | 2022<br>RM |
|---------------------------------|------------|------------|
| Fair value at grant date:       |            |            |
| 7 March 2022                    | -          | 0.0045     |
| Weighted average share price    | -          | 0.020      |
| Weighted average exercise price | -          | 0.018      |
| Expected volatility (%)         | -          | 148.79     |
| Expected life (years)           | -          | 0.05 years |
| Risk free rate (%)              | -          | 1.89       |
| Expected dividend yield (%)     | -          | Nil        |

The expected life of the share options is based on historical data, has been adjusted according to management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting the market conditions attached to the options), and behavioural considerations. The expected volatility is based on the historical share price volatility, adjusted for unusual or extraordinary volatility arising from certain economic or business occurrences which is not reflective of its long-term average level. While the expected volatility is assumed to be indicative of future trends, it may not necessarily be the actual outcome. No other features of the options grant were incorporated into the measurement of fair value.

Directors of the Group have been granted the following number options under the ESOS:

|                                    | 2023<br>Unit | 2022<br>Unit  |
|------------------------------------|--------------|---------------|
| At beginning of the financial year | -            | -             |
| Granted                            | -            | 822,409,600   |
| Exercised                          | -            | (822,409,600) |
| At end of the financial year       | -            | -             |

## 8. INCOME TAX EXPENSE

|                                       | Group           |            | Company    |            |
|---------------------------------------|-----------------|------------|------------|------------|
|                                       | 2023<br>RM      | 2022<br>RM | 2023<br>RM | 2022<br>RM |
| <b>Income tax:</b>                    |                 |            |            |            |
| - Current year                        | <b>110,598</b>  | 139,086    | -          | -          |
| - (Over)/Underprovision in prior year | <b>(13,829)</b> | 38,406     | <b>2</b>   | -          |
|                                       | <b>96,769</b>   | 177,492    | <b>2</b>   | -          |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 8. INCOME TAX EXPENSE (CONT'D)

|  | Group            |             | Company    |            |
|--|------------------|-------------|------------|------------|
|  | 2023<br>RM       | 2022<br>RM  | 2023<br>RM | 2022<br>RM |
| <b>Deferred tax (Note 19):</b>                         |                  |             |            |            |
| Relating to origination of temporary differences       |                  |             |            |            |
| - Current year   | <b>2,392,674</b> | 3,857,183   | -          | -          |
| - Overprovision in prior year                          | <b>(683,428)</b> | (1,182,152) | -          | -          |
|  | <b>1,709,246</b> | 2,675,031   | -          | -          |
| <b>Total income tax expense for the financial year</b> | <b>1,806,015</b> | 2,852,523   | <b>2</b>   | -          |

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions which are ranging from 16.5% to 25% (2022: 16.5% to 25%).

The reconciliations from the tax amount at statutory income tax rate to the Group's and to the Company's tax expenses are as follows:

|  | Group               |              | Company             |               |
|--|---------------------|--------------|---------------------|---------------|
|  | 2023<br>RM          | 2022<br>RM   | 2023<br>RM          | 2022<br>RM    |
| Loss before tax  | <b>(67,425,953)</b> | (89,227,245) | <b>(77,667,366)</b> | (112,430,934) |
| Tax at Malaysian statutory tax rate of 24% (2022: 24%)     | <b>(16,182,229)</b> | (21,414,539) | <b>(18,640,168)</b> | (26,983,424)  |
| Effect of different tax rate in other jurisdictions        | <b>(1,504,106)</b>  | 6,560,469    | -                   | -             |
| Expenses not deductible for tax purposes                   | <b>11,896,976</b>   | 17,726,274   | <b>26,187,565</b>   | 26,983,424    |
| Income not subject to tax                                  | <b>(238,253)</b>    | (45,301)     | <b>(7,547,397)</b>  | -             |
| Utilisation of previously unrecognised deferred tax assets | <b>(812,234)</b>    | (1,644,187)  | -                   | -             |
| Deferred tax assets not recognised                         | <b>5,489,316</b>    | 1,964,183    | -                   | -             |
| (Over)/Underprovision in prior year:                       |                     |              |                     |               |
| - Income tax expense                                       | <b>(13,829)</b>     | 38,406       | <b>2</b>            | -             |
| - Deferred tax   | <b>(683,428)</b>    | (1,182,152)  | -                   | -             |
| Tax effect on share of results of associates               | <b>4,174,887</b>    | 434,917      | -                   | -             |
| Tax effect on share of result of a joint venture           | <b>(321,085)</b>    | 414,453      | -                   | -             |
| <b>Income tax expense for the financial year</b>           | <b>1,806,015</b>    | 2,852,523    | <b>2</b>            | -             |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 8. INCOME TAX EXPENSE (CONT'D)

The Group has the following estimated unutilised tax losses and unabsorbed capital allowances respectively, available for set-off against future taxable profit as follows:

|                               | Group             |            |
|-------------------------------|-------------------|------------|
|                               | 2023<br>RM        | 2022<br>RM |
| Unutilised tax losses         | <b>59,343,745</b> | 54,980,988 |
| Unabsorbed capital allowances | <b>15,088,540</b> | 13,455,140 |
|                               | <b>74,432,285</b> | 68,436,128 |

For entities incorporated in Malaysia, the comparative figures have been restated to reflect the actual tax losses and unabsorbed capital allowances carried forward available to the Group. The availability of the tax losses will be subject to Inland Revenue Board discretion and approval to offset against future taxable profit.

For entities incorporated in Malaysia, the unutilised tax losses in a year of assessment can only be carried forward for a maximum period of 10 consecutive YAs to be utilised against income from any business source with effect from Year of Assessment ("YA") 2019.

## 9. LOSS PER ORDINARY SHARE

### (a) Basic

Basic loss per ordinary share for the financial year is calculated by dividing loss after tax attributable to Owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

|  | Group                |               |
|--|----------------------|---------------|
|  | 2023                 | 2022          |
| <b>Basic loss per share:</b>   |                      |               |
| Loss after tax attributable to the Owners of the Company (RM)                  | <b>(67,480,275)</b>  | (90,976,473)  |
| <b>Weighted average number of ordinary shares:</b>                             |                      |               |
| Number of ordinary shares at beginning of the financial year                   | <b>5,050,830,575</b> | 4,035,865,775 |
| Effect of weighted average number of ordinary shares issued                    | <b>28,643</b>        | 731,614,553   |
| <b>Weighted average number of ordinary shares at end of the financial year</b> | <b>5,050,859,218</b> | 4,767,480,328 |
| Basic loss per share (sen)   | <b>(1.34)</b>        | (1.91)        |

### (b) Diluted

The diluted loss per ordinary share is calculated based on the adjusted consolidated loss for the financial year attributable to the Owners of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares.

Fully diluted loss per share on the basis of the assumed conversion of ICPS and exercise of Warrants B, Warrants C and ESOS have not been disclosed as the effect is anti-dilutive.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 10. PROPERTY, PLANT AND EQUIPMENT

|                                      | Freehold land and building RM | Capital work-in-progress RM | Autonomous retail outlet RM | Telecom-network and equipment RM | Office equipment RM | Furniture and fittings RM | Renovation RM | Motor vehicles RM | Leased properties RM | Leased signboard RM | Total RM    |
|--------------------------------------|-------------------------------|-----------------------------|-----------------------------|----------------------------------|---------------------|---------------------------|---------------|-------------------|----------------------|---------------------|-------------|
| <b>Group</b>                         |                               |                             |                             |                                  |                     |                           |               |                   |                      |                     |             |
| <b>2023</b>                          |                               |                             |                             |                                  |                     |                           |               |                   |                      |                     |             |
| <b>Cost</b>                          |                               |                             |                             |                                  |                     |                           |               |                   |                      |                     |             |
| At 1 October 2022                    | 9,754,786                     | 562,480                     | -                           | 5,196,586                        | 12,347,234          | 607,348                   | 12,411,852    | 3,885,692         | 15,133,883           | 2,665,677           | 62,565,538  |
| Additions                            | -                             | 7,847,324                   | -                           | 910,795                          | 669,229             | -                         | 2,268,868     | 944,820           | 4,719,857            | 3,223,498           | 20,584,391  |
| Written off                          | -                             | -                           | -                           | -                                | (298,778)           | -                         | (300,370)     | -                 | -                    | -                   | (599,148)   |
| Disposal                             | -                             | -                           | -                           | -                                | -                   | -                         | -             | (103,268)         | -                    | -                   | (103,268)   |
| Reclassification                     | -                             | (624,311)                   | 624,311                     | -                                | -                   | -                         | -             | -                 | -                    | -                   | -           |
| Expired of lease contract            | -                             | -                           | -                           | -                                | -                   | -                         | -             | -                 | (1,593,399)          | (2,665,677)         | (4,259,076) |
| Modification of lease contract       | -                             | -                           | -                           | -                                | -                   | -                         | -             | -                 | (248,704)            | -                   | (248,704)   |
| Termination of lease contract        | -                             | -                           | -                           | -                                | -                   | -                         | -             | -                 | (761,782)            | -                   | (761,782)   |
| Exchange differences                 | -                             | -                           | -                           | 2,030                            | 555                 | -                         | -             | -                 | -                    | -                   | 2,585       |
| At 30 September 2023                 | 9,754,786                     | 7,785,493                   | 624,311                     | 6,109,411                        | 12,718,240          | 607,348                   | 14,380,350    | 4,727,244         | 17,249,855           | 3,223,498           | 77,180,536  |
| <b>Accumulated depreciation</b>      |                               |                             |                             |                                  |                     |                           |               |                   |                      |                     |             |
| At 1 October 2022                    | 162,580                       | -                           | -                           | 631,981                          | 7,074,106           | 450,417                   | 2,987,088     | 2,946,076         | 5,827,274            | 2,591,371           | 22,670,893  |
| Charge for the financial year        | 195,095                       | -                           | 83,241                      | 527,665                          | 1,167,817           | 57,482                    | 1,362,370     | 522,028           | 3,866,522            | 908,959             | 8,691,179   |
| Written off                          | -                             | -                           | -                           | -                                | (297,835)           | -                         | (112,081)     | -                 | -                    | -                   | (409,916)   |
| Disposal                             | -                             | -                           | -                           | -                                | -                   | -                         | -             | (103,267)         | -                    | -                   | (103,267)   |
| Expired of lease contract            | -                             | -                           | -                           | -                                | -                   | -                         | -             | -                 | (1,593,399)          | (2,665,677)         | (4,259,076) |
| Modification of lease contract       | -                             | -                           | -                           | -                                | -                   | -                         | -             | -                 | (127,832)            | -                   | (127,832)   |
| Termination of lease contract        | -                             | -                           | -                           | -                                | -                   | -                         | -             | -                 | (391,550)            | -                   | (391,550)   |
| Exchange differences                 | -                             | -                           | -                           | 322                              | 112                 | -                         | -             | -                 | -                    | -                   | 434         |
| At 30 September 2023                 | 357,675                       | -                           | 83,241                      | 1,159,968                        | 7,944,200           | 507,899                   | 4,237,377     | 3,364,837         | 7,181,015            | 834,653             | 26,070,865  |
| <b>Accumulated impairment losses</b> |                               |                             |                             |                                  |                     |                           |               |                   |                      |                     |             |
| At 1 October 2022                    | -                             | -                           | -                           | 519,383                          | 2,089,884           | -                         | -             | -                 | -                    | -                   | 2,609,267   |
| Exchange differences                 | -                             | -                           | -                           | 1,708                            | 443                 | -                         | -             | -                 | -                    | -                   | 2,151       |
| At 30 September 2023                 | -                             | -                           | -                           | 521,091                          | 2,090,327           | -                         | -             | -                 | -                    | -                   | 2,611,418   |
| <b>Net carrying amount</b>           |                               |                             |                             |                                  |                     |                           |               |                   |                      |                     |             |
| At 30 September 2023                 | 9,397,111                     | 7,785,493                   | 541,070                     | 4,428,352                        | 2,683,713           | 99,449                    | 10,142,973    | 1,362,407         | 9,668,840            | 2,388,845           | 48,498,253  |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

|   | Freehold land and building RM | Capital work-in-progress RM | Telecom-network and equipment RM | Office equipment RM | Furniture and fittings RM | Renovation RM | Motor vehicles RM | Leased properties RM | Leased signboard RM | Total RM     |
|---|-------------------------------|-----------------------------|----------------------------------|---------------------|---------------------------|---------------|-------------------|----------------------|---------------------|--------------|
| <b>Group 2022 Cost</b>                        |                               |                             |                                  |                     |                           |               |                   |                      |                     |              |
| At 1 October 2021, as previously reported     | -                             | -                           | 84,534,803                       | 11,382,243          | 681,389                   | 6,602,144     | 4,886,111         | 13,516,015           | 2,665,677           | 124,268,382  |
| Reclassification to intangible assets         | -                             | -                           | (79,360,546)                     | -                   | -                         | -             | -                 | -                    | -                   | (79,360,546) |
| At 1 October 2021, as restated                | -                             | -                           | 5,174,257                        | 11,382,243          | 681,389                   | 6,602,144     | 4,886,111         | 13,516,015           | 2,665,677           | 44,907,836   |
| Additions                                     | 9,754,786                     | 562,480                     | -                                | 1,856,987           | -                         | 5,809,708     | -                 | 4,197,230            | -                   | 22,181,191   |
| Written off                                   | -                             | -                           | -                                | (962,252)           | (74,041)                  | -             | -                 | -                    | -                   | (1,036,293)  |
| Disposal                                      | -                             | -                           | -                                | -                   | -                         | -             | (1,000,419)       | -                    | -                   | (1,000,419)  |
| Expired of lease contract                     | -                             | -                           | -                                | -                   | -                         | -             | -                 | (832,227)            | -                   | (832,227)    |
| Modification of lease contract                | -                             | -                           | -                                | -                   | -                         | -             | -                 | (1,747,135)          | -                   | (1,747,135)  |
| Acquisition of a subsidiary (Note 12(a)(iii)) | -                             | -                           | -                                | 64,158              | -                         | -             | -                 | -                    | -                   | 64,158       |
| Exchange differences                          | -                             | -                           | 22,329                           | 6,098               | -                         | -             | -                 | -                    | -                   | 28,427       |
| At 30 September 2022                          | 9,754,786                     | 562,480                     | 5,196,586                        | 12,347,234          | 607,348                   | 12,411,852    | 3,885,692         | 15,133,883           | 2,665,677           | 62,565,538   |
| <b>Accumulated depreciation</b>               |                               |                             |                                  |                     |                           |               |                   |                      |                     |              |
| At 1 October 2021, as previously reported     | -                             | -                           | 42,762,716                       | 6,807,030           | 461,182                   | 2,048,157     | 3,544,331         | 4,355,787            | 1,702,901           | 61,682,104   |
| Reclassification to intangible assets         | -                             | -                           | (42,592,221)                     | -                   | -                         | -             | -                 | -                    | -                   | (42,592,221) |
| At 1 October 2021, as restated                | -                             | -                           | 170,495                          | 6,807,030           | 461,182                   | 2,048,157     | 3,544,331         | 4,355,787            | 1,702,901           | 19,089,883   |
| Charge for the financial year                 | 162,580                       | -                           | 457,951                          | 1,214,575           | 58,752                    | 938,931       | 402,164           | 3,256,141            | 888,470             | 7,379,564    |
| Written off                                   | -                             | -                           | -                                | (958,991)           | (69,517)                  | -             | -                 | -                    | -                   | (1,028,508)  |
| Disposal                                      | -                             | -                           | -                                | -                   | -                         | -             | (1,000,419)       | -                    | -                   | (1,000,419)  |
| Expired of lease contract                     | -                             | -                           | -                                | -                   | -                         | -             | -                 | (832,227)            | -                   | (832,227)    |
| Modification of lease contract                | -                             | -                           | -                                | -                   | -                         | -             | -                 | (952,427)            | -                   | (952,427)    |
| Acquisition of a subsidiary (Note 12(a)(iii)) | -                             | -                           | -                                | 10,273              | -                         | -             | -                 | -                    | -                   | 10,273       |
| Exchange differences                          | -                             | -                           | 3,535                            | 1,219               | -                         | -             | -                 | -                    | -                   | 4,754        |
| At 30 September 2022                          | 162,580                       | -                           | 631,981                          | 7,074,106           | 450,417                   | 2,987,088     | 2,946,076         | 5,827,274            | 2,591,371           | 22,670,893   |
| <b>Accumulated impairment losses</b>          |                               |                             |                                  |                     |                           |               |                   |                      |                     |              |
| At 1 October 2021, as previously reported     | -                             | -                           | 782,554                          | 2,085,005           | -                         | -             | -                 | -                    | -                   | 2,867,559    |
| Reclassification to intangible assets         | -                             | -                           | (281,965)                        | -                   | -                         | -             | -                 | -                    | -                   | (281,965)    |
| At 1 October 2021, as restated                | -                             | -                           | 500,589                          | 2,085,005           | -                         | -             | -                 | -                    | -                   | 2,585,594    |
| Exchange differences                          | -                             | -                           | 18,794                           | 4,879               | -                         | -             | -                 | -                    | -                   | 23,673       |
| At 30 September 2022                          | -                             | -                           | 519,383                          | 2,089,884           | -                         | -             | -                 | -                    | -                   | 2,609,267    |
| <b>Net carrying amount</b>                    |                               |                             |                                  |                     |                           |               |                   |                      |                     |              |
| At 30 September 2022                          | 9,592,206                     | 562,480                     | 4,045,222                        | 3,183,244           | 156,931                   | 9,424,764     | 939,616           | 9,306,609            | 74,306              | 37,285,378   |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### (a) Acquisition of property, plant and equipment

|   | Group             |                        |
|---|-------------------|------------------------|
|   | 2023<br>RM        | Restated<br>2022<br>RM |
| Cash purchase   | <b>11,809,272</b> | 17,983,961             |
| Financed through lease arrangement                        | <b>8,255,119</b>  | 4,197,230              |
| Other payables  | <b>520,000</b>    | -                      |
| <b>Total acquisition of property, plant and equipment</b> | <b>20,584,391</b> | 22,181,191             |

### (b) Assets classified as right-of-use assets

The net carrying amount of right-of-use assets recognised by the Group are as follows:

|   | Group            |            |
|---|------------------|------------|
|   | 2023<br>RM       | 2022<br>RM |
| Telecommunication network and equipment | <b>1,791,373</b> | 2,122,088  |
| Motor vehicles                          | <b>623,815</b>   | 5,915      |
| Leased properties                       | <b>9,668,840</b> | 9,306,609  |
| Leased signboard                        | <b>2,388,845</b> | 74,306     |

The expenses charged to profit or loss during the financial year are as follows:

|  | Group            |            |
|--|------------------|------------|
|  | 2023<br>RM       | 2022<br>RM |
| Depreciation of right-of-use assets    | <b>5,320,059</b> | 4,546,290  |
| Interest expenses of lease liabilities | <b>1,768,509</b> | 1,443,363  |
| Short term lease of premises           | <b>2,483,891</b> | 1,951,820  |
| <b>Total</b>                           | <b>9,572,459</b> | 7,941,473  |

### (c) Impairment testing for property, plant and equipment

Management has performed the impairment assessment of property, plant and equipment by comparing the carrying amount with their recoverable amount. Except for freehold land and building and motor vehicles, the recoverable amount of the other assets are determined based on value-in-use calculations using cash flow projections from the financial forecasts prepared by the management.

