



## **XOX BHD**

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

### **QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023**

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("Bursa Securities LR")



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### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023

#### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Quarter Ended 31-Dec-23	Quarter Ended 31-Dec-22	Period Ended 31-Dec-23	Period Ended 31-Dec-22
		RM'000	RM'000	RM'000	RM'000
Revenue		61,650	69,933	61,650	69,933
Operating Expenses		(78,603)	(75,369)	(78,603)	(75,369)
Other Income		563	419	563	419
Finance Costs		(1,355)	(405)	(1,355)	(405)
Share of results of associates and joint venture, net of tax		(1,341)	2,065	(1,341)	2,065
<b>Loss Before Tax</b>	B6	<b>(19,086)</b>	<b>(3,357)</b>	<b>(19,086)</b>	<b>(3,357)</b>
Tax Expenses	B7	(121)	(90)	(121)	(90)
<b>Loss for the period, net of tax</b>		<b>(19,207)</b>	<b>(3,447)</b>	<b>(19,207)</b>	<b>(3,447)</b>
<b>Other comprehensive income, net of tax Item that may be reclassified subsequently to profit or loss</b>					
Foreign currency translation		4,080	8,891	4,080	8,891
<b>Total comprehensive income for the financial period</b>		<b>(15,127)</b>	<b>5,444</b>	<b>(15,127)</b>	<b>5,444</b>
<b>Loss for the period, net of tax Attributable to:</b>					
- Owners of the Company		(18,670)	(2,845)	(18,670)	(2,845)
- Non-controlling Interest		(537)	(602)	(537)	(602)
		<b>(19,207)</b>	<b>(3,447)</b>	<b>(19,207)</b>	<b>(3,447)</b>
<b>Total comprehensive income Attributable to:</b>					
- Owners of the Company		(14,606)	5,979	(14,606)	5,979
- Non-controlling Interest		(521)	(535)	(521)	(535)
		<b>(15,127)</b>	<b>5,444</b>	<b>(15,127)</b>	<b>5,444</b>
<b>Basic loss per ordinary share attributable to Owners of the Company (sen):</b>					
- Basic & Diluted	B13	<b>(0.37)</b>	<b>(0.06)</b>	<b>(0.37)</b>	<b>(0.06)</b>

#### Notes:-

The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2023 and the accompanying explanatory notes attached to this interim financial statements.



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## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited as at 31-Dec-23	Audited as at 30-Sep-23
	Note	RM'000	RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		46,762	48,498
Intangible assets		81,209	78,666
Investment in associates		89,679	95,129
Investment in a joint venture		2,747	3,637
Other investments	A13	19,164	19,003
Goodwill on consolidation		8,894	8,894
Other receivables		189	191
Deferred tax assets		654	654
		<b>249,298</b>	<b>254,672</b>
<b>Current assets</b>			
Inventories		11,780	11,733
Trade receivables	B11	16,368	16,553
Finance lease receivable		7	55
Other receivables, deposits and prepayments		45,684	43,551
Tax recoverables		1,818	1,574
Cash and short term deposits		30,556	33,849
		<b>106,213</b>	<b>107,315</b>
<b>TOTAL ASSETS</b>		<b>355,511</b>	<b>361,987</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Ordinary shares		468,851	468,851
Irredeemable Convertible Preference Shares (ICPS)		1,949	1,949
Capital reserve		2,200	2,200
Exchange reserve		(18,193)	(22,257)
Accumulated losses		(307,482)	(288,812)
<b>Total equity attributable to owners of the Company</b>		<b>147,325</b>	<b>161,931</b>
Non-controlling interest		(5,183)	(4,662)
		<b>142,142</b>	<b>157,269</b>



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### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023

