XOX™

REALISING UNLIMITED POTENTIAL

ANNUAL REPORT 2020

CONTENTS

OUR VISION

TO BE A

WORLD CLASS COMPANY

BY DELIVERING INNOVATIVE & CREATIVE PRODUCTS

to every subscriber globally through our dynamic & inspiring talents.

XOX MOBILE XOX eSIM ONEXOX Prepaid ONEXOX BLACK XOX-Voopee

INNOVATIVE & CREATIVE

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Seri Abdul Azim bin Mohd Zabidi
Non-Independent Non-Executive Chairman

Tan Sik Eek
Executive Director

Roy Ho Yew Kee
Executive Director

Hew Tze Kok
Independent Non-Executive Director

Andy Liew Hock Sim
Independent Non-Executive Director

AUDIT COMMITTEE

Hew Tze Kok
(Chairman)

Dato' Seri Abdul Azim bin Mohd Zabidi
(Member)

Andy Liew Hock Sim
(Member)

NOMINATION AND REMUNERATION COMMITTEE

Andy Liew Hock Sim
(Chairman)

Dato' Seri Abdul Azim bin Mohd Zabidi
(Member)

Hew Tze Kok
(Member)

SHARE ISSUANCE 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)

PRINCIPAL BANKERS

Ambank (M) Berhad
Public Bank Berhad
Hong Leong Bank Berhad

REGISTERED OFFICE

22-09, Menara 1MK
No. 1 Jalan Kiara
Mont Kiara
50480 Kuala Lumpur
Telephone: (603) 2856 7333

BUSINESS OFFICE

Lot 8.1, 8th 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

AUDITORS

Messrs Moore Stephens Associates PLT
Unit 3.3A, 3rd Floor
Surian Tower
No. 1, Jalan PJU 7/3
Mutiara Damansara
47810 Petaling Jaya
Selangor Darul Ehsan
Telephone: (603) 7724 1033
Facsimile: (603) 7723 1033

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

LISTING

ACE Market of Bursa Malaysia Securities Berhad

SHARES

Stock Name: XOX
Stock Code: 0165

WEBSITE

www.xox.com.my

INVESTOR RELATIONS

Email: ir@xox.com.my
Tel: (603) 7884 2388

PROFILE OF DIRECTORS

PROFILE OF DIRECTORS

DATO' SERI ABDUL AZIM BIN MOHD ZABIDI

Age	: 61
Nationality	: Malaysian
Gender	: Male
Position in the Company	: Non-Independent Non-Executive Chairman

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, he 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.

He now sits on numerous local and foreign Boards of Companies, both public and private, amongst which are Anzo Holdings Berhad, Timberwell Berhad, Fintec Global Berhad and DGB Asia Berhad.

He is presently 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 five (5) years other than the traffic offence, if any.

Profile of Directors (Cont'd)

TAN SIK EEK

Age : 44
Nationality : Malaysian
Gender : Male
Position in the Company : Executive Director

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 graduated with a Bachelor of Economics and Political Science from University of Sydney, Australia.

He has more than fifteen (15) years of experiences 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.

At present, he also sits on the board of directors of Fintec Global Berhad, NetX Holdings Berhad, MLabs Systems Berhad and DGB Asia Berhad. He is presently the Chairman of the Share Issuance Scheme 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 five (5) years other than the traffic offence, if any.

ROY HO YEW KEE

Age : 45
Nationality : Malaysian
Gender : Male
Position in the Company : Executive Director

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.

He is presently a member of the Share Issuance Scheme Committee of the Company.

Save as disclosed above, 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 five (5) years other than the traffic offence, if any.

Profile of Directors (Cont'd)

HEW TZE KOK

Age	: 43
Nationality	: Malaysian
Gender	: Male
Position in the Company	: Independent Non-Executive Director

Mr Hew Tze Kok was appointed to the Board on 21 October 2013 as an Independent Non-Executive Director. Mr Hew is a fellow member of the Association of Chartered Certified Accountants ("FCCA").

He started his career path by practising in accounting firms, namely Wong Yew Seng & Co and BDO Binder for approximately seven (7) years. Thereafter, he served the Securities Commission Malaysia ("SC") for about five (5) years in the area of enforcement of securities law. He was then appointed as an Investigating Officer of the SC with a ranking of Senior Manager. Subsequent to that, he joined KPMG Forensic Investigation Services as an Associate Director.

He is presently the Chairman of the Audit Committee and a member of the 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 five (5) years other than the traffic offence, if any.

ANDY LIEW HOCK SIM

Age	: 40
Nationality	: Malaysian
Gender	: Male
Position in the Company	: Independent Non-Executive Director

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 over fifteen (15) 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, Germany and Hong Kong 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 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 eight (8) years in China. From 2008 to 2012, he worked in KPMG Beijing and actively involved in audit and IPO. 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 in 2016.

Upon his return to Malaysia, he joined Baker Tilly Malaysia and led a team of forty (40) which specialise in IPO 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 Perak Corporation Berhad, Macpie Berhad and Oversea Enterprise Berhad.

He is presently the Chairman of the Nomination and Remuneration Committee and a member of Audit 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 five (5) years other than the traffic offence, if any.

PROFILE OF KEY SENIOR MANAGEMENT

PROFILE OF KEY SENIOR MANAGEMENT

NG KOK HENG

Age	: 57
Nationality	: Malaysian
Gender	: Male
Position in the Company	: Chief Executive Officer

Mr Ng Kok Heng graduated with a Bachelor of Computer Science (Honours) from the University Sains Malaysia, Penang in 1987. Mr Ng was appointed as Managing Director and Chief Executive Officer of the Company on 30 June 2010. On 9 December 2013, he retired as Managing Director of the Company but continue to serve the Company as Chief Executive Officer. On 17 August 2018, he was appointed as Executive Director of the Company and thereafter retired from the said position on 27 February 2020.

He started his career in 1987 as a Sales Manager in Communications Technology Sdn Bhd and was in charge of sales and marketing. In 1992, he was appointed as Executive Director for MTL Communications Sdn Bhd and was responsible for the marketing, sales and business development of the company. Subsequently in 2000, he joined Wilco Systems Sdn Bhd as the Managing Director and was responsible for the performance as well as the day-to-day operations of the company.

He was also a consultant to Teligent AB, Sweden, a telecommunications provider and has worked with key players in various South East Asian countries such as Telekom Malaysia Berhad, Singapore Telecommunications Limited and Smart Communications Inc. He leads highly specialised teams of IT integrators and implementers to implement systems for telecommunications providers. Mr Ng also sits on the board of directors of M3 Technologies (Asia) Berhad.

He is presently a member of the Share Issuance Scheme 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 five (5) years other than the traffic offence, if any.

SYLVIA KONG CHOO HUI

Age	: 54
Nationality	: Malaysian
Gender	: Female
Position in the Company	: Chief Financial Officer

Ms Sylvia Kong Choo Hui graduated with a Bachelor of Business (Accounting) from the University of Technology, Sydney, Australia. She has more than twenty (20) years of finance and accounting experience in the Manufacturing Industry; she also involved in the corporate restructuring and fund-raising exercises for public listed companies. Prior to joining the Company, she was the Finance Director of a multinational company in the Manufacturing sector.

She joined the Company as Chief Financial Officer and overseeing the Finance, Taxation, Legal, Human Resources, Administration and Big Data of the Group.

She does not hold any directorships in any other public listed companies. 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 five (5) years other than the traffic offence, if any.

Profile of Key Senior Management (Cont'd)

AZRIL BIN ALIUDDIN

Age : 42
Nationality : Malaysian
Gender : Male
Position in the Company : Chief Strategy Officer

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 does not hold any directorships in any other public listed companies. 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 five (5) years other than the traffic offence, if any.

SIM CHIN YEE

Age : 43
Nationality : Malaysian
Gender : Male
Position in the Company : Head of Technical

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 does not hold any directorship in any other public listed companies. He has no relationship with any other 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

Age : 54
Nationality : Malaysian
Gender : Male
Position in the Company : Vice President, Channel Marketing

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. Currently, he holds the position of Vice President, Channel Marketing since 2018.

Mr Tan has more than twenty five (25) 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.

Besides notable contributions to the Company 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 when he was promoted to Assistant Vice President.

He does not hold any directorship in any other public listed companies. He has no relationship with any other 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 FY 2020 RM	15 Months* FY 2019 RM	12 Months FY 2018 RM	12 Months FY 2017 RM	12 Months FY 2016 RM
FINANCIAL RESULTS					
Revenue	**251,436,160**	311,361,314	187,542,724	179,878,953	160,750,055
Loss Before Tax	**(55,663,403)**	(21,344,657)	(11,639,022)	(788,346)	(9,050,724)
Loss After Tax	**(54,447,415)**	(21,499,673)	(11,844,898)	(1,124,543)	(9,384,581)
Earnings Before Interest Tax Depreciation & Amortisation ("EBITDA")	**(37,341,225)**	(6,565,775)	(3,449,253)	5,808,814	(4,043,227)
Loss Attributable to Shareholders	**(52,323,588)**	(21,177,600)	(11,899,760)	(939,550)	(9,575,836)
FINANCIAL POSITION					
Ordinary shares	**343,519,338**	126,892,891	122,255,081	107,437,179	55,641,468
Irredeemable convertible preference shares ("ICPS")	**2,160,345**	-	-	-	-
Reserves	**(84,256,163)**	(33,706,396)	(12,519,988)	(1,338,939)	22,387,187
Shareholders' Equity	**261,423,520**	**93,186,495**	**109,735,093**	**106,098,240**	**78,028,655**
Non-controlling interests	**136,572**	2,312,034	513,418	458,556	643,549
Total Equity	**261,560,092**	**95,498,529**	**110,248,511**	**106,556,796**	**78,672,204**
Non-Current Liabilities	**8,929,674**	2,987,008	1,496,547	1,739,486	452,672
Current Liabilities	**77,247,375**	83,448,889	55,483,619	48,607,045	33,672,646
Total Equity And Liabilities	**347,737,141**	**181,934,426**	**167,228,677**	**156,903,327**	**112,797,522**
Non-Current Assets	**97,844,878**	90,597,168	85,051,839	76,045,755	52,707,432
Current Assets	**249,892,263**	91,337,258	82,176,838	80,857,572	60,090,090
Total Assets	**347,737,141**	**181,934,426**	**167,228,677**	**156,903,327**	**112,797,522**
FINANCIAL RATIOS					
Net Assets Per Share (sen)	**8.52**	8.53	11.05	12.46	14.02
Net Loss Per Share (sen)	**(3.77)**	(1.98)	(1.27)	(0.14)	(2.66)

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

CORPORATE STRUCTURE

XOXBHD
201001016682 (900384-X)

100%	XOX Com Sdn. Bhd.	Provider of mobile telecommunication products and services
100%	XOX Mobile Sdn. Bhd.	Provider of telecommunication products and related services
100%	XOX Management Services Sdn. Bhd.	Provision of management services
100%	XOX Media Sdn. Bhd.	Provision of telecommunication and mobile application services
40%	PT. Nusantara Mobile Telecommunication	Intended engaged in telecommunication products and services, mobile application services and eWallet services
100%	XOX Mobile Pte. Ltd.	Intended engage in the business of mobile cellular and other wireless telecommunications network operation
100%	XOX (Hong Kong) Limited	Intended engaged in telecom, technology, e-commerce and relatd services
60%	One XOX Sdn. Bhd.	Wholesaler of mobile telecommunication products and services
51%	X Style Sdn. Bhd.	Provision of mobile virtual network operator services and broadband internet services
51%	XOX Wallet Sdn. Bhd.	Provision and trading of telecommunication airtime as a traded commodity for Shariah compliant financing and provision of information technology solution for businesses

CHAIRMAN'S STATEMENT

DEAR VALUED SHAREHOLDERS,

The year 2020 was indeed an arduous year for everyone. The unprecedented speed and scale of the COVID-19 pandemic posed multiple challenges to the health of not only Malaysians but also the global population and economies the world over have not been spared from the ravages of this virus.

We are navigating new challenges with digital adoption by consumers and enterprises as a result of stay-at-home and work-from-home provisos, and it highlights the importance of connectivity in our society and the important role of XOX in keeping consumers and enterprises connected in a time of safe distancing.

BUSINESS OVERVIEW / CORPORATE DEVELOPMENT

Against the backdrop of a challenging operating environment, the Group took a conscious decision to impair various investments which were considered as being uncertain under the prevailing COVID-19 conditions. As a result of this, loss attributable to the owner of the Group stood at RM52.32 million against an impressive revenue for the same period under review of RM251.44 million.

The reported losses were attributed to:
- The impairment loss on the equipment and investment in Indonesia due to uncertainty over the future business development in that country;
- Impairment on receivables due to the uncertainty posed by COVID-19;
- Free 1GB per day community offering to subscribers during the Movement Control periods;
- Fair value adjustment under the Share Issuance Scheme;
- Fair value loss arising from the investment in quoted shares; and
- Advertising activities to enhance corporate and brand awareness to support the expansion of fintech activities.

Revenues remained steady, underpinned by resilient demand for data and Black Plan subscribers providing recurring income, coupled with greater data consumption during the MCO periods resulting from the digital adoption growth.

The Group's existing core business is providing telecommunication products and services, and the financial performance is dependent mainly on the growth of its subscriber base and the Average Rate Per User (ARPU) from voice, SMS & data usage.

Forced isolation and social distancing measures during the pandemic have led to an enormous acceleration of digitization. In parallel with transforming from a conventional mobile operator into a technology-driven enterprise, the Group has undertaken a few fundraising exercises to capture business value in the new paradigm.

The Group will leverage on the growing subscriber base and capitalize on the rapid advancement of technology to develop a digital ecosystem to venture into the fintech space, namely in areas such as Digital Marketplace, Microfinancing Platforms and eWallet.

The Fintech Business Expansion is aimed at enhancing the overall user experience for our subscribers as well as entice new users to use the platform by providing an array of Fintech and e-commerce services at the user's fingertips.

In response to the uptick in adoption of digital enterprises in the digital environment in Malaysia, the Group also mobilized partnerships in vending machines, advertising and cybersecurity to provide refreshed digital media content while at the same time adopting a holistic approach to cybersecurity to mitigate the threats posed by the security vulnerabilities inherent to the industry.

OUTLOOK AND FUTURE PROSPECTS

As we enter the 5G era, the Group remains committed to our core business in providing attractive mobile subscription packages for connectivity services. The Group is also developing a digital ecosystem to capture the unique combination of the core business, customer base and capabilities to build new sources of business and revenue. The biggest challenge will be finding the right balance between core business operations and exploring opportunities beyond the core business.

The enormous disruption and uncertainties caused by COVID-19 have made it difficult to forecast the year ahead, however the Group has ensured ample liquidity through corporate fundraising exercises to fund the Group's Fintech Business Expansion which will entail the development and commercialisation of a digital marketplace, a microfinancing platform and eWallet to cope with the challenging operating environment ahead.

Premised on the overview and outlook of the telecommunication, e-commerce, digital lending and electronic payments in Malaysia, the Board is cautiously optimistic of the future prospects of the Group despite a challenging economic outlook ahead as the full impact of the COVID-19 pandemic gradually becomes much clearer.

APPRECIATION

On behalf of the Board, I would like to extend my heartfelt gratitude to the management team, staff and front liners for their unwavering commitment, holding the fort in providing the essential services to our customers despite incredibly challenging health crisis circumstances.

I also extend my deepest gratitude to the authorities and regulators, our business partners, partners, our millions of customers and our valuable shareholders for their continued support and confidence in the Group.

Finally, I would like to extend my sincere appreciation to my fellow Board members for their insightful guidance, shared wisdom, and service to the Board in steering the Group through the challenges.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis ("MD&A") provides an overview of XOX Group's financial and operations performance for the financial year ended 30 September 2020. Due to the change of financial year end from 30 June to 30 September in the last financial year, the financial results for the financial year under review are not comparable to the results reported for the 15-month financial period ended 30 September 2019.

OVERVIEW OF XOX GROUP'S BUSINESS AND OPERATIONS

XOX Bhd ("XOX" or "the Company") is the first Mobile Virtual Network Operator ("MVNO") listed on Bursa Malaysia. The Group is principally engaged in providing mobile telecommunication products and services without having its own spectrum and network infrastructure. XOX Group operates as an Enhanced Service Provider, besides distributing our own SIM cards, we have our billing system, SMS centre and network elements; we control all aspects of our subscriber relationships, including the brand name, pricing, content, advertising and marketing, customer care and information technology platform. XOX approach is savings-driven in delivering the best value for money products and services to our subscribers.

XOX Group's financial performance is dependent mainly on the growth of the subscriber base on SIM cards business. Products offering comprise of "ONEXOX PREPAID", a mobile plan caters for prepaid subscribers; "ONEXOX BLACK" with "BURNPROOF" feature which enables subscribers to carry forward unused monthly data as well as sharing data among subscribers; and Season Pass which offers bulk advance purchases which enables unlimited sharing of DATA, Talk Time & SMS Quota to all XOX Mobile numbers.

Over the years, the Group has endeavoured to differentiate itself from its competitors and present itself as the brand of choice to Malaysian mobile users. These include increasing ground visibility and branding by having more stores and promotional spaces to increase public exposure and accessibility to the Group's products and services, revamping business support system to ensure more streamlined user experience and allowing subscriber management on multiple channels.

The Group is also in the midst of transforming itself from a conventional mobile operator to a technology-driven company by implementing new technology offerings to explore new opportunities to assess the unmet needs and behaviour of both existing and potential subscribers, in order to adapt to the dynamic changes and stay ahead of the competition in the mobile telecommunications industry.

Moving forward, XOX Group remains innovative in the core business of mobile connectivity, and the Group is undertaking the Fintech Business Expansion as a synergy to the mobile business. Under the Fintech Business Expansion, XOX Group will develop a digital marketplace, microfinancing platform and eWallet to deliver contextual, tailored experiences to our customer and build new revenue sources. XOX Group will also be investing in Blockchain and Distribute Ledger Technology (DLT) as the core of its fintech business.

FINANCIAL REVIEW

	12 MONTHS FY 2020 RM	15 MONTHS FY 2019 RM
Financial Results		
Revenue	251,436,160	311,361,314
Loss Before Tax	(55,663,403)	(21,344,657)
Earnings Before Interest Tax Depreciation & Amortisation ("EBITDA")	(37,341,225)	(6,565,775)
Loss Attributables to Shareholders	(52,323,588)	(21,177,600)
Financial Positions		
Shareholders' Equity	261,423,520	93,186,495
Cash and Cash Equivalents	182,275,121	8,952,671
Total Assets	347,737,141	181,934,426
Per Share		
Basic Loss Per Share (Sen)	(3.77)	(1.98)
Net Assets Per Share (Sen)	8.52	8.53

Management Discussion and Analysis (Cont'd)

Financial Results

For the financial year ended 30 September 2020, the Group achieved a stable revenue of RM251.44 million compared to RM311.36 million for the 15-months financial period ended 30 September 2019 against the backdrop of the challenging operating conditions, underpinned by resilient demand for the data resulted from higher usage of internet, particularly online transactions, entertainments, education and work from home activities.