The key assumptions used for impairment testing is consistent with the impairment assessment of intangible assets as disclosed in Note 11.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 11. INTANGIBLE ASSETS

|   | Capital<br>work-in-<br>-progress<br>RM | Telecom-<br>-munication<br>software<br>RM | Mobile<br>application<br>software<br>RM | Trademark<br>RM | Total<br>RM |
|---|--|---|---|-----------------|-------------|
| <b>Group</b>                            |  |   |   |                 |             |
| <b>2023</b>                             |  |   |   |                 |             |
| <b>At Cost</b>                          |  |   |   |                 |             |
| At 1 October 2022                       | 12,262,745                             | 132,805,943                               | 702,761                                 | 2,752,834       | 148,524,283 |
| Additions                               | 744,487                                | 13,039,070                                | -                                       | -               | 13,783,557  |
| Reversal                                | (914,400)                              | -   | -                                       | -               | (914,400)   |
| Written off                             | -                                      | (528,137)                                 | -                                       | -               | (528,137)   |
| At 30 September 2023                    | 12,092,832                             | 145,316,876                               | 702,761                                 | 2,752,834       | 160,865,303 |
| <b>Accumulated amortisation</b>         |  |   |   |                 |             |
| At 1 October 2022                       | -                                      | 63,804,541                                | 205,113                                 | -               | 64,009,654  |
| Charge for the financial year           | -                                      | 10,205,958                                | -                                       | -               | 10,205,958  |
| Written off                             | -                                      | (233,260)                                 | -                                       | -               | (233,260)   |
| At 30 September 2023                    | -                                      | 73,777,239                                | 205,113                                 | -               | 73,982,352  |
| <b>Accumulated impairment losses</b>    |  |   |   |                 |             |
| At 1 October 2022/<br>30 September 2023 | 3,311,330                              | 4,407,624                                 | 497,648                                 | -               | 8,216,602   |
| <b>Net carrying amount</b>              |  |   |   |                 |             |
| At 30 September 2023                    | 8,781,502                              | 67,132,013                                | -                                       | 2,752,834       | 78,666,349  |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 11. INTANGIBLE ASSETS (CONT'D)

|   | Capital<br>work-in-<br>-progress<br>RM | Telecom-<br>-munication<br>software<br>RM | Mobile<br>application<br>software<br>RM | Trademark<br>RM | Total<br>RM |
|---|--|---|---|-----------------|-------------|
| <b>Group</b>  |  |   |   |                 |             |
| <b>2022</b>   |  |   |   |                 |             |
| <b>At Cost</b>                                      |  |   |   |                 |             |
| At 1 October 2021, as previously reported           | 8,689,326                              | 43,590,629                                | 702,761                                 | -               | 52,982,716  |
| Reclassification from property, plant and equipment | -                                      | 79,360,546                                | -                                       | -               | 79,360,546  |
| At 1 October 2021, as restated                      | 8,689,326                              | 122,951,175                               | 702,761                                 | -               | 132,343,262 |
| Additions   | 3,679,184                              | 9,854,768                                 | -                                       | -               | 13,533,952  |
| Written off   | (105,765)                              | -   | -                                       | -               | (105,765)   |
| Acquisition of a subsidiary (Note 12(a)(iii))       | -                                      | -   | -                                       | 2,752,834       | 2,752,834   |
| At 30 September 2022, as restated                   | 12,262,745                             | 132,805,943                               | 702,761                                 | 2,752,834       | 148,524,283 |
| <b>Accumulated amortisation</b>                     |  |   |   |                 |             |
| At 1 October 2021, as previously reported           | -                                      | 11,548,066                                | 205,113                                 | -               | 11,753,179  |
| Reclassification from property, plant and equipment | -                                      | 42,592,221                                | -                                       | -               | 42,592,221  |
| At 1 October 2021, as restated                      | -                                      | 54,140,287                                | 205,113                                 | -               | 54,345,400  |
| Charge for the financial year                       | -                                      | 9,664,254                                 | -                                       | -               | 9,664,254   |
| At 30 September 2022, as restated                   | -                                      | 63,804,541                                | 205,113                                 | -               | 64,009,654  |
| <b>Accumulated impairment losses</b>                |  |   |   |                 |             |
| At 1 October 2021, as previously reported           | 3,311,330                              | 3,509,519                                 | 497,648                                 | -               | 7,318,497   |
| Reclassification from property, plant and equipment | -                                      | 281,965                                   | -                                       | -               | 281,965     |
| At 1 October 2021, as restated                      | 3,311,330                              | 3,791,484                                 | 497,648                                 | -               | 7,600,462   |
| Additions   | -                                      | 616,140                                   | -                                       | -               | 616,140     |
| At 30 September 2022, as restated                   | 3,311,330                              | 4,407,624                                 | 497,648                                 | -               | 8,216,602   |
| <b>Net carrying amount</b>                          |  |   |   |                 |             |
| At 30 September 2022, as restated                   | 8,951,415                              | 64,593,778                                | -                                       | 2,752,834       | 76,298,027  |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 11. INTANGIBLE ASSETS (CONT'D)

### **Impairment testing for intangible assets**

The recoverable amount of intangible assets were determined based on value-in-use calculations using cash flow projections from financial forecasts and projections approved by Board of Directors covering a five-year period. The intangible assets had been allocated into three cash-generating units ("CGUs") for impairment testing which are telecommunication services (including E-commerce), mobile application services (i.e. Voopee application) and trademark (football club).

The calculation of value-in-use for the intangible assets are most sensitive to the following assumptions:

(i) Revenue growth rate

Telecommunication services (including E-commerce)

Projected revenue growth rate for various business operation ranges from 2% to 6% (2022: 2%) per annum based on historical experience and management's assessment of future trends and market development in the segment with terminal value without growth rate.

Mobile application services

The Group has ceased its mobile application services during the financial year.

In the prior financial year, projected revenue growth rate for various business operation ranges from 1% to 2% per annum based on historical experience and management's assessment of future trends and market development in the segment with terminal value without growth rate.

Trademark (football club)

Projected revenue growth rate ranges from 3% to 6% (2022: 8% to 10%) per annum based on historical experience and management's assessment of future trends and market development in the segment with terminal value without growth rate.

(ii) Budgeted gross margin

Telecommunication services (including E-commerce)

The budgeted gross margin ranges from 34% to 35% (2022: 35%). Gross margins are based on values achieved previously preceding the start of the budget period. These are increased over the budget period for anticipated efficiency improvements.

Mobile application services

The Group has ceased its mobile application services during the financial year.

In the prior financial year, the budgeted gross margin was 30%. Gross margins are based on values achieved previously preceding the start of the budget period. These are increased over the budget period for anticipated efficiency improvements.

Trademark (football club)

The budgeted gross margin ranges from 15% to 22% (2022: 25% to 40%). Gross margin was based on values achieved previously preceding the start of the budget period. These are increased over the budget period for anticipated efficiency improvements.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 11. INTANGIBLE ASSETS (CONT'D)

### **Impairment testing for intangible assets (cont'd)**

The calculation of value-in-use for the intangible assets are most sensitive to the following assumptions: (cont'd)

(iii) Pre-tax discount rate

Telecommunication services (including E-commerce) and mobile application services

Pre-tax discount rate of 10.8% (2022: 9.5%) was applied in determining the recoverable amounts of the intangible assets. The discount rate used is based on the weighted average cost of capital of the Group.

Trademark (football club)

A pre-tax discount rate of 11.5% (2022: 10.5%) was applied to the calculations in determining the recoverable amount of the CGUs. This discount rate used is based on the weighted average cost of capital of its subsidiary with reference to similar industry.

The sensitivity analysis is presented as follows except for mobile application services which had been fully impaired in the prior year:

(i) Telecommunication services (including E-commerce)

- A decrease of 0.5% in the budgeted gross margin would have reduced the recoverable amount by approximately RM18.40 million.
- A decrease of 3% to 5% in the revenue would have reduced the recoverable amount by approximately RM18.10 million.
- An increase of 1% in the discount rate would have reduced the recoverable amount by approximately RM9.40 million.

(ii) Trademark (football club)

- An increase of 1% in the discount rate would have reduced the recoverable amount by approximately RM0.90 million.
- A decrease of 5% in the sponsorships revenue would have reduced the recoverable amount by approximately RM5.30 million.

Based on the above sensitivity analyses, the adverse situations contemplated would not cause the carrying values of the remaining CGUs to materially exceed their recoverable amounts, other than changes in prevailing operating environments, of which the impact is not ascertainable.

### **Impairment loss recognised**

#### **(a) Impairment of mobile and telecommunication software**

##### **2022**

In the prior financial year, total impairment loss amounted to RM616,140 was recognised as shown in the "other expenses" line item in the statements of comprehensive income for the financial year ended 30 September 2022. The related mobile application was subject to impairment as the recoverable amount was in doubt due to absent of future business plan for the continuance usage.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 12. INVESTMENTS IN SUBSIDIARIES

|   | Company            |             |
|---|--------------------|-------------|
|   | 2023<br>RM         | 2022<br>RM  |
| <b>Unquoted shares, at cost</b>             |                    |             |
| At beginning of the financial year          | <b>131,082,514</b> | 131,082,512 |
| Addition                                    | -                  | 2           |
| At end of the financial year                | <b>131,082,514</b> | 131,082,514 |
| <b>Capital contribution to subsidiaries</b> |                    |             |
| At beginning of the financial year          | <b>44,707,412</b>  | 41,252,326  |
| Addition                                    | <b>36,442,664</b>  | -           |
| Net ESOS granted                            | -                  | 3,455,086   |
| At end of the financial year                | <b>81,150,076</b>  | 44,707,412  |
| <b>Accumulated impairment losses</b>        |                    |             |
| At beginning of the financial year          | <b>65,997,356</b>  | 67,535,110  |
| Additions                                   | <b>38,928,088</b>  | -           |
| Reversal                                    | -                  | (1,537,754) |
| At end of the financial year                | <b>104,925,444</b> | 65,997,356  |
| <b>Net carrying amount</b>                  |                    |             |
| At end of the financial year                | <b>107,307,146</b> | 109,792,570 |

The details of the subsidiaries are as follows:

| Name of Subsidiaries              | Country of Incorporation | Principal activities  | Effective Equity Interest |           |
|-----------------------------------|--------------------------|---|---------------------------|-----------|
|                                   |                          |   | 2023<br>%                 | 2022<br>% |
| XOX Com Sdn. Bhd.                 | Malaysia                 | Provider of mobile telecommunication products and services  | <b>100</b>                | 100       |
| XOX Management Services Sdn. Bhd. | Malaysia                 | Provision of management services  | <b>100</b>                | 100       |
| XOX Media Sdn. Bhd.               | Malaysia                 | Provision of fintech, telecommunication and mobile application services   | <b>100</b>                | 100       |
| XOX Wallet Sdn. Bhd.              | Malaysia                 | Provision of mobile wallet services; trading of telecommunications airtime as a traded commodity for Shariah compliant financing and provision of information technology solution or products which brings simplification to business | <b>51</b>                 | 51        |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 12. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows: (cont'd)

| Name of Subsidiaries                        | Country of Incorporation | Principal Activities   | Effective Equity Interest |        |
|---|--------------------------|--|---------------------------|--------|
|   |                          |  | 2023 %                    | 2022 % |
| X Style Sdn. Bhd.                           | Malaysia                 | Provision of mobile virtual network operator services and broadband internet services. Ceased operation and remained dormant.  | 51                        | 51     |
| One XOX Sdn. Bhd.                           | Malaysia                 | Wholesaler of mobile telecommunication products and services   | 60                        | 60     |
| XOX Mobile Pte. Ltd.*                       | Singapore                | Intended engaged in provision of mobile cellular and other wireless telecommunication network operation  | 100                       | 100    |
| XOX (Hong Kong) Limited*                    | Hong Kong                | Investment holding   | 100                       | 100    |
| XOX Pro Sport Sdn. Bhd.                     | Malaysia                 | Investment holding and marketing agent   | 100                       | 100    |
| XOX Fintech Sdn. Bhd.                       | Malaysia                 | To carry business of e-money services to build and manage an ecosystem through its e-wallet amongst its subscribers for the purpose of cashless payment, merchant acquiring services and payment gateway. Yet to start operation and remained dormant. | 100                       | 100    |
| <b>Held through XOX Com Sdn. Bhd.</b>       |                          |  |                           |        |
| XOX Mobile Sdn. Bhd.                        | Malaysia                 | Provider of telecommunication products, related services and engage in the operation of a café business and convenient store business.   | 100                       | 100    |
| <b>Held through XOX Media Sdn. Bhd.</b>     |                          |  |                           |        |
| PT. Nusantara Mobile Telecommunication*#    | Indonesia                | Intended engaged in telecommunication products and services, mobile application services and E-wallet services. Ceased operation and remained dormant.   | 40                        | 40     |
| <b>Held through XOX (Hong Kong) Limited</b> |                          |  |                           |        |
| XOX International Sdn. Bhd.                 | Malaysia                 | Investment company, provision of management services and provision of telecommunication and Fintech products and services. Yet to start operation and remained dormant.  | 100                       | 100    |
| Theron Holdings Sdn. Bhd.                   | Malaysia                 | Investment holding   | 100                       | -      |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 12. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows: (cont'd)

| Name of Subsidiaries                        | Country of Incorporation | Principal Activities                                   | Effective Equity Interest |        |
|---|--------------------------|--|---------------------------|--------|
|   |                          |  | 2023 %                    | 2022 % |
| <b>Held through XOX Pro Sport Sdn. Bhd.</b> |                          |  |                           |        |
| Perak FC Sdn. Bhd.                          | Malaysia                 | Establishing, managing and controlling a football club | 100                       | 100    |

\* Not audited by Moore Stephens Associates PLT.

# The Directors consider that the Group has de facto control of PT. Nusantara Mobile Telecommunication even though it has less than 50% of the equity shares. Based on the terms under which this entity was established, the Group is exposed to variable returns from its involvement and has the ability to affect those returns through its power over the entity. Consequently, it is regarded as subsidiary of the Group.

(a) Additions to investments in subsidiaries

### 2023

(i) *Capital contribution to subsidiaries*

XOX Media Sdn. Bhd. and XOX Pro Sport Sdn. Bhd.

The capital contribution amounted to RM36,442,664 represents amounts due from subsidiaries which are non-trade in nature, unsecured and interest-free and the settlement of the amount is neither planned nor likely to occur in the foreseeable future. As such, this amount is in substance represents additional investment in the subsidiaries, it is stated at cost less accumulated impairment losses.

(ii) *Acquisition of a subsidiary*

Theron Holdings Sdn. Bhd. ("Theron")

On 12 July 2022, the Company via its wholly owned subsidiary, XOX (Hong Kong) Limited entered into a Share Sale Agreement ("SSA") with Muar Ban Lee Group Berhad for the proposed acquisition of 2 ordinary shares in Theron Holdings Sdn. Bhd. ("Theron"), representing 100% of the total issued and paid-up share capital of Theron, for a total purchase consideration of RM19,254,590. Transaction costs attributable to the acquisition of RM57,965 was considered as part of the purchase consideration. The condition precedents as stipulated in the SSA had been fulfilled and the proposed acquisition was completed on 13 December 2022.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 12. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Additions to investments in subsidiaries (cont'd)**2023** (cont'd)(ii) Acquisition of a subsidiary (cont'd)Theron Holdings Sdn. Bhd. ("Theron") (cont'd)

For accounting purposes, the cut-off was taken on 31 December 2022.

|  | <b>As at<br/>31.12.2022<br/>RM</b> |
|--|------------------------------------|
| Purchase consideration   | <b>19,312,555</b>                  |
| Less: Fair value of net identifiable assets acquired               |                                    |
| Investment in an associate   | <b>41,198,026</b>                  |
| Cash and bank balance  | <b>537,368</b>                     |
| Borrowing  | <b>(85,226,582)</b>                |
| Other payables   | <b>(3,340,378)</b>                 |
|  | <b>(46,831,566)</b>                |
| <b>Fair value of net identifiable assets acquired (Note 13(b))</b> | <b>66,144,121</b>                  |

Theron is a special purpose vehicle incorporated for the purpose of acquiring and holding the shares in Symlife, in which Theron has acquired 98,090,536 ordinary shares in Symlife, representing approximately 13.70% of the total issued and paid up share capital of Symlife for a total fair value consideration of RM90,114,949.

Accordingly, the transaction is being regarded as asset acquisition, represented by the equity investment of 13.70% in Symlife, as an investment in associates disclosed in Note 13(b).

The effect of the acquisition on cash flows is as follows:

|  | <b>RM</b>         |
|--|-------------------|
| <b>Net cash flows arising from acquisition of a subsidiary</b>   |                   |
| Cash consideration   | <b>19,312,555</b> |
| Less: Cash and cash equivalents from acquisition of a subsidiary | <b>(537,368)</b>  |
| <b>Net cash outflows on completion of acquisition</b>            | <b>18,775,187</b> |

**2022**(i) Incorporation of subsidiariesXOX Pro Sport Sdn. Bhd.

On 11 May 2022, the Company incorporated a new wholly-owned subsidiary in Malaysia with the name of XOX Pro Sport Sdn. Bhd. for a total cash consideration of RM1.

XOX Fintech Sdn. Bhd.

On 14 September 2022, the Company incorporated a new wholly-owned subsidiary in Malaysia with the name of XOX Fintech Sdn. Bhd. for a total cash consideration of RM1.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 12. INVESTMENTS IN SUBSIDIARIES (CONT'D)

### (a) Additions to investments in subsidiaries (cont'd)

#### 2022 (cont'd)

#### (ii) Capital contribution to subsidiaries

XOX Management Services Sdn. Bhd., XOX Mobile Sdn. Bhd. and XOX Media Sdn. Bhd.

The capital contribution amounted to RM3,455,086 represents ESOS granted by the Company to the Directors and employees of subsidiaries and is treated as additional cost of its investment in the subsidiaries.

#### (iii) Acquisition of a subsidiary

Perak FC Sdn. Bhd. ("Perak FC")

On 29 April 2022, the Company entered into a Memorandum of Understanding ("MOU") with Impact Media & Communication Sdn. Bhd. ("Impact Media") for the proposed acquisition of 100% equity interest in Perak FC for a total purchase consideration of RM1.00.

On 17 May 2022, XOX Pro Sport Sdn. Bhd. ("XOX Pro"), a wholly owned subsidiary of the Company entered into a Share Sale Agreement ("SSA") with Impact Media for the proposed acquisition. An advance extended by XOX Pro to Perak FC prior to the acquisition amounting to RM8,919,937 was considered as part of the purchase consideration.

The acquisition of the entire equity interest in Perak FC was completed on 26 August 2022 for a total consideration of RM8,919,938.

For accounting purposes, the cut-off was taken on 31 August 2022.

The fair value of the identifiable assets and liabilities arising from the purchase price allocation ("PPA") of Perak FC as at the date of completion was:

|   | <b>Restated<br/>As at<br/>31.8.2022<br/>RM</b> |
|---|--|
| Plant and equipment                                   | 53,885   |
| Other receivables                                     | 230,440  |
| Cash and cash equivalents                             | 125,652  |
| Other payables  | (3,137,126)                                    |
| <b>Fair value of net identifiable assets acquired</b> | <b>(2,727,149)</b>                             |

The effect of the acquisition on cash flows is as follows:

|  | <b>RM</b>        |
|--|------------------|
| <b>Net cash flows arising from acquisition of a subsidiary</b>   |                  |
| Cash consideration   | 8,919,938        |
| Less: Cash and cash equivalents from acquisition of a subsidiary | (125,652)        |
| <b>Net cash outflows on completion of acquisition</b>            | <b>8,794,286</b> |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 12. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) Additions to investments in subsidiaries (cont'd)

**2022** (cont'd)

- (iii) *Acquisition of a subsidiary (cont'd)*

Perak FC Sdn. Bhd. ("Perak FC") (cont'd)

The goodwill arising from the acquisition is as follows:

|  | <b>Restated<br/>RM</b> |
|--|------------------------|
| <b>Goodwill arising from acquisition</b>               |                        |
| Cash consideration                                     | 8,919,938              |
| Add: Fair value of net identified liabilities acquired | 2,727,149              |
| Total consideration                                    | 11,647,087             |
| Less: Fair value of identifiable intangible assets     | (2,752,834)            |
| <b>Goodwill on consolidation (Note 16)</b>             | <b>8,894,253</b>       |

*Purchase price allocation ("PPA")*

During the financial year ended 30 September 2023, the Group completed the purchase price allocation to determine goodwill arising from the acquisition of Perak FC. The provisional goodwill recognised in the previous financial year has been adjusted retrospectively upon completion of identification and measurement of the fair value of its identifiable assets acquired and liabilities assumed.

Consequently, trademark and other receivables of RM2,752,834 and RM2,635,210 as disclosed in Notes 11 and 18 had been accounted for retrospectively.

- (b) Impairment loss on investments in subsidiaries

**2023**

During the financial year, the Company carried out a review of the recoverable amounts of its investments in subsidiaries that are in loss-making and/or significant accumulated losses positions. An impairment loss amounting to RM38,928,088 was recognised as "other expenses" line item in the statements of comprehensive income for the financial year ended 30 September 2023. The recoverable amounts were derived based on fair value less costs of disposal ("FVLCOD") method using cash flows projection from financial budget approved by Board of Directors covering a five-year period or adjusted net assets of respective subsidiaries.

The key assumptions used in the determination of recoverable amount derived based on FVLCOD method are as follows:

- (i) Revenue growth rate

Projected revenue growth rate for various business operation ranges from 2% to 6% per annum based on historical experience and management's assessment of future trends and market development in the segment with terminal value without growth rate.

- (ii) Budgeted gross margin

The budgeted gross margin ranges from 34% to 35%. Gross margins are based on values achieved previously preceding the start of the budget period. These are increased over the budget period for anticipated efficiency improvements.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 12. INVESTMENTS IN SUBSIDIARIES (CONT'D)

### (b) Impairment loss on investments in subsidiaries (cont'd)

#### **2023** (cont'd)

The key assumptions used in the determination of recoverable amount derived based on FVL COD method are as follows: (cont'd)

#### (iii) Discount rate

A post-tax discount rate of 9.68% was applied to the calculations in determining the recoverable amount of the CGUs. The discount rate used is based on the weighted average cost of capital of the Group.

### (c) Reversal of impairment loss on investments in subsidiaries

#### **2022**

In the prior financial year, the management has reassessed its recoverable amount of its investments in subsidiaries based on fair value less costs of disposal method and reversed part of its initially recognised impairment loss of RM1,537,754. The fair value less costs of disposal was measured based on adjusted net assets of the subsidiary.