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

	Note	Unaudited as at 31-Dec-23 RM'000	Audited as at 30-Sep-23 RM'000
<b>Non-current liability</b>			
Borrowing	B10	89,801	91,595
Lease liabilities	B10	7,575	8,542
Deferred tax liabilities		4,214	4,112
Other payables		170	170
		<b>101,760</b>	<b>104,419</b>
<b>Current Liabilities</b>			
Trade payables		18,933	11,153
Other payable and accruals		60,377	57,988
Contract liabilities		27,779	26,213
Lease liabilities	B10	4,520	4,945
		<b>111,609</b>	<b>100,299</b>
<b>TOTAL LIABILITY</b>		<b>213,369</b>	<b>204,718</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>355,511</b>	<b>361,987</b>
<b>Net assets per share attributable to equity holders of the Company (sen) #</b>		<b>2.92</b>	<b>3.21</b>

#### Notes: -

The net assets per share attributable to equity holders of the Company is computed based on the net assets divided by 5,050,878,500 ordinary shares of the Company. The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2023 and the accompanying explanatory notes attached to this interim financial statements.



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## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<div>Attributable to owners of the parent</div> <div>Non-distributable</div>										
	Share Capital	ICPS	Other Reserve	Sub-total	Capital Reserve	Warrants Reserve	Exchange Reserves	Accumulated Losses	Total	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 October 2023	468,851	1,949	-	470,800	2,200	-	(22,257)	(288,812)	161,931	(4,662)	157,269
Loss for the financial period	-	-	-	-	-	-	-	(18,670)	(18,670)	(537)	(19,207)
Other comprehensive income											
Foreign currency translations	-	-	-	-	-	-	4,064	-	4,064	16	4,080
Total comprehensive income for the financial period	-	-	-	-	-	-	4,064	(18,670)	(14,606)	(521)	(15,127)
At 31 Dec 2023	468,851	1,949	-	470,800	2,200	-	(18,193)	(307,482)	147,325	(5,183)	142,142
At 1 October 2022	468,848	1,949	(2,527)	468,270	2,200	2,527	(18,027)	(221,331)	233,639	(2,912)	230,727
Loss for the financial year	-	-	-	-	-	-	-	(2,845)	(2,845)	(602)	(3,447)
Other comprehensive income											
Foreign currency translations	-	-	-	-	-	-	8,824	-	8,824	67	8,891
Total comprehensive income the financial year	-	-	-	-	-	-	8,824	(2,845)	5,979	(535)	5,444
At 31 Dec 2022	468,848	1,949	(2,527)	468,270	2,200	2,527	(9,203)	(224,176)	239,618	(3,447)	236,171

#### Notes:-

The Unaudited Condensed Consolidated Statement of Changes to Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2023 and the accompanying explanatory notes attached to this interim financial statements.



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## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Priod Ended 31-Dec-23 RM'000	Priod Ended 31-Dec-22 RM'000
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Loss before taxation	(19,086)	(3,357)
Adjustments for:		
Depreciation of property, plant and equipment	2,257	2,043
Amortisation of intangible assets	2,711	2,496
Gain on modification of lease contract:		
- Modification of right-of-use assets	-	121
- Modification of Lease liability	-	(153)
Fair value adjustment on other investment	(248)	570
Impairment loss on:		
- trade receivables	631	739
- investment in associates	4,998	-
Reversal of Impairment loss on investment in associates	-	(6,786)
Interest expense	1,355	405
Interest income	(172)	(248)
Lease interest income	(1)	(7)
Share of joint venture's loss/(profit)	890	(1,191)
Share of associate's loss	451	(874)
Covid-19 related rent concession	-	(9)
Unrealised loss on foreign exchange	2,403	8,874
<b>Operating (loss)/profit before working capital changes</b>	<b>(3,811)</b>	<b>2,623</b>
<b>Changes in working capital:</b>		
Inventories	(47)	(96)
Trade and other receivables	(2,590)	9,937
Finance lease receivables	48	42
Trade and other payables	11,002	(8,295)
	<b>8,413</b>	<b>1,588</b>
<b>Net cash generated from operating activities</b>	<b>4,602</b>	<b>4,211</b>



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## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023