Group's loss before tax ("LBT") amounted to RM55.66 million for the financial year under review. The losses reported was mainly due to:

(a) Written off and impairment loss of Indonesia investment for equipment due to the uncertainty over the future business development posed by COVID-19;
(b) Fair value adjustment under the Share Issuance Scheme;
(c) Fair value loss arising from the investment in quoted shares of M3 Technologies (Asia) Berhad;
(d) Impairment on receivables;
(e) Free 1GB per day community offering to subscribers during the Movement Control periods; and
(f) Advertising activities to enhance corporate and brand awareness to support the expansion of Fintech activities.

As a result of the losses recorded, the EBITDA stood at RM37.34 million, and Group's losses attributable to shareholders amounted to RM52.32 million for the financial year, compared to RM21.18 million for the 15-month financial period ended 30 September 2019.

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

Financial Position

XOX Group end the financial year with a strong cash position of RM182.28 million, the solid balance sheet with large cash holdings enabled the Group to weather through the unpredictability of the current operating environment and exploring the digital opportunity.

Total assets rose 91% Year-over-Year ("YoY") increase from RM181.93 million a year ago to RM347.74 million, mainly from the stronger cash position, increased investment in quoted shares and right-of-use assets amounted to RM9.31 million due to the adoption of MFRS 16.

During the financial year, 1,976,434,900 number of shares issued from the Corporate exercises and SIS give rise to Equity attributable to owners of the Company stood at RM261.42 million as of 30 September 2020, a 181% YoY increase from RM93.19 million a year ago.

BUSINESS AND OPERATIONAL REVIEW

COVID-19 pandemic has disrupted the daily routines and all industries in Malaysia. We experienced significant shifts in the ways consumers consume and behave. It drove a massive acceleration in digitization activities, particularly online transactions, entertainment, and educational and work from home activities resulted in higher internet usage. Alongside the Government's boarder effort, XOX Group has extended the Free 1GB per day community offering to subscribers during the Movement Control Order period.

We have introduced complementary technology offerings during the financial year such as customized business connectivity solution, video conferencing, develop eSIM packages as secondary line, Dealer Affiliate program apt for eSIM deployment with full online interaction and onboarding, insurance, cloud storage solution and Online Dealer Training program called LEAD to better equip XOX dealers.

As a technology centric company, we continuously strive to develop new product and service offerings to stay ahead of the competition. The Group further leverage on the growing subscriber base and capitalize on the rapid advancement of technology to develop a digital ecosystem to venture into Fintech Business – XOX Digital Marketplace, Microfinancing Platform, eWallet and Blockchain. The Fintech Business Expansion is aimed at enhancing the overall user experience for the existing subscribers as well as entice new users to use the platform by providing an array of Fintech and e-commerce service at the user's fingertips.

Management Discussion and Analysis (Cont'd)

In March 2020, the Group completed a rights issue exercise to fund the eSIM expansion plan to enhance its features and cater for more subscribers and expand the XOX eWallet functions to include a micropayment and peer-to-peer transfer.

In July 2020, the Company completed a private placement to fund the acquisition and commercialisation of smart vending machines. The investment in smart vending machines business aimed at creating an additional sales channel to grow the Group's subscriber base and increase XOX's brand exposure and recognition. Meanwhile, the smart vending machines may also provide ancillary income via the sale of fast-moving consumer goods and digital advertising space.

The Group wholly-owned subsidiary, XOX Media Sdn Bhd had inked a microfinancing partnership agreement with Wetek Technology (M) Sdn Bhd for a proposed collaboration to offer microfinancing facilities to XOX's subscribers and the general public to enhance the adoption of the XOX eWallet. The Group aims to make available the microfinancing services nationwide to all individuals and small businesses who are lacking access to conventional banking and related services.

In August 2020, XOX Wallet Sdn Bhd, the Group's subsidiary entered into a 3 years strategic collaboration agreement with Alipay Labs (Singapore) Pte Ltd to collaborate in providing blockchain-based solutions. The Group intends to leverage on Alipay Lab's expertise to integrate blockchain technology with XOX Fintech offerings which are expected to provide blockchain traceability and security, integrated with the microfinancing platform to facilitate peer-to-peer funds transfers and digital transactions. It will also be capable of handling both actual currencies and digital assets directly from personal accounts without compromising security. In return, to drive a new income source from the additional service offerings.

Concurrently, XOX Group is also working with identified business partners in the vending machine, marketing and promotional strategies and addressing the cybersecurity challenges.

XOX Group is in the midst of developing its own e-commerce marketplace. The XOX Digital Marketplace will be a scalable and mobile-centric marketplace with integrated payment, logistics infrastructure and comprehensive buyer/seller services, providing a seamless shopping experience for the merchants and consumers with a high level of personalization supported by XOX Big Data.

CORPORATE EXERCISES

Renounceable Rights Issue of New Irredeemable Convertible Preference Shares ("ICPS") with Free Detachable Warrants B

On 12 March 2020, the Company completed a rights issue exercise involving the issuance of 1,061,027,506 ICPS and 265,256,876 Warrant B, raising a total of RM26.53 million mainly for the eSIM expansion plan to enhance its features and cater for more subscribers as well as the expansion of the XOX eWallet's function.

As of 30 September 2020, the total number of 974,613,700 ICPS was converted into ordinary shares, raising a total of RM24.37 million. And 33,344,000 Warrant B was exercised at an exercise price of RM0.06 per share.

Private Placement

On 23 July 2020, the Company completed a private placement exercise involving the issuance of 327,719,000 new shares, raising total proceeds of RM19.66 million to acquire and commercialization of up to 400 smart vending machines. The investment in smart vending machines business aimed at growing the Group's subscriber base and ARPU. Meanwhile, the smart vending machine may also provide ancillary income via the sale of fast-moving consumer goods as well as digital advertising space.

Share Issuance Scheme ("SIS")

During the financial year ended 30 September 2020, 708,000,600 SIS options were issued to eligible employees at RM0.20 per share. And 642,893,200 options were exercised at the prices between RM0.10 to RM0.20 under the Group employees' share option scheme.

Management Discussion and Analysis (Cont'd)

ANTICIPATED RISKS AND MITIGATING FACTORS

Our Group is operating in complex, rapid changes in technology and diverse consumer preferences and newly-emerging disruptive environment, and the move to the digital domain presents more challenges and risks for us, following are most critical risks facing by the Group:

Competitive Treats

The competitive landscape continues to intensify as operators provide innovative and overlapping services due to rising demand for intelligent connectivity. With the wave of 5G implementations ramps up, digital transformation is crucial for XOX Group to remain innovative in its unique products offerings and value proposition with the savings-driven approach to deliver the best value for money products and services to our subscribers; developing technological solutions to facilitate business to adapt to the rapidly changing business environment and compete effectively.

Data Privacy and Protection Risks

Cybersecurity threatens the resilience and integrity of our network infrastructure and support systems, heightened by regulations and subscribers rising concerns of data breach, theft, loss and misappropriation of information. With the Fintech business expansion, we are facing the growing challenges of ensuring the subscribers' data and XOX Group's infrastructure are protected against cyber-attacks. The impact on security breach compromises the confidentiality, integrity or availability of confidential information and disrupt our systems and business applications, impair our ability to provide services. The Group has put in place security measures to protect against cyberthreats and continued to work with partners in adopting a holistic approach to cybersecurity to mitigate the threats posed by the security vulnerabilities inherent in the industry.

Technology Risks

To offer our fintech solutions in the new markets, we are reliant on our latest technology infrastructure. Any technology failure can mean customers are unable to access our services resulting in loss of income or loss of customers.

Fintech business will need a dedicated policy to manage evolving risks. We will formulate a comprehensive fintech solutions policy to cover the liabilities arising from financial services, technology services and management liability, theft of funds and cyber coverage.

Technology stacks will need to be comprehensive and up to date to ensure it meets the business and consumer demand. We will implement technology review and refresher on a periodic basis to stay current with technology standard.

Regulatory Risks

Regulatory and compliance risk due to changes in laws, policies or requirements in the telecommunication industry as well as business ethics and tax laws.

Venture into new technology, new products and further distribution brings a wealth of opportunities and also new regulatory exposures. The business expansion to be a provider of fintech solutions will need to ensure that we keep aware of the implementation of suitable and satisfactory risk management systems. As the fintech markets continue to evolve, so will the regulatory environment, and a significant risk for fintech solutions to be updated with the regulators' standards, rules and regulations. The Group keeps abreast of the government policies, rules and regulations and will take necessary action to ensure compliance.

Fintech growth will be ahead of the current regulatory guidelines; thus we will need to engage constantly with the regulators to ensure technology advancement can be supported by the regulation.

Talent and Succession Management Risk

Our people are our most important assets; the Group believes the continued success will depend upon the support from the existing key management and technical personnel. Besides upskilling our workforce, managing succession planning and retaining talents, attracting new talents is crucial for our strategy to build future capabilities amid the stiff market competition for talents.

The Group will continue to advocate continuous learning, develop retention programs, and emphasis on employees' welfares to ensure workforce commitment to maintain our competitive advantage in the market.

CORPORATE SUSTAINABILITY STATEMENT

Sustainability is the core principle embedded in the culture and operation of XOX Bhd ("XOX" or "the Company") & its subsidiaries ("XOX Group" or "the Group") as we strive to pursue our growth and profitability in a safe, caring and sustainable environment.

OUR APPROACH

In line with Bursa Malaysia Securities Berhad's Sustainability Reporting Guide (2nd Edition), the Group's sustainability practices are to ensure that economic, environmental and social risks and opportunities are tied in with our governance framework and social responsibilities.

In this respect, our mission is to ensure high standards of governance across our business to promote responsible business practices, manage environmental impacts, and meet the community's social needs in which we operate.

XOX Bhd's continued success in maintaining a sustainable business and generating long-term shareholders' value is influenced by several internal and external factors. Each material factor presents unique risks and opportunities for 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 our business model's impacts over the near, medium and long term.

OUR SCOPE

The statement covers the sustainability performance and our core activities related to the provision of mobile telecommunication products and services and mobile application services of the Group from 1 October 2019 to 30 September 2020.

SUSTAINABILITY GOVERNANCE

Corporate Governance

Sustainability is embedded in our organisational approach and is led from the top. Spearheading the Group's sustainability agenda is the Board of Directors ("Board") with the Management team's assistance to oversee the implementation of the organisation's sustainability approaches and ensure that key targets are being met.

The Board also acknowledges that risk management and internal control are integral to our corporate governance and responsible for establishing a sound risk management framework and the internal control system and ensure its adequacy and effectiveness. The Board entrusts the Audit Committee to review the adequacy and effectiveness of the risk management framework and the system of internal control.

Ethical Business Practices

The Board recognises the importance of ethical business conduct across the operations to maintain our stakeholders' trust. Code of Ethics and Conducts is established to achieve a standard of ethical behaviour based on trustworthiness and values that can be accepted and uphold a spirit of responsibility.

Good governance is the bedrock of our business, led by ethical business practices and integrity. We have embedded the highest standards of governance in our business by complying with the law as well as processes and directives that continue to reinforce the principles.

Corporate Sustainability Statement (Cont'd)

MATERIAL SUSTAINABILITY MATTERS

ECONOMIC: Sustaining our economy

- **Delivering sustainable returns to our shareholders**
- **Delivering quality innovative products and services to achieve customers' satisfaction**

Shareholders
Our shareholders are the Company's ultimate owners and they 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 Executive Management on business operations, financial performance and position of the Group, the Group's corporate website at 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 & Counterparties
The Group values its customers as the key driver of growth. We are committed to serving the best digital experience and promoting the digital lifestyle to consumers nationwide. We are continuously challenging the norms and promoting digital lifestyle through technology adoption with an array of excellent product innovations we offer.

Our Group recognises that customers' satisfaction is one of the key factors underlying our Group's operations' long-term sustainability. We uphold the belief that customers' rights should be preserved and are on continuous endeavours to create value-for-money for our customers.

We have introduced complementary technology offerings during the financial year such as customized business connectivity solution, video conferencing, develop eSIM packages as secondary line, Dealer Affiliate program apt for eSIM deployment with full online interaction and onboarding, insurance, cloud storage solution and Online Dealer Training program called LEAD to better equip XOX dealers.

The Group will continue to expand the customer base in order to strengthen our market position coupled with the expansion plans for revenue growth. Asides, we are also focusing on technology ideas which can be a complement to XOX current business or leverage on the captive market to implement new technology offerings and digital products in response to the digital transformation and capture opportunities from our big data to enhance the financial performance and in turn the shareholders' value.

Suppliers
To our suppliers, we are committed to enhancing our processes and engagement with our suppliers to identify and manage risks, underpinned by integrity and transparency value. We look to create value by looking for opportunities to collaborate and share the best practices with our suppliers. Hence, our suppliers are filtered through careful selection, ensuring that only the one with specific criteria is engaged.

Regulatory Compliance
Our Group believes that strict compliance with all relevant laws and regulations is a requisite to promote an ethical and responsible society. To this end, our Group strives to comply with all the relevant laws and regulations applicable to our business operations. Our Group's commitment to proper compliance with laws and regulations has proven to be favourable and value-enhancing for our shareholders and stakeholders.

Corporate Sustainability Statement (Cont'd)

ENVIRONMENT: Conserving our environment

- **Protecting and preserving the environment**

Although we generally do not generate any major environmental concerns, XOX is conscious of complying with all applicable environmental laws, guidelines and regulations. As such, the Group is aware of the impact of our business on the environment and has taken active steps to reduce our carbon footprint on the environment.

Energy & Water Saving Initiatives

Action has been taken to reduce the overall energy consumed by lighting. Management is initiating reminders to switch off lighting, air-conditioner and computer when not in use.

Water is a limited resource, and as the world continues to advance and the global population continues to grow, an increasing strain is being placed on the supply of clean water. Water conservation is therefore an area that our Group is working hard on, improving the efficiency with which we use our water, and working to educate our employees and the public about the need to conserve it.

Waste Management

Paper recycling initiatives are already underway by encouraging the employees to prioritise electronic means to share and store documents, and reduce printing or photocopying, otherwise, to use double-sided printing. Additionally, other materials such as furnishing and fixture are recycled or reused where possible. Waste segregation was carried out by placing different bins in and around our office area. In addition, we shifted payment method to electronic payments wherever possible and minimising the issuance of cheque.

SOCIAL: Serving our community

- **Ensuring a positive workplace for our employees**
- **Contributing to the well-being of the community around us**

Employees

In XOX, employees are our greatest assets. We are made up of people with vast experience and industry background. We proactively provide opportunities for growth and development of talent in the organisation through targeted development plans and succession planning. Ensuring our long term sustainability, we continually invest time and effort in recruiting, upskilling, engaging and rewarding talents/employees accordingly.

In this respect, our MANAGEMENT TRAINEE PROGRAMME continues to attract talented graduates to undergo comprehensive programmes and on-the-job engagements, to develop them as the future leaders of XOX, to broaden their minds by providing them opportunities for interchange of experiences to correct the narrow outlook that may arise from over specialisation.

We are also focusing on human capital development to nurture our employees to their full potential. The Group also places pressure in continuously upskill and reskill our workforce through training programs, to stay relevant and productive, so that they can execute their roles and responsibilities efficiently, continuously contribute towards the growth and development of the Company. Asides, XOX has a strong belief that one must have good reading habits to widen knowledge and develop the verbal expression of ideas and feelings and cultivate this activity of reading books in XOX, UNICORN COMMUNITY was formed to make reading a social experience as well as an individual activity.

Corporate Sustainability Statement (Cont'd)

The Group has also implemented THE APPRENTICE PROGRAMME to boost the performance of high potential non-managers and increase progression and promotion - career enhancement is a candidacy for succession planning within the organisation. During the programme, employees will participate in various activities such as on-the-job trainings, assessments, group workshops, job rotation etc. designed to create a practical experience.

The Group recognised that the safety and well-being of its employees are the foundation of its success. Hence, we strive to provide a safe and healthy environment for our employees and to ensure safe practices in all aspects of our business operations.

The COVID-19 pandemic has posed a threat to the health and safety of communities and individuals. We have responded swiftly to follow government guidance and regulations, protecting our employees from the spread of COVID-19 by implementing precautionary measures across work premises and issued SOPs to guide employee. We enforce strict rules on workforce segregation, social distancing, data collections for contact tracing, scheduled sanitation, placing hand sanitisers in the common areas and the use of face masks within our facilities and offices.

Community

Our Group strongly believes in giving back to society, and hence XOX had always devoted to philanthropy. We are deeply rooted in the community we operate and thus actively engage in community outreach programmes and activities. We are proud of having the privilege to serve various community segments towards providing for social empowerment and helping to make a positive difference for people across all walks of life.

From time to time, we have made donations to various charitable organisations and participate in the internship program. During the Movement Control Order period, we provided Free 1GB per day community offering to subscribers to support them to keep connected.

OUR COMMITMENT

As a responsible corporate citizen, the Group shall endeavour to undertake sustainable and responsible practices to add value to sustainable business growth, environmental stewardship and social responsibility.

STATEMENT OF CORPORATE GOVERNANCE

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 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 to the best interest of the shareholders of the Company.

Below is a statement and description in general on how the Group has applied the principles and complied with the best practice provisions as laid out in MCCG throughout the financial year under review pursuant to Rule 15.25 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

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's 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's 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 and are 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.

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

i) Review and Adopt Strategic Plan of the Group
The Board plays an active role in the development of the Group's overall corporate strategy, marketing plan and financial plan. The Board will be briefed by the Executive Directors with 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 of the responsibilities to maintain a proper internal control system. The Board's responsibilities for the Group's system of risk management and internal controls including 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 shareholder and other stakeholder 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 in 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.

The Executive Directors holds the principal obligations in focusing, guiding, addressing, supervising, regulating, managing and controlling as well as 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, is also responsible for proposing, developing and implementing applicable and relevant new policies and procedures.

Statement of Corporate Governance (Cont'd)

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 two (2) Board Committees namely Audit Committee and Nomination and Remuneration 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.

Independent Chairman

The MCCG recommends that the Board of Directors of a public listed company should be composed of a majority of independent directors where the chairman of the Board is not an independent director.

During the financial year under review, the Board is chaired by a Non-Independent Non-Executive Director and one-third (1/3) of the Board consists of 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 which 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.

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 individual hold the positions of the Chairman and the Chief Executive Officer, and that 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 are 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.

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 is 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 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, 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 of 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 for 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.

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 Audit Committee and Nomination and Remuneration Committee 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 addresses, among others, the following matters:

i) The general outline of the Board's purpose;
ii) An overview of the Board's roles and responsibilities;
iii) Structure and membership;
iv) Position description of the role of the Chairman, the Executive Directors as well as the Independent Directors;
v) Board process;
vi) Directors remuneration;
vii) Appointment of Board Committees; and
viii) Relationship with shareholders.

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.

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 main thrust of the Code of Conduct and Ethics for Directors are in the following areas:

i) Corporate Governance;
ii) Relationship with shareholders, employees, customers and creditors; and
iii) Social Responsibilities and the Environment

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.

Promote Sustainability

The Board ensures that the Company's strategies promote sustainability with attention given particularly to environmental, social and governance ("ESG") aspects of the business which underpins sustainability. The Board understands that balancing ESG aspects with the interests of various stakeholders is essential to enhance investor perception and public trust.