The reversal of impairment loss has been recognised in the statements of comprehensive income of the Company under the line item "other income" for the financial year ended 30 September 2022.

### (d) Non-controlling interests in subsidiaries

The subsidiaries of the Group that have non-controlling interests ("NCI") are as follows:

|   | <b>X Style<br/>Sdn. Bhd.</b> | <b>One XOX<br/>Sdn. Bhd.</b> | <b>PT.<br/>Nusantara<br/>Mobile<br/>Telecom-<br/>munication</b> | <b>XOX<br/>Wallet<br/>Sdn. Bhd.</b> | <b>Total</b>       |
|---|------------------------------|------------------------------|---|-------------------------------------|--------------------|
| <b>2023</b>   |                              |                              |   |                                     |                    |
| NCI percentage of ownership and voting interest (%) | <b>49%</b>                   | <b>40%</b>                   | <b>60%</b>  | <b>49%</b>                          |                    |
| Carrying amount of NCI (RM)                         | <b>(322,916)</b>             | <b>(391,947)</b>             | <b>(688,839)</b>  | <b>(3,257,912)</b>                  | <b>(4,661,614)</b> |
| (Loss)/Profit allocated to NCI (RM)                 | <b>(5,760)</b>               | <b>(1,354,566)</b>           | <b>203,285</b>  | <b>(594,652)</b>                    | <b>(1,751,693)</b> |
| Other comprehensive income allocated to NCI (RM)    | -                            | -                            | <b>1,835</b>  | -                                   | <b>1,835</b>       |
| <b>2022</b>   |                              |                              |   |                                     |                    |
| NCI percentage of ownership and voting interest (%) | 49%                          | 40%                          | 60%   | 49%                                 |                    |
| Carrying amount of NCI (RM)                         | (317,156)                    | 962,619                      | (893,959)   | (2,663,260)                         | (2,911,756)        |
| Loss allocated to NCI (RM)                          | (25,529)                     | (150,195)                    | (3,102)   | (924,469)                           | (1,103,295)        |
| Other comprehensive income allocated to NCI (RM)    | -                            | -                            | (32,316)  | -                                   | (32,316)           |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 12. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Non-controlling interests in subsidiaries (cont'd)

The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows:

|  | X Style Sdn. Bhd. |            | One XOX Sdn. Bhd. |              | PT. Nusantara Mobile Telecommunication |             | XOX Wallet Sdn. Bhd. |             |
|--|-------------------|------------|-------------------|--------------|--|-------------|----------------------|-------------|
|  | 2023<br>RM        | 2022<br>RM | 2023<br>RM        | 2022<br>RM   | 2023<br>RM                             | 2022<br>RM  | 2023<br>RM           | 2022<br>RM  |
| <b>Assets and liabilities:</b>                       |                   |            |                   |              |  |             |                      |             |
| Non-current assets                                   | 12                | 551        | 1,121,087         | 1,533,070    | -                                      | -           | 95,400               | -           |
| Current assets                                       | 3,512             | 5,267      | 18,126,020        | 16,715,605   | 22,085                                 | 22,536      | 83,253               | 78,927      |
| Non-current liabilities                              | -                 | -          | (817,262)         | (1,084,760)  | -                                      | -           | -                    | -           |
| Current liabilities                                  | (662,537)         | (653,076)  | (19,409,713)      | (14,757,366) | (1,170,150)                            | (1,512,468) | (6,827,453)          | (5,514,151) |
| Net (liabilities)/assets                             | (659,013)         | (647,258)  | (979,868)         | 2,406,549    | (1,148,065)                            | (1,489,932) | (6,648,800)          | (5,435,224) |
| <b>Results:</b>                                      |                   |            |                   |              |  |             |                      |             |
| Revenue  | -                 | -          | 106,290,608       | 110,664,304  | -                                      | -           | 24,220               | 56,090      |
| Net (loss)/profit for the financial year             | (11,754)          | (52,101)   | (3,386,417)       | (375,489)    | 338,809                                | (5,170)     | (1,213,576)          | (1,886,672) |
| <b>Cash flows:</b>                                   |                   |            |                   |              |  |             |                      |             |
| Net cash (used in)/from operating activities         | (9,705)           | (48,720)   | (930,453)         | (2,703,225)  | 4,362                                  | (31,232)    | (279,373)            | (1,221,115) |
| Net cash from/(used in) investing activities         | -                 | -          | 912,086           | (3,350)      | -                                      | -           | (95,400)             | (654,992)   |
| Net cash from/(used in) financing activities         | 7,460             | 48,340     | (377,028)         | (213,384)    | (4,813)                                | 30,918      | 395,969              | 1,926,851   |
| Net (decrease)/increase in cash and cash equivalents | (2,245)           | (380)      | (395,395)         | (2,919,959)  | (451)                                  | (314)       | 21,196               | 50,744      |



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 13. INVESTMENTS IN ASSOCIATES (CONT'D)

(a) The details of the associates are as follows:

| Name of Associates                      | Country of Incorporation | Principal Activities   | Effective Ownership Interest |        |
|---|--------------------------|--|------------------------------|--------|
|   |                          |  | 2023 %                       | 2022 % |
| Cheetah Holdings Berhad ("CHB")*#       | Malaysia                 | Investment holding   | <b>20.85</b>                 | 20.85  |
| XOX Technology Berhad ("XTB")*#         | Malaysia                 | Provision of mobile solutions and trading and distribution of fast-moving electronic goods and related products  | <b>25.95</b>                 | 25.95  |
| Jadi Imaging Holdings Berhad ("Jadi")*# | Malaysia                 | Provision of development, formulation and manufacturing of toners for laser printers, photocopiers, facsimile machines and multi-function office equipment | <b>28.08</b>                 | 28.08  |
| Symphony Life Berhad ("Symlife")*#^@    | Malaysia                 | Property development, property investment and investment holding   | <b>13.70</b>                 | -      |

\* Not audited by Moore Stephens Associates PLT.

# The statutory financial year end is not coterminous with the financial year end of the Group. For the purpose of applying the equity method of accounting, the latest unaudited financial statements available have been used. The latest unaudited financial statements available have been reviewed by the auditor of the respective associate.

^ The Group has significant influence over Symlife by virtue of its contractual right to appoint Director to the board of directors of Symlife, even though the Group's equity interest in this associate is less than 20%.

@ The quoted shares pledged as security for borrowing as disclosed in Note 27.

(b) Acquisition of associates

### 2023

#### Symphony Life Berhad ("Symlife")

On 12 July 2022, a wholly-owned subsidiary of the Company, XOX (Hong Kong) Limited ("XOXHK") entered into a Share Sale Agreement ("SSA") with Muar Ban Lee Group Berhad for the proposed acquisition of 2 ordinary shares in Theron Holdings Sdn. Bhd. ("Theron"), representing 100% of the total issued and paid-up share capital of Theron, for a total purchase consideration of RM19,254,590. Transaction costs attributable to the acquisition of RM57,965 was considered as part of the purchase consideration. The condition precedents as stipulated in the SSA had been fulfilled and the proposed acquisition was completed on 13 December 2022. For accounting purposes, the cut-off was taken on 31 December 2022.

Theron is a special purpose vehicle incorporated for the purpose of acquiring and holding 98,090,536 ordinary shares in Symlife, representing 13.70% of the total and issued ordinary shares of Symlife for a total fair value consideration of RM90,114,949.

By virtue of this and the Group's contractual right to appoint a Director to the Board of Symlife to safeguard the Group's interest, Symlife was recognised as an associate company effective 1 January 2023.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 13. INVESTMENTS IN ASSOCIATES (CONT'D)

(b) Acquisition of associates (cont'd)

**2023** (cont'd)

Symphony Life Berhad ("Symlife") (cont'd)

The effect of the acquisition on cost of investment in associates is as follows:

|   | <b>As at<br/>31.12.2022<br/>RM</b> |
|---|------------------------------------|
| Cost of investment of Theron in Symlife                         | <b>41,198,026</b>                  |
| Fair value of net identifiable assets acquired (Note 12(a)(ii)) | <b>66,144,121</b>                  |
| <b>Total adjusted fair value of investment</b>                  | <b>107,342,147</b>                 |

**2022**

Jadi Imaging Holdings Berhad ("Jadi")

On 15 October 2021, XOXHK entered into a Sale and Purchase of Shares Agreement ("SPA") with LSI Holdings Sdn. Bhd. for the proposed acquisition of 200,000,000 ordinary shares ("Sale Shares") in Jadi, representing approximately 19.01% of the total issued and paid-up share capital of Jadi, for a total purchase consideration of RM46,000,000 only ("Proposed Acquisition"). The Proposed Acquisition has been completed on 22 October 2021.

In the prior financial year, XOXHK has acquired from the open market an aggregate of 102,292,700 ordinary shares in Jadi, representing 9.07% of the total issued and paid up share capital of Jadi for a total purchase consideration of approximately RM10,649,857.

As at 30 September 2022, the number of shares held by XOXHK in Jadi is 302,292,700, representing 28.08% of the total issued and paid up share capital of Jadi. The aggregate cost of investment of XOX in Jadi was RM56,649,857. For accounting purposes, Jadi was recognised as an associate effective from 1 October 2021 upon significant influence in place.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 13. INVESTMENTS IN ASSOCIATES (CONT'D)

- (c) The summarised financial information of the associates, not adjusted for the proportion of the ownership interests held by the Group, are as follows:

|   | <b>Cheetah Holdings Berhad</b><br>RM   | <b>XOX Technology Berhad</b><br>RM   | <b>Jadi Imaging Holdings Berhad</b><br>RM   | <b>Symphony Life Berhad</b><br>RM   |
|---|--|--|---|---|
| <b>2023</b>                                 |  |  |   |   |
| <b>Assets and liabilities:</b>              |  |  |   |   |
| Non-current assets                          | <b>31,785,078</b>  | <b>3,026,083</b>   | <b>78,146,543</b>   | <b>852,752,000</b>  |
| Current assets                              | <b>103,204,661</b>   | <b>85,357,209</b>  | <b>37,290,565</b>   | <b>315,120,000</b>  |
| Non-current liabilities                     | <b>(1,659,912)</b>   | <b>(164,607)</b>   | <b>(12,230,097)</b>   | <b>(139,583,000)</b>  |
| Current liabilities                         | <b>(13,214,257)</b>  | <b>(57,746,194)</b>  | <b>(13,959,604)</b>   | <b>(135,291,000)</b>  |
| Net assets                                  | <b>120,115,570</b>   | <b>30,472,491</b>  | <b>89,247,407</b>   | <b>892,998,000</b>  |
| <b>2022</b>                                 |  |  |   |   |
| <b>Assets and liabilities:</b>              |  |  |   |   |
| Non-current assets                          | 40,432,267   | 5,230,779  | 76,424,546  | -   |
| Current assets                              | 112,083,019  | 49,305,675   | 52,068,515  | -   |
| Non-current liabilities                     | (1,742,772)  | (261,248)  | (18,614,918)  | -   |
| Current liabilities                         | (17,108,949)   | (24,321,861)   | (7,111,996)   | -   |
| Net assets                                  | 133,663,565  | 29,953,345   | 102,766,147   | -   |
|   | <b>Cheetah Holdings Berhad</b><br>RM<br><b>01.10.2022</b><br>to<br><b>30.09.2023</b> | <b>XOX Technology Berhad</b><br>RM<br><b>01.10.2022</b><br>to<br><b>30.09.2023</b> | <b>Jadi Imaging Holdings Berhad</b><br>RM<br><b>01.10.2022</b><br>to<br><b>30.09.2023</b> | <b>Symphony Life Berhad</b><br>RM<br><b>01.01.2023</b><br>to<br><b>30.09.2023</b> |
| <b>Results:</b>                             |  |  |   |   |
| Revenue                                     | <b>139,796,525</b>   | <b>131,037,420</b>   | <b>26,013,622</b>   | <b>85,826,000</b>   |
| (Loss)/Profit for the financial year/period | <b>(13,547,996)</b>  | <b>6,135,821</b>   | <b>(22,477,185)</b>   | <b>(71,907,000)</b>   |
| Total comprehensive income                  | <b>(13,547,996)</b>  | <b>612,583</b>   | <b>(19,272,515)</b>   | <b>(71,907,000)</b>   |
|   | <b>01.10.2021</b><br>to<br><b>30.09.2022</b>   | <b>01.10.2021</b><br>to<br><b>30.09.2022</b>                                       | <b>01.10.2021</b><br>to<br><b>30.09.2022</b>  | <b>01.10.2021</b><br>to<br><b>30.09.2022</b>                                      |
| <b>Results:</b>                             |  |  |   |   |
| Revenue                                     | 167,223,324  | 72,201,966   | 41,961,995  | -   |
| (Loss)/Profit for the financial year        | (4,794,282)  | 8,491,722  | (8,834,576)   | -   |
| Total comprehensive income                  | (4,794,282)  | 6,445,919  | (8,850,643)   | -   |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 13. INVESTMENTS IN ASSOCIATES (CONT'D)

- (d) The reconciliation of net assets of the associates to the carrying amount of the investment in associates are as follows:

|   | Group               |             |
|---|---------------------|-------------|
|   | 2023<br>RM          | 2022<br>RM  |
| Group's share of net assets                             | <b>91,163,241</b>   | 39,622,953  |
| Fair value of net identifiable assets acquired          | <b>3,965,826</b>    | -           |
| Carrying amount in the statements of financial position | <b>95,129,067</b>   | 39,622,953  |
| Group's share of results, net of tax                    | <b>(17,395,363)</b> | (1,812,152) |

- (e) Impairment loss

As at 30 September 2023, the Group and the Company carried out an annual review of the recoverable amount of the investments in associates. An impairment loss amounted to RM34,440,670 (2022: RM67,126,190) and RM Nil (2022: RM1,121,722) respectively were recognised as "other expenses" in the statements of comprehensive income for financial year ended 30 September 2023.

The recoverable amount was derived based on fair value less cost of disposal of the associates represented by the market price of the quoted shares of the associates as at 30 September 2023.

## 14. INVESTMENT IN A JOINT VENTURE

|   | Group              |             |
|---|--------------------|-------------|
|   | 2023<br>RM         | 2022<br>RM  |
| <b>Unquoted shares, at cost</b>               |                    |             |
| At beginning/end of the financial year        | <b>4,500,000</b>   | 4,500,000   |
| <b>Add: Share of post-acquisition results</b> |                    |             |
| At beginning of the financial year            | <b>(2,200,662)</b> | (473,776)   |
| Share of post-acquisition results             | <b>1,337,855</b>   | (1,726,886) |
| At end of the financial year                  | <b>(862,807)</b>   | (2,200,662) |
|   | <b>3,637,193</b>   | 2,299,338   |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 14. INVESTMENT IN A JOINT VENTURE (CONT'D)

Details of the joint venture are as follows:

| Name of Joint Venture           | Country of Incorporation | Principal Activities  | Effective Equity Interest |        |
|---------------------------------|--------------------------|---|---------------------------|--------|
|                                 |                          |   | 2023 %                    | 2022 % |
| SpacedX Sdn. Bhd. ("SpacedX")*# | Malaysia                 | Provision of vending machines, advertising business to promote the usage of digital wallets and cashless transactions | 45                        | 45     |

\* Not audited by Moore Stephens Associates PLT.

# The statutory financial year end of SpacedX is not coterminous with the financial year end of the Group. For the purpose of applying the equity method of accounting, the latest unaudited financial statements available have been used.

(a) The summarised financial information of the joint venture, not adjusted for the proportion of the ownership interest held by the Group, is as follows:

|                                | 2023 RM     | 2022 RM     |
|--------------------------------|-------------|-------------|
| <b>Assets and liabilities:</b> |             |             |
| Non-current assets             | 11,732,091  | 11,569,546  |
| Current assets                 | 3,852,055   | 2,435,487   |
| Current liabilities            | (7,501,494) | (8,895,393) |
| Net assets                     | 8,082,652   | 5,109,640   |

|                                      | 01.10.2022 to 30.09.2023 RM | 01.10.2021 to 30.09.2022 RM |
|--------------------------------------|-----------------------------|-----------------------------|
| <b>Results:</b>                      |                             |                             |
| Revenue                              | 10,045,004                  | 694,900                     |
| Profit/(Loss) for the financial year | 2,973,012                   | (3,837,525)                 |
| Total comprehensive income           | 2,973,012                   | (3,837,525)                 |

(b) The reconciliation of net asset of the joint venture to the carrying amount of the investment in joint venture is as follows:

|   | Group     |             |
|---|-----------|-------------|
|   | 2023 RM   | 2022 RM     |
| Group's share of net assets                             | 2,299,338 | 4,026,224   |
| Share of post-acquisition results                       | 1,337,855 | (1,726,886) |
| Carrying amount in the statements of financial position | 3,637,193 | 2,299,338   |
| Group's share of results, net of tax                    | 1,337,855 | (1,726,886) |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 15. OTHER INVESTMENTS

|  | Group              |              |
|--|--------------------|--------------|
|  | 2023<br>RM         | 2022<br>RM   |
| <b>Investment in quoted shares, at fair value through profit or loss</b> |                    |              |
| <i>In Malaysia</i>   |                    |              |
| At beginning of the financial year                                       | <b>13,380,000</b>  | 23,612,000   |
| Addition   | <b>1,449,532</b>   | 19,008,752   |
| Disposal   | <b>(1,420,498)</b> | -            |
|  | <b>13,409,034</b>  | 42,620,752   |
| Less: Changes in fair value  | <b>3,292,000</b>   | (28,074,723) |
| Exchange differences   | <b>(29,034)</b>    | (1,166,029)  |
| At end of the financial year   | <b>16,672,000</b>  | 13,380,000   |
| <i>Outside Malaysia</i>  |                    |              |
| At beginning of the financial year                                       | <b>5,217,448</b>   | 13,431,335   |
| Less: Changes in fair value  | <b>(2,860,890)</b> | (8,907,331)  |
| Exchange differences   | <b>(25,880)</b>    | 693,444      |
| At end of the financial year   | <b>2,330,678</b>   | 5,217,448    |
|  | <b>19,002,678</b>  | 18,597,448   |

These investments have quoted market prices in an active market and hence, the fair value was derived based on the market price of the quoted shares. The fair value of the investments are categorised at Level 1 of the fair value hierarchy.

## 16. GOODWILL ON CONSOLIDATION

|                                    | Group            |                        |
|------------------------------------|------------------|------------------------|
|                                    | 2023<br>RM       | Restated<br>2022<br>RM |
| At beginning of the financial year | <b>8,894,253</b> | -                      |
| Additional (Note 12(a)(iii))       | -                | 8,894,253              |
| At end of the financial year       | <b>8,894,253</b> | 8,894,253              |

Goodwill on consolidation arose upon the acquisition of a subsidiary principally engaged in establishing, managing and controlling a football club as disclosed in Note 12(a)(iii).

The Group has completed the purchase price allocation to determine goodwill arising from the acquisition of Perak FC Sdn. Bhd. The provisional goodwill recognised in previous financial year has been adjusted retrospectively upon completion of identify and measure the fair value of its identifiable assets acquired and liabilities assumed, as disclosed in Note 12(a)(iii).

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 16. GOODWILL ON CONSOLIDATION (CONT'D)

### Impairment review on goodwill

The recoverable amount of goodwill was determined based on value-in-use calculations using cash flow projections from financial forecasts and projections approved by Board of Directors covering a five-year period.

The key assumptions used in the determination of recoverable amount derived based on VIU calculation are as follows:

(i) Revenue growth rate

Projected revenue growth rate ranges from 3% to 6% (2022: 8% to 10%) per annum based on historical experience and management's assessment of future trends and market development in the segment with terminal value without growth rate.

(ii) Budgeted gross margin

The budgeted gross margin ranges from 15% to 22% (2022: 25% to 40%). Gross margin was based on values achieved previously preceding the start of the budget period. These are increased over the budget period for anticipated efficiency improvements.

(iii) Discount rate

A discount rate of 11.5% (2022: 10.5%) was applied to the calculations in determining the recoverable amount of the CGUs. This discount rate used is based on the weighted average cost of capital of its subsidiary with reference to similar industry.

The sensitivity analysis is presented as follows:

- An increase of 1% in the discount rate would have reduced the recoverable amount by approximately RM0.90 million.
- A decrease of 5% in the sponsorships revenue would have reduced the recoverable amount by approximately RM5.30 million.