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

	Priod Ended 31-Dec-23 RM'000	Priod Ended 31-Dec-22 RM'000
Interest received	170	246
Lease interest income	1	7
Tax paid	(263)	(464)
<b>Net cash generated from operating activities</b>	<b>4,510</b>	<b>4,000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(521)	(380)
Acquisition of intangible assets	(5,253)	(1,274)
Acquisition of subsidiary, net of cash and cash equivalent acquired	-	(18,775)
<b>Net cash used in investing activities</b>	<b>(5,774)</b>	<b>(20,429)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease liability	(1,392)	(1,340)
Interest paid	(392)	(405)
<b>Net cash used in financing activities</b>	<b>(1,784)</b>	<b>(1,745)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,048)</b>	<b>(18,174)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>33,849</b>	<b>83,301</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS HELD</b>	<b>(245)</b>	<b>(436)</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>30,556</b>	<b>64,691</b>

Notes: -

The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2023 and the accompanying explanatory notes attached to this interim financial statements.



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### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023

#### A. Explanatory Notes Pursuant to MFRS 134

##### 1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

The unaudited interim financial report should be read in conjunction with the latest audited financial statements of XOX Bhd ("XOX" or the "Company") and its subsidiaries ("Group") for the financial year ended 30 September 2023.

The accounting policies adopted by the Group in this interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 September 2023 except for the adoption of the following standard, interpretation and amendments to Malaysian Financial Reporting Standards ("MFRS"):

##### ***MFRS, Interpretation and Amendments to MFRSs effective for financial periods beginning on or after 1 January 2024***

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

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

##### 2. Seasonality or cyclicity factors

The business of the Group was not affected by any significant seasonal and cyclical factors for the current quarter under review and financial year-to-date.

##### 3. Nature and amount of exceptional and extraordinary items

There were no exceptional or extraordinary items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review and financial year-to-date.

##### 4. Changes in estimates

There were no material changes in estimates for the current quarter under review and financial year-to-date.

##### 5. Debt and equity securities

There were no other issuance, cancellations, repurchase, resale and repayment of debt and equity securities, share buy backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter under review and financial year to date.

##### 6. Dividends Paid

No dividends were declared or paid by the Group in the current quarter under review.





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### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023

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

#### 7. Segment information

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

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

Segmental information for the financial period ended:-

	Mobile communication services RM'000	Sports RM'000	Investment holding RM'000	Other segments RM'000	Eliminations RM'000	Total RM'000
<b>31 December 2023</b>						
<b>Revenue</b>						
External sales	59,678	1,969	-	3		61,650
Inter-segment sales	40,786	-	-	125	(40,911)	-
Total revenue	<u>100,464</u>	<u>1,969</u>	<u>-</u>	<u>128</u>		<u>61,650</u>
<b>Results</b>						
Segment results	(6,522)	(2,417)	(7,505)	(542)	424	(16,562)
Share of results of associates, net of tax	-	-	(451)	-	-	(451)
Share of results of a joint venture, net of tax	-	-	(890)	-	-	(890)
Interest expenses	(385)	(7)	(963)	-	-	(1,355)
Interest income	38	-	131	3	-	172
(Loss)/Profit before tax	(6,869)	(2,424)	(9,678)	(539)	424	(19,086)
Income tax expense	(19)	-	-	-	(102)	(121)
(Loss)/Profit net of tax	(6,888)	(2,424)	(9,678)	(539)	322	(19,207)
Non-controlling interests	-	-	-	-	537	537
(Loss)/Profit for the financial period attributable to Owners of the Company	<u>(6,888)</u>	<u>(2,424)</u>	<u>(9,678)</u>	<u>(539)</u>	<u>859</u>	<u>(18,670)</u>



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### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023