The Group is committed to the continuous efforts in maintaining a delicate balance between its sustainability agenda and other stakeholders' interest. The details of the sustainability efforts are set out in the "Corporate Sustainability Statement" of this Annual Report.

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 mean 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.

The objectives of the policy are:

i) Be committed to the Company's business ethics of Honesty, Integrity and Transparency;
ii) To provide a transparent and confidential process for all parties to give information on non-compliances to the Code of Conduct and Ethics, or any misconduct regardless of his or her position, to an independent party to investigate the allegations and take the appropriate actions; and
iii) To uphold the moral duty of being a Company by protecting the interest of all its stakeholders.

A copy of the Whistle-Blowing Policy is available at the Company's website at www.xox.com.my.

Board Composition

The current Board of Directors consists of five (5) members, comprising a Non-Independent Non-Executive Chairman, two (2) Executive Directors and two (2) 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. 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 profile of each Director is presented separately on pages 4 to 6 of this Annual Report.

The Board is mindful of the MCCG's recommendation which stated "at least half of the board shall comprise of Independent Directors. For Large Companies, the Board shall comprise a majority independent director." Although increasing number in the Independent Directors may provide more fresh ideas and viewpoints to the Board, the Board is of the view that there is balance of power and authority exists within its current structure to sufficiently enable it to discharge its duties and objective as the Independent Non-Executive Directors of the Company have strong personalities with high levels of integrity and 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. Further, all the Independent Non-Executive Directors are independent of the Executive Directors, management and major shareholders of the Company, and are free from any business or other relationship with the Group that could materially interfere with the exercise of their independent judgement. This offers a strong check and balance on the Board's deliberations. Nevertheless, the Board, through the Nomination and Remuneration Committee will endeavor to identify suitable candidates with the relevant market and industry knowledge for the proposed appointment as Independent Non-Executive Director(s) of the Company.

Tenure of Independent Directors

Currently, the Board does not have a formal policy on the tenure for Independent Directors as the Board is of the view that a term of more than nine (9) years may not necessarily impair independence and judgement of an Independent Director and therefore the Board does not deem it appropriate to impose a fixed term limit for Independent Directors at this juncture.

However, as recommended by the MCCG, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. 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 must justify the decision and seek annual shareholders' approval. If the Board continues to retain the Independent Director after the twelfth (12) years, the Board will seek annual shareholders' approval through a two-tier voting process.

As of 30 September 2020, the tenure of the Independent Non-Executive Directors of the Company are as follows :

	1-3 Years	7-9 Years
Hew Tze Kok		√
Andy Liew Hock Sim	√	

Currently, none of the Independent Directors had served the Company for more than nine (9) years as per the recommendations of MCCG.

New Candidates for Board Appointment

The appointment of new Directors is the responsibility of the full Board after considering the recommendations of the Nomination and Remuneration Committee ("NRC") of the Company. As a whole, the Company maintains a very lean number of Board members. The Board appoints its members through a formal and transparent selection process which is consistent with the Constitution of the Company. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the NRC. The NRC will then recommend the candidates to be approved and appointed by the Board. The Company Secretary will ensure that all appointments are properly made and meeting the legal and regulatory obligations.

Generally, the Board adopts a flexible approach when selecting and appointing new directors depending on the circumstances and timing of the appointment. The NRC will help assess and recommend to the Board, the candidature of directors, the appointment of directors to board committees, review of Board's succession plans and training programmes for the Board.

Currently, the sources to identify suitably qualified candidates for appointment of directors are on 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.

In assessing suitability of candidates, consideration will be given to the core competencies, commitment, contribution and performance of the candidates to ensure that there is a range of skills, experience and diversity (including gender diversity) represented in addition to an understanding of the Business, the Markets and the Industry in which the Group operates and the accounting, finance and legal matters.

In general, the process for the appointment of a director to the Board is as follows:

i) The NRC reviews the Board's composition through Board assessment/evaluation;
ii) The NRC determines the skills matrix;
iii) The NRC evaluates and matches the criteria of the candidates, and will consider diversity, including gender, where appropriate;
iv) The NRC recommends to the Board for appointment; and
v) The Board approves the appointment of the candidates.

Factors considered by the NRC when recommending a person for appointment as a director include:

i) the merits and time commitment required for a Non-Executive Director to effectively discharge his or her duties to the Company;
ii) the outside commitments of a candidate to be appointed or elected as a Non-Executive Director and the need for that person to acknowledge that they have sufficient time to discharge their duties effectively; and
iii) the extent to which the appointee is likely to work constructively with the existing directors and contribute to the overall effectiveness of the Board.

Boardroom Diversity

The Board is aware of the importance of boardroom diversity and is supportive of the recommendation of MCCG to the establishment of boardroom and workforce gender diversity policy. However, the Board does not adopt any formal boardroom diversity policy in the selection of new Board candidates and does not have specific policies on setting the target for female candidates in the Group. The Group 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 does not comprise of any female director. In line with the country's aspirational target of 30% representation of women on Boards, the Board will evaluate and match the criteria of the potential candidate as well as considering 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 2020, 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.

Board Meetings

There were six (6) Board of Directors' meetings held during the financial year ended 30 September 2020. 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	6/6
Tan Sik Eek	6/6
Roy Ho Yew Kee	6/6
Hew Tze Kok	6/6
Andy Liew Hock Sim *(Appointed on 01.03.2020)*	3/3
Ng Kok Heng *(Retired on 27.02.2020)*	3/3
Soo Pow Min *(Retired on 27.02.2020)*	3/3
Edwin Chin Vin Foong *(Retired on 27.02.2020)*	2/2

All the Directors have complied with the minimum 50% attendance requirement in respect of Board meetings held during the financial year ended 30 September 2020.

The Board meets on a quarterly basis, with amongst others, review 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 Audit Committee meetings, the date of the next meetings is to be re-confirmed.

Continuing Education Programs

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.

Statement of Corporate Governance (Cont'd)

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
Dato' Seri Abdul Azim bin Mohd Zabidi	• Indonesia's Political Economy Outlook in Asean by Mr Sandiaga Salahuddin Uno, former Vice Governor of Jakarta • Bank Rakyat Integrity Forum 2020 – Institutionalisation of Reforms in the New Malaysia • Roundtable on the Rukunegara
Tan Sik Eek	• VII BEF Forum, Seoul, Hong Kong, Singapore 2019 – Blockchain Economic Forum • Transaction and RPT Rules • Corporate Liability on Corruption Under Malaysian Anti-Corruption Act 2009 (Amended 2018)
Roy Ho Yew Kee	• Corporate Liability Provision - Developing Adequate Procedures
Hew Tze Kok	• MFRS 15 and MPERS S34- Application to Construction Contracts and Property Development Activities • Anti-Bribery and Anti-Corruption (ABAC) Training
Andy Liew Hock Sim	• Mandatory Accreditation Programme for Directors of Public Listed Companies • Accounting for Impairment

The Board will continuingly evaluate and determine the training needs of each Director, particularly on relevant new law 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 Committee and Board Meetings.

Nomination and Remuneration Committee

The Board has established the NRC which comprise majority of Independent Non-Executive Directors, with the responsibilities of assessing the balanced composition of Board members, nominate the proposed Board member by looking into his 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 at the Company's website at www.xox.com.my.

The present members of the NRC of the Company are:

Designation	Name	Directorship
Chairman	Andy Liew Hock Sim	Independent Non-Executive Director
Member	Dato' Seri Abdul Azim bin Mohd Zabidi	Non-Independent Non-Executive Chairman
Member	Hew Tze Kok	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 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 for the increase of payment of Directors' fees; and
v) Reviewed and recommended the remuneration for Executive Directors.

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, based on a self and peer assessment approach on an annually basis. From the results of the assessment, including the mix of skills and experience possessed 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 2020, the Board and the NRC are satisfied with the current size, composition as well as the mix of qualifications, skills and experience among the Board and Board Committees members and the independence of its Independent Non-Executive Directors.

Re-Election of Directors

The procedure on 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 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.

Upon the recommendation of the NRC and the Board, 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.

Annual Assessment of Independence

The NRC will conduct annual assessments on 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 2020, 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.

Remuneration Policy

The Board believes in a remuneration policy that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board's offers a competitive remuneration package in order to attract, develop and retain talented individuals to serve as directors.

The NRC's principal objective is to evaluate, deliberate and recommend to the Board a remuneration policy for Executive Directors that is fairly guided by market norms and industry practice. The NRC also recommends the Executive Directors' remuneration and benefits based on their individual performances and that of the Group.

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 individual 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.

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 2020 are as follows:

Director	Company		Group	
	Fees (RM)	Salaries and other emoluments ^ (RM)	Fees (RM)	Salaries and other emoluments ^ (RM)
Dato' Seri Abdul Azim bin Mohd Zabidi	129,450	23,300	369,450	23,300
Roy Ho Yew Kee	95,665	16,400	95,665	111,748
Tan Sik Eek	105,600	16,400	105,600	215,333
Hew Tze Kok	69,600	22,400	69,600	22,400
Andy Liew Hock Sim *(Appointed on 01.03.2020)*	42,000	6,000	42,000	6,000
Ng Kok Heng *(Retired on 27.02.2020)*	35,600	13,400	35,600	1,235,683
Soo Pow Min *(Retired on 27.02.2020)*	27,600	16,400	27,600	16,400
Edwin Chin Vin Foong *(Retired on 27.02.2020)*	27,600	12,400	27,600	12,400
Total	533,115	126,700	773,115	1,643,264

Note :
^ including meeting allowances

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 2020 was RM1.99 million representing 7.23% 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 Audit Committee which comprising majority of Independent Non-Executive Directors and the Chairman of the Audit Committee is not the Chairman of the Board.

The present members of the Audit Committee are as follows:

Designation	Name	Directorship
Chairman	Hew Tze Kok	Independent Non-Executive Director
Member	Dato' Seri Abdul Azim bin Mohd Zabidi	Non-Independent Non-Executive Chairman
Member	Andy Liew Hock Sim	Independent Non-Executive Director

The primary objective of the Audit Committee 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.

Terms of Reference

The terms of reference of the Audit Committee which laid down its duties and responsibilities are accessible via the Company's website at www.xox.com.my.

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 Audit Committee of the Company was former key audit partners of the external auditors appointed by the Group. The Company will observe a cooling-off period of at least two (2) years in the event any potential candidate to be appointed as a member of the Audit Committee was a key audit partner of the external auditors of the Group.

Financial Literacy of the Audit Committee Members

Collectively, the members of the Audit Committee 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 Audit Committee. The qualification and experience of the individual Audit Committee members are disclosed in the Directors' Profiles on pages 4 to 6 of this Annual Report. During the financial year ended 30 September 2020, all other members of the Audit Committee 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 strives to provide shareholders with a balanced and meaningful evaluation of the Group's financial performance, financial position and prospects through the annual audited financial statements, interim financial reports, annual report and announcements to Bursa Securities.

The interim financial reports, annual audited financial statements and annual report of the Group for the financial year ended 30 September 2020 are prepared in accordance with the Malaysian Financial Reporting Standards, Listing Requirements and the Companies Act, 2016. The Audit Committee assists the Board in overseeing the financial reporting processes and ensuring the quality of its financial reporting.

The statement by the Board pursuant to Rule 15.26(a) of the Listing Requirements on its responsibilities in preparing the financial statements is set out on page 41 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 Audit Committee and Board of Directors on matters that require the Board's attention.

The Audit Committee is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the External Auditors. The Audit Committee 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 Audit Committee prior to submission to the Board for approval. The effectiveness and performance of the External Auditors are reviewed annually by the Audit Committee.

To assess or determine the suitability and independence of the External Auditors, the Audit Committee 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.

Annual appointment or re-appointment of the External Auditors is via shareholders' resolution at the Annual General Meeting on the recommendation of the Audit Committee 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 Audit Committee 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 Audit Committee are duly recorded by the Company Secretaries.

In presenting the Audit Planning Memorandum to the Audit Committee, 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 Audit Committee and the Board for the financial year ended 30 September 2020.

The Audit Committee 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 Audit Committee'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 2021.

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 external professional Internal Audit firm adopted on-going monitoring and reviewed to 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 Audit Committee 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 information on the Group's internal control is further elaborated on pages 44 to 46 on the Statement on Risk Management and Internal Control of this Annual Report.

Internal Audit Activities

The Group has appointed an established external professional Internal Audit firm, who reports to the Audit Committee and assists the Audit Committee 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.

The Internal Audit firm appointed by the Company is staffed by a total of three (3) professionals and led by Ms Christine Looi as the Head of Internal Audit. Ms Christine Looi is a Professional member of the Institute of Internal Auditors Malaysia. 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 effectiveness and efficiency of 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 assurance to the Audit Committee.

The Audit Committee 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 Audit Committee. The scope of the internal audit covers the audits of all units and operations, including subsidiaries as stated in the letter of engagement.

The cost incurred by the Group for the internal audit function during the financial year ended 30 September 2020 amounted to RM37,800.00.

The functions of the internal auditors are to:

i) perform internal audit work in accordance with the pre-approved internal audit plan, that 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 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 :

Name of Company	Business Process / Area
XOX Mobile Sdn Bhd	• Purchasing Function
XOX Com Sdn Bhd One XOX Sdn Bhd	• Collection and Payment Function

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 Audit Committee for approval.

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

The Audit Committee 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 contains 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 are dispatched on an annually basis to the shareholders 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.

Leverage on Information Technology for Effective Dissemination of Information

The Company's website at 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.

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.

Annual General Meeting

The Annual General Meeting ("AGM") is the principal forum for dialogue with the shareholders. As recommended by the MCCG, 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 AGM, the Board will present to the shareholders with a comprehensive report on the progress and performance of the Group and the shareholders are encouraged to participate in the questions and answers session there at, where they will be given the opportunity to raise questions or seek more information during the AGM. Informal discussions between the Directors, senior management staff, the shareholders and investors are always active before and after the general meetings.

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.

Statement of Corporate Governance (Cont'd)

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.

At the Ninth (9th) and Tenth (10th) AGMs of the Company held on 27 February 2020, all the Directors were present in person to engage directly with shareholders, and be accountable for their stewardship 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 regards 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, 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.

AUDIT COMMITTEE REPORT

Attendance of Meetings

During the financial year ended 30 September 2020, the Audit Committee held six (6) meetings and the details of the attendance are as follows:

Members	Meeting Attendance
Hew Tze Kok	6/6
Dato' Seri Abdul Azim bin Mohd Zabidi *(Appointed on 01.03.2020)*	3/3
Andy Liew Hock Sim *(Appointed on 01.03.2020)*	3/3
Soo Pow Min *(Resigned on 27.02.2020)*	3/3
Edwin Chin Vin Foong *(Resigned on 27.02.2020)*	2/2

Summary of Activities of the Audit Committee

In line with the terms of reference of the Audit Committee, the following activities were carried out by the Audit Committee 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 2020;
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 2020 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) Reviewed 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;
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 related party transactions and conflict of interest situation that may arise within the Company or the Group;
xi) Reviewed the Company's compliance with the Listing Requirements, applicable Approved Accounting Standards and other relevant legal and regulatory requirements;
xii) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control before recommending to the Board for approval and inclusion in the Annual Report; and
xiii) 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 Audit Committee 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 Audit Committee 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.

Audit Committee Report (Cont'd)

ii) External Auditors

During the financial year under review, the Audit Committee 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 Audit Committee 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 Audit Committee for recommendation to the Board for approval.

The Audit Committee 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 Audit Committee 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.

iii) Internal Audit

During the financial year under review, the Audit Committee 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 Audit Committee for their review and deliberations. The management was invited to attend the meetings as and when necessary to brief the Audit Committee 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 and entered into by the Group were reviewed by the Audit Committee 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.

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 2020, 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 SHARE ISSUANCE SCHEME ("SIS") COMMITTEE

The SIS Committee was established on 25 September 2015, the members of the present SIS Committee are as follows:

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

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

The SIS approved by the shareholders of the Company at the Extraordinary General Meeting held on 30 March 2015, is the only share scheme in existence during the financial year. The SIS would be in force for a period of five (5) years from the date of implementation i.e. 14 March 2016 and expired on 13 March 2021.

The total number of SIS options granted, exercised and outstanding under the SIS since its commencement up to 30 September 2020 are set out in the table below:

Category of Employees	No. of SIS Options Over Ordinary Shares			
	Granted and Vested	Exercised	Lapsed/ Forfeited/ Revoked	Outstanding
Directors	105,130,900	35,709,500	62,222,600	7,198,800
Other Employees	839,429,900	708,681,200	39,878,400	90,870,300
Total	**944,560,800**	**744,390,700**	**102,101,000**	**98,069,100**

Statement Of Share Issuance Scheme ("SIS") Committee (Cont'd)

The options offered to and exercised by the Directors of the Company pursuant to SIS as well as their outstanding options in respect of the financial year ended 30 September 2020 are as follows:

Name of Director	No. of SIS Options Over Ordinary Shares			
	Balance as at 30.09.2019	**Number of SIS Options Granted**	**No. of SIS Options Revoked**	**Balance as at 30.09.2020**
Dato' Seri Abdul Azim Bin Mohd Zabidi	–	–	–	–
Roy Ho Yew Kee	–	–	–	–
Tan Sik Eek	–	–	–	–
Hew Tze Kok	–	–	–	–
Andy Liew Hock Sim *(Appointed on 01.03.2020)*	–	–	–	–
Ng Kok Heng *(Retired on 27.02.2020)*	7,198,800	–	–	7,198,800
Soo Pow Min *(Retired on 27.02.2020)*	9,247,100	–	9,247,100	–
Edwin Chin Vin Foong *(Retired on 27.02.2020)*	–	–	–	–

Pursuant to the SIS By-Laws, the aggregate maximum allocation of SIS Options applicable to the eligible employee (including the allocation to the Directors and senior management) shall be determined by the SIS Committee at its sole and absolute discretion. As at 30 September 2020, the actual number of SIS Options granted to the Directors since the commencement of the SIS is 11.13%.

The Audit Committee has verified and was satisfied that the allocation of SIS Options to the eligible Directors and employees of the XOX Group during the financial year ended 30 September 2020, were in accordance with the criteria of allocation of share options set out in the SIS By-Laws.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

This Statement on Risk Management and Internal Control is made in accordance with MCCG and Rule 15.26(b) of the Listing Requirements, which require Malaysian public listed companies to make a statement in their annual report about their state of risk management and internal control, as a Group.

In view of this, the Board of Directors of XOX is pleased to provide 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 2020, which has been 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 for reviewing the adequacy and integrity of the Group's system of risk management and internal controls, identifying principal risks and establishing an appropriate control environment and framework to manage risks. However, the effectiveness of the Group's system of risk management and internal control is designed to manage rather than to eliminate the risk of failure to achieve business objectives. Accordingly, the Group's system of risk management and internal control can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group's risk management and internal control framework are an ongoing process, and has been in place for identifying, evaluating and managing significant risks faced or potentially to be encountered by the Group. The Board either directly or via the Audit Committee, have an on-going process for identifying, evaluating and managing the significant risks of the Group with the management. The process is regularly reviewed by the Board.

The implementation of the risk management and internal control system within the Group inclusive of design, operation, identification, assessment, mitigation and control of risks, are operated with the assistance of the management throughout the period.