Based on the above sensitivity analyses, the adverse situations contemplated would not cause the carrying values of the remaining CGUs to materially exceed their recoverable amounts, other than changes in prevailing operating environments, of which the impact is not ascertainable.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 17. LEASE RECEIVABLES

The Group's sub-lease of its right-of-use of the office space is classified as lease receivable because the sub-lease is for the entire remaining lease term of the head lease.

|  | Group          |            |
|--|----------------|------------|
|  | 2023<br>RM     | 2022<br>RM |
| <b>Future minimum lease income</b>         |                |            |
| Receivable within one year                 | <b>56,179</b>  | 195,312    |
| Receivable between one and two years       | -              | 56,179     |
|  | <b>56,179</b>  | 251,491    |
| Less: Unearned lease income                | <b>(1,051)</b> | (20,126)   |
| Present value of minimum lease receivables | <b>55,128</b>  | 231,365    |
| <b>Present value of lease receivables:</b> |                |            |
| Receivable within one year                 | <b>55,128</b>  | 176,237    |
| Receivable between one and two years       | -              | 55,128     |
|  | <b>55,128</b>  | 231,365    |
| <b>Representing:</b>                       |                |            |
| Current portion                            | <b>55,128</b>  | 176,237    |
| Non-current portion                        | -              | 55,128     |
|  | <b>55,128</b>  | 231,365    |

The effective interest rate of the lease receivables is 13.14% (2022: 13.14%) per annum. Lease interest income on the net investment in sub-lease during the financial year is RM19,075 (2022: RM40,669).

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 18. OTHER RECEIVABLES

|                                     | Note  | Group              |                        | Company        |            |
|-------------------------------------|-------|--------------------|------------------------|----------------|------------|
|                                     |       | 2023<br>RM         | Restated<br>2022<br>RM | 2023<br>RM     | 2022<br>RM |
| <b>Non-current asset:</b>           |       |                    |                        |                |            |
| Other receivables                   | (i)   | <b>190,419</b>     | 206,470                | -              | -          |
| <b>Current assets:</b>              |       |                    |                        |                |            |
| Other receivables, gross            |       | <b>10,805,962</b>  | 10,473,995             | <b>1,000</b>   | 1,000      |
| Less: Allowance for impairment loss | (ii)  | <b>(5,836,342)</b> | (3,486,814)            | -              | -          |
| Less: Written off                   |       | -                  | (62,154)               | -              | -          |
| Other receivables, net              | (iii) | <b>4,969,620</b>   | 6,925,027              | <b>1,000</b>   | 1,000      |
| Deposits, gross                     |       | <b>8,785,557</b>   | 12,976,303             | -              | -          |
| Less: Allowance for impairment loss |       | <b>(60,000)</b>    | (60,000)               | -              | -          |
| Deposits, net                       | (iv)  | <b>8,725,557</b>   | 12,916,303             | -              | -          |
| Prepayments                         | (v)   | <b>7,804,572</b>   | 15,628,974             | <b>189,138</b> | 5,127,086  |
| Contract costs                      | (vi)  | <b>6,809,238</b>   | 6,527,831              | -              | -          |
| Deferred costs                      | (vii) | <b>15,241,469</b>  | 12,616,417             | -              | -          |
|                                     |       | <b>43,550,456</b>  | 54,614,552             | <b>190,138</b> | 5,128,086  |

(i) The non-current other receivables represent the principal outstanding sum of staff advances which are expected to be recoverable more than 1 year. The effective interest rate of the non-current other receivables discounting is 3.85% (2022: 3.85%) per annum.

(ii) Movements in the allowance for impairment losses on other receivables during the financial year are as follows:

|  | Group            |            |
|--|------------------|------------|
|  | 2023<br>RM       | 2022<br>RM |
| Balance at beginning of the financial year | <b>3,486,814</b> | 3,407,614  |
| Addition                                   | <b>2,635,210</b> | -          |
| Written off                                | <b>(292,882)</b> | -          |
| Exchange differences                       | <b>7,200</b>     | 79,200     |
| Balance at end of the financial year       | <b>5,836,342</b> | 3,486,814  |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 18. OTHER RECEIVABLES (CONT'D)

- (iii) Included in net other receivables of the Group are:
  - (a) an amount of RM3,258,230 (2022: RM3,210,000) due from a joint venture which represents advance given to the joint venture; and
  - (b) an amount of RM Nil (2022: RM2,635,210) due from a third party was in relation to the acquisition of Perak FC Sdn. Bhd. in previous financial year. This amount had been accounted for retrospectively upon completion of the fair value measurement of identifiable assets acquired and liabilities assumed as shown in Note 12(a)(iii).
- (iv) Included in net deposits of the Group is an amount of RM5,500,000 (2022: RM10,000,000) relating to performance bond for the telecommunication business arrangement.
- (v) Included in prepayments of the Group are:
  - (a) an advance payment for purchase of software and hardware equipment of RM1,491,612 (2022: RM3,275,214) paid to Director's related companies;
  - (b) an advance payment for advertising, promotions, billboards and sponsorship of RM Nil (2022: RM337,025) to a Director's related company;
  - (c) down payments for office renovation amounted to RM Nil (2022: RM2,519,429) to a Director's related company;
  - (d) an advance payment for purchase of goods of RM84,650 (2022: RM166,981) paid to a Director's related company;
  - (e) an advance payment for the proposed acquisition of 100% equity interest in Theron Holdings Sdn. Bhd. of RM Nil (2022: RM4,990,244) paid to the solicitor of the seller of which the condition precedents of the SSA have been fulfilled and the proposed acquisition was completed on 13 December 2022 as disclosed in Note 12(a)(ii); and
  - (f) an advance payment for football subscription service from 1 January 2023 to 31 December 2025 of RM221,862 (2022: RM Nil).
- (vi) The contract costs represent the capitalised incremental cost to obtain a contract in relation to the deferred revenue.
- (vii) The deferred costs represent mobile tariff directly attributable to the deferred telecommunication revenue from prepaid services and mobile application services which the services have yet to be rendered.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 19. DEFERRED TAX (ASSETS)/LIABILITIES

|                                       | Group      |            |
|---------------------------------------|------------|------------|
|                                       | 2023<br>RM | 2022<br>RM |
| At beginning of the financial year    | 1,748,374  | (926,657)  |
| Recognised in profit or loss (Note 8) | 1,709,246  | 2,675,031  |
| At end of the financial year          | 3,457,620  | 1,748,374  |
| <b>Representing:</b>                  |            |            |
| Deferred tax assets                   | (654,194)  | (304,912)  |
| Deferred tax liabilities              | 4,111,814  | 2,053,286  |
|                                       | 3,457,620  | 1,748,374  |

The net deferred tax (assets) and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

|                          | Group       |             |
|--------------------------|-------------|-------------|
|                          | 2023<br>RM  | 2022<br>RM  |
| Deferred tax liabilities | 11,596,243  | 11,493,468  |
| Deferred tax assets      | (8,138,623) | (9,745,094) |
|                          | 3,457,620   | 1,748,374   |

The recognised deferred tax (assets)/liabilities before offsetting are as follows:

|                                  | Accelerated<br>capital<br>allowances<br>RM | Others<br>taxable<br>temporary<br>differences<br>RM | Total<br>RM |
|----------------------------------|--|---|-------------|
| <b>Group</b>                     |  |   |             |
| <b>Deferred tax liabilities:</b> |  |   |             |
| <b>2023</b>                      |  |   |             |
| At 1 October 2022                | 11,664,353                                 | (170,885)   | 11,493,468  |
| Recognised in profit or loss     | 110,643                                    | (7,868)   | 102,775     |
| At 30 September 2023             | 11,774,996                                 | (178,753)   | 11,596,243  |
| <b>2022</b>                      |  |   |             |
| At 1 October 2021                | 9,503,341                                  | (101,453)   | 9,401,888   |
| Recognised in profit or loss     | 2,161,012                                  | (69,432)  | 2,091,580   |
| At 30 September 2022             | 11,664,353                                 | (170,885)   | 11,493,468  |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 19. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

The recognised deferred tax (assets)/liabilities before offsetting are as follows: (cont'd)

|                              | Unabsorbed<br>capital<br>allowances<br>RM | Unutilised<br>tax losses<br>RM | Others<br>deductible<br>temporary<br>differences<br>RM | Total<br>RM  |
|------------------------------|---|--------------------------------|--|--------------|
| <b>Group</b>                 |   |                                |  |              |
| <b>Deferred tax assets:</b>  |   |                                |  |              |
| <b>2023</b>                  |   |                                |  |              |
| At 1 October 2022            | (2,485,371)                               | (6,054,574)                    | (1,205,149)  | (9,745,094)  |
| Recognised in profit or loss | 1,738,445                                 | 2,787,637                      | (2,919,611)  | 1,606,471    |
| At 30 September 2023         | (746,926)                                 | (3,266,937)                    | (4,124,760)  | (8,138,623)  |
| <b>2022</b>                  |   |                                |  |              |
| At 1 October 2021            | (3,610,103)                               | (5,412,413)                    | (1,306,029)  | (10,328,545) |
| Recognised in profit or loss | 1,124,732                                 | (642,161)                      | 100,880  | 583,451      |
| At 30 September 2022         | (2,485,371)                               | (6,054,574)                    | (1,205,149)  | (9,745,094)  |

The estimated amount of temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows (stated at gross):

|  | Group      |            |
|--|------------|------------|
|  | 2023<br>RM | 2022<br>RM |
| Unutilised tax losses                  | 45,731,507 | 27,265,724 |
| Unabsorbed capital allowances          | 11,976,348 | 13,437,814 |
| Other deductible temporary differences | 7,639,751  | 5,156,225  |
|  | 65,347,606 | 45,859,763 |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 20. INVENTORIES

|  | Group             |            |
|--|-------------------|------------|
|  | 2023<br>RM        | 2022<br>RM |
| <b>At cost:</b>                          |                   |            |
| Sim cards, recharge cards and E-recharge | <b>9,649,181</b>  | 9,072,818  |
| E-commerce                               | <b>1,441,188</b>  | 1,196,725  |
| Handphones                               | <b>433,814</b>    | 194,129    |
| Merchandises                             | <b>209,181</b>    | -          |
|  | <b>11,733,364</b> | 10,463,672 |

The Group recognised inventories as cost of sales amounted to RM59,253,266 (2022: RM60,936,586).

## 21. TRADE RECEIVABLES

|                                     | Note | Group              |             |
|-------------------------------------|------|--------------------|-------------|
|                                     |      | 2023<br>RM         | 2022<br>RM  |
| Trade receivables, gross            | (a)  | <b>22,207,370</b>  | 18,320,682  |
| Less: Allowance for impairment loss | (b)  | <b>(5,654,016)</b> | (6,445,565) |
| Trade receivables, net              |      | <b>16,553,354</b>  | 11,875,117  |

The normal credit terms extended to customers ranges from 7 to 60 days (2022: 7 to 60 days). Other credit terms are assessed and approved on a case by case basis.

- (a) Included in trade receivables are RM49,931 (2022: RM25,541) and RM Nil (2022: RM89,711) representing the amount owing by an associate and a Directors' related company respectively which are subject to normal credit term granted by the Group.
- (b) Movements in the allowance for impairment losses on trade receivables during the financial year are as follows:

|  | Group              |             |
|--|--------------------|-------------|
|  | 2023<br>RM         | 2022<br>RM  |
| Balance at beginning of the financial year | <b>6,445,565</b>   | 5,633,472   |
| Additions                                  | <b>2,566,752</b>   | 4,535,539   |
| Reversal                                   | <b>(6,070)</b>     | (184,260)   |
| Written off                                | <b>(3,352,231)</b> | (3,539,186) |
| Balance at end of the financial year       | <b>5,654,016</b>   | 6,445,565   |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 22. AMOUNTS DUE FROM SUBSIDIARIES

|                                     | Note | Company              |               |
|-------------------------------------|------|----------------------|---------------|
|                                     |      | 2023<br>RM           | 2022<br>RM    |
| Non-trade, gross                    |      | <b>274,382,054</b>   | 271,500,944   |
| Less: Allowance for impairment loss |      |                      |               |
| At beginning of the financial year  |      | <b>(186,096,192)</b> | (73,909,820)  |
| Additions                           |      | <b>(68,778,205)</b>  | (112,186,372) |
| Reversals                           |      | <b>29,956,283</b>    | -             |
| At end of the financial year        |      | <b>(224,918,114)</b> | (186,096,192) |
| Non-trade, net                      |      | <b>49,463,940</b>    | 85,404,752    |
| <b>Representing:</b>                |      |                      |               |
| Current portion                     | (i)  | <b>19,289,668</b>    | 9,699,572     |
| Non-current portion                 | (ii) | <b>30,174,272</b>    | 75,705,180    |
|                                     |      | <b>49,463,940</b>    | 85,404,752    |

(i) These amounts are non-trade in nature, unsecured, interest free advances which are collectible on demand.

(ii) This amount is non-trade in nature, unsecured, interest free advances which is not collectible within the next twelve months.

## 23. CASH AND CASH EQUIVALENTS

|                                   | Note | Group             |            | Company          |            |
|-----------------------------------|------|-------------------|------------|------------------|------------|
|                                   |      | 2023<br>RM        | 2022<br>RM | 2023<br>RM       | 2022<br>RM |
| Fixed deposit with a license bank | (i)  | <b>412,399</b>    | 412,399    | -                | -          |
| Short-term fund                   | (ii) | <b>8,153,304</b>  | 43,212,347 | <b>8,153,304</b> | 43,212,347 |
| Cash and bank balances            |      | <b>25,283,115</b> | 39,676,456 | <b>528,716</b>   | 838,969    |
|                                   |      | <b>33,848,818</b> | 83,301,202 | <b>8,682,020</b> | 44,051,316 |

(i) The effective interest rate of fixed deposit is 1.85% (2022: 1.85%) per annum. The fixed deposit has maturity period of 365 days (2022: 365 days). The fixed deposit is pledged by a subsidiary to a licensed bank for bank guarantee facility granted to a third party.

(ii) This refers to investment in a short to medium-term fixed income fund of which the fund will be invested in money market investments and short to medium-term fixed income instruments. The distribution income from this fund is tax exempted and is being treated as interest income by the Group and the Company.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 24. ORDINARY SHARES

|  | Group and Company    |               |                    |             |
|--|----------------------|---------------|--------------------|-------------|
|  | Number of shares     |               | Amount             |             |
|  | 2023<br>Units        | 2022<br>Units | 2023<br>RM         | 2022<br>RM  |
| <b>Issued and fully paid:</b>            |                      |               |                    |             |
| At beginning of the financial year       | <b>5,050,830,575</b> | 4,035,865,775 | <b>468,848,306</b> | 432,150,129 |
| Issuance of ordinary shares pursuant to: |                      |               |                    |             |
| - exercise of warrants B                 | <b>47,925</b>        | -             | <b>2,876</b>       | -           |
| - exercise of ESOS                       | -                    | 1,014,964,800 | -                  | 36,698,177  |
| At end of the financial year             | <b>5,050,878,500</b> | 5,050,830,575 | <b>468,851,182</b> | 468,848,306 |

### 2023

During the financial year, the Company has increased its issued ordinary shares from RM468,848,306 to RM468,851,182 by way of the issuance of 47,925 new ordinary shares at the issue price of RM0.06 per ordinary share pursuant to the exercise of Warrants B 2020/2023 ("Warrants B").

### 2022

In the prior financial year, the Company increased its issued and paid up ordinary shares from RM432,150,129 to RM468,848,306 by way of the issuance of 1,014,964,800 new ordinary shares at the issue price ranging from RM0.018 to RM0.0375 per ordinary share pursuant to the exercise of the Employees' Share Option Scheme ("ESOS") at the ratio of 1 ESOS for 1 new ordinary share.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

## 25. ICPS

|  | Group and Company |               |                  |            |
|--|-------------------|---------------|------------------|------------|
|  | Number of ICPS    |               | Amount           |            |
|  | 2023<br>Units     | 2022<br>Units | 2023<br>RM       | 2022<br>RM |
| At beginning/end of the financial year | <b>77,971,406</b> | 77,971,406    | <b>1,949,285</b> | 1,949,285  |

On 12 March 2020, the Company has issued and allotted 1,061,027,506 new ICPS of RM26,525,688 at an issue price of RM0.025 per share.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 25. ICPS (CONT'D)

The salient terms of the ICPS were as follows:

(a) Dividend

The Company has full discretion over the declaration of dividends. Dividends declared and payable annually in arrears are non-cumulative and shall be paid in priority over the ordinary shares of the Company.

(b) Conversion

(i) Conversion period

The ICPS holders may convert the ICPS into new ordinary shares of the Company at any time during the tenure of 10 years commencing from and inclusive the date of issuance. Any outstanding unconverted ICPS at the end of the tenure shall be mandatorily converted into new ordinary share of the Company at the conversion ratio of 2 ICPS for every 1 new ordinary share.

(ii) Conversion mode

The ICPS may be converted into new ordinary shares in the following manner:

- by surrendering for cancellation the ICPS with an aggregate issue price equivalent to the conversion price; or
- by surrendering for cancellation such number of ICPS with an aggregate par value below the conversion price, subject to a minimum of 1 ICPS, and paying the difference between the aggregate issue price of ICPS surrendered and the conversion price, in cash, for every 1 new ordinary share of the Company.

The conversion mode and conversion price will be subject to adjustment at the determination of the Board, in the event of any alteration to the Company's share capital, whether by way of rights issue, bonus issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital.

(c) Redemption

The ICPS shall not be redeemable for cash.

(d) Ranking of the ICPS

The ICPS will rank pari passu in all respects with each other and will rank in priority to all other class of shares in the capital of the Company except that such new ordinary shares shall not entitled to any dividends, rights, allotments and/or other distributions that may be declared.

(e) Ranking of the new ordinary shares

The new ordinary shares to be issued pursuant to the conversion of the ICPS shall, upon allotment and issuance, rank pari passu in all respects with the ordinary shares of the Company except that such new ordinary shares shall not entitle its holders to any dividends, rights, allotments and/or other distributions on or prior to the relevant date of allotment of new ordinary shares arising from the conversion of the ICPS.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 25. ICPS (CONT'D)

The salient terms of the ICPS were as follows: (cont'd)

(f) Rights

The ICPS holders shall be entitled to receive notice of meetings, report and accounts, and attend meetings of the Company but shall not have the right to vote at any general meeting of the Company except on:

- (i) reduction of the Company's share capital;
- (ii) sale the whole of the Company's property, business and undertaking;
- (iii) proposals varying or affecting the rights and privileges attached to the ICPS; and
- (iv) winding up of the Company.

(g) Transferability

The ICPS shall be transferable in the manner provided under the Securities Industry (Central Depositories) Act 1991 ("SICDA") and the Rules of Bursa Depository.

## 26. RESERVES

|                             | Note | Group                |               | Company              |               |
|-----------------------------|------|----------------------|---------------|----------------------|---------------|
|                             |      | 2023<br>RM           | 2022<br>RM    | 2023<br>RM           | 2022<br>RM    |
| <b>Non-distributable:</b>   |      |                      |               |                      |               |
| Capital reserve             | (a)  | <b>2,200,000</b>     | 2,200,000     | <b>2,200,000</b>     | 2,200,000     |
| Warrants reserve            | (b)  | -                    | 2,526,978     | -                    | 2,526,978     |
| Other reserve               | (c)  | -                    | (2,526,978)   | -                    | (2,526,978)   |
| Foreign translation reserve | (d)  | <b>(22,257,073)</b>  | (18,026,820)  | -                    | -             |
| Share options reserve       | (e)  | -                    | -             | -                    | -             |
| <b>Distributable:</b>       |      |                      |               |                      |               |
| Accumulated losses          |      | <b>(288,811,760)</b> | (221,331,485) | <b>(305,635,239)</b> | (227,967,871) |
|                             |      | <b>(308,868,833)</b> | (237,158,305) | <b>(303,435,239)</b> | (225,767,871) |

### (a) Capital reserve

The capital reserve arose from the special issue of shares to selected pioneer management team of the Group and is not distributable by way of dividends.

### (b) Warrants reserve

Warrants reserve represents reserve allocated to free detachable warrants B issued together with the right issue in 2020.

#### Warrants B

On 12 March 2020, the Company listed and quoted of 265,256,876 free detachable Warrants B pursuant to the renounceable rights issue of ICPS with Warrants B exercise on the basis of four (4) ICPS together with one (1) free Warrants B for every two (2) existing ordinary shares of the Company. The fair value of the Warrants B was determined as RM0.0109.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 26. RESERVES (CONT'D)

### (b) Warrants reserve (cont'd)

#### Warrants B (cont'd)

The Company executed a Deed Poll constituting the Warrants B and the exercise price of the Warrants B have been fixed at RM0.06 each. The Warrants B may be exercised at any time within 3 years commencing on and including the date of issuance and expired on 3 March 2023. Any Warrants B which has not been exercised at date of maturity had lapsed and ceased to be valid for any purpose.

The new ordinary shares allotted and issued upon exercise of the Warrants B shall rank pari passu in all respects with the then existing ordinary shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares arising from exercise of the Warrants B.

As at 30 September 2023, the total numbers of Warrants B that remain unexercised amounted to 231,784,951 had lapsed.

In the prior financial year, the total numbers of Warrants B that remain unexercised stood at 231,832,876.

#### Warrants C

On 22 January 2021, Bursa Malaysia Securities Berhad approved the Company's proposed bonus issue of up to 1,412,612,765 free warrants ("Warrants C") on the basis of three (3) Warrants C for every eight (8) existing ordinary shares of the Company. There is no proceed received by the Company arising from the Bonus Issue of warrant, accordingly, no allocation of proceeds is required to account for the fair value of warrant issued.