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

Segmental information for the financial period ended (cont'd):-

	Mobile communication services RM'000	Sports RM'000	Investment holding RM'000	Other segments RM'000	Eliminations RM'000	Total RM'000
<b>31 December 2022</b>						
<b>Revenue</b>						
External sales	69,865	52	-	16		69,933
Inter-segment sales	46,534	-	-	117	(46,651)	-
Total revenue	116,399	52	-	133		69,933
<b>Results</b>						
Segment results	1,359	(3,558)	(2,827)	(547)	308	(5,265)
Share of results of associates, net of tax	-	-	874	-	-	874
Share of results of a joint venture, net of tax	-	-	1,191	-	-	1,191
Interest expenses	(401)	(4)	-	-	-	(405)
Interest income	89	33	125	1	-	248
Profit/(Loss) before tax	1,047	(3,529)	(637)	(546)	308	(3,357)
Income tax expense	(16)	-	-	-	(74)	(90)
Profit/(Loss) net of tax	1,031	(3,529)	(637)	(546)	234	(3,447)
Non-controlling interests	-	-	-	-	602	602
Profit/(Loss) for the financial period attributable to Owners of the Company	1,031	(3,529)	(637)	(546)	836	(2,845)

#### 8. Material events subsequent to the end of the reporting quarter

There were no material events subsequent to the end of this current quarter that have not been reflected in the financial statement for this current financial quarter under review except for the following:-

- 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;
- Issuance of 139,966,000 (YTD: 139,966,000) ordinary shares through the exercise of the share options that was granted under Employees' Share Option Scheme;
- 48,450 (YTD: 48,450) of Warrant C were exercised at an exercise price of RM0.10 per Warrant C;
- 1,412,564,315 Warrant C remain unexercised and lapsed on 22 January 2024;
- On 23 January 2024, XOX (Hong Kong) Limited ("XOXHK") had excised 45,500,000 rights issue of warrants in Bioalpha Holdings Berhad for a total purchase consideration of approximately RM1,592,800; and
- Between 9 February 2024 to 16 February 2024, XOXHK had excised 10,000 ordinary rights with warrants in Fast Energy Holdings Berhad for a total purchase consideration of approximately RM131 and 10,000,000 ordinary rights with warrants for a total purchase consideration of approximately RM901,200 respectively.



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### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023

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

##### 9. Changes in the composition of the Group

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

##### 10. Contingent liabilities and assets

There are no material contingent liabilities or assets which may have material effect on the financial position of the Group as the date of this announcement.

##### 11. Capital commitment

Authorised capital expenditure not provided for in the interim financial report at the end of the current quarter under review is as follows:-

	RM'000
Approved and contracted for:	
- Capital Expenditure	<u>10,356</u>

##### 12. Significant related party transactions

###### (a) Identities of related parties

- (i) the Company has a controlling related party relationship with its subsidiaries;
- (ii) the directors who are the key management personnel; and
- (iii) entities controlled by certain key management personnel, directors and/or substantial shareholders.

(b) In addition to the information detailed elsewhere in the financial statements, the Group carried out the following significant transactions with the related parties during the quarter:

	Quarter Ended 31 December 2023 RM'000	Quarter Ended 31 December 2022 RM'000
(i) Services to a related party:		
- Web blasting	26	44
- Mobile services	1	2
- E-commerce and other services	201	32
- Rental income	49	49
(ii) Services from related parties:		
- Rental charged/handling fee	(377)	(58)
- Marketing and consultancy related expenses	(1,283)	(1,038)
- Printing & packaging	(170)	(178)
- Healthcare product	-	(141)
- Apparels	(301)	(120)
- Purchase of software/hardware & equipment	(130)	(68)
- Renovation	(58)	-



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### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023

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

#### 13. Other Investments

Save for the funds of RM5.923 million placed with a licensed bank, invested in money market investments and short to medium-term fixed income instruments as at 31 December 2023, details of other investments are as follows:-

Company	Nos of Share Held	Market Value RM
XOX Networks Berhad	171,000,000	5,985,000
Nexion Technologies Limited	117,848,500	1,731,194
DGB Asia Berhad	25,600,000	3,968,000
BioAlpha Holdings Berhad	68,000,000	7,480,000
<b>Total</b>		<b>19,164,194</b>