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

1. Risk Management Framework

The Group has an embedded process for the identification, evaluation, reporting, treatment, monitoring and reviewing of 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 on a regular basis.

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

The Company has set up a Risk Management Committee which comprises key senior management of the Company to identify, evaluate and manage significant risks faced by the Group as well as report to the Board on significant risks affecting the Group's strategic 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, operating and monitoring the system 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 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 are submitted to the Executive Directors and briefed by the various heads of business units. The followings are to be reported:
   (a) current status or new developments in any of the risks identified;
   (b) any changes to the Risk Profile including new or removal of risks that were previously reported and the reason(s) thereof;
   (c) any new or additional controls that are put in place to mitigate the risks; and
   (d) the status of action plans to address each of the risks.

2. Board of Director / Board Committees

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

Meetings of the Board and respective Board Committees are carried out on a quarterly basis 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 are presented to the Audit Committee for review and the Board for approval for public release.

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 operating process at its subsidiary level.

The standard operating procedures are being reviewed periodically or as and 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 organisation structure in place to ensure the appropriate level of authority and responsibilities are delegated appropriately to competent staffs so as to achieve operational effectiveness and efficiency.

The authorisation requirement of the key internal control points of key business processes are 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 continuity, integrity and effectiveness of the internal control system through regular monitoring and 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 functions in the Group.

During the financial year under review, the internal audit has conducted various assignments on a quarterly basis and made recommendations in improving the system of internal controls to the Audit Committee. The areas of internal audit covered included purchasing function, collection and payment 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 (Cont'd)

6. Other Key Risk Management and Internal Control Elements

i) The Board meets on a regular basis 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 any way in the conduct of its duties and has unrestricted access to the internal and external auditors of the Company and to 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 of internal control issues identified by the external and internal auditors and action taken by management in respect of the findings arising therefrom. 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 2020.

Based on their review, the External Auditors have reported to the Board that nothing has come to their 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. The Board is of the view that the existing system of risk management and internal control is adequate. Nevertheless, the Board recognises that the development of risk management and internal control system is an ongoing process. Therefore, in striving for continuous improvement, the Board will continue to take appropriate action plans to further enhance the Group's system of risk management and internal control.

ADDITIONAL COMPLIANCE DISCLOSURE

1 **Status of Utilisation of Proceeds**

As at 30 September 2020, 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 RM	Actual Utilisation RM	Balance Available for Utilisation RM
(a)	eSIM expansion plan	15,000,000	8,928,998	6,071,002
(b)	Expansion of XOX's eWallet function	10,525,688	7,426,005	3,099,683
(c)	Expenses incurred for the Right Issue	1,000,000	1,000,000	–
	Total	**26,525,688**	**17,355,003**	**9,170,685**

(ii) **Private Placement (completed on 23 July 2020) :**

	Details	Proposed Utilisation RM	Actual Utilisation RM	Balance Available for Utilisation RM
(a)	Investment in the business of smart vending machine	19,063,140	2,338,838	16,724,302
(b)	Expenses incurred for the Private Placement	600,000	600,000	–
	Total	**19,663,140**	**2,938,838**	**16,724,302**

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 2020 were as follows:

		Company RM	Group RM
Audit Services Rendered		98,000	362,223
Non-Audit Services Rendered			
(a)	Review of Statement on Risk Management and Internal Control	10,000	10,000
(b)	Group Audit Instruction	–	1,525
(c)	Mobilization fees for special review to comply with fund management requirements of approved e-money issuers	–	55,000

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.

Additional Compliance Disclosure (Cont'd)

4 Material Properties

The Group does not own any properties during the financial year under review.

5 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 23 February 2021.

The details of RRPTs of a revenue or trading nature of the Group for the financial year ended 30 September 2020 are 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
M3 Technologies (Asia) Berhad ("M3 Tech") and its subsidiaries companies – Mobile value added services provider	XOX Group	Provision of telecommunication products and services by XOX Group	183,558	XOX Bhd is a Major Shareholder of M3Tech with a direct and indirect shareholdings of 9.35%. Mr Ng Kok Heng is the Independent Non-Executive Director of M3Tech. He is also the Chief Executive Officer of XOX.
		Provision of mobile value added services to XOX Group	49.839	
Key Alliance Group Berhad ("Key Alliance") and its subsidiaries companies – Data Center, Information Technology service provider, Interior Design and Renovation service provider	XOX Group	Provision of telecommunication products and services by XOX Group	–	Key Alliance is a Major Shareholder of XOX with a shareholding of 9.24%. Mr Roy Ho Yew Kee is the Managing Director and shareholder of Key Alliance with a shareholding of 1.24%. He is also an Executive Director of XOX.
		Provision of cloud data center services and renting of office space to XOX Group	9,787,056	
		Provision of interior design and renovation work to XOX Group	151,151	

FINANCIAL STATEMENTS

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 2020.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of its subsidiaries are set out in Note 11 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 RM	Company RM
Net loss for the financial year	54,447,415	37,084,064
Attributable to:		
Owners of the Company	52,323,588	37,084,064
Non-controlling interests	2,123,827	-
	54,447,415	37,084,064

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 period. 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 RM126,892,891 to RM343,519,338 by way of the issuance of:

(i) 327,719,000 new ordinary shares at an issue price of RM0.06 per share pursuant to the private placement for the purpose of raising working capital;

(ii) 970,343,700 new ordinary shares of RM0.05 each pursuant to the conversion of 970,343,700 irredeemable convertible preference shares ("ICPS") at a conversion ratio of 1 ICPS for 1 new ordinary share;

(iii) 2,135,000 new ordinary shares of RM0.05 each pursuant to conversion of 4,270,000 ICPS at a conversion ratio of 2 ICPS for 1 new ordinary share;

(iv) 33,344,000 new ordinary shares at an issue price of RM0.06 per share pursuant to the exercise of Warrants B 2020/2023 ("Warrants B"); and

(v) 642,893,200 new ordinary shares at an issue price of RM0.10 and RM0.20 per ordinary share pursuant to the exercise of the share options that was granted under Share Issuance Scheme ("SIS") at the ratio of 1 SIS 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.

ISSUANCE OF SHARES OR DEBENTURES (cont'd)

ICPS

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. During the financial year, the ICPS of the Company decreased from RM26,525,688 to RM2,160,345 by way of the conversion of:

(i) 970,343,700 ICPS for 970,343,700 new ordinary shares at a conversion ratio of 1 ICPS for 1 new ordinary share; and

(ii) 4,270,000 ICPS for 2,135,000 new ordinary shares at a conversion ratio of 2 ICPS for 1 new ordinary share.

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

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the SIS and Warrants B.

SIS

At an extraordinary general meeting held on 30 March 2015, the Company's shareholders approved the establishment of SIS of not more than 30% of the issued and paid up share capital of the Company at the point of time throughout the duration of the scheme to eligible Directors and employees of the Group.

The salient features and other terms of the SIS are disclosed in Note 6 to the financial statements.

The details of the options offered to take up unissued ordinary shares and the forfeited amount during the financial year are as follows:

		Number of options over ordinary shares				
	Exercise price	**At 01.10.2019 Unit**	**Granted Unit**	**Exercised Unit**	**Forfeited Unit**	**At 30.09.2020 Unit**
Date of offer						
21 April 2016	RM 0.13	3,456,500	-	-	(169,000)	3,287,500
9 January 2018	RM 0.10	45,918,000	-	(14,251,600)	(16,243,800)	15,422,600
21 August 2020	RM 0.20	-	571,082,300	(503,515,700)	-	67,566,600
18 September 2020	RM 0.20	-	136,918,300	(125,125,900)	-	11,792,400
		49,374,500	708,000,600	(642,893,200)	(16,412,800)	98,069,100

Details of SIS granted to Directors of the Group are disclosed in Note 6 to the financial statements.

Warrants B

On 12 March 2020, the Company issued 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.

During the financial year, 33,344,000 of Warrants B were exercised at an exercise price of RM0.06 per Warrant B. As at 30 September 2020, the total numbers of Warrants B that remain unexercised amounted to 231,912,876.

Further information is disclosed in Note 22(b) to the financial statements.

Directors' Report (Cont'd)

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 *	
Hew Tze Kok	
Andy Liew Hock Sim	(Appointed on 1 March 2020)
Edwin Chin Vin Foong	(Resigned on 27 February 2020)
Ng Kok Heng *	(Resigned on 27 February 2020)
Soo Pow Min	(Resigned on 27 February 2020)

* *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	
Imam Pituduh	
Kong Choo Hui	
Loh Boon Teong	
Muhammad Said Aqil	
Rohmat Faisol	
Datuk Chai Woon Chet	
Tommy Kurniawan Yaury	
Nicholas Wong Yew Khid	(Appointed on 15 June 2020)
Charissa Lim Zhu Ai	(Appointed on 28 July 2020)

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 01.10.2019 Unit	**Bought Unit**	**Sold Unit**	**At 30.09.2020 Unit**
Name of Director				
The Company				
Direct Interest:				
- Dato' Seri Abdul Azim Bin Mohd Zabidi	451,380	-	-	451,380

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 RM	Subsidiary RM
Fees	533,115	240,000
Salaries, bonus and other emoluments	126,700	1,352,210
Contributions to defined contribution plan	-	162,276
Social security contributions	-	2,078
Total fees and other benefits	659,815	1,756,564

Since the end of the previous financial period, 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 5(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 28 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 statements of comprehensive income and statements of financial position 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 there were no known bad debts 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.

(b) At the date of this report, the Directors are not aware of any circumstances:

 (i) which would necessitate the writing off of bad debts or render 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.

Directors' Report (Cont'd)

OTHER STATUTORY INFORMATION (Cont'd)

(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; 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 5 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 any Directors and officers of the Company is RM7,000,000 with insurance premium of RM38,141. No indemnity given to or insurance effected for auditors of the Company.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 35 to the financial statements.

EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR

Details of significant events subsequent to the end of financial year are disclosed in Note 36 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 13 January 2021.

DATO' SERI ABDUL AZIM BIN MOHD ZABIDI

TAN SIK EEK

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 61 to 142 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 2020 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 13 January 2021.

DATO' SERI ABDUL AZIM BIN MOHD ZABIDI

TAN SIK EEK

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 that the financial statements as set out on pages 61 to 142 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 13 January 2021

NG KOK HENG

Before me,

TAN KIM CHOOI
NO. W661
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 2020 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on page 61 to 142.

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 2020, 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 Requirements

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 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 ("PPE") and Intangible Assets ("IA")

As at 30 September 2020, as shown in Notes 9 and 10 to the financial statements, the carrying amounts of the Group's PPE and IA amounted to RM52,882,779 and RM37,122,433 respectively, representing approximately 15% and 11% of the Group's total assets.

The main operating subsidiaries of the Group with material PPE and IA balances that are in continuous loss-making and significant accumulated losses positions have resulted in multiple indications that the carrying amounts of 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.

We have identified the impairment review of PPE and IA as a key audit matter as the impairment test involves significant management judgement in estimating the underlying assumptions to be applied in the discounted cash flow projections of the VIU calculations. The recoverable amount of the Group's PPE and IA is subject to key assumptions applied in respect of future revenue growth rate, gross margin, the long-term growth rate and the pre-tax discount rate used in the cash flow projections. A small change in these key assumptions can have a significant impact on the estimation of the recoverable amount.

Key Audit Matters (cont'd)

Impairment Review of Property, Plant and Equipment ("PPE") and Intangible Assets ("IA") (cont'd)

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 in the VIU:

- 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;
- Compared the key assumptions including forecast revenue, 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 a sensitivity analysis by changing certain key assumptions used in the VIU calculations and assessed the impact of the recoverable amount of the PPE and IA.

Impairment Review of the Company's Investment in Subsidiaries

As at 30 September 2020, as shown in Note 11 to the financial statements, the carrying amount of the Company's investment in subsidiaries amounted to RM107,418,325.

A recent history of losses and significant accumulated losses recorded by certain subsidiaries have resulted in multiple indications that the carrying amount of investment in subsidiaries may be impaired. Accordingly, the Company estimated the recoverable amount of the investment in subsidiaries either 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 or fair value less costs of disposal (as the case may be).

During the financial year, the Company has recognised an impairment loss of RM24,897,259 for its investment in subsidiaries.

We have identified the impairment review of investment in subsidiaries as a key audit matter as impairment test involves significant judgement in estimating the underlying assumptions to be applied in the discounted cash flow projections of the VIU calculation. The recoverable amount of the Company's investment in subsidiaries is subject to key assumptions applied in respect of future revenue growth rate, gross margin, the long-term growth rate and the pre-tax discount rate used in the cash flow projections. A small change in these key assumptions 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 in the VIU and the estimate of fair value less costs of disposal for respective subsidiaries: -

- 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;
- Compared the key assumptions including forecast revenue, growth rates, gross margin and discount rate against our knowledge of the subsidiaries' historical performance, business and cost management strategies based on facts and circumstances currently available;
- Performed a sensitivity analysis by changing certain key assumptions used in the VIU calculations and assessed the impact of the recoverable amounts of the cost of investment; and
- Assessed the adjusted net assets of the subsidiary in deriving the recoverable amounts of the cost of investment to estimate the fair value of the relevant subsidiary.

Key Audit Matters (cont'd)

Recoverability of Amounts due from Subsidiaries

As at 30 September 2020, as shown in Note 18 to the financial statements, the Company recorded net amounts due from subsidiaries to RM49,666,962 and the Company's impairment loss on amounts due from subsidiaries recognised during the year is RM11,855,718.

We identified the recoverability of amounts due from subsidiaries as a key audit matter due to the recognition of these assets involving judgement 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.

Our audit performed and responses thereon

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 in support of the low credit risk of 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;
- Compared the key assumptions including forecast revenue, growth rates, gross margin and discount rate against our knowledge of the subsidiaries' 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.

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.

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 11 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)

STEPHEN WAN YENG LEONG
02963/07/2021 J
Chartered Accountant

Petaling Jaya, Selangor
Date: 13 January 2021

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

	Note	Group 01.10.2019 to 30.09.2020 RM	Group 01.07.2018 to 30.09.2019 RM	Company 01.10.2019 to 30.09.2020 RM	Company 01.07.2018 to 30.09.2019 RM
Revenue	4	251,436,160	311,361,314	-	-
Cost of sales		(124,495,781)	(183,219,078)	-	-
Gross profit		126,940,379	128,142,236	-	-
Other income		1,505,436	16,613,507	2,184,712	17,403,255
Administrative expenses		(82,651,955)	(59,888,303)	(2,515,799)	(1,217,738)
Selling and distribution expenses		(78,402,689)	(93,353,960)	-	-
Other expenses		(21,404,601)	(12,371,133)	(36,752,977)	(26,203,195)
Loss from operations		(54,013,430)	(20,857,653)	(37,084,064)	(10,017,678)
Finance costs	5	(1,649,973)	(487,004)	-	-
Loss before tax	5	(55,663,403)	(21,344,657)	(37,084,064)	(10,017,678)
Income tax expense	7	1,215,988	(155,016)	-	-
Loss for the year/period, net of tax		(54,447,415)	(21,499,673)	(37,084,064)	(10,017,678)
Other comprehensive income, net of tax					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation		(50,806)	(12,119)	-	-
Total comprehensive income for the financial year/period		(54,498,221)	(21,511,792)	(37,084,064)	(10,017,678)
Loss for the year/period, net of tax attributable to:					
Owners of the Company		(52,323,588)	(21,177,600)	(37,084,064)	(10,017,678)
Non-controlling interests		(2,123,827)	(322,073)	-	-
		(54,447,415)	(21,499,673)	(37,084,064)	(10,017,678)
Total comprehensive income attributable to:					
Owners of the Company		(52,334,666)	(21,186,408)	(37,084,064)	(10,017,678)
Non-controlling interests		(2,163,555)	(325,384)	-	-
		(54,498,221)	(21,511,792)	(37,084,064)	(10,017,678)
Basic loss per ordinary share attributable to Owners of the Company (sen):	8	(3.77)	(1.98)		

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 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
ASSETS					
Non-current Assets					
Property, plant and equipment	9	52,882,779	49,684,674	-	-
Intangible assets	10	37,122,433	39,226,366	-	-
Investments in subsidiaries	11	-	-	107,418,325	93,855,329
Other investments	12	6,152,300	1,442,214	2,724,182	1,442,214
Goodwill on consolidation	13	-	-	-	-
Other receivables	14	238,253	243,914	-	-
Deferred tax assets	15	1,449,113	-	-	-
		97,844,878	90,597,168	110,142,507	95,297,543
Current Assets					
Inventories	16	7,929,550	7,201,652	-	-
Trade receivables	17	12,451,024	27,891,831	-	-
Other receivables	14	46,889,637	46,948,567	80,095	596,371
Amounts due from subsidiaries	18	-	-	49,666,962	1,360,465
Tax recoverable		346,931	342,537	27,313	17,530
Cash and cash equivalents	19	182,275,121	8,952,671	121,535,660	204,285
		249,892,263	91,337,258	171,310,030	2,178,651
TOTAL ASSETS		347,737,141	181,934,426	281,452,537	97,476,194
EQUITY AND LIABILITIES					
Equity					
Ordinary shares	20	343,519,338	126,892,891	343,519,338	126,892,891
Irredeemable convertible preference shares ("ICPS")	21	2,160,345	-	2,160,345	-
Reserves	22	(84,256,163)	(33,706,396)	(64,649,946)	(29,835,523)
Total equity attributable to Owners of the Company		261,423,520	93,186,495	281,029,737	97,057,368
Non-controlling interests	11(d)	136,572	2,312,034	-	-
Total Equity		261,560,092	95,498,529	281,029,737	97,057,368
Non-current Liabilities					
Finance lease payables	23	-	2,888,824	-	-
Lease liabilities	24	8,759,665	-	-	-
Deferred tax liabilities	15	170,009	98,184	-	-
		8,929,674	2,987,008	-	-
Current Liabilities					
Trade payables	25	18,687,302	34,300,524	-	-
Other payables	26	30,038,009	25,532,387	422,800	418,826
Contract liabilities	27	24,033,663	22,512,208	-	-
Finance lease payables	23	-	1,103,770	-	-
Lease liabilities	24	4,472,938	-	-	-
Tax payable		15,463	-	-	-
		77,247,375	83,448,889	422,800	418,826
Total Liabilities		86,177,049	86,435,897	422,800	418,826
TOTAL EQUITY AND LIABILITIES		347,737,141	181,934,426	281,452,537	97,476,194