The Company executed a Deed Poll constituting the Warrants C and the exercise price of the Warrants C have been fixed at RM0.10 each. The Warrants C may be exercised at any time within 3 years commencing on and including the date of issuance and expiring on 19 January 2024. Any Warrants C which has not been exercised at date of maturity will lapse and cease to be valid for any purpose.

The new ordinary shares allotted and issued upon exercise of the Warrants C shall rank pari passu in all respects with the then existing ordinary shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares arising from exercise of the Warrants C.

As at 30 September 2023, the total numbers of Warrants C that remain unexercised amounted to 1,412,612,765 (2022: 1,412,612,765).

### (c) Other reserve

Other reserve represents the discount on issuance of shares and the value of which is represented by the fair value of the warrants. The other reserve, in substance, form part of the issued and paid-up share capital and is presented separately for better understanding.

### (d) Foreign translation reserve

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 26. RESERVES (CONT'D)

(e) Share options reserve

|                                    | Group and Company |             |
|------------------------------------|-------------------|-------------|
|                                    | 2023<br>RM        | 2022<br>RM  |
| At beginning of the financial year | -                 | 3,036,252   |
| Granted                            | -                 | 5,026,838   |
| Exercised                          | -                 | (6,491,338) |
| Expired                            | -                 | (1,571,752) |
| At end of the financial year       | -                 | -           |

Share options reserve represents the equity-settled share options granted to Directors and employees of the Group. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options and is reduced by the expiry or exercise of the share options. Share options is disclosed in Note 7.

## 27. BORROWING, SECURED

|                                | Group             |            |
|--------------------------------|-------------------|------------|
|                                | 2023<br>RM        | 2022<br>RM |
| <b>Non-current liability</b>   |                   |            |
| Security-back advance facility | <b>91,594,741</b> | -          |
| Repayable within 2 and 5 years | <b>91,594,741</b> | -          |

The effective interest rates per annum on the borrowing of the Group are as follows:

|                                | Group              |           |
|--------------------------------|--------------------|-----------|
|                                | 2023<br>%          | 2022<br>% |
| Security-back advance facility | <b>3.10 - 6.80</b> | -         |

The security-back advance facility of the Group is secured by listed securities held by the Group as disclosed in Note 13(a) and repayable upon sale of secured securities or by December 2025.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 28. LEASE LIABILITIES

|   | Group              |             |
|---|--------------------|-------------|
|   | 2023<br>RM         | 2022<br>RM  |
| <b>Minimum lease payments:</b>          |                    |             |
| Repayable within one year               | <b>6,275,318</b>   | 5,385,106   |
| Repayable between one to two years      | <b>4,677,733</b>   | 3,519,114   |
| Repayable between two to five years     | <b>5,132,642</b>   | 4,834,915   |
| Repayable more than five years          | <b>321,255</b>     | 240,167     |
|   | <b>16,406,948</b>  | 13,979,302  |
| Less: Future finance charges            | <b>(2,920,026)</b> | (2,415,130) |
| Present value of minimum lease payments | <b>13,486,922</b>  | 11,564,172  |
| <b>Present value of lease payables:</b> |                    |             |
| Repayable within one year               | <b>4,945,260</b>   | 4,299,645   |
| Repayable between one to two years      | <b>3,869,421</b>   | 2,868,391   |
| Repayable between two to five years     | <b>4,360,823</b>   | 4,166,386   |
| Repayable more than five years          | <b>311,418</b>     | 229,750     |
|   | <b>13,486,922</b>  | 11,564,172  |
| <b>Representing:</b>                    |                    |             |
| Current portion                         | <b>4,945,260</b>   | 4,299,645   |
| Non-current portion                     | <b>8,541,662</b>   | 7,264,527   |
|   | <b>13,486,922</b>  | 11,564,172  |

The lease liabilities bear effective interest rate ranging from 7.77% to 13.84% (2022: 4.69% to 13.84%) per annum.

## 29. OTHER PAYABLES

|                               | Note  | Group             |            | Company        |            |
|-------------------------------|-------|-------------------|------------|----------------|------------|
|                               |       | 2023<br>RM        | 2022<br>RM | 2023<br>RM     | 2022<br>RM |
| <b>Non-current liability:</b> |       |                   |            |                |            |
| Other payables                | (i)   | <b>170,000</b>    | -          | -              | -          |
| <b>Current liabilities</b>    |       |                   |            |                |            |
| Other payables                | (i)   | <b>21,416,243</b> | 11,729,413 | <b>25,706</b>  | 28,946     |
| Deposits                      | (ii)  | <b>179,578</b>    | 114,828    | -              | -          |
| Accruals                      | (iii) | <b>35,915,894</b> | 41,529,123 | <b>192,040</b> | 167,440    |
| Deferred income               | (iv)  | <b>476,000</b>    | -          | -              | -          |
|                               |       | <b>57,987,715</b> | 53,373,364 | <b>217,746</b> | 196,386    |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 29. OTHER PAYABLES (CONT'D)

- (i) Included in other payables of the Group are:
- (a) an amount of RM3,173,638 (2022: RM1,976,110) due to the vendors for the purchase and enhancement of telecommunication network equipment and software;
  - (b) an amount of RM1,083,917 (2022: RM858,911) due to Director's related company for the provision of event management services;
  - (c) an amount of RM173,136 (2022: RM1,079,720) due to Director's related company for electronic data management service;
  - (d) an amount of RM26,240 (2022: RM24,899), RM300 (2022: RM28,000) and RM14,779 (2022: RM4,733) due to an associate, joint venture and Director's related company respectively for marketing related services;
  - (e) an amount of RM1,817,764 (2022: RM Nil) due to Director's related company for office renovation;
  - (f) an amount of RM46,184 (2022: RM Nil), RM24,000 (2022: RM Nil) and RM10,176 (2022: RM Nil) due to Director's related company for purchase of office equipment, healthcare products and software respectively;
  - (g) an amount of RM1,419,048 (2022: RM Nil) relating to establishment fee payable for the security-back advance facility as disclosed in Note 27; and
  - (h) an amount of RM200,000 (2022: RM Nil) relating to sponsorship payable to a Director's related company.
- (ii) Included in deposits of the Group is refundable rental deposits received from a Director's related company amounting to RM48,828 (2022: RM48,828).
- (iii) Included in accruals of the Group are:
- (a) accrued event management expenses and marketing expenses payable to Directors' related companies amounting to RM Nil (2022: RM26,000);
  - (b) the cost of recharge usage accrued amounting to RM11,347,519 (2022: RM20,103,552);
  - (c) accrued subscription fee for Blockchain-based Solutions of RM76,245 (2022: RM77,233); and
  - (d) an amount of RM4,091,596 (2022: RM Nil) relating to the accrued interest of the security-back advance facility as disclosed in Note 27.
- (iv) The deferred income represents the amount received from development of software which was yet to be completed as at 30 September 2023.

## 30. TRADE PAYABLES

|               | Group             |            |
|---------------|-------------------|------------|
|               | 2023<br>RM        | 2022<br>RM |
| Third parties | <b>11,150,928</b> | 22,555,047 |
| Associate     | <b>2,147</b>      | 208,693    |
|               | <b>11,153,075</b> | 22,763,740 |

The normal trade credit terms granted to the Group is ranging from 30 to 90 days (2022: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 31. CONTRACT LIABILITIES

|  | Note  | Group             |            |
|--|-------|-------------------|------------|
|  |       | 2023<br>RM        | 2022<br>RM |
| Telecommunication services             |       |                   |            |
| - Prepaid, postpaid and other services | (i)   | <b>24,250,723</b> | 24,357,205 |
| Mobile applications services           | (ii)  | -                 | 476,831    |
| Digital advertising                    | (iii) | <b>263,434</b>    | 186,496    |
| Incentives and sponsorships            | (iv)  | <b>1,260,823</b>  | -          |
| Royalty fee                            | (v)   | <b>212,499</b>    | -          |
| E-commerce                             | (vi)  | <b>215,709</b>    | 24,752     |
| Sales of tickets                       | (vii) | <b>9,682</b>      | -          |
|  |       | <b>26,212,870</b> | 25,045,284 |

Contract liabilities mainly relates to advance consideration received from subscribers at inception of contracts, for which is only recognised upon rendering of telecommunication services and mobile application services via Voopee.

For digital advertising and e-commerce, contract liabilities mainly relate to amount billed to customer before the related performance obligations are satisfied by the Group.

For sports segment (incentives and sponsorships, sales of tickets and royalty fees), contract liabilities relate to advance consideration received from customers for which is only recognised as revenue when the performance obligation had been satisfied.

Movement of contract liabilities are as follows:

(i) Telecommunication services

|   | Group                |               |
|---|----------------------|---------------|
|   | 2023<br>RM           | 2022<br>RM    |
| At beginning of the financial year                    | <b>24,357,205</b>    | 23,894,601    |
| Collection during the financial year                  | <b>258,222,187</b>   | 277,576,768   |
| Revenue recognised during the financial year (Note 4) | <b>(258,328,669)</b> | (277,114,164) |
| At end of the financial year                          | <b>24,250,723</b>    | 24,357,205    |

(ii) Mobile application services

|   | Group            |            |
|---|------------------|------------|
|   | 2023<br>RM       | 2022<br>RM |
| At beginning of the financial year                    | <b>476,831</b>   | 474,899    |
| Collection during the financial year                  | <b>5,497</b>     | 101,164    |
| Revenue recognised during the financial year (Note 4) | <b>(482,328)</b> | (99,232)   |
| At end of the financial year                          | -                | 476,831    |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 31. CONTRACT LIABILITIES (CONT'D)

Movement of contract liabilities are as follows: (cont'd)

### (iii) Digital advertising

|   | Group           |            |
|---|-----------------|------------|
|   | 2023<br>RM      | 2022<br>RM |
| At beginning of the financial year                    | <b>186,496</b>  | 43,489     |
| Billing during the financial year                     | <b>91,750</b>   | 280,250    |
| Revenue recognised during the financial year (Note 4) | <b>(14,812)</b> | (137,243)  |
| At end of the financial year                          | <b>263,434</b>  | 186,496    |

### (iv) Incentives and sponsorships

|   | Group              |            |
|---|--------------------|------------|
|   | 2023<br>RM         | 2022<br>RM |
| At beginning of the financial year                    | -                  | -          |
| Collection during the financial year                  | <b>4,207,395</b>   | -          |
| Revenue recognised during the financial year (Note 4) | <b>(2,946,572)</b> | -          |
| At end of the financial year                          | <b>1,260,823</b>   | -          |

### (v) Royalty fee

|   | Group            |            |
|---|------------------|------------|
|   | 2023<br>RM       | 2022<br>RM |
| At beginning of the financial year                    | -                | -          |
| Collection during the financial year                  | <b>850,000</b>   | -          |
| Revenue recognised during the financial year (Note 4) | <b>(637,501)</b> | -          |
| At end of the financial year                          | <b>212,499</b>   | -          |

### (vi) E-commerce

|   | Group              |             |
|---|--------------------|-------------|
|   | 2023<br>RM         | 2022<br>RM  |
| At beginning of the financial year                    | <b>24,752</b>      | 44,085      |
| Billing during the financial year                     | <b>3,838,180</b>   | 8,696,074   |
| Revenue recognised during the financial year (Note 4) | <b>(3,647,223)</b> | (8,715,407) |
| At end of the financial year                          | <b>215,709</b>     | 24,752      |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 31. CONTRACT LIABILITIES (CONT'D)

Movement of contract liabilities are as follows: (cont'd)

(vii) Sales of tickets

|   | Group              |            |
|---|--------------------|------------|
|   | 2023<br>RM         | 2022<br>RM |
| At beginning of the financial year                    | -                  | -          |
| Collection during the financial year                  | <b>1,322,732</b>   | -          |
| Revenue recognised during the financial year (Note 4) | <b>(1,313,050)</b> | -          |
| At end of the financial year                          | <b>9,682</b>       | -          |

## 32. RELATED PARTY DISCLOSURES

### (a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group and to the Company if the Group and the Company have the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group has a related party relationship with Directors' related companies, associates, joint venture and key management personnel. The Company has related party relationship with its subsidiaries. The Directors' related companies refer to companies in which certain Directors of the Group are also Directors of the related companies. The related party balances of the Group and of the Company are disclosed in Notes 18, 21, 22, 29 and 30.

### (b) Related party transactions

The related party transactions between the Group and the Company and their related parties during the financial year are as follows:

|  | Group              |             | Company        |            |
|--|--------------------|-------------|----------------|------------|
|  | 2023<br>RM         | 2022<br>RM  | 2023<br>RM     | 2022<br>RM |
| <b>Transactions with Directors' related companies:</b> |                    |             |                |            |
| - Purchase of software                                 | <b>(2,756,204)</b> | (6,652,800) | -              | -          |
| - Purchase of vending machine                          | <b>(48,230)</b>    | (3,855,000) | -              | -          |
| - Purchase of goods                                    | <b>(1,658,142)</b> | (4,555,679) | -              | -          |
| - Purchase of office equipment                         | <b>(46,184)</b>    | -           | -              | -          |
| - Rental charge  | <b>8,067</b>       | 8,052       | <b>(9,540)</b> | (9,540)    |
| - Renovation charge                                    | <b>(3,246,596)</b> | (1,261,078) | -              | -          |
| - Sponsorships   | <b>(2,530,000)</b> | -           | -              | -          |
| - Marketing related expenses                           | <b>(1,047,577)</b> | (8,318,580) | -              | -          |
| - Commission income                                    | <b>93,095</b>      | 10,211      | -              | -          |
| - Sales  | <b>115,207</b>     | 155,465     | -              | -          |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 32. RELATED PARTY DISCLOSURES (CONT'D)

### (b) Related party transactions (cont'd)

The related party transactions between the Group and the Company and their related parties during the financial year are as follows: (cont'd)

|   | Group       |             | Company      |              |
|---|-------------|-------------|--------------|--------------|
|   | 2023<br>RM  | 2022<br>RM  | 2023<br>RM   | 2022<br>RM   |
| <b>Transactions with associates:</b>    |             |             |              |              |
| - Commission income                     | 661         | -           | -            | -            |
| - Sales                                 | 185,607     | 388,994     | -            | -            |
| - Sponsorships                          | 2,051,700   | -           | -            | -            |
| - Service charge                        | (374,311)   | (25,408)    | -            | -            |
| - Purchase                              | (1,851,509) | (263,134)   | -            | -            |
| - Royalty income                        | 850,000     | -           | -            | -            |
| <b>Transactions with subsidiaries:</b>  |             |             |              |              |
| - Advances to                           | -           | -           | (39,323,774) | (46,097,165) |
| - Capital contribution                  | -           | -           | 36,442,664   | -            |
| - Repayment to                          | -           | -           | -            | (2,865,515)  |
| - Share options                         | -           | -           | -            | 5,883,009    |
| <b>Transactions with joint venture:</b> |             |             |              |              |
| - Sales                                 | 48,230      | 426         | -            | -            |
| - Sponsorships                          | 10,000      | -           | -            | -            |
| - Advertisement                         | (2,400)     | (98,600)    | -            | -            |
| - Advances to                           | -           | (3,084,000) | -            | -            |
| <b>Transaction with a Director:</b>     |             |             |              |              |
| - Disposal of motor vehicle             | -           | 100,000     | -            | -            |

### (c) Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly, including any Directors of the Company and its subsidiaries.

The remunerations paid by the Group and the Company to key management personnel during the financial year have been disclosed in Note 6(a).

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

### 33. CAPITAL AND OTHER COMMITMENT

The future capital and other commitment payable at the reporting date but not recognised as liabilities are as follows:

|  | Group             |            |
|--|-------------------|------------|
|  | 2023<br>RM        | 2022<br>RM |
| Contracted for:                                    |                   |            |
| Blockchain-based Solutions                         | <b>838,695</b>    | 849,567    |
| Trax Platform                                      | <b>95,400</b>     | -          |
| Purchase of new and enhancement of system software | <b>8,272,108</b>  | 4,498,270  |
| Renovation   | <b>935,290</b>    | 3,779,144  |
|  | <b>10,141,493</b> | 9,126,981  |

### 34. SEGMENTAL INFORMATION

#### (a) Reporting format

Segment information is presented in respect of the Group's business segments. Segment results, assets and liabilities 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) Other segments refer to non-core business activities of the Group.

#### Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3(p). Segment results represent profit or loss before finance costs and tax of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

#### Segment assets

Segment assets are measured based on all assets of the segment, excluding deferred tax assets and tax assets.

#### Segment liabilities

Segment liabilities are measured based on all liabilities of the segment, excluding deferred tax liabilities and tax liabilities.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 34. SEGMENTAL INFORMATION (CONT'D)

### (b) Allocation basis and transfers

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

### (c) Geographical information

No other segmental information such as geographical segment is presented as the Group is principally involved in investment holding, provision of mobile communication services and its related products, e-commerce services, digital advertising, establishing, managing and controlling a football club and operate from Malaysia only.

### (d) Major customers

The Group has six customers (mobile communication services) which contribute approximately RM55.90 million or 20% (2022: six customers (mobile communication services), RM60.20 million or 20%) of the Group's revenue during the financial year.

Information regarding the Group's total reportable segments are presented below:

|  | Mobile communication services RM | Sports RM    | Investment holding RM | Other segments RM | Adjustments RM | Note | Total RM     |
|--|----------------------------------|--------------|-----------------------|-------------------|----------------|------|--------------|
| <b>Group</b>   |                                  |              |                       |                   |                |      |              |
| <b>2023</b>  |                                  |              |                       |                   |                |      |              |
| <b>Revenue</b>   |                                  |              |                       |                   |                |      |              |
| External sales   | 268,451,551                      | 5,179,008    | -                     | 24,220            |                |      | 273,654,779  |
| Inter-segment sales  | 187,971,971                      | 463,986      | -                     | 480,150           | (188,916,107)  | (i)  | -            |
| Total revenue  | 456,423,522                      | 5,642,994    | -                     | 504,370           |                |      | 273,654,779  |
| <b>Results</b>   |                                  |              |                       |                   |                |      |              |
| Segment results  | 9,898,404                        | (16,335,827) | (116,064,986)         | (1,360,970)       | 75,801,904     | (ii) | (48,061,475) |
| Share of results of associates, net of tax                                 | -                                | -            | (17,395,363)          | -                 |                |      | (17,395,363) |
| Share of results of a joint venture, net of tax                            | -                                | -            | 1,337,855             | -                 |                |      | 1,337,855    |
| Interest expenses  | (1,735,492)                      | (33,017)     | (2,795,900)           | -                 |                |      | (4,564,409)  |
| Interest income  | 301,506                          | 1,447        | 936,428               | 18,058            |                |      | 1,257,439    |
| Profit/(Loss) before tax   | 8,464,418                        | (16,367,397) | (133,981,966)         | (1,342,912)       |                |      | (67,425,953) |
| Income tax expense   | (1,779,793)                      | -            | (2)                   | -                 | (26,220)       |      | (1,806,015)  |
| Profit/(Loss) net of tax   | 6,684,625                        | (16,367,397) | (133,981,968)         | (1,342,912)       |                |      | (69,231,968) |
| Non-controlling interests  | -                                | -            | -                     | -                 | 1,751,693      |      | 1,751,693    |
| Profit/(Loss) for the financial year attributable to Owners of the Company | 6,684,625                        | (16,367,397) | (133,981,968)         | (1,342,912)       |                |      | (67,480,275) |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 34. SEGMENTAL INFORMATION (CONT'D)

Information regarding the Group's total reportable segments are presented below: (cont'd)

|   | Mobile<br>communication<br>services<br>RM | Sports<br>RM      | Investment<br>holding<br>RM | Other<br>segments<br>RM | Adjustments<br>RM    | Note  | Total<br>RM        |
|---|---|-------------------|-----------------------------|-------------------------|----------------------|-------|--------------------|
| <b>Group (cont'd)</b>                               |   |                   |                             |                         |                      |       |                    |
| <b>2023 (cont'd)</b>                                |   |                   |                             |                         |                      |       |                    |
| <b>Assets</b>                                       |   |                   |                             |                         |                      |       |                    |
| Segment assets                                      | <b>248,553,721</b>                        | <b>20,023,058</b> | <b>314,187,256</b>          | <b>782,596</b>          | <b>(221,559,474)</b> | (iii) | <b>361,987,157</b> |
| <b>Liabilities</b>                                  |   |                   |                             |                         |                      |       |                    |
| Segment liabilities                                 | <b>167,092,258</b>                        | <b>8,725,166</b>  | <b>338,326,912</b>          | <b>10,132,637</b>       | <b>(319,559,836)</b> | (iv)  | <b>204,717,137</b> |
| <b>Other information</b>                            |   |                   |                             |                         |                      |       |                    |
| Capital expenditures                                | <b>33,019,316</b>                         | <b>1,253,232</b>  | -                           | <b>95,400</b>           |                      | (v)   | <b>34,367,948</b>  |
| Amortisation of<br>intangible assets                | <b>10,205,958</b>                         | -                 | -                           | -                       |                      |       | <b>10,205,958</b>  |
| Depreciation of<br>property, plant and<br>equipment | <b>8,455,998</b>                          | <b>234,642</b>    | -                           | <b>539</b>              |                      |       | <b>8,691,179</b>   |
| Other material<br>non-cash items                    | <b>(105,109)</b>                          | <b>3,277,838</b>  | <b>129,914,665</b>          | <b>51,972</b>           | <b>(75,692,657)</b>  | (vi)  | <b>57,446,709</b>  |

Segmental information is not presented for previous financial year as the Group was primarily engaged in the provision of mobile communication services and its related products, e-commerce services and digital marketing, in which the contribution of the sports segment was less than 10% of the Group's consolidated revenue.