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### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023

#### B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities

##### 1. Performance of the current quarter and financial year-to-date against preceding year corresponding quarter and year-to-date ("YTD")

	Individual Quarter				Cumulative Quarter			
	Quarter	Quarter	Changes		Period	Period	Changes	
	Ended	Ended			Ended	Ended		
	31-Dec-23	31-Dec-22	RM'000	%	31-Dec-23	31-Dec-22	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	<b>61,650</b>	69,933	(8,283)	-12%	<b>61,650</b>	69,933	(8,283)	-12%
(Loss)/Earnings Before Interest Tax Depreciation & Amortisation ("LBITDA/EBITDA")	<b>(12,936)</b>	1,332	(14,268)	-1071%	<b>(12,936)</b>	1,332	(14,268)	-1071%
Loss Before Tax ("LBT")	<b>(19,086)</b>	(3,357)	(15,729)	469%	<b>(19,086)</b>	(3,357)	(15,729)	469%
Loss After Tax ("LAT")	<b>(19,207)</b>	(3,447)	(15,760)	457%	<b>(19,207)</b>	(3,447)	(15,760)	457%
Loss Attributable to Ordinary Equity Holders of the Parent	<b>(18,670)</b>	(2,845)	(15,825)	556%	<b>(18,670)</b>	(2,845)	(15,825)	556%

The Group's revenue declined by 12%, from RM69.93 million to RM61.65 million, for the current quarter compared to the previous corresponding quarter. This decline in revenue is primarily due to heightened competition within the industry. This resulted in reduced Average Revenue Per User (ARPU) particularly driven by the four major mobile network operators (MNOs), that offered massive discounted postpaid deals alongside additional digital services beyond telecommunications.

The share price of the Group's other investment remains soft, resulting in impairment loss on investment in associates. Coupled with the lower gross profit due to lower revenue, the Group reported a LBT of RM19.09 million and LBITDA stood at RM12.94 million, compared to an LBT and EBITDA of RM3.36 million and RM1.33 million, respectively.



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### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023

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

##### 2. Performance of the current quarter against the preceding quarter

	Current Quarter 31-Dec-23 RM'000	Immediate Preceding Quarter 30-Sep-23 RM'000	Changes	
			RM'000	%
Revenue	61,650	66,445	(4,795)	-7%
(Loss)/Earnings Before Interest Tax Depreciation & Amortisation ("LBITDA/EBITDA")	(12,936)	35,219	(48,155)	-137%
(Loss)/Profit Before Tax ("LBT/PBT")	(19,086)	28,422	(47,508)	-167%
(Loss)/Profit After Tax ("LAT/PAT")	(19,207)	26,685	(45,892)	-172%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(18,670)	26,942	(45,612)	-169%

The Group's revenue decreased by 7% quarter-on-quarter to RM61.65 million, primarily due to lower ARPU resulting from price competition.

For the current reporting quarter, impairment loss on investment in associates, coupled with lower revenue resulted in the Group reporting a LBT of RM19.09 million and LBITDA of RM12.94 million. This compares to the preceding quarter's PBT of RM28.42 million & EBITDA of RM35.22 million that were attributed to reversal of impairment loss of the Group's investment.

##### 3. Prospects and business outlook

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

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

##### 4. Profit forecast or profit guarantee

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

##### 5. Qualification of preceding audited financial statements

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



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### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023

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

##### 6. Loss before tax

	Individual Quarter		Cumulative Quarter	
	Quarter	Quarter	Priod	Priod
	Ended	Ended	Ended	Ended
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	RM'000	RM'000	RM'000	RM'000
Amortisation of Intangible assets	2,711	2,496	2,711	2,496
Depreciation of property, plant and equipment	2,257	2,043	2,257	2,043
Fair value adjustment on other investment	(248)	570	(248)	570
Interest expense	1,355	405	1,355	405
Interest income	(172)	(248)	(172)	(248)
Lease Interest Income	(1)	(7)	(1)	(7)
Impairment loss:				
- Trade receivables	631	739	631	739
- Investment in associates	4,998	-	4,998	-
Reversal of Impairment loss on investment in associates	-	(6,786)	-	(6,786)
Unrealised loss on foreign exchange	2,403	8,874	2,403	8,874