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 2020

	Attributable to Owners of the Company										
	Non-Distributable										
	Ordinary Shares RM	Other Reserve RM	Sub-total RM	Capital Reserve RM	Warrants Reserve RM	Foreign Translation Reserve RM	Share Issuance Scheme Option Reserve RM	Accumulated Losses RM	Total RM	Non-Controlling Interests RM	Total Equity RM
Group											
2019											
At 1 July 2018	122,255,081	(19,740,845)	102,514,236	2,200,000	19,740,845	(3,254)	1,123,730	(15,840,464)	109,735,093	513,418	110,248,511
Loss for the financial period	-	-	-	-	-	-	-	(21,177,600)	(21,177,600)	(322,073)	(21,499,673)
Other comprehensive income											
Foreign currency translations	-	-	-	-	-	(8,808)	-	-	(8,808)	(3,311)	(12,119)
Total comprehensive income for the financial period	-	-	-	-	-	(8,808)	-	(21,177,600)	(21,186,408)	(325,384)	(21,511,792)
Transactions with Owners of the Company:											
Issuance of ordinary shares pursuant to:											
- Private placement	4,637,310	-	4,637,310	-	-	-	-	-	4,637,310	-	4,637,310
- Exercise of warrants	500	500	1,000	-	(500)	-	-	-	500	-	500
- Expired of warrants	-	19,740,345	19,740,345	-	(19,740,345)	-	-	-	-	-	-
Forfeiture of share options	-	-	-	-	-	-	(161,995)	161,995	-	-	-
Subscription of shares in a subsidiary by non-controlling interests	-	-	-	-	-	-	-	-	-	2,124,000	2,124,000
Total transactions with Owners of the Company	4,637,810	19,740,845	24,378,655	-	(19,740,845)	-	(161,995)	161,995	4,637,810	2,124,000	6,761,810
At 30 September 2019	126,892,891	-	126,892,891	2,200,000	-	(12,062)	961,735	(36,856,069)	93,186,495	2,312,034	95,498,529

Statements Of Changes In Equity (Cont'd)

For The Financial Year Ended 30 September 2020

	← Attributable to Owners of the Company →											
	← Non-Distributable →											
	Ordinary Shares RM	ICPS RM	Other Reserve RM	Sub-total RM	Capital Reserve RM	Warrants Reserve RM	Foreign Translation Reserve RM	Share Issuance Scheme Option Reserve RM	Accumulated Losses RM	Total RM	Non-Controlling Interests RM	Total Equity RM
Group												
2020												
At 1 October 2019	126,892,891	-	-	126,892,891	2,200,000	-	(12,062)	961,735	(36,856,069)	93,186,495	2,312,034	95,498,529
Effect on adoption of MFRS 16 [Note 2(a)(i)]	-	-	-	-	-	-	-	-	(509,808)	(509,808)	(18,383)	(528,191)
At 1 October 2019, as restated	126,892,891	-	-	126,892,891	2,200,000	-	(12,062)	961,735	(37,365,877)	92,676,687	2,293,651	94,970,338
Loss for the financial year	-	-	-	-	-	-	-	-	(52,323,588)	(52,323,588)	(2,123,827)	(54,447,415)
Other comprehensive income												
Foreign currency translations	-	-	-	-	-	-	(11,078)	-	-	(11,078)	(39,728)	(50,806)
Total comprehensive income for the financial year	-	-	-	-	-	-	(11,078)	-	(52,323,588)	(52,334,666)	(2,163,555)	(54,498,221)

Statements Of Changes In Equity (Cont'd)

For The Financial Year Ended 30 September 2020

	← Attributable to Owners of the Company									→		
	← Non-Distributable							→				
	Ordinary Shares RM	ICPS RM	Other Reserve RM	Sub-total RM	Capital Reserve RM	Warrants Reserve RM	Foreign Translation Reserve RM	Share Issuance Scheme Option Reserve RM	Accumulated Losses RM	Total RM	Non-Controlling Interests RM	Total Equity RM
(Cont'd) **2020**												
Transactions with Owners of the Company:												
Rights Issue	-	26,525,688	(2,891,300)	23,634,388	-	2,891,300	-	-	-	26,525,688	-	26,525,688
Issuance of ordinary shares pursuant to:												
- Private placement	19,663,140	-	-	19,663,140	-	-	-	-	-	19,663,140	-	19,663,140
- Conversion of ICPS	48,623,935	(24,365,343)	-	24,258,592	-	-	-	-	-	24,258,592	-	24,258,592
- Exercise of warrants	2,000,640	-	363,450	2,364,090	-	(363,450)	-	-	-	2,000,640	-	2,000,640
- Share options exercised	146,338,732	-	-	146,338,732	-	-	-	(19,185,252)	-	127,153,480	-	127,153,480
Share options granted	-	-	-	-	-	-	-	21,454,893	-	21,454,893	-	21,454,893
Forfeiture of share options	-	-	-	-	-	-	-	(255,603)	255,603	-	-	-
Effect on dilution of equity interests in a subsidiary	-	-	-	-	-	-	-	-	25,066	25,066	6,476	31,542
Total transactions with Owners of the Company	216,626,447	2,160,345	(2,527,850)	216,258,942	-	2,527,850	-	2,014,038	280,669	221,081,499	6,476	221,087,975
At 30 September 2020	343,519,338	2,160,345	(2,527,850)	343,151,833	2,200,000	2,527,850	(23,140)	2,975,773	(89,408,796)	261,423,520	136,572	261,560,092

Statements Of Changes In Equity (Cont'd)

For The Financial Year Ended 30 September 2020

	← Attributable to Owners of the Company →							
	← Non-Distributable →							
	Ordinary Shares RM	Other Reserve RM	Sub-total RM	Capital Reserve RM	Warrants Reserve RM	Share Issuance Scheme Option Reserve RM	Accumulated Losses RM	Total Equity RM
Company								
2019								
At 1 July 2018	122,255,081	(19,740,845)	102,514,236	2,200,000	19,740,845	1,123,730	(23,141,575)	102,437,236
Loss net of tax, representing total comprehensive income for the financial period	-	-	-	-	-	-	(10,017,678)	(10,017,678)
Transactions with Owners of the Company:								
Issuance of ordinary shares pursuant to:								
- Private placement	4,637,310	-	4,637,310	-	-	-	-	4,637,310
- Exercise of warrants	500	500	1,000	-	(500)	-	-	500
- Expired of warrants	-	19,740,345	19,740,345	-	(19,740,345)	-	-	-
Forfeiture of share options	-	-	-	-	-	(161,995)	161,995	-
Total transactions with Owners of the Company	4,637,810	19,740,845	24,378,655	-	(19,740,845)	(161,995)	161,995	4,637,810
At 30 September 2019	126,892,891	-	126,892,891	2,200,000	-	961,735	(32,997,258)	97,057,368

Statements Of Changes In Equity (Cont'd)

For The Financial Year Ended 30 September 2020

	Attributable to Owners of the Company — Non-Distributable								
	Ordinary Shares RM	ICPS RM	Other Reserve RM	Sub-total RM	Capital Reserve RM	Warrants Reserve RM	Share Issuance Scheme Option Reserve RM	Accumulated Losses RM	Total Equity RM
Company									
2020									
At 1 October 2019	126,892,891	-	-	126,892,891	2,200,000	-	961,735	(32,997,258)	97,057,368
Loss net of tax, representing total comprehensive income for the financial year	-	-	-	-	-	-	-	(37,084,064)	(37,084,064)
Transactions with Owners of the Company:									
Rights Issue	-	26,525,688	(2,891,300)	23,634,388	-	2,891,300	-	-	26,525,688
Issuance of ordinary shares pursuant to:									
- Private placement	19,663,140	-	-	19,663,140	-	-	-	-	19,663,140
- Conversion of ICPS	48,623,935	(24,365,343)	-	24,258,592	-	-	-	-	24,258,592
- Exercise of warrants	2,000,640	-	363,450	2,364,090	-	(363,450)	-	-	2,000,640
- Share options exercised	146,338,732	-	-	146,338,732	-	-	(19,185,252)	-	127,153,480
Share options granted	-	-	-	-	-	-	21,454,893	-	21,454,893
Forfeiture of share options	-	-	-	-	-	-	(255,603)	255,603	-
Total transactions with Owners of the Company	216,626,447	2,160,345	(2,527,850)	216,258,942	-	2,527,850	2,014,038	255,603	221,056,433
At 30 September 2020	343,519,338	2,160,345	(2,527,850)	343,151,833	2,200,000	2,527,850	2,975,773	(69,825,719)	281,029,737

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 2020

	Note	Group 01.10.2019 to 30.09.2020 RM	Group 01.07.2018 to 30.09.2019 RM	Company 01.10.2019 to 30.09.2020 RM	Company 01.07.2018 to 30.09.2019 RM
Cash Flows from Operating Activities					
Loss before tax		(55,663,403)	(21,344,657)	(37,084,064)	(10,017,678)
Adjustments for:-					
Amortisation of intangible assets		3,842,595	2,802,212	-	-
COVID-19 related rent concession		(147,785)	-	-	-
Depreciation of property, plant and equipment		13,233,524	11,565,287	-	-
Effect on dilution of equity interest in a subsidiary		-	-	(31,542)	-
Fair value adjustment on other investments		463,138	1,281,968	(1,281,968)	1,281,968
(Gain)/loss on disposal of property, plant and equipment		(100,168)	380	-	-
Gain on remeasurement of non-current financial assets		(25,448)	-	-	-
Impairment loss on:					
- intangible assets		4,997,786	900,000	-	-
- property, plant and equipment		2,863,255	-	-	-
- other receivables		1,005,132	56,432	-	-
- trade receivables		6,332,147	9,832,694	-	-
- amounts due from subsidiaries		-	-	11,855,718	24,915,056
- investment in subsidiaries		-	-	24,897,259	-
Interest expense		1,649,973	487,004	-	-
Interest income		(403,914)	(75,621)	(300,639)	(66,943)
Reversal of impairment on:					
- trade receivables		-	(26,572)	-	-
- investment in subsidiaries		-	-	-	(17,336,177)
Share-based payment expenses		21,454,893	-	-	-
Unrealised gain on foreign exchange		(471,459)	(14,784)	(570,443)	-
Waiver of debt		(72,686)	-	-	-
Written off					
- intangible assets		3,870,355	-	-	-
- other receivables		-	6,795	-	6,171
- property, plant and equipment		1,438,685	293,244	-	-
- prepayments		434,103	-	-	-
Operating profit/(loss) before changes in working capital		4,700,723	5,764,382	(2,515,679)	(1,217,603)

Statements Of Cash Flows (Cont'd)

For The Financial Year Ended 30 September 2020

	Note	Group 01.10.2019 to 30.09.2020 RM	Group 01.07.2018 to 30.09.2019 RM	Company 01.10.2019 to 30.09.2020 RM	Company 01.07.2018 to 30.09.2019 RM
Balance brought forward		4,700,723	5,764,382	(2,515,679)	(1,217,603)
Changes in working capital:					
Inventories		(727,898)	2,058,070	-	-
Trade receivables		9,108,660	(17,474,948)	-	-
Other receivables		(4,053,779)	(7,330,110)	516,276	(525,589)
Trade payables		(15,613,222)	12,160,539	-	-
Other payables		5,001,093	9,076,208	3,974	108,309
Contract liabilities		1,521,455	6,200,077	-	-
		(4,763,691)	4,689,836	520,250	(417,280)
Cash (used in)/generated from operations		(62,968)	10,454,218	(1,995,429)	(1,634,883)
Interest received		394,523	65,467	300,639	66,943
Interest paid		(1,649,973)	(487,004)	-	-
Tax paid		(417,557)	(521,177)	(9,783)	(19,040)
Tax refund		267,326	284,230	-	18,065
Net cash (used in)/from operating activities		(1,468,649)	9,795,734	(1,704,573)	(1,568,915)
Cash Flows from Investing Activities					
Acquisition of other investment		(5,201,994)	-	-	-
Investment in subsidiaries		-	-	(5,362)	-
Proceeds from subscription of shares in a subsidiary by non-controlling interests		-	2,124,000	-	-
Purchase of property, plant and equipment	9(a)	(5,716,056)	(5,514,736)	-	-
Purchase of intangible assets	10	(10,606,803)	(13,323,027)	-	-
Proceeds from dilution of equity interest in a subsidiary		31,542	-	31,542	-
Proceeds from disposal of property, plant and equipment		311,499	170	-	-
Net cash (used in)/from investing activities		(21,181,812)	(16,713,593)	26,180	-

Statements Of Cash Flows (Cont'd)
For The Financial Year Ended 30 September 2020

	Note	Group 01.10.2019 to 30.09.2020 RM	Group 01.07.2018 to 30.09.2019 RM	Company 01.10.2019 to 30.09.2020 RM	Company 01.07.2018 to 30.09.2019 RM
Balance brought forward		(22,650,461)	(6,917,859)	(1,678,393)	(1,568,915)
Cash Flows from Financing Activities					
Proceeds from issuance of ordinary shares		173,075,852	4,637,810	173,075,852	4,637,810
Proceeds from issuance of ICPS		26,525,688	-	26,525,688	-
Increase in fixed deposit pledged		(12,730)	(380,000)	-	-
Repayment of finance lease payables	(iii)	-	(1,332,023)	-	-
Payment for the principal portion of lease liabilities	(ii)(iii)	(3,779,059)	-	-	-
Advances to subsidiaries	(iii)	-	-	(77,162,215)	(5,949,805)
Net cash from/(used in) financing activities		195,809,751	2,925,787	122,439,325	(1,311,995)
Net increase/(decrease) in cash and cash equivalents		173,159,290	(3,992,072)	120,760,932	(2,880,910)
Cash and cash equivalents at the beginning of the financial year/period		8,572,671	12,564,743	204,285	3,085,195
Effect of exchange rate changes on cash and cash equivalents held		150,430	-	570,443	-
Cash and cash equivalents at the end of the financial year/period	(i)	181,882,391	8,572,671	121,535,660	204,285

Note:

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

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Fixed deposits with a licensed bank	392,730	380,000	-	-
Short-term fund	120,822,401	-	120,822,401	-
Cash and bank balances	61,059,990	8,572,671	713,259	204,285
Total cash and cash equivalents (Note 19)	182,275,121	8,952,671	121,535,660	204,285
Less: Fixed deposit pledged	(392,730)	(380,000)	-	-
	181,882,391	8,572,671	121,535,660	204,285

Statements Of Cash Flows (Cont'd)
For The Financial Year Ended 30 September 2020

Note: (cont'd)

(ii) Cash outflows for leases as a lessee

	Group 01.10.2019 to 30.09.2020 RM
Included in net cash from operating activities:	
Interest paid in relation to lease liabilities	1,649,973
Payment related to short term lease of premises	2,068,814
Included in net cash from financing activities:	
Payment for the principal portion of lease liabilities	3,779,059
	7,497,846

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

	Group Lease liabilities RM	Company Amounts due from subsidiaries RM
2020		
At beginning of the financial year, as previously reported	-	(1,360,465)
Adjustment on initial application of MFRS 16 [Note 2(a)(i)]	12,374,621	-
At beginning of the financial year, as restated	12,374,621	(1,360,465)
Repayment to	(3,779,059)	-
Advances to	-	(77,162,215)
Net changes in cash flows from financing activities	(3,779,059)	(77,162,215)
Acquisition of new leases	4,784,826	-
Capital contribution	-	17,000,000
COVID-19 related rent concession	(147,785)	-
Impairment losses	-	11,855,718
At end of the financial year	13,232,603	(49,666,962)

Statements Of Cash Flows (Cont'd)

For The Financial Year Ended 30 September 2020

Note: (cont'd)

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

	Group Finance lease payables RM	Company Amounts due from subsidiaries RM
2019		
At beginning of the financial period	2,017,467	(96,485,716)
Repayment to	(1,332,023)	-
Advances to	-	(5,949,805)
Net changes in cash flows from financing activities	(1,332,023)	(5,949,805)
Additional investment in subsidiaries	-	76,160,000
Financed by lease arrangement	3,307,150	-
Impairment losses	-	24,915,056
At end of the financial period	3,992,594	(1,360,465)

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

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 11. 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 13 January 2021.

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:

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments
Annual Improvements to MFRSs 2015 - 2017 Cycle	

Other than the above, the Group and the Company have early adopted the Amendments to MFRS 16: COVID-19-Related Rent Concessions, which is effective for financial period beginning on or after 1 June 2020.

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

(i) Accounting pronouncements that are effective and adopted during the financial year (cont'd)

The adoption of the above accounting pronouncements did not have any significant effect on the financial statements of the Company except for the financial statements of the Group as described below:

MFRS 16 Leases

MFRS 16 replaced MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease – Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance lease under MFRS 117. The Group has a number of operating leases for properties and signboard.

The Group measures the lease liabilities based on the present value of future lease payments calculated using incremental borrowing rate at date of commencement of the lease period. Lease payments would be split into principal and interest payments, using the effective interest method.

Correspondingly, the right-of-use ("ROU") assets will be the present value of the liability at the commencement date of the lease, adding any directly attributable costs. The ROU assets will be depreciated on a straight-line basis over the shorter of the lease term and useful life of the leased asset.

The adoption of MFRS 16 will require the Group to make judgement on the discount rates used on transition to discount future lease payments (i.e. Group's incremental borrowing rates). These rates have been calculated to reflect the underlying lease terms and observables inputs. The risk-free rate component has been based on Based Lending Rate over the same term as the lease and has been adjusted for credit risk.

The following practical expedients as permitted by the standards have been adopted:

- Leases of less than 12 months duration and leases for low value items are excluded. Rental payments associated with these leases will be recognised in the statements of comprehensive income on a straight-line basis over the life of the lease;
- Initial direct costs incurred on leases are excluded from the measurement of the ROU assets at the date of initial application; and
- Applying a single discount rate (6.72% - 6.81%) to a portfolio of leases with reasonably similar characteristics.

The Group has applied MFRS 16 Leases using modified retrospective approach for the first time for the financial year beginning on 1 October 2019. As such, comparative information was not restated and continues to be reported under MFRS 117 and related interpretations.

Upon the early adoption of Amendments to MFRS 16, the Group has recognised an income of RM147,785 as a result of the COVID-19 pandemic for the financial year ended 2020.

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

(i) Accounting pronouncements that are effective and adopted during the financial year (cont'd)

MFRS 16 Leases (cont'd)

The effects arising from initial application of MFRS 16 are as follows:

	Note	Previously reported under MFRS 117 RM	Effect of adoption of MFRS 16 RM	Restated under MFRS 16 RM
Group				
At 1 October 2019				
Statements of financial postion				
Asset				
Property, plant and equipment		49,335,811	7,853,836	57,189,647
Equity				
Accumulated losses		(36,856,069)	(509,808)	(37,365,877)
Non-controlling interest		2,312,034	(18,383)	2,293,651
Liabilities				
Finance lease payables		(3,992,594)	3,992,594	-
Lease liabilities	(i)	-	(12,374,621)	(12,374,621)

Note:

(i) Reconciliation for the differences between operating lease commitments disclosed as at 30 September 2019 and lease liabilities recognised at the date of initial application of 1 October 2019 are as follow:

	RM
Operating lease commitments as disclosed at 30 September 2019	6,675,752
Effects from discounting at the incremental borrowing rate 6.72% - 6.81%	(2,822,891)
Add: Adjustments as a result of a treatment of extension and termination options	4,529,166
Lease liabilities recognised as at 1 October 2019	8,382,027

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

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 2020

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 9 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material

Amendments to References to the Conceptual Framework in MFRSs

Effective for financial periods beginning on or after 1 June 2020

Amendments to MFRS 16	COVID-19 Related Rent Concessions

Effective for financial periods beginning on or after 1 January 2021

Amendments to MFRS 9, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvements to MFRSs 2018 - 2020

Effective for financial periods beginning on or after 1 January 2023

Amendments to MFRS 4	Insurance Contracts (Extension of the Temporary Exemption from Applying MFRS 9)
MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current

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 other than as disclosed in Note 2(a)(i). 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.