### Operating segments

- (i) Inter-segment revenues are eliminated on consolidation.
- (ii) Reconciliation of segment results to total results as follows:

|   | Group<br>2023<br>RM |
|---|---------------------|
| Impairment loss on other receivables  | <b>2,635,210</b>    |
| Elimination on net reversal of impairment loss on amounts due from intercompanies | <b>(35,590,937)</b> |
| Elimination on impairment loss on investments in subsidiaries                     | <b>(42,736,930)</b> |
| Elimination of MFRS 15 impact for intercompanies transactions                     | <b>(109,247)</b>    |
|   | <b>(75,801,904)</b> |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 34. SEGMENTAL INFORMATION (CONT'D)

### Operating segments (cont'd)

(iii) Reconciliation of segment assets to total assets as follows:

|                     | <b>Group</b>       |
|---------------------|--------------------|
|                     | <b>2023</b>        |
|                     | <b>RM</b>          |
| Segment assets      | <b>359,759,332</b> |
| Deferred tax assets | <b>654,194</b>     |
| Tax recoverable     | <b>1,573,631</b>   |
|                     | <b>361,987,157</b> |

The following items are deducted from segment assets to arrive at total assets reported in consolidated statement of financial position:

|   | <b>Group</b>         |
|---|----------------------|
|   | <b>2023</b>          |
|   | <b>RM</b>            |
| Inter-segment balances                    | <b>311,689,010</b>   |
| Impairment loss on inter-segment balances | <b>(227,603,905)</b> |
| Investments in subsidiaries               | <b>144,793,720</b>   |
| Investments in associates                 | <b>(3,238,599)</b>   |
| Investment in a joint venture             | <b>862,807</b>       |
| Intangible assets                         | <b>(2,752,834)</b>   |
| Goodwill on consolidation                 | <b>(8,894,253)</b>   |
| Unrealised profit on inventories          | <b>2,337,475</b>     |
| Other receivables                         | <b>4,366,053</b>     |
|   | <b>221,559,474</b>   |

(iv) Reconciliation of segment liabilities to total liabilities as follows:

|                          | <b>Group</b>       |
|--------------------------|--------------------|
|                          | <b>2023</b>        |
|                          | <b>RM</b>          |
| Segment liabilities      | <b>200,605,323</b> |
| Deferred tax liabilities | <b>4,111,814</b>   |
|                          | <b>204,717,137</b> |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 34. SEGMENTAL INFORMATION (CONT'D)

### Operating segments (cont'd)

(iv) Reconciliation of segment liabilities to total liabilities as follows: (cont'd)

The following items are deducted from segment liabilities to arrive at total liabilities reported in consolidated statement of financial position:

|   | <b>Group</b>       |
|---|--------------------|
|   | <b>2023</b>        |
|   | <b>RM</b>          |
| Inter-segment balances                                      | <b>311,689,010</b> |
| Unrealised profit on inventories - deferred tax liabilities | <b>(368,621)</b>   |
| Contract liabilities  | <b>8,239,447</b>   |
|   | <b>319,559,836</b> |

(v) Addition to capital expenditures consists of:

|                               | <b>Group</b>      |
|-------------------------------|-------------------|
|                               | <b>2023</b>       |
|                               | <b>RM</b>         |
| Property, plant and equipment | <b>20,584,391</b> |
| Intangible assets             | <b>13,783,557</b> |
|                               | <b>34,367,948</b> |

(vi) Other material non-cash items (other than amortisation and depreciation) consist of the following expenses/ (income) as presented in the respective notes:

|  | <b>Group</b>       |
|--|--------------------|
|  | <b>2023</b>        |
|  | <b>RM</b>          |
| Gain on modification of lease contract         | <b>(32,109)</b>    |
| Gain on termination of lease contract          | <b>(104,654)</b>   |
| Impairment loss on:                            |                    |
| - other receivables                            | <b>2,635,210</b>   |
| - trade receivables                            | <b>2,566,752</b>   |
| - investments in associates                    | <b>34,440,670</b>  |
| Share of results of associates, net of tax     | <b>17,395,363</b>  |
| Share of result of a joint venture, net of tax | <b>(1,337,855)</b> |
| Unrealised loss on foreign exchange            | <b>1,721,108</b>   |
| Waiver of debt                                 | <b>(678,999)</b>   |
| Written off of:                                |                    |
| - intangible assets                            | <b>294,877</b>     |
| - inventories                                  | <b>357,044</b>     |
| - property, plant and equipment                | <b>189,232</b>     |
| - trade receivables                            | <b>70</b>          |
|  | <b>57,446,709</b>  |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 35. FINANCIAL INSTRUMENTS

### Categories of financial instruments

The Group's and the Company's financial assets (except for prepayment) and financial liabilities are all categorised as amortised costs respectively, except for other investment in quoted shares which is categorised at fair value through profit or loss as disclosed in Note 15.

### Financial Risk Management Objectives and Policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing the financial risks, including credit risk, interest risk, foreign currency risk and liquidity risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

#### (a) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables (which consist of trade and other receivables). The Company's exposure to credit risk arises principally from loans and advances to subsidiaries. There are no significant changes as compared to prior year.

#### Trade receivables

##### Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk is minimised and monitored via strictly limiting the Group's associations to business partners with good credit rating. Credit evaluations are performed on all customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

There is no significant changes as compared to previous year.

##### Exposure to credit risk, credit quality and collateral

As the Group does not hold any collateral, the maximum exposure to credit risk from receivables is represented by the carrying amounts in the statements of financial position as at the end of the reporting year.

##### Concentration of credit risk

The Group determines concentration of credit risk by monitoring the profiles of its receivables on an ongoing basis.

As at 30 September 2023, the Group has significant concentration of credit risk arising from the amounts owing by 7 (2022: 6) distribution channels constituting 40% (2022: 38%) of net trade receivables of the Group.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### Financial Risk Management Objectives and Policies (cont'd)

#### (a) Credit risk (cont'd)

##### Trade receivables (cont'd)

###### Recognition and measurement of impairment loss

The Group has applied the simplified approach in MFRS 9 to measure the loss allowance at lifetime expected credit losses.

##### ***Distribution channels and others***

The Group assesses impairment of trade receivables on individual and collective basis.

For individual assessment, it is due to different credit risk characteristics and these debtors can be individually managed by the Group in an effective and efficient manner. The Group has reasonable and supportable information available to assess the impairment individually.

For collective assessment, the Group determines the expected credit losses by using a provision matrix for collective assessed receivables which are grouped together based on shared credit risk characteristics and similar types of contracts which have similar risk characteristics.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency.

Loss rates are based on actual credit loss experienced over the prior years and are adjusted to reflect the alternative forward looking information. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions, (c) the Group's view of economic conditions over the expected lives of the receivables.

##### ***Postpaid users***

The Group assesses impairment of trade receivable on collective basis. The Group uses an allowance matrix to measure ECL of collective assessed receivables as they are grouped based on shared credit risk characteristics, the days past due and similar types of contracts which have similar risk characteristics. Consistent with the debt recovery process, invoices which are past due more than 120 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency.

Loss rates are based on actual credit loss experienced over the prior years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions, (c) the Group's view of economic conditions over the expected lives of the receivables.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### Financial Risk Management Objectives and Policies (cont'd)

#### (a) Credit risk (cont'd)

##### Trade receivables (cont'd)

##### Impairment losses

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the reporting date:

|   | Gross<br>RM       | Loss<br>Allowance<br>RM | Net<br>RM         |
|---|-------------------|-------------------------|-------------------|
| <b>Group</b>  |                   |                         |                   |
| <b>Postpaid users, distribution channels and others</b> |                   |                         |                   |
| <b>2023</b>   |                   |                         |                   |
| Not past due  | 11,322,612        | (480,643)               | 10,841,969        |
| Past due and impaired:                                  |                   |                         |                   |
| Less than 30 days                                       | 3,459,699         | (543,771)               | 2,915,928         |
| 31 days to 60 days                                      | 1,301,388         | (252,912)               | 1,048,476         |
| 61 days to 90 days                                      | 719,404           | (155,473)               | 563,931           |
| 91 days to 120 days                                     | 462,189           | (128,001)               | 334,188           |
|   | <b>5,942,680</b>  | <b>(1,080,157)</b>      | <b>4,862,523</b>  |
| Credit impaired:  |                   |                         |                   |
| 121 days to 150 days                                    | 4,084,576         | (3,903,892)             | 180,684           |
| More than 150 days - Renegotiated                       | 668,178           | -                       | 668,178           |
| Individually impaired                                   | 189,324           | (189,324)               | -                 |
| <b>Trade receivables, net</b>                           | <b>22,207,370</b> | <b>(5,654,016)</b>      | <b>16,553,354</b> |
| <b>2022</b>   |                   |                         |                   |
| Not past due  | 9,781,095         | (1,225,207)             | 8,555,888         |
| Past due and impaired:                                  |                   |                         |                   |
| Less than 30 days                                       | 2,959,136         | (865,381)               | 2,093,755         |
| 31 days to 60 days                                      | 501,623           | (90,216)                | 411,407           |
| 61 days to 90 days                                      | 822,995           | (397,601)               | 425,394           |
| 91 days to 120 days                                     | 412,442           | (255,722)               | 156,720           |
|   | 4,696,196         | (1,608,920)             | 3,087,276         |
| Credit impaired:  |                   |                         |                   |
| 121 days to 150 days                                    | 3,416,044         | (3,416,044)             | -                 |
| More than 150 days - Renegotiated                       | 231,953           | -                       | 231,953           |
| Individually impaired                                   | 195,394           | (195,394)               | -                 |
| <b>Trade receivables, net</b>                           | <b>18,320,682</b> | <b>(6,445,565)</b>      | <b>11,875,117</b> |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### Financial Risk Management Objectives and Policies (cont'd)

#### (a) Credit risk (cont'd)

##### Trade receivables (cont'd)

###### Credit impaired

##### **Distribution channels and others**

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments subsequent to the range from 30 to 150 days past due, depending on risk profile of the respective debtors. These receivables are not secured by any collateral or credit enhancements.

A debtor of the Group with credit impaired risk on total debt outstanding amounted to RM213,300 (2022: RM233,000) as at 30 September 2023 has been renegotiated with the Group by way of 12-months repayment plan in the prior financial year. The Group has not provided impairment loss on those trade receivables as there has been no significant change in their credit quality and the amounts are still considered recoverable. These trade receivables relate mostly to a number of independent customers with slower repayment patterns, for whom there is no history of default.

##### **Postpaid users**

Trade receivables that are collectively determined to be impaired at the reporting date relate to debtors that have defaulted on payments and due more than 120 days. These receivables are not secured by any collateral or credit enhancements.

###### Receivables that are not past due nor impaired/not past due

##### **Distribution channels and others**

Trade receivables that are not past due nor impaired are creditworthy debtors with good payment records and mostly are regular customers that have been transacting with the Group.

##### **Postpaid users**

Trade receivables that are not past due are creditworthy debtors with good payment records.

###### Receivables that are past due but not impaired

##### **Distribution channels and others**

These trade receivables relate mostly to customers with slower repayment patterns, for whom there is no history of default. The Group has not provided for impairment for these trade receivables as there has been no significant changes in their credit quality and the amounts are still considered recoverable.

##### **Postpaid users**

The Group has not provided for impairment for these trade receivables as there has been no significant changes in their credit quality and the amounts are still considered recoverable according to the Group's postpaid validity cycle. The Group does not hold any collateral or other credit enhancement over these balances.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### Financial Risk Management Objectives and Policies (cont'd)

#### (a) Credit risk (cont'd)

##### Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. These banks and financial institutions have low credit risks. Hence, a loss allowance is not necessary.

##### Other receivables and deposits

Expected credit loss of other receivable is determined individually after considering the financial strength of the other receivables. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. The Group has provided allowances for expected credit losses on the debtors as disclosed in Note 18. Besides, the Group has assessed debtors which are past due more than 1 year as credit impaired and has write off the receivables as disclosed in Note 18.

Credit risk on deposits are mainly arising from deposits paid to landlord as security and utilities deposit for rental of office and outlet which will be received upon termination of such services and thus have low credit risks. As at the end of the reporting period, no allowance for doubtful debts is necessary in respect of the deposits.

##### Amounts due from joint venture and subsidiaries

###### Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured loans and advances to its joint venture and subsidiaries. The Group and the Company monitor the ability of the joint venture and subsidiaries to repay the loans and advances on an individual basis.

###### Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. Loans and advances provided are not secured by any collateral.

###### Recognition and measurement of impairment loss

Intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loans is demanded at the reporting date.

The Group and the Company assume that there is a significant increase in credit risk when joint venture's and subsidiaries' financial positions deteriorate significantly. As the Group and the Company are able to determine the timing of payments of the joint venture's and subsidiaries' loans and advances when they are payable, the Group and the Company consider joint venture's and subsidiaries loans or advances to be credit impaired when the joint venture and subsidiaries are unlikely to repay the loans or advances to the Group and the Company in full given insufficient highly liquid resources when the loans are demanded.

The Group and the Company determine the probability of default for these loans and advances individually using internal information available.

At the reporting date, the Company assumes that there is a significant increase in credit risk given the subsidiaries financial position has deteriorated significantly which may lead to high probability of default for the advances to the subsidiaries. An impairment loss of RM68,778,205 (2022: RM112,186,372) and reversal of impairment of RM29,956,283 (2022: RM Nil) has been recognised in profit or loss as disclosed in Note 22.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### Financial Risk Management Objectives and Policies (cont'd)

#### (b) Foreign currency risk

Foreign currency risk is the risk that the fair value of cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company are exposed to foreign currency risk on purchases that are denominated in a currency other than functional currency of the Group and of the Company. The currency giving rise to this risk is primarily United States Dollar ("USD") and Australian Dollar ("AUD").

Foreign exchange exposures in transactional currency other than functional currency of the Group and of the Company is kept to an acceptable level.

#### Exposure to foreign currency risk

The Group's and the Company's significant exposure to foreign currency (a currency which is other than functional currency of the Group and of the Company) risk, based on carrying amounts as at end of the reporting period was:

|                           | Denominated in      |                  | Total<br>RM         |
|---------------------------|---------------------|------------------|---------------------|
|                           | USD<br>RM           | AUD<br>RM        |                     |
| <b>Group</b>              |                     |                  |                     |
| <b>2023</b>               |                     |                  |                     |
| Other payables            | <b>(1,770,994)</b>  | -                | <b>(1,770,994)</b>  |
| Borrowing                 | <b>(91,594,741)</b> | -                | <b>(91,594,741)</b> |
| Cash and cash equivalents | <b>17,853,984</b>   | <b>6,071,562</b> | <b>23,925,546</b>   |
|                           | <b>(75,511,751)</b> | <b>6,071,562</b> | <b>(69,440,189)</b> |
| <b>2022</b>               |                     |                  |                     |
| Other payables            | (256,458)           | -                | (256,458)           |
| Cash and cash equivalents | 17,191,181          | 5,912,347        | 23,103,529          |
|                           | 16,934,723          | 5,912,347        | 22,847,070          |
| <b>Company</b>            |                     |                  |                     |
| <b>2023</b>               |                     |                  |                     |
| Cash and cash equivalents | -                   | <b>6,071,562</b> | <b>6,071,562</b>    |
| <b>2022</b>               |                     |                  |                     |
| Cash and cash equivalents | -                   | 5,912,347        | 5,912,347           |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### Financial Risk Management Objectives and Policies (cont'd)

#### (b) Foreign currency risk (cont'd)

A 5% strengthening of the functional currency of the Group and of the Company against the foreign currency at the end of the reporting period would have (increased)/decreased loss after tax and equity by the amount shown below:

|                | 2023               |                    | 2022              |           |
|----------------|--------------------|--------------------|-------------------|-----------|
|                | Loss after tax RM  | Equity RM          | Loss after tax RM | Equity RM |
| <b>Group</b>   |                    |                    |                   |           |
| USD/RM         | <b>(2,869,447)</b> | <b>(2,869,447)</b> | 643,519           | 643,519   |
| AUD/RM         | <b>230,719</b>     | <b>230,719</b>     | 224,669           | 224,669   |
| <b>Company</b> |                    |                    |                   |           |
| AUD/RM         | <b>230,719</b>     | <b>230,719</b>     | 224,669           | 224,669   |

A 5% weakening of the functional currency of the Group and of the Company against the foreign currency at the end of the reporting period would have equal but opposite effect on results after tax and equity.

#### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises mainly from interest-bearing financial asset and financial liability.

In respect of interest-bearing financial liability, the effective interest rates at the reporting date, in which they reprice or mature, whichever is earlier are disclosed in Note 27.

#### Exposure in interest rate risk

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

|                                  | Group               |            | Company          |            |
|----------------------------------|---------------------|------------|------------------|------------|
|                                  | 2023 RM             | 2022 RM    | 2023 RM          | 2022 RM    |
| <b>Floating rate instruments</b> |                     |            |                  |            |
| <u>Financial asset</u>           |                     |            |                  |            |
| Short-term fund                  | <b>2,081,742</b>    | 37,300,000 | <b>2,081,742</b> | 37,300,000 |
| <u>Financial liability</u>       |                     |            |                  |            |
| Security-back advance facility   | <b>(91,594,741)</b> | -          | -                | -          |
|                                  | <b>(89,512,999)</b> | 37,300,000 | <b>2,081,742</b> | 37,300,000 |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### Financial Risk Management Objectives and Policies (cont'd)

#### (c) Interest rate risk (cont'd)

##### Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant.

|                                 | Group            |            | Company         |            |
|---------------------------------|------------------|------------|-----------------|------------|
|                                 | 2023<br>RM       | 2022<br>RM | 2023<br>RM      | 2022<br>RM |
| Effect on loss after tax/equity |                  |            |                 |            |
| Increase of 100 basis points    | <b>(680,299)</b> | 283,480    | <b>15,821</b>   | 283,480    |
| Decrease of 100 basis points    | <b>680,299</b>   | (283,480)  | <b>(15,821)</b> | (283,480)  |

#### (d) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain sufficient cash balances and the availability of funding through certain commitment credit facilities.

The Group's and the Company's liquidity risk management policy is to manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met.

All of the Company's liabilities at the reporting date mature within one year or repayable on demand.

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date based on contractual undiscounted repayment of obligations:

|                   | Carrying amount<br>RM | Contractual cash flows<br>RM | Contractual Cash Flows           |                            |                            |                         |
|-------------------|-----------------------|------------------------------|----------------------------------|----------------------------|----------------------------|-------------------------|
|                   |                       |                              | On demand or within 1 year<br>RM | Between 1 to 2 years<br>RM | Between 2 to 5 years<br>RM | More than 5 years<br>RM |
| <b>Group</b>      |                       |                              |                                  |                            |                            |                         |
| <b>2023</b>       |                       |                              |                                  |                            |                            |                         |
| Trade payables    | <b>11,153,075</b>     | <b>11,153,075</b>            | <b>11,153,075</b>                | -                          | -                          | -                       |
| Other payables    | <b>58,157,715</b>     | <b>58,157,715</b>            | <b>57,987,715</b>                | <b>170,000</b>             | -                          | -                       |
| Borrowing         | <b>91,594,741</b>     | <b>103,813,391</b>           | <b>4,102,502</b>                 | <b>4,150,182</b>           | <b>95,560,707</b>          | -                       |
| Lease liabilities | <b>13,486,922</b>     | <b>16,406,948</b>            | <b>6,275,318</b>                 | <b>4,677,733</b>           | <b>5,132,642</b>           | <b>321,255</b>          |
|                   | <b>174,392,453</b>    | <b>189,531,129</b>           | <b>79,518,610</b>                | <b>8,997,915</b>           | <b>100,693,349</b>         | <b>321,255</b>          |
| <b>2022</b>       |                       |                              |                                  |                            |                            |                         |
| Trade payables    | 22,763,740            | 22,763,740                   | 22,763,740                       | -                          | -                          | -                       |
| Other payables    | 53,373,364            | 53,373,364                   | 53,373,364                       | -                          | -                          | -                       |
| Lease liabilities | 11,564,172            | 13,979,302                   | 5,385,106                        | 3,519,114                  | 4,834,915                  | 240,167                 |
|                   | 87,701,276            | 90,116,406                   | 81,522,210                       | 3,519,114                  | 4,834,915                  | 240,167                 |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 36. FAIR VALUE INFORMATION

### Financial instrument at fair value

The fair value measurement hierarchies used to measure financial instruments at fair value in the statements of financial position are disclosed in Note 15.