##### 7. Income Tax Expense

	Individual Quarter		Cumulative Quarter	
	Quarter	Quarter	Priod	Priod
	Ended	Ended	Ended	Ended
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	RM'000	RM'000	RM'000	RM'000
Income Tax:				
- Current	19	16	19	16
Deferred Tax				
- Relating to origination & reversal of temporary differences	102	74	102	74
Income tax expenses	121	90	121	90

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

##### 8. Gain or loss on disposal of quoted and/or unquoted investments and/or properties

There were no other material disposal of quoted, unquoted and/or properties for the current quarter and financial year to date under review.



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### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023

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

##### 9. Corporate proposals and utilisation of proceeds

Save as disclosed below, there were no other corporate proposals which had been announced by the Company and are pending for completion except:-

- (a) XOX Bhd ("XOX" or "the Company" or "the Group") had on 14 September 2023 entered into a MOU with MBI ("MOU") for the purposes of strengthening the parameters, framework, and intent of the Parties to finalise the partnership for the Proposed Technology Collaboration. The MOU will strengthen the appointment of XOX as a strategic technology partner to MBI for the purpose of enabling XOX to provide technical recommendations for MBI to consider implementing based on the needs of the public. To date, both parties are working on the collaboration.
- (b) On 12 October 2022, Perak FC Sdn Bhd ("PFC"), an indirect wholly-owned subsidiary of XOX had entered into a MOU with VFL WOLFSBURG-FUßBALL GMBH ("Wolfsburg") to setup a working executive committee to build a commercial and professional sporting partnership framework between both football clubs, focusing on 3 key areas, youth development, technology transfer and merchandising opportunities. The MOU was terminated on 31 December 2023.
- (c) XOX Pro Sport Sdn. Bhd ("XOX Pro Sport") a wholly-owned subsidiary of XOX had entered into several MOUs for the purpose to explore a business collaboration between the parties particularly in the scope of commercial activities, including sports marketing and management. To date, there is no material development pertaining to these MOUs:
- Kuala Lumpur City FC Sdn Bhd. dated 10 February 2023;
  - Negeri Sembilan Football Club Sdn. Bhd. dated 17 February 2023;
  - Darulaman Football Club Sdn. Bhd. dated 18 February 2023;
  - Sri Pahang Football Club Sdn. Bhd. dated 20 February 2023;
  - Kuching City FC Sdn. Bhd. dated 24 March 2023;
  - Kelantan United FC Sdn. Bhd. dated 12 April 2023; and
  - Penang FC Sdn. Bhd. dated 20 June 2023.
- (d) On 19 May 2023, XOX Com Sdn. Bhd ("XOX Com") a wholly-owned subsidiary of XOX had entered into a MOU with Alliance Bank Malaysia Berhad for the purpose to explore a business collaboration between the parties particularly in the scope including but not limited to credit card, prepaid card, loans, balance transfers, via readily available technologies, sales and marketing, advertisement and promotion and exchanging business and technical ideas, co-operation in operations and technical services. To date, both parties are in the midst of discussion.
- (e) On 20 June 2023 & 8 August 2023, XOX announced and proposed to undertake a private placement of not more than 10% of the total number of issued shares of XOX to independent third-party investors to be identified later at an issue price to be determined later. On 26 January 2024, the Board has resolved to abort the Proposed Private Placement.
- (f) On 28 June 2023, XOX Com, a wholly-owned subsidiary of XOX had entered into a MOU with KDDI Malaysia Sdn. Bhd. ("KDDI") for the purpose to explore a business collaboration between the parties particularly in the scope of synergising commercial activities, with cross-border full suite integration of the parties' services. To date, both parties are in the midst of discussion.
- (g) On 31 July 2023, XOX had entered into a MOU with the Government of Malaysia acting through the Ministry of Higher Education, Malaysia and VMR Three Sdn. Bhd. ("VMR3") to provide cooperation and support to XOX and VMR3 for the implementation of the Program Keusahawanan MYSISWA (MYSISWA Entrepreneurship Program). To date, all parties involved are working on the program.