2. BASIS OF PREPARATION (cont'd)

(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.

(i) Impairment of non-financial assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(ii) 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 permitted by MFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables.

For other receivables and amounts due from subsidiaries, the Company applies the approach permitted by MFRS 9, which requires 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.

Notes to the Financial Statements (Cont'd)

30 September 2020

2. BASIS OF PREPARATION (cont'd)

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

(iii) Carrying value of investment in subsidiaries

Investment in subsidiaries is reviewed for impairment annually in accordance with its accounting policy or whenever events or changes in circumstances indicate that the carrying values may not be recoverable.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the carrying value of Investment in subsidiaries.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, except as disclosed in Note 3(g).

(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.

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

Consolidation (cont'd)

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group'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.

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, investment 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

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 then 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.

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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Foreign currencies (cont'd)

Foreign operations (cont'd)

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 and mobile application related services.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

(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. Telecommunication services also refer to Short Message Service ("SMS") blasting services rendered to customers.

Revenue from prepaid services (i.e. preloaded talk time, prepaid top-up vouchers, etc.) are recognised when services are rendered. Consideration from the sale of prepaid SIM cards, reload vouchers and e-recharge to customers 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.

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.

Revenue from SMS blasting services are recognised based on monthly actual usage of the customers at point in time when services are rendered.

(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 is recognised over time, as the benefits of mobile application services are simultaneously received and consumed by the customer.

(c) 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 and mobile application services, a contract liability is recognised when consideration is received from the customer, but services are yet to be performed.

(d) Cost to obtain a contract

The Group pays sales commissions to external distribution channels as an incentive for each new registration or top-up of reload vouchers or e-recharge by the customers to the Group's telecommunication services. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(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, social security contributions and bonuses are recognised as an expense in the financial period 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.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(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 Company operates an equity-settled, share-based compensation plan for the employees of the Group. 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.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting date, the Company revises its estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

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.

Notes to the Financial Statements (Cont'd)

30 September 2020

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 borrowing 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 or sale. Capitalisation of borrowing costs ceased 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 assets 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Leases

Current financial year

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.

Previous financial period

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

(i) Finance Lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Leases (cont'd)

Previous financial period (cont'd)

(ii) Operating Lease

Leases, where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(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/period.

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 and ICPS granted to shareholders and share options granted to employees.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Property, plant and equipment (cont'd)

(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:

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 years

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.

(j) Intangible assets

(i) 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 construction/development.

(ii) 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.

Notes to the Financial Statements (Cont'd)

30 September 2020

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Intangible assets (cont'd)

(iii) 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.

(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 becomes 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Financial instruments (cont'd)

(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.

(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.

Notes to the Financial Statements (Cont'd)

30 September 2020

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Financial instruments (cont'd)

(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.

(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

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Impairment (cont'd)

(i) Financial assets (cont'd)

Simplified approach - trade receivables

The Group applies the simplified approach to provide ECLs for all trade receivables as permitted by MFRS 9. The simplified approach required expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses 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.

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- The financial asset is more than the range from 60 to 270 days past due, depending on customer profiles.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Impairment (cont'd)

(i) Financial assets (cont'd)

Credit impaired financial assets (cont'd)

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 60 to 270 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.

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 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Impairment (cont'd)

(ii) Non-financial assets (cont'd)

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.

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 and ICPS are equity instruments.

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.

(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.

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:

(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.

(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) 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.

4. REVENUE

	Group 01.10.2019 to 30.09.2020 RM	Group 01.07.2018 to 30.09.2019 RM
Telecommunication services		
- SMS blasting services	2,806,847	1,788,816
- Prepaid, postpaid and other services	248,442,429	309,436,323
Mobile applications services	186,884	136,175
	251,436,160	311,361,314
Timing of revenue recognition:		
Point in time	2,806,847	1,788,816
Over time	248,629,313	309,572,498
	251,436,160	311,361,314

<u>Unsatisfied long-term contracts</u>

The following table shows unsatisfied performance obligations resulting from telecommunication services revenue (prepaid, postpaid and other services) and mobile application services revenue.

(i) Telecommunication services

	Group 2020 RM	Group 2019 RM
Total contracted revenue	272,023,530	331,539,557
Less: Telecommunication services revenue recognised	(248,442,429)	(309,436,323)
Aggregate amount of the transaction price allocated to telecommunication services revenue that are partially or fully unsatisfied as at 30 September	23,581,101	22,103,234

The remaining unsatisfied performance obligations are expected to be recognised as revenue within the next 28 months (2019: 28 months).

(ii) Mobile application services

	Group 2020 RM	Group 2019 RM
Total contracted revenue	639,446	545,149
Less: Mobile applications services revenue recognised	(186,884)	(136,175)
Aggregate amount of the transaction price allocated to mobile application services revenue that are partially or fully unsatisfied as at 30 September	452,562	408,974

The remaining unsatisfied performance obligations are expected to be recognised as revenue within the next 12 months (2019: 12 months).

5. LOSS BEFORE TAX

Loss before tax is derived after charging/(crediting):

	Group		Company	
	01.10.2019 to 30.09.2020 RM	**01.07.2018 to 30.09.2019 RM**	**01.10.2019 to 30.09.2020 RM**	**01.07.2018 to 30.09.2019 RM**
Auditors' remuneration				
- statutory audit	362,223	339,270	98,000	93,000
- overprovision in prior year	-	(16,000)	-	-
- non statutory audit	65,000	10,000	10,000	10,000
Amortisation of intangible assets	3,842,595	2,802,212	-	-
COVID-19 related rent concession	(147,785)	-	-	-
Depreciation of property, plant and equipment	13,233,524	11,565,287	-	-
Directors' remuneration (Note (a))	16,196,491	2,373,374	659,815	603,906
Employee benefits expense (Note (b))	27,507,913	21,145,796	-	-
Effect on dilution of equity interest in a subsidiary	-	-	(31,542)	-
(Gain)/loss on disposal of property, plant and equipment	(100,168)	380	-	-
Goods and Services Tax ("GST") compensation rebate	-	(15,467,838)	-	-
Gain on remeasurement of non-current financial assets	(25,448)	-	-	-
Loss/(Gain) on foreign exchange				
- realised	165,755	57,189	-	-
- unrealised	(471,459)	(14,784)	(570,443)	-
Impairment loss on:				
- intangible assets	4,997,786	900,000	-	-
- property, plant and equipment	2,863,255	-	-	-
- other receivables	1,005,132	56,432	-	-
- trade receivables	6,332,147	9,832,694	-	-
- amounts due from subsidiaries	-	-	11,855,718	24,915,056
- investment in subsidiaries	-	-	24,897,259	-
Interest income	(403,914)	(75,621)	(300,639)	(66,943)
Interest expense:				
- finance lease payables	-	487,004	-	-
- lease liabilities	1,649,973	-	-	-
Waiver of debt	(72,686)	-	-	-
Written off:				
- intangible assets	3,870,355	-	-	-
- property, plant and equipment	1,438,685	293,244	-	-
- other receivables	-	6,795	-	6,171
- prepayments	434,103	-	-	-
Fair value adjustments on other investments	463,138	1,281,968	(1,281,968)	1,281,968
Reversal of impairment on:				
- trade receivables	-	(26,572)	-	-
- investment in subsidiaries	-	-	-	(17,336,177)
Rental of premises	-	6,768,967	-	-
Short term lease of premises	2,068,814	-	-	-

5. LOSS BEFORE TAX (cont'd)

(a) Directors' remuneration:

	Group		Company	
	01.10.2019 to 30.09.2020 RM	**01.07.2018 to 30.09.2019 RM**	**01.10.2019 to 30.09.2020 RM**	**01.07.2018 to 30.09.2019 RM**
Executive Directors:				
Fees	236,865	154,181	236,865	154,181
Salaries, bonus and other emoluments	1,398,410	1,464,875	46,200	46,875
Contributions to definedcontribution plan	162,276	170,160	-	-
Social security contributions	2,078	1,308	-	-
Share options granted under SIS (Note 6)	13,780,112	-	-	-
	15,579,741	1,790,524	283,065	201,056
Non-executive Directors:				
Fees	536,250	536,850	296,250	356,850
Other emoluments	80,500	46,000	80,500	46,000
	616,750	582,850	376,750	402,850
Total	16,196,491	2,373,374	659,815	603,906

(b) Employee benefits expense:

	Group	
	01.10.2019 to 30.09.2020 RM	**01.07.2018 to 30.09.2019 RM**
Salaries, allowances and bonus	17,564,796	18,768,069
Contributions to defined contribution plan	2,077,959	2,175,639
Social security contributions	190,377	202,088
Share options granted under SIS (Note 6)	7,674,781	-
	27,507,913	21,145,796

6. SHARE ISSUANCE SCHEME ("SIS")

At an extraordinary general meeting held on 30 March 2015, the Company's shareholders approved the establishment of SIS for eligible Directors and employees of the Group. The effective date of implementation of the SIS is on 14 March 2016 ("Effective Date").

The salient features of the SIS 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) has been in the employment of the Group for a period of at least three (3) months of continuous service and has been confirmed in writing;
   (iii) is an employee in a company within the Group which is not dormant belonging to such categories of employment as determined by the SIS Committee; and
   (iv) who falls under such categories and criteria that the SIS Committee may decide at its absolute discretion from time to time.

(b) The maximum number of new shares to be issued pursuant to the exercise of the SIS Options which may be granted under the SIS 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 SIS;

(c) The Scheme shall be in force for a period of five (5) years commencing from the effective date. The Scheme may be extended by the Board of Directors, upon the recommendation of the SIS Committee, without having to obtain approval from the Company's shareholders, for a further period of up to five (5) years immediately from the expiry of the first five (5) years but will not in aggregate exceed ten (10) years.

(d) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of and not less than 100 shares.

(e) The new Company's shares of RM0.10, RM0.13 and RM0.20 each ("new Shares") to be allotted and issued upon the exercise of the SIS Options shall, upon allotment and issue, rank pari passu in all respects with the existing Company's ordinary shares of RM0.10, RM0.13 and RM0.20 each 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 SIS Options shall not carry any right to vote at a general meeting of the Company.

(f) The options granted are vesting immediately without any vesting conditions.

On 21 August 2020 and 18 September 2020, the Company has further offered SIS on similar terms (except for the exercise price) to eligible Directors and employees of the Group.

6. SHARE ISSUANCE SCHEME ("SIS") (cont'd)

The movement of the options over ordinary shares in the Company and the weighted average exercise price during the financial year/period are as follows:

2020	Exercise price	Number of options over ordinary shares At 01.10.2019	Granted	Exercised	Forfeited^	At 30.09.2020
First Grant	RM0.13	3,456,500	-	-	(169,000)	3,287,500
Second Grant	RM0.10	45,918,000	-	(14,251,600)	(16,243,800)	15,422,600
Fourth Grant	RM0.20	-	571,082,300	(503,515,700)	-	67,566,600
Fifth Grant	RM0.20	-	136,918,300	(125,125,900)	-	11,792,400
		49,374,500	708,000,600	(642,893,200)	(16,412,800)	98,069,100

2019	Exercise price	Number of options over ordinary shares At 01.07.2018	Granted	Exercised	Forfeited^	At 30.09.2019
First Grant	RM0.13	5,037,200	-	-	(1,580,700)	3,456,500
Second Grant	RM0.10	48,271,300	-	-	(2,353,300)	45,918,000
		53,308,500	-	-	(3,934,000)	49,374,500

\# Third Grant offered on 16 April 2018 has been revoked

^ Shares forfeited due to the resignation of employees

6. SHARE ISSUANCE SCHEME ("SIS") (cont'd)

Details of SIS Options outstanding at end of the financial year/period are as follows:

	Date of offer	Weighted average exercise price 2020 RM	2019 RM	Exercise period
First Grant	21 April 2016	0.13	0.13	21.04.2016 - 13.03.2021
Second Grant	9 January 2018	0.10	0.10	09.01.2018 - 13.03.2021
Fourth Grant	21 August 2020	0.20	-	21.08.2020 - 13.03.2021
Fifth Grant	18 September 2020	0.20	-	18.09.2020 - 13.03.2021

The fair value of services received in return for share options granted during the financial year/period is 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. The weighted average fair value of share options measured at grant date and the assumptions are as follows:

	2020 RM	2019 RM
Fair value at grant date:		
21 April 2016	0.0803	0.0803
Weighted average share price	0.133	0.133
Weighted average exercise price	0.130	0.130
Expected volatility (%)	87.00	87.00
Expected life (years)	5 years	5 years
Risk free rate (%)	3.733	3.733
Expected dividend yield (%)	Nil	Nil
Fair value at grant date:		
9 January 2018	0.0149	0.0149
Weighted average share price	0.108	0.108
Weighted average exercise price	0.100	0.100
Expected volatility (%)	55.00	55.00
Expected life (years)	3 years	3 years
Risk free rate (%)	3.45	3.45
Expected dividend yield (%)	Nil	Nil
Fair value at grant date:		
21 August 2020	0.0345	-
Weighted average share price	0.198	-
Weighted average exercise price	0.200	-
Expected volatility (%)	161.91	-
Expected life (years)	0.48 years	-
Risk free rate (%)	1.76	-
Expected dividend yield (%)	Nil	-

6. SHARE ISSUANCE SCHEME ("SIS") (cont'd)

The weighted average fair value of share options measured at grant date and the assumptions are as follows: (cont'd)

	2020 RM	2019 RM
Fair value at grant date:		
18 September 2020	0.0128	-
Weighted average share price	0.118	-
Weighted average exercise price	0.200	-
Expected volatility (%)	146.91	-
Expected life (years)	0.41 years	-
Risk free rate (%)	1.60	-
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 SIS:

	2020 Unit	2019 Unit
At beginning of the financial year/period	23,232,400	23,232,400
Granted	478,125,900	-
Exercised	(478,125,900)	-
Forfeited	(16,033,600)	-
At end of the financial year/period	7,198,800	23,232,400

Notes to the Financial Statements (Cont'd)

30 September 2020

7. INCOME TAX EXPENSE

	Group		Company	
	01.10.2019 to 30.09.2020 RM	01.07.2018 to 30.09.2019 RM	01.10.2019 to 30.09.2020 RM	01.07.2018 to 30.09.2019 RM
Current tax:				
- Current year/period	165,873	142,627	-	-
- Overprovision in prior period/year	(4,573)	(34,293)	-	-
	161,300	108,334	-	-
Deferred tax (Note 15):				
Relating to origination of temporary differences				
- Current year/period	(1,375,979)	47,947	-	-
- Overprovision in prior period/year	(1,309)	(1,265)	-	-
	(1,377,288)	46,682	-	-
Tax (credit)/expense for the financial year/period	(1,215,988)	155,016	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the year/period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions which are ranging from 16.5% to 25% (2019: 17% 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	
	01.10.2019 to 30.09.2020 RM	01.07.2018 to 30.09.2019 RM	01.10.2019 to 30.09.2020 RM	01.07.2018 to 30.09.2019 RM
Loss before tax	(55,663,403)	(21,344,657)	(37,084,064)	(10,017,678)
Tax at Malaysian statutory tax rate of 24% (2019: 24%)	(13,359,217)	(5,122,718)	(8,900,175)	(2,404,243)
Effect of different tax rate in other jurisdictions	117,766	(6,829)	-	-
Expenses not deductible for tax purposes	9,138,098	6,236,465	9,352,352	6,564,925
Income not subject to tax	(491,065)	-	(452,177)	(4,160,682)
Deferred tax assets not recognised	3,384,312	-	-	-
Utilisation of previously unrecognised deferred tax assets	-	(916,344)	-	-
Overprovision in prior period/year:				
- Income tax expense	(4,573)	(34,293)	-	-
- Deferred tax	(1,309)	(1,265)	-	-
Income tax (credit)/expense for the financial year/period	(1,215,988)	155,016	-	-

7. 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	
	2020 RM	Restated 2019 RM
Unutilised tax losses	33,964,565	29,535,545
Unabsorbed capital allowances	26,318,514	12,007,850
	60,283,079	41,543,395

The availability of the tax losses will be subject to Inland Revenue Board discretion and approval to offset against future taxable profit.

With effect from Year of Assessment ("YA") 2019, the unutilised tax losses in a year of assessment can only be carried forward for a maximum period of 7 consecutive YAs to be utilised against income from any business source.

8. LOSS PER ORDINARY SHARE

(a) Basic

Basic loss per ordinary share for the financial year/period 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/period.

	Group	
	01.10.2019 to 30.09.2020	01.07.2018 to 30.09.2019
Basic loss per share:		
Loss after tax attributable to the Owners of the Company (RM)	(52,323,588)	(21,177,600)
Weighted average number of ordinary shares:		
Number of ordinary shares at beginning of the financial year/period	1,092,396,675	993,094,175
Effect of ordinary shares issued	294,762,025	73,877,462
Weighted average number of ordinary shares at end of the financial year/period	1,387,158,700	1,066,971,637
Basic loss per share (sen)	(3.77)	(1.98)

(b) Diluted

The diluted loss per ordinary share is calculated based on the adjusted consolidated loss for the financial year/period attributable to the Owners of the Company and the weighted average number of ordinary shares in issue during the financial year/period 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 and SIS Options have not been disclosed as the effect is anti-dilutive.