There were no material transfer between Level 1, Level 2 and Level 3 during the financial year.

### Financial instrument other than those carried at fair value

*Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

The carrying amounts of short-term receivables and payables and cash and cash equivalents approximate their fair values due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The carrying amount of long-term floating rate borrowing approximates its fair value as the security-back advance facility will be repriced to market interest rate on or near reporting date.

## 37. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to ensure an adequate capital base when developing its future business and safeguard the Group's ability to continue as a going concern.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic and business conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt includes borrowings and lease liabilities, less cash and cash equivalents whilst total capital is the equity attributable to the Owners of the Company.

There were no changes in the Group's approach to capital management during the financial year.

The net debt-to-equity ratio as at the end of the reporting period was as follows:

|  | Group               |              |
|--|---------------------|--------------|
|  | 2023<br>RM          | 2022<br>RM   |
| Borrowing (Note 27)  | <b>91,594,741</b>   | -            |
| Lease liabilities (Note 28)  | <b>13,486,922</b>   | 11,564,172   |
| Less: Cash and cash equivalents (Note 23)                                    | <b>(33,848,818)</b> | (83,301,202) |
| Total net debt/(cash)  | <b>71,232,845</b>   | (71,737,030) |
| Equity attributable to the Owners of the Company, representing total capital | <b>161,931,634</b>  | 233,639,286  |
| Debt-to-equity ratio (%)   | <b>44%</b>          | *            |

\* Not meaningful

The Group is not subject to any externally imposed capital requirements.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 38. COMPARATIVE FIGURES

The comparative figures are reclassified to conform with the current year's presentation.

|  | As previously reported<br>RM | As restated<br>RM |
|--|------------------------------|-------------------|
| <b>Group</b>                                   |                              |                   |
| <b>30 September 2022</b>                       |                              |                   |
| <b>Statements of Financial Position</b>        |                              |                   |
| <b>Non-current assets</b>                      |                              |                   |
| Property, plant and equipment                  | <b>76,634,115</b>            | 37,285,378        |
| Intangible assets                              | <b>34,196,456</b>            | 76,298,027        |
| Goodwill on consolidation                      | <b>14,282,297</b>            | 8,894,253         |
| <b>Current asset</b>                           |                              |                   |
| Other receivables                              | <b>51,979,342</b>            | 54,614,552        |
| <b>Statements of Cash Flows</b>                |                              |                   |
| <b>Cash Flows from Operating Activities</b>    |                              |                   |
| Adjustments for:-                              |                              |                   |
| Amortisation of intangible assets              | <b>3,451,533</b>             | 9,664,254         |
| Depreciation of property, plant and equipment  | <b>13,592,285</b>            | 7,379,564         |
| <b>Changes in working capital:</b>             |                              |                   |
| Interest paid                                  | <b>(1,443,363)</b>           | -                 |
| <b>Cash Flows from Investing Activities</b>    |                              |                   |
| Purchase of property, plant and equipment      | <b>(27,059,059)</b>          | (17,983,961)      |
| Purchase of intangible assets                  | <b>(4,458,854)</b>           | (13,533,952)      |
| <b>Cash Flows from Financing Activities</b>    |                              |                   |
| Interest paid in relation to lease liabilities | -                            | (1,443,363)       |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 39. ANNOUNCED BUSINESS COLLABORATIONS

- (i) On 24 May 2022, the Company entered into a 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. The MOU had become effective from 24 May 2022. On 31 May 2023, the Company has further announced that the Company and MBI had agreed to extend the MOU for another 12 months to finalise the strategic technology partnership arrangement.

On 14 September 2023, the Company entered into a fresh MOU with MBI ("New MOU") for the purpose of strengthening the parameters, framework, and intent of the Parties to finalise the partnership for the Proposed Technology Collaboration.

The new MOU had become effective from 14 September 2023. To date, there is no material development pertaining to the MOU.

- (ii) On 12 July 2022, XOXHK entered into a SSA with Muar Ban Lee Group Berhad for the proposed acquisition of 2 ordinary shares in Theron Holdings Sdn. Bhd. ("Theron"), representing 100% of the total issued and paid-up share capital of Theron, for a total a total purchase consideration of RM19,254,590. The proposed acquisition was completed on 13 December 2022.
- (iii) On 12 October 2022, Perak FC entered into a MOU with VFL Wolfsburg-Fubball GMBH ("Wolfsburg") to setup a working executive committee to build a commercial and professional sporting partnership framework between both football clubs, focusing on three key areas, youth development, technology transfer and merchandising opportunities. The MOU had become effective from 12 October 2022. As of 31 December 2023, there is no conclusion reached in the negotiation between Perak FC and Wolfsburg regarding the commercial terms and agreement. In view thereof, the MOU shall be deemed automatically terminated on 31 December 2023 and have no further force and effect.
- (iv) During the financial year, XOX Pro 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.

- (v) On 25 February 2023, Perak FC entered into a Collaboration Agreement with Tourism Perak Management Berhad ("TPMB"), in which Perak FC shall for the duration of the Collaboration Agreement, grant to TPMB a non-exclusive and limited license to promote the collaboration between the parties which includes but not limited to advertise and promote TPMB as the "Official Tourism Partner" of Perak FC and to use Perak FC's Team Marks in connection with advertising and promotion of TPMB's products, services and business.

The Collaboration Agreement had commenced on 1 March 2023 and shall remain in force until 31 December 2024.

- (vi) On 19 May 2023, XOX Com Sdn. Bhd. ("XOX Com") entered into a MOU with Alliance Bank Malaysia Berhad ("Alliance Bank") 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. The MOU had become effective from 19 May 2023. To date, there is no material development pertaining to the MOU.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

## 39. ANNOUNCED BUSINESS COLLABORATIONS (CONT'D)

(vii) On 28 June 2023, XOX Com 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. The MOU had become effective from 28 June 2023. To date, there is no material development pertaining to the MOU.

(viii) On 31 July 2023, the Company entered into a MOU with the Government of Malaysia acting through the Ministry of Higher Education, Malaysia ("MoHE") 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) ("Program").

The Program aims enhance the digital learning lifestyle of the MYSISWA communities, specifically for the Institutusi Pendidikan Tinggi Awam (IPTA, Public Higher Learning Institution) nationwide.

The MOU had become effective from 31 July 2023. To date, there is no material development pertaining to the MOU.

(ix) 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"). The MOU had become effective from 20 December 2023. To date, there is no material development pertaining to the MOU.

## 40. EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR

### ESOS

On 16 January 2024, the Company has offered 399,830,000 share options to eligible employees of the Company and its subsidiaries to subscribe for new ordinary shares in the Company, at an exercise price of RM0.014 per share.

### Exercise of Warrants C

Subsequent to year end, 44,700 of Warrants C were exercised at an exercise price of RM0.10 per Warrant C.

# GROUP PROPERTIES

As at 30 September 2023

| Location of Properties  | Tenure   | Land Area /<br>Built Up Area                             | Description                                 | Approximate<br>Age of<br>Building | Date of<br>Acquisition | Carrying<br>Amount<br>as at<br>30.09.2023<br>RM'000 |
|---|----------|--|---|-----------------------------------|------------------------|---|
| Geran No. Hakmilik: 25131,<br>No. Lot 30 Seksyen 21,<br>Bandar Kuala Lumpur,<br>Daerah Kuala Lumpur,<br>Negeri Wilayah Persekutuan<br>Kuala Lumpur measuring and<br>bearing assessment postal<br>address known as No. 126, Jalan<br>Tun H S Lee, 50000 Kuala Lumpur | Freehold | 119 sq m <sup>2</sup> /<br>119 sq m <sup>2</sup>         | Double Storey<br>Shop                       | 48                                | 09.12.2021             | 4,187   |
| Geran 29412, Lot 12 Seksyen 30,<br>Bandar Kuala Lumpur,<br>Daerah Kuala Lumpur,<br>Negeri Wilayah Persekutuan<br>Kuala Lumpur measuring and<br>bearing assessment postal<br>address of No. 42, Jalan Hang<br>Kasturi, 50050 Kuala Lumpur                            | Freehold | 222.774 sq m <sup>2</sup> /<br>222.774 sq m <sup>2</sup> | Industrial land<br>with 3 Storey<br>shoplot | 48                                | 09.12.2021             | 5,210   |

# ANALYSIS OF SHAREHOLDINGS

As at 29 January 2024

## SHARE CAPITAL

|                              |   |                                       |
|------------------------------|---|---------------------------------------|
| Total Number of Issued Share | : | 5,190,892,950                         |
| Issued and Paid-Up Capital   | : | RM463,709,130.63                      |
| Class of Shares              | : | Ordinary Shares                       |
| Voting Rights                | : | One vote for each ordinary share held |

## DISTRIBUTION OF SHAREHOLDINGS (BASED ON THE RECORD OF DEPOSITORS)

| Size of Shareholdings                    | No. of Holders | No. of Shares        | %             |
|--|----------------|----------------------|---------------|
| 1 – 99                                   | 193            | 7,969                | Negligible    |
| 100 – 1,000                              | 2,127          | 1,202,136            | 0.02          |
| 1,001 – 10,000                           | 8,267          | 53,985,314           | 1.04          |
| 10,001 – 100,000                         | 16,792         | 774,739,509          | 14.93         |
| 100,001 to less than 5% of issued shares | 7,749          | 4,360,958,022        | 84.01         |
| 5% and above of issued shares            | -              | -                    | -             |
| <b>TOTAL</b>                             | <b>35,128</b>  | <b>5,190,892,950</b> | <b>100.00</b> |

## LIST OF SUBSTANTIAL SHAREHOLDERS (BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

|                             | Direct             |                 | Indirect           |                 |
|-----------------------------|--------------------|-----------------|--------------------|-----------------|
|                             | No. of Shares Held | Percentage Held | No. of Shares Held | Percentage Held |
| 1 Key Alliance Group Berhad | 347,900,000        | 6.70            | -                  | -               |

## LIST OF DIRECTORS' SHAREHOLDINGS (BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

|   | Direct             |                 | Indirect           |                 |
|---|--------------------|-----------------|--------------------|-----------------|
|   | No. of Shares Held | Percentage Held | No. of Shares Held | Percentage Held |
| 1 Dato' Seri Abdul Azim bin Mohd Zabidi | 451,380            | 0.01            | -                  | -               |
| 2 Roy Ho Yew Kee                        | -                  | -               | -                  | -               |
| 3 Tan Sik Eek                           | -                  | -               | -                  | -               |
| 4 Andy Liew Hock Sim                    | -                  | -               | -                  | -               |
| 5 Karina binti Idris Ahmad Shah         | -                  | -               | -                  | -               |
| 6 Chuah Hoon Hong                       | -                  | -               | -                  | -               |

# ANALYSIS OF SHAREHOLDINGS

As at 29 January 2024

**LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS  
(BASED ON THE RECORD OF DEPOSITORS)  
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)**

| No. | Name  | No. of<br>Shares Held | Percentage<br>Held |
|-----|---|-----------------------|--------------------|
| 1.  | M & A NOMINEE (TEMPATAN) SDN BHD<br>EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED (ACCOUNT CLIENT)    | 139,966,000           | 2.70               |
| 2.  | AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD<br>EXEMPT AN FOR LAZARUS CORPORATE FINANCE PTY LTD            | 83,065,000            | 1.60               |
| 3.  | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR LEONG KEN HIUNG (6000824) | 38,400,000            | 0.74               |
| 4.  | UOB KAY HIAN NOMINEES (ASING) SDN BHD<br>EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)             | 38,270,000            | 0.74               |
| 5.  | THEY ENG HUAT   | 23,344,500            | 0.45               |
| 6.  | KENANGA NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR MICHAEL HENG CHUN HONG          | 20,978,000            | 0.40               |
| 7.  | WONG HUI LING   | 20,500,000            | 0.40               |
| 8.  | AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR CHEW SIONG KEAT (CHE2692C)  | 19,000,000            | 0.37               |
| 9.  | CHOONG YEAN YAW   | 15,500,000            | 0.30               |
| 10. | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR TAN CHEE CHUAN (7007197)  | 14,500,000            | 0.28               |
| 11. | TIRAM TRAVEL SDN BHD  | 14,500,000            | 0.28               |
| 12. | PUBLIC NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR LIM YEE SIEW (E-TAI)             | 13,500,000            | 0.26               |
| 13. | ONG KIM HOI   | 13,000,000            | 0.25               |
| 14. | AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR CHEE CHI VUN (M02)          | 12,700,000            | 0.25               |
| 15. | ANG KIAN YOU  | 12,000,000            | 0.23               |
| 16. | MARA INCORPORATED SDN BHD   | 11,559,945            | 0.22               |
| 17. | ONG NGOH ING @ ONG CHONG OON  | 11,500,000            | 0.22               |
| 18. | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR LIM CHUNG TOUNG (8036111) | 11,300,000            | 0.22               |
| 19. | MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR LEE CHONG WEI        | 10,500,000            | 0.20               |
| 20. | CIMSEC NOMINEES (TEMPATAN) SDN BHD<br>CIMB FOR CHOW CHONG CHEK (PB)                                   | 10,472,300            | 0.20               |
| 21. | GAN CHOON HOCK  | 10,000,000            | 0.19               |
| 22. | PUBLIC NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR CHANG TIANG POW (E-MLB/BCG)      | 10,000,000            | 0.19               |
| 23. | TAN KEAN YIP  | 10,000,000            | 0.19               |
| 24. | MD YUSOFF BIN ABDUL GAFFAR  | 9,850,000             | 0.19               |
| 25. | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR LAI CHIE KING (6000752)   | 9,500,000             | 0.18               |
| 26. | LEE HYEN SIP @ SIMON  | 9,500,000             | 0.18               |
| 27. | LIM AH WAH  | 9,482,000             | 0.18               |
| 28. | CHENG, AIJIN  | 9,332,200             | 0.18               |
| 29. | SLOW KAH YEN  | 8,600,000             | 0.17               |
| 30. | TEO KIAN CHYE   | 8,550,000             | 0.17               |
|     | <b>Total</b>  | <b>629,369,945</b>    | <b>12.13</b>       |

# ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (“ICPS”) HOLDINGS

As at 29 January 2024

## ICPS 2020/2030

Number of Outstanding ICPS : 77,971,406

## DISTRIBUTION OF ICPS HOLDINGS (BASED ON THE RECORD OF DEPOSITORS)

| Size of ICPS Holdings                  | No. of Holders | No. of ICPS       | %             |
|--|----------------|-------------------|---------------|
| 1 – 99                                 | -              | -                 | -             |
| 100 – 1,000                            | 29             | 16,700            | 0.02          |
| 1,001 – 10,000                         | 112            | 713,006           | 0.91          |
| 10,001 – 100,000                       | 253            | 12,185,600        | 15.63         |
| 100,001 to less than 5% of issued ICPS | 99             | 45,656,100        | 58.56         |
| 5% and above of issued ICPS            | 2              | 19,400,000        | 24.88         |
| <b>TOTAL</b>                           | <b>495</b>     | <b>77,971,406</b> | <b>100.00</b> |

## LIST OF DIRECTORS' ICPS HOLDINGS (BASED ON THE REGISTER OF DIRECTORS' ICPS HOLDINGS)

|   |                                       | Direct           |                 | Indirect         |                 |
|---|---------------------------------------|------------------|-----------------|------------------|-----------------|
|   |                                       | No. of ICPS Held | Percentage Held | No. of ICPS Held | Percentage Held |
| 1 | Dato' Seri Abdul Azim bin Mohd Zabidi | -                | -               | -                | -               |
| 2 | Roy Ho Yew Kee                        | -                | -               | -                | -               |
| 3 | Tan Sik Eek                           | -                | -               | -                | -               |
| 4 | Andy Liew Hock Sim                    | -                | -               | -                | -               |
| 5 | Karina binti Idris Ahmad Shah         | -                | -               | -                | -               |
| 6 | Chuah Hoon Hong                       | -                | -               | -                | -               |

# ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (“ICPS”) HOLDINGS

As at 29 January 2024

**LIST OF TOP 30 ICPS ACCOUNTS HOLDERS  
(BASED ON THE RECORD OF DEPOSITORS)  
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)**

| No. | Name   | No. of ICPS Held  | Percentage Held |
|-----|--|-------------------|-----------------|
| 1.  | AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR CHEE CHI VUN (M02) | 15,400,000        | 19.75           |
| 2.  | TUNG CHEONG SENG   | 4,000,000         | 5.13            |
| 3.  | CHIA AI WOON   | 3,030,000         | 3.89            |
| 4.  | LEE HYEN SIP @ SIMON   | 3,000,000         | 3.85            |
| 5.  | MAYBANK NOMINEES (TEMPATAN) SDN BHD<br>FOR LEE LEP KIONG                                     | 3,000,000         | 3.85            |
| 6.  | MURLIDHAR A/L DUHLANOMAL   | 2,000,000         | 2.57            |
| 7.  | GEOFFREY LIM FUNG KEONG  | 1,634,700         | 2.10            |
| 8.  | CHONG YING CHOY  | 1,600,000         | 2.05            |
| 9.  | RHB NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR SIAW TECK HWA              | 1,375,400         | 1.76            |
| 10. | POH CHYE LEAN  | 1,200,000         | 1.54            |
| 11. | KENANGA NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR CHIA CHIN SOON         | 1,012,000         | 1.30            |
| 12. | WONG KAR CHUAN   | 994,000           | 1.28            |
| 13. | FONG CHIN TAU  | 920,000           | 1.18            |
| 14. | LEE SU CHEW  | 800,000           | 1.03            |
| 15. | YAP FOOK LIM   | 800,000           | 1.03            |
| 16. | CHIM LUANG ENG   | 781,700           | 1.00            |
| 17. | WAI CHE SENG   | 700,000           | 0.90            |
| 18. | WONG HANG HUP @ WAN PENG KWONG   | 700,000           | 0.90            |
| 19. | KENANGA NOMINEES (TEMPATAN) SDN BHD<br>RAKUTEN TRADE SDN BHD FOR KHOO AH TIONG               | 642,500           | 0.82            |
| 20. | LEONG KAM KWONG  | 620,000           | 0.80            |
| 21. | CIMSEC NOMINEES (TEMPATAN) SDN BHD<br>CIMB FOR JASLINDA BINTI AHMAD (PB)                     | 600,000           | 0.77            |
| 22. | LING AH KENG   | 600,000           | 0.77            |
| 23. | MAYBANK NOMINEES (TEMPATAN) SDN BHD<br>FOR YAP FOOK LIM                                      | 600,000           | 0.77            |
| 24. | MOHAMAD LOKMAN BIN MOHAMAD RAFIUDDIN   | 588,000           | 0.75            |
| 25. | MAYBANK NOMINEES (TEMPATAN) SDN BHD<br>FOR LEE CHING KON                                     | 550,000           | 0.71            |
| 26. | TAN BEE CHOO   | 520,000           | 0.67            |
| 27. | MAYBANK NOMINEES (TEMPATAN) SDN BHD<br>FOR WONG KIM MOI                                      | 470,000           | 0.60            |
| 28. | LOKE QUENG TUCK  | 450,000           | 0.58            |
| 29. | KOO MUN LOONG  | 449,000           | 0.58            |
| 30. | CHEN KOK SOON  | 429,000           | 0.55            |
|     | <b>Total</b>   | <b>49,466,300</b> | <b>63.48</b>    |

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Fourteenth (14<sup>th</sup>) Annual General Meeting of XOX Bhd (“XOX” or “the Company”) will be held on a virtual basis and entirely via remote participation and voting from the Broadcast Venue at Lot 4.1, 4<sup>th</sup> Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan via online meeting platform at <https://rebrand.ly/XOX-AGM> on Wednesday, 6 March 2024 at 10.00 a.m. or any adjournment thereof, for the purpose of transacting the following businesses:

## AGENDA

- |    |  |   |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 September 2023 together with the Directors' and Auditors' Reports thereon.   | <b>Please refer to Explanatory Note 1</b> |
| 2. | To approve the payment of Directors' fees of up to RM800,000.00 to be divided amongst the Directors in such manner as the Directors may determine and other benefits payable of up to RM200,000.00 for the period commencing from 6 March 2024 until the conclusion of the next Annual General Meeting of the Company. | <b>Ordinary Resolution 1</b>              |
| 3. | To re-elect the following Directors who retire pursuant to Clause 115 of the Company's Constitution:   |   |
|    | (a) Mr Roy Ho Yew Kee  | <b>Ordinary Resolution 2</b>              |
|    | (b) Mr Andy Liew Hock Sim  | <b>Ordinary Resolution 3</b>              |
| 4. | To re-elect Mr Chuah Hoon Hong who retires pursuant to Clause 125 of the Company's Constitution.   | <b>Ordinary Resolution 4</b>              |
| 5. | To re-appoint Messrs Moore Stephens Associates PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.  | <b>Ordinary Resolution 5</b>              |

### SPECIAL BUSINESSES:

To consider and, if thought fit, to pass the following Resolution:

- |    |   |                              |
|----|---|------------------------------|
| 6. | <b>Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016</b> | <b>Ordinary Resolution 6</b> |
|----|---|------------------------------|

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”) and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT pursuant to Section 85 of the Act to be read together with Clause 70 of the Constitution of the Company, approval be and is hereby given for the Company to waive the statutory pre-emptive rights of the shareholders and empowered the Directors of the Company to issue and allot new ordinary shares pursuant to Sections 75 and 76 of the Act without offering them to the existing members to maintain their relative voting and distribution right and such new shares shall rank pari passu in all respects with the existing class of ordinary shares.”