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### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023

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

(h) On 20 December 2023, XOX Com entered into a MOU with Uni Comms International Sdn. Bhd. ("UNICOMMS") for the purpose to discuss and explore business collaboration between the parties particularly in the scope of White Label Mobile Services and to enhance the digital lifestyle of the students from higher education institution in Malaysia under the MYSISWA Program in particular to students from UCSI University ("UCSI"). To date, there is no material development pertaining to the MOU.

(i) Utilisation of proceeds from various corporate exercises:-

##### Private Placement (Completed on 23 July 2020)

Details	Proposed Utilisation (based on acceptance applications for Private Placement) RM	Actual Utilisation RM	Balance Available for Utilisation RM	Intended Timeframe for Utilisation
(i) Investment in the business of smart vending machine	19,063,140	10,058,230	9,004,910	Within 48 months
(ii) Expenses incurred for the Private Placement	600,000	600,000	-	Immediate
<b>Total</b>	<b>19,663,140</b>	<b>10,658,230</b>	<b>9,004,910</b>	

##### Private Placement (Completed on 15 December 2020)

Details	Proposed Utilisation (based on acceptance applications for Private Placement) RM	Actual Utilisation RM	Balance Available for Utilisation RM	Intended Timeframe for Utilisation
(i) Fintech Business Expansion	48,000,000	42,637,691	5,362,309	Within 48 months
(ii) Rebranding exercise to reposition the XOX brand into a Fintech solution and telecommunication provider	5,000,000	3,587,661	1,412,339	Within 48 months
(iii) Marketing and promotional expenses for the Fintech Business Expansion	7,060,845	7,060,845	-	Within 36 months
(iv) Expenses for the Private Placement	570,000	570,000	-	Immediate
	<b>60,630,845</b>	<b>53,856,197</b>	<b>6,774,648</b>	



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### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023

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

##### 10. Group Borrowings

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

	Unaudited As at 31-Dec-23 RM'000	Audited As at 30-Sep-23 RM'000
<b>Lease Liabilities</b>		
Short-term	4,520	4,945
Long-term	7,575	8,542
<b>Borrowing - Security-back advance facility, Secured</b>		
Long-term	89,801	91,595

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

##### 11. Trade Receivables

Descriptions	Unaudited As at 31-Dec-23 RM'000	Audited As at 30-Sep-23 RM'000
Trade Receivables	22,653	22,207
Less: Allowance for impairment losses	(6,285)	(5,654)
	16,368	16,553

Trade receivables are non-interest bearing and are generally within the stipulated current credit term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

##### 12. Material litigation

There were no litigation or arbitration, which has a material effect on the financial position of the Group and the Board is not aware of any other proceedings pending or threatened or of any fact likely to give rise to any proceedings which has a material effect on the financial position of the Group.



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### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023

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

##### 13. Earnings per share

	Individual Quarter		Cumulative Quarter	
	Quarter Ended	Quarter Ended	Period Ended	Period Ended
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
<b>Basic loss per share:</b>				
Loss after tax attributable to the Owners of the Company (RM'000)	<u>(18,670)</u>	<u>(2,845)</u>	<u>(18,670)</u>	<u>(2,845)</u>
<b>Weighted average number of ordinary shares ('000)</b>	<b>5,050,879</b>	5,050,831	<b>5,050,879</b>	5,050,831
<b>Basic loss per share (sen)</b>	<u>(0.37)</u>	<u>(0.06)</u>	<u>(0.37)</u>	<u>(0.06)</u>

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