9. PROPERTY, PLANT AND EQUIPMENT

	Capital work-in-progress RM	Telecom-munication network and equipment RM	Office equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Leased properties RM	Leased signboard RM	Total RM
Group									
2020									
Cost									
At 1 October 2019, as previously reported	348,863	72,280,486	9,362,098	681,389	4,937,343	4,350,481	-	-	91,960,660
Effect on adoption of MFRS 16	-	-	-	-	-	-	7,853,836	-	7,853,836
At 1 October 2019, as restated	348,863	72,280,486	9,362,098	681,389	4,937,343	4,350,481	7,853,836	-	99,814,496
Additions	3,572,131	-	412,214	-	1,731,711	-	2,119,149	2,665,677	10,500,882
Reclassification	(3,920,994)	3,920,994	-	-	-	-	-	-	-
Written off	-	(4,454,085)	(1,500,825)	-	-	-	-	-	(5,954,910)
Disposals	-	-	(6,509)	-	-	(970,370)	-	-	(976,879)
Transfer *	-	-	2,597,829	-	-	-	-	-	2,597,829
Exchange differences	-	(30,448)	(6,098)	-	-	-	-	-	(36,546)
At 30 September 2020	-	71,716,947	10,858,709	681,389	6,669,054	3,380,111	9,972,985	2,665,677	105,944,872
Accumulated depreciation									
At 1 October 2019	-	32,286,135	5,787,061	339,334	976,214	2,887,242	-	-	42,275,986
Charge for the financial year	-	7,218,983	1,327,934	61,244	579,217	721,603	2,510,112	814,431	13,233,524
Written off	-	(3,064,109)	(1,452,116)	-	-	-	-	-	(4,516,225)
Disposals	-	-	(5,425)	-	-	(760,123)	-	-	(765,548)
Exchange differences	-	(4,008)	(1,220)	-	-	-	-	-	(5,228)
At 30 September 2020	-	36,437,001	5,656,234	400,578	1,555,431	2,848,722	2,510,112	814,431	50,222,509

9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Capital work-in--progress RM	Telecom--munication network and equipment RM	Office equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Leased properties RM	Leased signboard RM	Total RM
(cont'd)									
Group									
2020									
Accumulated impairment losses									
At 1 October 2019	-	-	-	-	-	-	-	-	-
Charge for the financial year	-	779,137	2,084,118	-	-	-	-	-	2,863,255
Exchange differences	-	(18,793)	(4,878)	-	-	-	-	-	(23,671)
At 30 September 2020	-	760,344	2,079,240	-	-	-	-	-	2,839,584
Net carrying amount									
At 30 September 2020	-	34,519,602	3,123,235	280,811	5,113,623	531,389	7,462,873	1,851,246	52,882,779

* Relates to the transfer of assets from prepayments during the financial year

9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group 2019	Capital work-in-progress RM	Telecommunication network and equipment RM	Office equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Total RM
Cost							
At 1 July 2018	12,598,006	56,414,698	8,390,579	681,389	2,186,034	4,350,481	84,621,187
Additions	4,264,172	680,070	1,121,753	-	2,755,891	-	8,821,886
Reclassification	(16,413,315)	16,289,603	123,712	-	-	-	-
Written off	(100,000)	(1,103,885)	(148,558)	-	(4,582)	-	(1,357,025)
Disposals	-	-	(125,388)	-	-	-	(125,388)
At 30 September 2019	348,863	72,280,486	9,362,098	681,389	4,937,343	4,350,481	91,960,660
Accumulated depreciation							
At 1 July 2018	-	24,622,435	4,513,249	256,948	605,105	1,801,344	31,799,081
Charge for the financial period	-	8,474,104	1,547,208	82,386	375,691	1,085,898	11,565,287
Written off	-	(810,641)	(148,558)	-	(4,582)	-	(963,781)
Disposals	-	-	(124,838)	-	-	-	(124,838)
Exchange differences	-	237	-	-	-	-	237
At 30 September 2019	-	32,286,135	5,787,061	339,334	976,214	2,887,242	42,275,986
Accumulated impairment losses							
At 1 July 2018	100,000	-	-	-	-	-	100,000
Written off	(100,000)	-	-	-	-	-	(100,000)
At 30 September 2019	-	-	-	-	-	-	-
Net carrying amount							
At 30 September 2019	348,863	39,994,351	3,575,037	342,055	3,961,129	1,463,239	49,684,674

9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) Acquisition of property, plant and equipment

	Group 2020 RM	Group 2019 RM
Cash purchase	5,716,056	5,514,736
Financed through finance lease arrangement	-	3,307,150
Acquisition of new leases	4,784,826	-
Total acquisition of property, plant and equipment	10,500,882	8,821,886

(b) In the prior period, included in the property, plant and equipment of the Group are motor vehicles and telecommunications network and equipment acquired under finance lease arrangement with carrying values of RM1,282,894 and RM3,114,233 respectively.

(c) Assets classified as right-of-use asset

The net carrying amount of right-of-use assets recognised by the Group are as follows:

	Group 2020 RM
Telecommunication network and equipment	2,783,518
Motor vehicles	450,422
Leased properties	7,462,873
Leased signboard	1,851,246

The expenses charged to profit or loss during the financial year are as follows:

	Group 2020 RM
Depreciation of right-of-use assets	4,080,618
Interest expenses of lease liabilities	1,649,973
	5,730,591

(d) Impairment of telecommunication network and equipment and office equipment

As at 30 September 2020, the Group carried out a review of the recoverable amount of its telecommunications network and equipment and office equipment as the business plan in Indonesia has been halted due to the unforeseeable circumstances (i.e. COVID-19) which resulted the recoverable amount was deemed at zero. An impairment loss of RM2,863,255 (2019: RM Nil) was recognised as "other expenses" line item of the statements of comprehensive income for the financial year ended 30 September 2020.

10. INTANGIBLE ASSETS

	Capital work-in-progress RM	Mobile and telecommunication software RM	Total RM
Group			
2020			
At Cost			
At 1 October 2019	7,001,826	38,691,285	45,693,111
Additions	10,508,703	98,100	10,606,803
Reclassification	(4,617,625)	4,617,625	-
Written off	(325,813)	(4,385,000)	(4,710,813)
At 30 September 2020	12,567,091	39,022,010	51,589,101
Accumulated amortisation			
At 1 October 2019	-	5,566,745	5,566,745
Charge for the financial year	-	3,842,595	3,842,595
Written off	-	(840,458)	(840,458)
At 30 September 2020	-	8,568,882	8,568,882
Accumulated impairment losses			
At 1 October 2019	900,000	-	900,000
Additions	1,494,505	3,503,281	4,997,786
At 30 September 2020	2,394,505	3,503,281	5,897,786
Net carrying amount			
At 30 September 2020	10,172,586	26,949,847	37,122,433

10. INTANGIBLE ASSETS (cont'd)

	Capital work-in-progress RM	Mobile and telecommunication software RM	Total RM
Group			
2019			
At Cost			
At 1 July 2018	26,358,515	6,011,569	32,370,084
Additions	3,902,322	9,420,705	13,323,027
Reclassification	(23,259,011)	23,259,011	-
At 30 September 2019	7,001,826	38,691,285	45,693,111
Accumulated amortisation			
At 1 July 2018	-	2,764,533	2,764,533
Charge for the financial period	-	2,802,212	2,802,212
At 30 September 2019	-	5,566,745	5,566,745
Accumulated impairment losses			
At 1 July 2018	-	-	-
Additions	900,000	-	900,000
At 30 September 2019	900,000	-	900,000
Net carrying amount			
At 30 September 2019	6,101,826	33,124,540	39,226,366

Impairment loss recognised

(i) Capital work-in-progress

As at 30 September 2020, the Group carried out a review of the recoverable amount of its capital work-in-progress due to the cessation of one of the ongoing mobile application developments during the financial year. An impairment loss of RM1,494,505 (2019: RM900,000) representing the cessation of the development of the ongoing mobile application was recognised as "other expenses" line item of the statements of comprehensive income for the financial year ended 30 September 2020.

The recoverable amount of the capital work-in-progress was deemed at zero due to uncertainty over the status of mobile application development, which has temporarily ceased.

(ii) Mobile and telecommunication software

As at 30 September 2020, the Group carried out a review of the recoverable amount of its mobile and telecommunication software as the business plan in Indonesia has been halted due to the unforeseeable circumstances (i.e. COVID-19) which resulted in the recoverable amount was deemed at zero. An impairment loss of RM3,503,281 (2019: RM Nil) was recognised as "other expenses" line item of the statements of comprehensive income for the financial year ended 30 September 2020

11. INVESTMENTS IN SUBSIDIARIES

	Company 2020 RM	2019 RM
Unquoted shares, at cost		
At beginning of the financial year/period	131,861,150	55,701,150
Additions	5,362	76,160,000
Effect on dilution of equity interest of a subsidiary	(784,000)	-
At end of the financial year/period	131,082,512	131,861,150
Capital contribution to subsidiaries	38,454,893	-
Accumulated impairment losses		
At beginning of the financial year/period	38,005,821	55,341,998
Additions	24,897,259	-
Reversal	-	(17,336,177)
Effect on dilution of equity interest of a subsidiary	(784,000)	-
At end of the financial year/period	62,119,080	38,005,821
Net carrying amount		
At end of the financial year/period	107,418,325	93,855,329

The details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Principal activities	Effective Equity Interest 2020 %	2019 %
XOX Com Sdn. Bhd.	Malaysia	Provider of mobile telecommunication products and services	100	100
XOX Management Services Sdn. Bhd.	Malaysia	Provision of management services	100	100
XOX Media Sdn. Bhd.	Malaysia	Provision of telecommunication and mobile application services	100	100
XOX Wallet Sdn. Bhd.	Malaysia	Provision and trading of telecommunications airtime as a traded commodity for Shariah compliant financing and provision of information technology solution for businesses	51	100

11. 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 2020 %	2019 %
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	Intended engaged in telecom, technology, e-commerce and related services	100	-
Held through XOX Com Sdn. Bhd.				
XOX Mobile Sdn. Bhd.	Malaysia	Provider of telecommunication products and related services	100	100
Held through XOX Media Sdn. Bhd.				
PT. Nusantara Mobile Telecommunication *	Indonesia	Intended engaged in telecommunication products and services, mobile application services and eWallet services. Ceased operation and remain dormant	40	40

* *Not audited by Moore Stephens Associates PLT.*

^ *The management accounts are reviewed by Moore Stephens Associates PLT for consolidation purpose as XOX (Hong Kong) Limited was newly incorporated on 9 July 2020 and may appoint its first auditor at any time within 18 months from the date of its incorporation.*

(a) Acquisition of a subsidiary

2020

(i) *Incorporation of subsidiary*

On 9 July 2020, the Company incorporated a new wholly-owned subsidiary in Hong Kong with the name of XOX (Hong Kong) Limited for a total cash consideration of RM5,362, equivalent to Hong Kong Dollar ("HKD") of 10,000.

11. INVESTMENTS IN SUBSIDIARIES (cont'd)

(a) Acquisition of a subsidiary (cont'd)

2020

(ii) *Capital contribution to subsidiaries*

XOX Com Sdn. Bhd.

The capital contribution amounted to RM17,000,000 was in relation to advances that are not expected to be repaid in foreseeable future and in substance, represents additional investments into the subsidiary by the Company.

XOX Management Services Sdn. Bhd., XOX Mobile Sdn. Bhd. and XOX Media Sdn. Bhd.

The capital contribution amounted to RM21,454,893 represents SIS granted by the Company to the Directors and employees of subsidiaries and is treated as additional cost of its investment in the subsidiaries.

2019

(i) *Additions of subsidiaries by the Group*

On 10 October 2018, the Group subscribed for 480,000 ordinary shares representing an equity interest of 40% in PT. Nusantara Mobile Telecommunication through XOX Media Sdn. Bhd. for a total cash consideration of RM1,459,200 equivalent to Indonesia Rupiah ("IDR") of 4.8 billion.

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.

(ii) *Additions of subsidiaries by the Company*

During the financial period, the Company has capitalised the amounts owing by subsidiaries amounted to RM76,160,000 by way of subscription of additional share capital of the subsidiaries, represents additional investments into the subsidiaries by the Company.

(b) Effect on dilution of equity interest of a subsidiary

On 21 August 2020, the Company has disposed 49% equity interest (representing 784,000 ordinary shares) in XOX Wallet Sdn. Bhd. ("XOX Wallet") at a cash consideration of RM31,542. The Company's effective ownership in XOX Wallet has decreased from 100% to 51% as a result of the disposal of shares. The changes in ownership interest do not result in a loss of control over the subsidiary and the share transfer was completed on 1 September 2020.

The carrying amount of XOX Wallet's net assets shared by the Group on the date of the dilution was RM13,217. The Group has recognised an increase in non-controlling interests of RM6,476 and an increase in retained earnings attributable to Owners of the Company of RM25,066.

11. INVESTMENTS IN SUBSIDIARIES (cont'd)

(c) Reversal of impairment loss on investment in subsidiaries

In prior period, the management has reassessed its recoverable amount of its investment in subsidiaries based on value-in-use ("VIU") method and reversed part of the initially recognised impairment loss of RM17,336,177. The estimate of VIU was determined using a pre-tax discount rate of 11.28%.

The reversal of impairment loss has been recognised in the statements of comprehensive income of the Company under the line item "other income".

(d) Impairment loss on investment in subsidiaries

As at 30 September 2020, the Company carried out a review of the recoverable amounts of its investment in subsidiaries that are in loss-making and significant accumulated losses position. An impairment loss amounting to RM24,897,259 was recognised as "other expenses" line item in the statements of comprehensive income for the financial year ended 30 September 2020. The recoverable amounts were derived based on VIU calculation using cash flows projection from financial budget approved by Board of Directors covering a five-year period or fair value less costs of disposal which was measured based on adjusted net assets of respective subsidiaries.

(e) Non-controlling interests in subsidiaries

The subsidiaries of the Group that have non-controlling interests ("NCI") are as follows:

	X Style Sdn. Bhd.	One XOX Sdn. Bhd.	PT. Nusantara Mobile Telecommunication	XOX Wallet Sdn. Bhd.	Total
2020					
NCI percentage of ownership and voting interest (%)	49%	40%	60%	49%	
Carrying amount of NCI (RM)	(286,996)	1,062,125	446,741	(1,085,298)	136,572
(Loss)/profit allocated to NCI (RM)	(4,976)	122,098	(1,149,175)	(1,091,774)	(2,123,827)

	X Style Sdn. Bhd.	One XOX Sdn. Bhd.	PT. Nusantara Mobile Telecommunication	Total
2019				
NCI percentage of ownership and voting interest (%)	49%	40%	60%	
Carrying amount of NCI (RM)	(282,020)	958,410	1,635,644	2,312,034
Profit/(loss) allocated to NCI (RM)	74,648	88,324	(485,045)	(322,073)

11. INVESTMENTS IN SUBSIDIARIES (cont'd)

(e) 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. 2020 RM	X Style Sdn. Bhd. 2019 RM	One XOX Sdn. Bhd. 2020 RM	One XOX Sdn. Bhd. 2019 RM	PT. Nusantara Mobile Telecommunication 2020 RM	PT. Nusantara Mobile Telecommunication 2019 RM	XOX Wallet Sdn. Bhd. 2020 RM
Assets and liabilities:							
Non-current assets	1,822	2,458	888,074	976,356	-	563,888	12,838
Current assets	7,798	12,653	20,101,493	16,552,859	2,118,759	2,819,681	847,987
Non-current liabilities	-	-	(43,343)	(103,335)	-	-	-
Current liabilities	(595,327)	(590,663)	(18,290,911)	(15,029,855)	(1,374,191)	(657,495)	(3,075,718)
Net (liabilities)/assets	(585,707)	(575,552)	2,655,313	2,396,025	744,568	2,726,074	(2,214,893)

	01.10.2019 to 30.09.2020 RM	01.07.2018 to 30.09.2019 RM	01.10.2019 to 30.09.2020 RM	01.07.2018 to 30.09.2019 RM	01.10.2019 to 30.09.2020 RM	01.07.2018 to 30.09.2019 RM	01.09.2020 to 30.09.2020* RM
Results:							
Revenue	-	-	121,938,305	92,543,952	-	-	5,010
Net (loss)/profit for the financial year/period	(10,155)	152,342	305,246	220,809	(1,915,291)	(808,408)	(2,228,110)
Cash flows:							
Net cash (used in)/from operating activities	(17,944)	(28,022)	3,173,490	204,255	247,585	(3,120,398)	(2,173,451)
Net cash used in investing activities	-	-	(43,810)	(57,061)	(155,227)	(598,819)	-
Net cash from/(used in) financing activities	12,190	20,000	(388,595)	(70,802)	(302,616)	3,986,726	2,173,451
Net (decrease)/increase in cash and cash equivalents	(5,754)	(8,022)	2,741,085	76,392	(210,258)	267,509	-

* The loss for the year of XOX Wallet Sdn. Bhd. being shared commencing from 1 September 2020.

12. OTHER INVESTMENTS

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Investment in quoted shares, at fair value through profit or loss				
At beginning of the financial year/period	1,442,214	2,724,182	1,442,214	2,724,182
Add: Acquisition of other investment	5,201,994	-	-	-
	6,644,208	2,724,182	1,442,214	2,724,182
Less: Changes in fair value	(463,138)	(1,281,968)	1,281,968	(1,281,968)
Exchange differences	(28,770)	-	-	-
At end of the financial year/period	6,152,300	1,442,214	2,724,182	1,442,214

The investment has a quoted market price 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 investment is categorised at Level 1 of the fair value hierarchy.

13. GOODWILL ON CONSOLIDATION

	Group 2020 RM	Group 2019 RM
At beginning of the financial year/period	2,859	2,859
Written off/accumulated impairment loss	(2,859)	(2,859)
At end of the financial year/period	-	-

Goodwill on consolidation arose upon the acquisition of a subsidiary principally engaged in providing mobile telecommunication products and services.

14. OTHER RECEIVABLES

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Non-current asset:					
Other receivables	(i)	238,253	243,914	-	-
Current assets:					
Other receivables, gross		5,530,168	19,722,892	1,000	-
Less: Allowance for impairment loss	(ii)	(1,368,049)	(362,917)	-	-
Other receivables, net	(iii)	4,162,119	19,359,975	1,000	-

14. OTHER RECEIVABLES (cont'd)

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
(Cont'd)					
Deposits, gross		12,324,886	2,420,271	-	1,000
Less: Allowance for impairment loss		(60,000)	(60,000)	-	-
Deposits, net	(iv)	12,264,886	2,360,271	-	1,000
Prepayments	(v)	13,626,549	8,758,774	79,095	595,371
Contract costs	(vi)	5,080,723	4,633,574	-	-
Deferred costs	(vii)	11,755,360	11,835,973	-	-
		46,889,637	46,948,567	80,095	596,371

(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% (2019: 3.85%) per annum.

(ii) Movements in the allowance for impairment losses on other receivables during the financial year/ period are as follows:

	Group 2020 RM	Group 2019 RM
Balance at beginning of the financial year/period	362,917	379,795
Addition	1,005,132	56,432
Written off	-	(73,310)
Balance at end of the financial year/period	1,368,049	362,917

(iii) Included in net other receivables of the Group are:

(a) an amount of RM2,016,000 (2019: RM2,124,000) which represents the unpaid share capital of a foreign subsidiary by the minority shareholders;

(b) an amount of RM800 (2019: RM Nil) owing by a Directors' related company which relates to meeting room rental expenses; and

(c) an amount of RM Nil (2019: RM15,467,838) relating to Goods and Services Tax ("GST") compensation rebate receivable from a relevant authority.

(iv) Included in net deposits is an amount of RM10,000,000 (2019: RM Nil) relating to future business arrangement.

14. OTHER RECEIVABLES (cont'd)

(v) Included in prepayments are

(a) an advance payment for electronic data management service of RM4,800,000 (2019: RM Nil) paid to a Director's related company.

(b) an advance payment for advertising, promotions, billboards and sponsorship of RM5,327,534 (2019: RM2,452,298) and new data centre of RM Nil (2019: RM2,597,829).

(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.