# NOTICE OF ANNUAL GENERAL MEETING

## 7. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")** **Ordinary Resolution 7**

"THAT, subject to compliance with all applicable laws, regulations and guidelines, approval be and is hereby given to the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a revenue or trading nature with related parties as set out in Section 2.4 of the Circular to Shareholders dated 31 January 2024 for the purposes of Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), subject to the following:

- (i) the transactions are necessary for the day to day operations of the Company's subsidiary in the ordinary course of business, at arm's length, on normal commercial terms and are on terms not more favourable to the related party than those generally available to the public and not detrimental to minority shareholders of the Company;
- (ii) the mandate is subject to annual renewal. In this respect, any authority conferred by a mandate shall only continue to be in force until:
  - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
  - (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340 (2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act); or
  - (c) revoked or varied by resolution passed by the shareholders in a general meeting, whichever is the earlier.
- (iii) disclosure is made in the annual report of the Company of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the mandate during the current financial year, and in the annual reports for the subsequent financial years during which a shareholder's mandate is in force, where:
  - (a) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1.0 million; or
  - (b) any one of the percentage ratios of such aggregated transactions is equal to or exceeds 1%,  
whichever is the higher;and amongst other, based on the following information:
  - (a) the type of the Recurrent Related Party Transactions made; and
  - (b) the names of the related parties involved in each type of the Recurrent Related Party Transactions made and their relationships with XOX Group.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

# NOTICE OF ANNUAL GENERAL MEETING

8. To transact any other business of the Company for which due notice shall have been given.

By order of the Board,

**CHONG VOON WAH (SSM PC No. 202008001343) (MAICSA 7055003)**  
**THAI KIAN YAU (SSM PC No. 202008001515) (MIA 36921)**

Company Secretaries

Kuala Lumpur  
31 January 2024

## Notes

1. A member entitled to attend and vote at the Meeting is entitled to appoint a maximum of two (2) proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company.
2. Where a member appoints more than one proxy to attend the same meeting, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or signed by attorney so authorised.
5. The Form of Proxy must be deposited at the Share Registrar's office at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur or via facsimile no. 03-6201 3121 or via e-mail at [ir@shareworks.com.my](mailto:ir@shareworks.com.my) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument, proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll.
6. For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors as at 28 February 2024 shall be entitled to attend this meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.
7. Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out above will be put to vote by way of poll.
8. The AGM will be conducted as virtual meeting from the Broadcast Venue, the members are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.

## EXPLANATORY NOTES

### 1. Audited Financial Statements for the Financial Year Ended 30 September 2023

The Agenda No. 1 is meant for discussion only as Section 340(1) (a) of the Companies Act 2016 provide that the audited financial statements are to be laid in the general meeting and do not require a formal approval of the shareholders. Hence, this Agenda item is not put forward for voting.

### 2. Ordinary Resolution 1: To approve the payment of Directors' Fees and Other benefits payable

The Directors' benefits payable comprises of meeting attendance allowances and other claimable benefits.

In determining the estimated total amount of Directors' benefits, the Board has considered various factors, among others, the estimated claimable benefits and estimated number of meetings for the Board and its Committees held for the period commencing from 6 March 2024 until the conclusion of the next Annual General Meeting for the Company.

# NOTICE OF ANNUAL GENERAL MEETING

## 3. Ordinary Resolutions 2 to 4: Re-election of Directors

The following Directors are standing for re-election as Directors of the Company pursuant to the following clauses of the Company's Constitution at the Fourteenth (14<sup>th</sup>) Annual General Meeting of the Company and are being eligible have offered themselves for re-election in accordance with the Company's Constitution:

- (a) Mr Roy Ho Yew Kee (Clause 115);
- (b) Mr Andy Liew Hock Sim (Clause 115); and
- (c) Mr Chuah Hoon Hong (Clause 125).

(collectively referred to as "Retiring Directors")

For the purpose of determining the eligibility of the Retiring Directors to stand for re-election at the Fourteenth (14<sup>th</sup>) Annual General Meeting, the Board through its Nomination and Remuneration Committee ("NRC") had assessed the Retiring Directors, and considered the following:

- (a) The Directors' performance and contribution;
- (b) The Directors' skills, experience and strength in qualities; and
- (c) The Directors' ability to act in the best interest of the Company in decision-making.

Upon deliberation, the Board (except for the Retiring Directors who had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board and NRC meetings) collectively agreed that the Retiring Directors meet the criteria of character, experience, integrity, competence and time commitment to effectively discharge their respective roles as Directors of the Company and recommended the Retiring Directors be re-elected as the Directors of the Company.

Further, the NRC has considered and affirmed, and the Board has endorsed that Mr Andy Liew Hock Sim and Mr Chuah Hoon Hong, who are seeking re-election at the forthcoming Fourteenth (14<sup>th</sup>) Annual General Meeting of the Company comply with the independence criteria as prescribed in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and remained independent in exercising their judgment and in carrying out their duties as Independent Non-Executive Directors.

## 4. Ordinary Resolution 5: Re-appointment of Auditors

The Board, through the Audit Committee, had conducted an assessment on the suitability, objectivity and independence of Messrs Moore Stephens Associates PLT in respect of the financial year ended 30 September 2023. The Board was satisfied with the performance of Messrs Moore Stephens Associates PLT and recommended the re-appointment of Messrs Moore Stephens Associates PLT as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company in accordance with Section 271 of the Companies Act 2016.

## 5. Ordinary Resolution 6: Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 6, if passed, is the renewal of general mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company ("General Mandate"). This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next Annual General Meeting.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/or acquisitions.

Pursuant to Section 85(1) of the Companies Act 2016 read together with Clause 70 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company:

# NOTICE OF ANNUAL GENERAL MEETING

**Section 85(1) of the Companies Act 2016 states:**

*Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.*

**Clause 70 of the Company's Constitution provides as follows:**

*Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible Securities shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may, likewise, also dispose of any new shares or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause.*

In order for the Board to issue any new shares free of pre-emptive rights, such pre-emptive rights must be waived. The proposed Ordinary Resolution 6, if passed, will exclude your pre-emptive rights over all new shares in the Company to be issued under the general mandate.

As at the date of this Notice, the Company has not issued any new shares pursuant to the General Mandate granted to the Directors at the Thirteenth (13<sup>th</sup>) Annual General Meeting held on 27 February 2023 and which the said General Mandate will lapse at the conclusion of the Fourteenth (14<sup>th</sup>) Annual General Meeting.

**6. Ordinary Resolution 7: Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The proposed Ordinary Resolution 7, if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries, subject to the transactions being carried out in the ordinary course of business of the Company and/or its subsidiaries and on normal commercial terms which are generally available to the public and not detrimental to the minority shareholders of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Rule 8.29 (2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the Directors who are standing for re-election under Ordinary Resolutions 2 to 4) at the Fourteenth (14<sup>th</sup>) Annual General Meeting.

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with Rule 6.04 (3) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the proposed Ordinary Resolution 6 as stated in the Notice of Fourteenth (14<sup>th</sup>) Annual General Meeting of the Company for the details.

# ADMINISTRATIVE GUIDE

| Date                    | Time       | Broadcast Venue   |
|-------------------------|------------|---|
| Wednesday, 6 March 2024 | 10.00 a.m. | Lot 4.1, 4 <sup>th</sup> Floor, Menara Lien Hoe<br>No. 8, Persiaran Tropicana<br>Tropicana Golf & Country Resort<br>47410 Petaling Jaya, Selangor Darul Ehsan |

## **Virtual Meeting**

- The Fourteenth (14<sup>th</sup>) Annual General Meeting ("**AGM**") will be conducted by way of a virtual meeting and online remote voting using the Remote Participation and Voting Facilities ("**RPV Facilities**") from the broadcast venue at Lot 4.1, 4<sup>th</sup> Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan via online meeting platform at <https://rebrand.ly/XOX-AGM>.
- Shareholders are **strongly encouraged** to take advantage of the RPV Facilities to participate and vote remotely at the AGM. With the RPV Facilities, you may exercise your right as a member of the Company to participate (*including to pose questions to the Board of Directors ("**Board**") and/or Management of the Company*) and vote at the AGM. Alternatively, you may also appoint the Chairman of the meeting as your proxy to attend and vote on your behalf at the AGM. Details of the RPV Facilities are set out below.

## **Registration**

- Shareholders who wish to participate and vote remotely at the AGM via RPV Facilities, the registration is mandatory for the event. Please click the following link to register: <https://rebrand.ly/XOX-AGM>.
- All the shareholders are required to register in order to participate to the AGM via RPV Facilities. The registration will be open from 10.00 a.m. on 31 January 2024 and close at 10.00 a.m. on 4 March 2024.

Upon submission of your registration, you will receive an email to notify you that your registration has been received and is pending verification.

- After verification of your registration against the General Meeting Record of Depositors of the Company as at 28 February 2024, the system will send you an email to notify you if your registration is approved or rejected after 28 February 2024.
- Should your registration be rejected, you can contact the Company's Poll Administrator or the Company for clarifications.
- The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android and iOS). Please follow the tutorial guide posted on <https://rebrand.ly/XOX-AGM>.

## **General Meeting Record of Depositors**

- For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors of the Company as at 28 February 2024 shall be entitled to attend this meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

## **Individual Members**

- Individual members are strongly encouraged to take advantage of RPV Facilities to participate and vote remotely at the AGM. Please refer to the details as set out under RPV Facilities for information.
- If an individual member is unable to attend the AGM, he/she is encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

# ADMINISTRATIVE GUIDE

## **Corporate Members**

11. Corporate members (through Corporate Representatives or appointed proxies) are also strongly advised to participate and vote remotely at the AGM using the RPV Facilities. Corporate members who wish to participate and vote remotely at the AGM must contact the Company's Poll Administrator with the details set out below for assistance and will be required to provide the following documents to the Company no later than 5 March 2024 at 10.00 a.m.:
  - i) Certificate of appointment of its Corporate Representative or Form of Proxy under the seal of the corporation;
  - ii) Copy of the Corporate Representative's or proxy's MyKad (front and back)/Passport; and
  - iii) Corporate Representative's or proxy's email address and mobile phone number.
12. If a Corporate member (through Corporate Representative(s) or appointed proxy(ies)) is unable to attend the AGM, it is encouraged to appoint the Chairman of the meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

## **Nominee Company Members**

13. The beneficiaries of the shares under a Nominee Company's CDS account ("Nominee Company member(s)") are also strongly advised to participate and vote remotely at the AGM using RPV Facilities. Nominee Company members who wish to participate and vote remotely at the AGM can request its Nominee Company to appoint him/her as a proxy to participate and vote remotely at the AGM. Nominee Company must contact the Company's Poll Administrator with the details set out below for assistance and will be required to provide the following documents to the Company no later than 5 March 2024 at 10.00 a.m.:
  - i) Form of Proxy under the seal of the Nominee Company;
  - ii) Copy of the proxy's MyKad (front and back)/Passport; and
  - iii) Proxy's email address and mobile phone number.
14. If a Nominee Company member is unable to attend the AGM, it is encouraged to request its Nominee Company to appoint the Chairman of the meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

## **Revocation of Proxy**

15. If the member has submitted his/her Form of Proxy prior to the AGM and subsequently decides to personally participate in the AGM, the individual member must contact the Company's Poll Administrator or the Company, whose contact details are set out in note No. 20 below, to revoke the appointment of his/her proxy no later than 5 March 2024 at 10.00 a.m.

## **Poll Voting**

16. The voting at the AGM will be conducted by way of poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed ShareWorks Sdn. Bhd. as the Poll Administrator to conduct the poll by way of electronic voting and SharePolls Sdn. Bhd. as the Scrutineers to verify the poll results. Upon completion of the voting session for the respective AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

# ADMINISTRATIVE GUIDE

## **RPV Facilities**

17. Please refer to the following information on RPV Facilities for live streaming and remote voting at the AGM:

| <b>Procedures</b> |   | <b>Action</b>  |
|-------------------|---|--|
| <b>Before AGM</b> |   |  |
| 1.                | Register as participant in virtual AGM<br><br> | <ul style="list-style-type: none"> <li>Using your computer, access the website at <a href="https://rebrand.ly/XOX-AGM">https://rebrand.ly/XOX-AGM</a>. Click on the <b>Register</b> button to register for the AGM session.</li> <li>If you are using mobile devices, you can also scan the QR provided on the left to access the registration page. Click <b>Register</b> and enter your email followed by <b>Next</b> to fill in your details to register for the AGM session.</li> <li>Upon submission of your registration, you will receive an email notifying you that your registration has been received and is pending verification.</li> <li>The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android and iOS). Refer to the tutorial guide posted on the same page for assistance.</li> </ul>  |
| 2.                | Submit your online registration   | <ul style="list-style-type: none"> <li>Shareholders who wish to participate and vote remotely at the AGM via RPV facilities are required to register prior to the meeting. The registration will open from <b>10.00 a.m. on 31 January 2024</b> and close at <b>10.00 a.m. on 4 March 2024</b>.</li> <li>Clicking on the link mentioned in item 1 will redirect you to the AGM event page. Click on the <b>Register</b> link for the online registration form.</li> <li>Complete your particulars in the registration page. Your name <b>MUST</b> match your CDS account name (not applicable for Proxy).</li> <li>Insert your CDS account number(s) and indicate the number of shares you hold.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declarations.</li> <li>Please ensure all information given is accurate before you click <b>Submit</b> to register your remote participation. Failure to do so will result in your registration being rejected.</li> </ul> <p><u>Email Notification to Shareholders</u></p> <ul style="list-style-type: none"> <li>System will send an email to notify that your registration for remote participation is received and will be verified.</li> <li>After verification of your registration against the General Meeting Record of Depositors of the Company as at <b>28 February 2024</b>, the system will send you an email to notify you if your registration is approved or rejected after <b>28 February 2024</b>.</li> <li>If your registration is rejected, you can contact the Company's Poll Administrator for clarifications or to appeal.</li> </ul> |

# ADMINISTRATIVE GUIDE

| On the day of AGM |                             |   |
|-------------------|-----------------------------|---|
| 3.                | Attending Virtual AGM       | <ul style="list-style-type: none"> <li>Two reminder emails will be sent to your inbox. First is one day before the AGM, while the second will be sent 1 hour before the AGM session.</li> <li>Click <b>Join Event</b> in the reminder email to participate the RPV.</li> </ul>  |
| 4.                | Participate with live video | <ul style="list-style-type: none"> <li>You will be given a short brief about the system.</li> <li>Your microphone is muted throughout the whole session.</li> <li>If you have any questions for the Chairman/Board, you may use the <b>Q&amp;A panel</b> to send your questions. The Chairman/Board will try to respond to relevant questions if time permits. All relevant questions received throughout the session which are not answered during the AGM will be replied later to your registered email.</li> <li>Take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at your location.</li> </ul> |
| 5.                | Online Remote Voting        | <ul style="list-style-type: none"> <li>The Chairman will announce the commencement of the voting session and the duration allowed at the AGM.</li> <li>A link to vote for the resolution(s) will be posted at the right-hand side of your computer screen under "<b>chat</b>". You are required to access the link and to indicate your votes for the resolutions within the given stipulated time frame.</li> <li>Click on the <b>Submit</b> button when you have completed.</li> <li>Votes cannot be changed once it is submitted.</li> </ul>   |
| 6.                | End of RPV Facility         | <ul style="list-style-type: none"> <li>Upon the announcement by the Chairman on the closure of the AGM, the live session will end.</li> </ul>   |

### **No Recording or Photography**

18. Strictly **NO recording** or **photography** of the proceedings of the AGM is allowed.

### **No Gifts, e-Voucher or Food Vouchers**

19. There will be no distribution of gifts, e-voucher or food vouchers to the Members or Proxy(ies)/Corporate Representative(s) who participate in the AGM.

### **Enquiry**

20. If you have any enquiry prior to the meeting, please contact the following officers during office hours [from 9.00 a.m. to 5.30 p.m. (Monday to Friday)]:

#### **For Registration, logging in and system related: InsHub Sdn. Bhd.**

Name : Ms Eris/Mr Calvin  
Telephone No. : +603-7688 1013  
Email : [vgm@mlabs.com](mailto:vgm@mlabs.com)

#### **For Form of Proxy: ShareWorks Sdn. Bhd.**

Name : Mr Wai Kien/Mr Kou  
Telephone No. : +603-6201 1120  
Email : [ir@shareworks.com.my](mailto:ir@shareworks.com.my)

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**XOX BHD**

Company Registration No. 201001016682 (900384-X)  
 (Incorporated in Malaysia)

|                           |
|---------------------------|
| <b>CDS Account No.</b>    |
|                           |
| <b>No. of Shares held</b> |
|                           |

# FORM OF PROXY

I/We,.....NRIC.No./Registration No.:.....  
 (Full name in block)

of .....  
 (Address)

Contact No. .... Email Address .....

being a member of **XOX BHD**, hereby appoint(s):-

| Full Name (in Block) | NRIC/Passport No. | Proportion of Shareholdings |   |
|----------------------|-------------------|-----------------------------|---|
|                      |                   | No. of Shares               | % |
| Address :            |                   |                             |   |
| Contact No. :        |                   |                             |   |
| Email Address :      |                   |                             |   |

and / or\* (\*delete as appropriate)

| Full Name (in Block) | NRIC/Passport No. | Proportion of Shareholdings |   |
|----------------------|-------------------|-----------------------------|---|
|                      |                   | No. of Shares               | % |
| Address :            |                   |                             |   |
| Contact No. :        |                   |                             |   |
| Email Address :      |                   |                             |   |

or failing him, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at Fourteenth (14<sup>th</sup>) Annual General Meeting of XOX Bhd ("XOX" or "the Company") will be conducted on a virtual basis and entirely via remote participation and voting from the Broadcast Venue at Lot 4.1, 4<sup>th</sup> Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan via online meeting platform at <https://rebrand.ly/XOX-AGM> on Wednesday, 6 March 2024 at 10.00 a.m. or any adjournment thereof, and to vote as indicated below:

| Item | Agenda  | Resolutions           | FOR | AGAINST |
|------|---|-----------------------|-----|---------|
| 1.   | To approve the payment of Directors' fees and others benefits payable to the Directors  | Ordinary Resolution 1 |     |         |
| 2.   | To re-elect Mr Roy Ho Yew Kee as Director   | Ordinary Resolution 2 |     |         |
| 3.   | To re-elect Mr Andy Liew Hock Sim as Director   | Ordinary Resolution 3 |     |         |
| 4.   | To re-elect Mr Chuah Hoon Hong as Director  | Ordinary Resolution 4 |     |         |
| 5.   | To re-appoint Messrs Moore Stephens Associates PLT as Auditors  | Ordinary Resolution 5 |     |         |
| 6.   | To approve the authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016                               | Ordinary Resolution 6 |     |         |
| 7.   | To approve the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature | Ordinary Resolution 7 |     |         |

Please indicate with an 'X' in the space provided whether you wish your votes to be cast for or against the resolution. In the absence of specific direction, your proxy may vote or abstain as he thinks fit.

Signed this .....

.....  
 Signature\*  
**Member**  
 (\* if shareholder is a corporation,  
 this form should  
 be executed under seal)

**Notes**

1. A member entitled to attend and vote at the Meeting is entitled to appoint a maximum of two (2) proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company.
2. Where a member appoints more than one proxy to attend the same meeting, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or signed by attorney so authorised.
5. The Form of Proxy must be deposited at the Share Registrar's office at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur or via facsimile no. 03-6201 3121 or via e-mail at [ir@shareworks.com.my](mailto:ir@shareworks.com.my) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument, proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll.
6. For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors as at 28 February 2024 shall be entitled to attend this meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.
7. Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out above will be put to vote by way of poll.
8. The AGM will be conducted fully virtual from the Broadcast Venue, the members are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.

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AFFIX  
STAMP

**THE SHARE REGISTRAR OF  
XOX BHD**

[Company Registration No. 201001016682 (900384-X)]

**SHAREWORKS SDN. BHD.**

No. 2-1, Jalan Sri Hartamas 8  
Sri Hartamas, 50480 Kuala Lumpur  
Malaysia

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## XOX Bhd.

Registration No. 201001016682 (900384-X)

Lot 8.1, 8<sup>th</sup> Floor, Menara Lien Hoe,  
No.8, Persiaran Tropicana,  
Tropicana Golf & Country Resort,  
47410 Petaling Jaya, Selangor Darul Ehsan

Tel : 03-7884 2388

Fax: 03-7803 0778

[www.xox.com.my](http://www.xox.com.my)