15. DEFERRED TAX (ASSETS)/LIABILITIES

	Group	
	2020 RM	**2019 RM**
At beginning of the financial year/period	98,184	51,502
Recognised in profit or loss (Note 7)	(1,377,288)	46,682
At end of the financial year/period	(1,279,104)	98,184
Representing:		
Deferred tax assets	(1,449,113)	-
Deferred tax liabilities	170,009	98,184
	(1,279,104)	98,184

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group	
	2020 RM	**2019 RM**
Deferred tax liabilities	6,738,798	7,106,524
Deferred tax assets	(8,017,902)	(7,008,340)
	(1,279,104)	98,184

The recognised deferred tax (assets)/liabilities before offsetting are as follows:

	Accelerated capital allowances RM	**Others taxable temporary differences RM**	**Total RM**
Group			
Deferred tax liabilities:			
2020			
At 1 October 2019	7,106,524	-	7,106,524
Recognised in profit or loss	(432,087)	64,361	(367,726)
At 30 September 2020	6,674,437	64,361	6,738,798

15. DEFERRED TAX (ASSETS)/LIABILITIES (cont'd)

The recognised deferred tax (assets)/liabilities before offsetting are as follows: (cont'd)

	Accelerated capital allowances RM	Others taxable temporary differences RM	Total RM
Group			
Deferred tax liabilities: (cont'd)			
2019			
At 1 July 2018	5,114,001	-	5,114,001
Recognised in profit or loss	1,992,523	-	1,992,523
At 30 September 2019	7,106,524	-	7,106,524

	Unabsorbed capital allowances RM	Unutilised tax losses RM	Others deductible temporary differences RM	Total RM
Group				
Deferred tax assets:				
2020				
At 1 October 2019	(1,417,094)	(4,448,964)	(1,142,282)	(7,008,340)
Recognised in profit or loss	(1,848,278)	1,049,223	(210,507)	(1,009,562)
At 30 September 2020	(3,265,372)	(3,399,741)	(1,352,789)	(8,017,902)
2019				
At 1 July 2018	(664,777)	(4,397,722)	-	(5,062,499)
Recognised in profit or loss	(752,317)	(51,242)	(1,142,282)	(1,945,841)
At 30 September 2019	(1,417,094)	(4,448,964)	(1,142,282)	(7,008,340)

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 2020 RM	Group Restated 2019 RM
Unabsorbed capital allowances	12,712,797	2,544,658
Unutilised tax losses	19,798,978	16,656,355
Other deductible temporary differences	790,540	-
	33,302,315	19,201,013

The comparative figures have been restated to reflect the actual tax losses and unabsorbed capital allowances carried forward available to the Group.

16. INVENTORIES

	Group 2020 RM	Group 2019 RM
At cost:		
SIM cards, recharge cards and E-recharge	7,927,590	7,199,692
Handphones	1,960	1,960
	7,929,550	7,201,652

The Group recognised inventories as cost of sales amounted to RM62,458,311 (2019: RM55,865,369).

17. TRADE RECEIVABLES

	Note	Group 2020 RM	Group 2019 RM
Trade receivables, gross	(a)	19,641,121	39,234,042
Less: Allowance for impairment loss	(b)	(7,190,097)	(11,342,211)
Trade receivables, net		12,451,024	27,891,831

The normal credit terms extended to customers is ranging from 7 to 90 days (2019: 7 to 210 days). Other credit terms are assessed and approved on a case by case basis.

(a) Included in trade receivables is RM213,842 (2019: RM112,222) represents the amount owing by Directors' related company which is unsecured, interest free and subject to normal credit term granted by the Group.

(b) Movements in the allowance for impairment losses on trade receivables during the financial year/period are as follows:

	Group 2020 RM	Group 2019 RM
Balance at beginning of the financial year/period	11,342,211	2,260,898
Additions	6,332,147	9,832,694
Reversal	-	(26,572)
Written off	(10,484,261)	(724,809)
Balance at end of the financial year/period	7,190,097	11,342,211

18. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2020 RM	2019 RM
Amounts due from subsidiaries, gross	86,437,736	26,275,521
Less: Allowance for impairment loss		
At beginning of the financial year/period	(24,915,056)	-
Additions	(11,855,718)	(24,915,056)
At end of the financial year/period	(36,770,774)	(24,915,056)
Amounts due from subsidiaries, net	49,666,962	1,360,465

These amounts are non-trade in nature, unsecured, interest free advances which are collectible on demand.

19. CASH AND CASH EQUIVALENTS

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Fixed deposit with a license bank	(i)	392,730	380,000	-	-
Short-term fund	(ii)	120,822,401	-	120,822,401	-
Cash and bank balances		61,059,990	8,572,671	713,259	204,285
		182,275,121	8,952,671	121,535,660	204,285

(i) The effective interest rate of fixed deposit is 3.35% (2019: 3.35%) per annum. The fixed deposit with the carrying amount of RM392,730 (2019: RM380,000) has maturity period of 365 days (2019: 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.

20. ORDINARY SHARES

	Group and Company			
	Number of shares		Amount	
	2020 Units	2019 Units	2020 RM	2019 RM
Issued and fully paid:				
At beginning of the financial year/period	1,092,396,675	993,094,175	126,892,891	122,255,081
Issuance of ordinary shares pursuant to:				
- private placement	327,719,000	99,300,000	19,663,140	4,637,310
- conversion of ICPS	972,478,700	-	48,623,935	-
- exercise of warrants	33,344,000	2,500	2,000,640	500
- exercise of SIS	642,893,200	-	146,338,732	-
At end of the financial year/period	3,068,831,575	1,092,396,675	343,519,338	126,892,891

2020

During the financial year, the Company increased its issued and paid up ordinary shares from RM126,892,891 to RM343,519,338 by way of the issuance of:

(i) 327,719,000 new ordinary shares at an issue price of RM0.06 per share pursuant to the private placement for the purpose of raising working capital;

(ii) 970,343,700 new ordinary shares of RM0.05 each pursuant to the conversion of 970,343,700 ICPS at a conversion ratio of 1 ICPS for 1 new ordinary share;

(iii) 2,135,000 new ordinary shares of RM0.05 each pursuant to conversion of 4,270,000 ICPS at a conversion of 2 ICPS for 1 new ordinary share;

(iv) 33,344,000 new ordinary shares at an issue price of RM0.06 per share pursuant to the exercise of Warrants B; and

(v) 642,893,200 new ordinary shares at an issue price of RM0.10 and RM0.20 per ordinary share pursuant to the exercise of the share options that was granted under SIS at the ratio of 1 SIS for 1 new ordinary share.

2019

In the prior period, the Company has increased its issued ordinary shares from RM122,255,081 to RM126,892,391 by issuance and allotment of 99,300,000 new ordinary shares at an issue price of RM0.0467 per share for the purpose of raising working capital by way of private placement. Subsequently, 2,500 of Warrants A 2016/2019 ("Warrants A") were exercised at an exercise price of RM0.20 per Warrants A, hence the Company paid-up share capital has increased from RM126,892,391 to RM126,892,891.

The new ordinary shares issued during the financial year/period 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. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

21. ICPS

	Group and Company			
	Number of ICPS		Amount	
	2020 Units	2019 Units	2020 RM	2019 RM
At beginning of the financial year/period	-	-	-	-
Issued during the financial year	1,061,027,506	-	26,525,688	-
Conversion during the financial year	(974,613,700)	-	(24,365,343)	-
At end of the financial year/period	86,413,806	-	2,160,345	-

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. During the financial year, the ICPS of the Company decreased from RM26,525,688 to RM2,160,345 by way of the conversion of:

(i) 970,343,700 ICPS for 970,343,700 new ordinary shares at a conversion ratio of 1 ICPS for 1 new ordinary share; and

(ii) 4,270,000 ICPS for 2,135,000 new ordinary shares at a conversion ratio of 2 ICPS for 1 new ordinary share.

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.

21. ICPS (cont'd)

The salient terms of the ICPS were as follows: (cont'd)

(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.

(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.

22. RESERVES

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Non-distributable:					
Capital reserve	(a)	2,200,000	2,200,000	2,200,000	2,200,000
Warrants reserve	(b)	2,527,850	-	2,527,850	-
Other reserve	(c)	(2,527,850)	-	(2,527,850)	-
Foreign translation reserve	(d)	(23,140)	(12,062)	-	-
Share Issuance Scheme options reserve	(e)	2,975,773	961,735	2,975,773	961,735
Distributable:					
Accumulated losses		(89,408,796)	(36,856,069)	(69,825,719)	(32,997,258)
		(84,256,163)	(33,706,396)	(64,649,946)	(29,835,523)

22. RESERVES (cont'd)

(a) Capital reserve

The capital reserve arose from the special issue of share 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 issued with right issue.

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.

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 expiring on 3 March 2023. Any Warrants B 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 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 2020, the total numbers of Warrants B that remain unexercised stands at 231,912,876 (2019: Nil).

(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.

(e) Share Issuance Scheme options reserve

Share Issuance Scheme 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 Issuance Scheme options is disclosed in Note 6.

Notes to the Financial Statements (Cont'd)
30 September 2020

23. FINANCE LEASE PAYABLES

	Group 2019 RM
Minimum finance lease payments:	
Repayable within one year	1,337,634
Repayable between one to two years	1,550,728
Repayable between two to five years	1,591,310
	4,479,672
Less: Future finance charges	(487,078)
Present value of minimum finance lease payments	3,992,594
Present value of finance lease payables:	
Repayable within one year	1,103,770
Repayable between one to two years	1,433,312
Repayable between two to five years	1,455,512
	3,992,594
Representing:	
Current portion	1,103,770
Non-current portion	2,888,824
	3,992,594

The effective interest rates of the finance lease payables ranging from 2.92% to 7.78% per annum.

24. LEASE LIABILITIES

	Group 2020 RM
Minimum lease payments:	
Repayable within one year	5,820,424
Repayable between one to two years	4,878,601
Repayable between two to five years	5,243,944
Repayable more than five years	144,159
	16,087,128
Less: Future finance charges	(2,854,525)
Present value of minimum lease payables	13,232,603
Present value of lease payables:	
Repayable within one year	4,472,938
Repayable between one to two years	4,033,933
Repayable between two to five years	4,589,352
Repayable more than five years	136,380
	13,232,603

24. LEASE LIABILITIES (cont'd)

	Group 2020 RM
Representing:	
Current portion	4,472,938
Non-current portion	8,759,665
	13,232,603

The lease liabilities bear effective interest rate ranging from 4.69% to 13.84% per annum.

25. TRADE PAYABLES

The normal trade credit terms granted to the Company range from 30 to 90 days (2019: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis.

26. OTHER PAYABLES

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Other payables	(i)	8,169,539	7,967,913	199,696	-
Deposits	(ii)	400	5,006,000	-	180,976
Accruals	(iii)	21,868,070	12,558,474	223,104	237,850
		30,038,009	25,532,387	422,800	418,826

(i) Included in other payables of the Group is:

(a) an amount of RM3,084,455 (2019: RM2,202,166) due to the vendors for the purchase and enhancement of telecommunication network equipment and software; and

(b) RM2,544 (2019: RM42,280) represents the amount owing to a Directors' related company which is unsecured, interest free and is subject to normal credit term granted to the Group.

(ii) Included in deposits is an amount of RM Nil (2019: RM5,000,000) received from a Directors' related company for future mobile application business arrangement.

(iii) Included in accruals of the Group is the cost of recharge usage accrued amounting to RM11,832,119 (2019: RM6,837,105).

27. CONTRACT LIABILITIES

	Note	Group 2020 RM	Group 2019 RM
Telecommunication services			
- Prepaid, postpaid and other services	(i)	23,581,101	22,103,234
Mobile applications services	(ii)	452,562	408,974
		24,033,663	22,512,208

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.

Movement of contract liabilities is as follows:

(i) Telecommunication services

	Group 2020 RM	Group 2019 RM
At beginning of the financial year/period	22,103,234	16,013,393
Collection during the financial year/period	249,920,296	315,526,164
Revenue recognised during the financial year/period (Note 4)	(248,442,429)	(309,436,323)
At end of the financial year/period	23,581,101	22,103,234

(ii) Mobile application services

	Group 2020 RM	Group 2019 RM
At beginning of the financial year/period	408,974	298,737
Collection during the financial year/period	230,472	246,412
Revenue recognised during the financial year/period (Note 4)	(186,884)	(136,175)
At end of the financial year/period	452,562	408,974

Notes to the Financial Statements (Cont'd)

30 September 2020

28. 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 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 14, 17, 18 and 26.

(b) Related party transactions

Other than disclosed elsewhere in the financial statements, the significant related party transactions between the Group and the Company and their related parties during the financial year/period are as follows:

	Group		Company	
	01.10.2019 to 30.09.2020 RM	01.07.2018 to 30.09.2019 RM	01.10.2019 to 30.09.2020 RM	01.07.2018 to 30.09.2019 RM
Transactions with Directors' related companies:				
- Deposits received	-	5,000,000	-	-
- Purchase of software	(17,850,000)	-	-	-
- Rental charge	(198,855)	(152,715)	(9,499)	-
- Renovation charge	(151,151)	-	-	-
- Sales	187,465	135,125	-	-
- Service charge	(46,739)	(31,585)	-	-
Transaction with subsidiaries:				
- Advances to	-	-	(77,162,215)	(5,949,805)
- Capital contribution				
- Cash	-	-	17,000,000	-
- SIS	-	-	21,454,893	-

(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/period have been disclosed in Note 5(a).

29. CAPITAL COMMITMENT

The future capital commitment payable for the acquisition of intangible assets at the reporting date but not recognised as payable is as follows:

	Group	
	2020 RM	2019 RM
Contracted for:		
Capital work-in-progress	1,464,289	2,805,540

30. SEGMENTAL INFORMATION

Segmental information is not presented as the Group is primarily engaged in the provision of mobile communication services and its related products in Malaysia.

31. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Group's and the Company's financial assets 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 12.

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 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 period.

Trade receivables

<u>Risk management objectives, policies and processes for managing the risk</u>

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.

31. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit risk (cont'd)

Trade receivables (cont'd)

Risk management objectives, policies and processes for managing the risk (cont'd)

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 period.

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 2020, the Group has significant concentration of credit risk arising from the amounts owing by 5 (2019: 5) distribution channels constituting 58% (2019: 51%) of net trade receivables of the Group.

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 receivable on individual basis due to different risk characteristics and the number of debtors is minimal 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.

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 and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year/period.

The Group has recognised a loss allowance of 100% against all receivables range from 60 to 270 days past due because historical experience has indicated that these receivables are generally not recoverable.

31. 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 (cont'd)

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 and (c) the Group's view of economic conditions over the expected lives of the receivables.

Impairment losses

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the reporting date:

	2020 RM	2019 RM
Group		
Postpaid users, distribution channels and others		
Not past due	7,944,910	15,821,907
Past due and impaired:		
Less than 30 days	1,546,241	5,363,901
31 days to 60 days	989,207	4,431,245
61 days to 90 days	300,995	4,485,315
91 days to 120 days	152,112	1,744,937
121 days to 150 days	6,489,876	6,033,227
151 days to 210 days	724,077	102,498
211 days to 270 days	1,420,801	24,778
More than 270 days	72,902	1,226,234
	11,696,211	23,412,135
Less: Loss allowances	(7,190,097)	(11,342,211)
Total trade receivables	12,451,024	27,891,831

31. 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 60 to 270 days past due. 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 RM2,110,000 as at 30 September 2020 has been renegotiated with the Group by way of 5 months repayment plan within the next financial year end.

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 150 days. These receivables are not secured by any collateral or credit enhancements.

Receivables that are neither past due nor impaired/not past due

Distribution channels and others

Trade receivables that are neither 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

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. The Group has generally set the additional settlement period range from 60 to 270 days for the different customer profile after individual trade receivables has passed its credit term granted. These trade receivables relate mostly to customers with slower repayment patterns, for whom there is no history of default and settled within observation period. The Group does not hold any collateral or other credit enhancement over these balances.

31. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit risk (cont'd)

Trade receivables (cont'd)

Receivables that are past due but not impaired (cont'd)

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.

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 statement of financial position. The Group has provided allowances for expected credit losses on the debtors as disclosed in Note 14.

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 subsidiaries

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to its subsidiaries. The Company monitors the ability of the 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.

Notes to the Financial Statements (Cont'd)
30 September 2020

31. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit risk (cont'd)

Amounts due from subsidiaries (cont'd)

Recognition and measurement of impairment loss (cont'd)

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when subsidiaries' financial positions deteriorate significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers subsidiaries loans or advances to be credit impaired when the subsidiaries are unlikely to repay the loans or advances to the Company in full given insufficient highly liquid resources when the loans are demanded.

The Company determines 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 RM11,855,718 (2019: RM24,915,056) has been recognised in profit or loss as disclosed in Note 18.

(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		
	USD RM	**AUD RM**	**Total RM**
Group			
2020			
Other payables	(578,518)	-	(578,518)
Cash and cash equivalents	-	5,570,633	5,570,633
	(578,518)	5,570,633	4,992,115
2019			
Other payables	(438,326)	-	(438,326)

31. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(b) Foreign currency risk (cont'd)

Exposure to foreign currency risk (cont'd)

	Denominated in USD RM	Denominated in AUD RM	Total RM
Company			
2020			
Cash and cash equivalents	-	5,570,633	5,570,633

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:

	2020		2019	
	Loss after tax RM	Equity RM	Loss after tax RM	Equity RM
Group				
USD/RM	(21,984)	(21,984)	(16,656)	(16,656)
AUD/RM	211,684	211,684	-	-
Company				
AUD/RM	211,684	211,684	-	-

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 loss after tax and equity.

(c) Interest rate risk

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Floating rate interest				
Financial assets	115,251,768	-	115,251,768	-

The Group and the Company are exposed to interest rate risk through the impact of rate changes in floating rate short term fund. The changes in interest rates would not have material impact on the profit or loss of the Group and of the Company.

31. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(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 a balance between continuity of funding and flexibility through use of stand-by 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. In addition, the Group and the Company maintain sufficient levels of cash and available banking facilities at a reasonable level to their overall debt position to meet their working capital requirement.

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:

			Contractual Cash Flows			
	Carrying amount RM	**Contractual cash flows RM**	**On demand or within 1 year RM**	**Between 1 to 2 years RM**	**Between 2 to 5 years RM**	**More than 5 years RM**
Group						
2020						
Trade payables	18,687,302	18,687,302	18,687,302	-	-	-
Other payables	30,038,009	30,038,009	30,038,009	-	-	-
Lease liabilities	13,232,603	16,087,128	5,820,424	4,878,601	5,243,944	144,159
	61,957,914	64,812,439	54,545,735	4,878,601	5,243,944	144,159
2019						
Trade payables	34,300,524	34,300,524	34,300,524	-	-	-
Other payables	25,532,387	25,532,387	25,532,387	-	-	-
Finance lease payables	3,992,594	4,479,672	1,337,634	1,550,728	1,591,310	-
	63,825,505	64,312,583	61,170,545	1,550,728	1,591,310	-

32. 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 12.

There were no material transfer between Level 1, Level 2 and Level 3 during the financial year/period.

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.

33. 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 lease liabilities/finance lease payables 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/period.

The net debt-to-equity ratio as at the end of the reporting period was as follows:

	Group	
	2020	**2019**
	RM	**RM**
Finance lease payables (Note 23)	-	3,992,594
Lease liabilities (Note 24)	13,232,603	-
Less: Cash and cash equivalents (Note 19)	(182,275,121)	(8,952,671)
Total net debts	(169,042,518)	(4,960,077)
Equity attributable to the Owners of the Company, representing total capital	261,423,520	93,186,495
Debt-to-equity ratio (%)	*	*

* *Not meaningful*

The Group is not subject to any externally imposed capital requirements.

34. COMPARATIVE FIGURES

(i) The comparatives relating to the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are made up the financial period from 1 July 2018 to 30 September 2019 and therefore may not be comparable with the current financial year ended 30 September 2020.

(ii) Certain comparative figures have been reclassified to conform with current year's presentations:

	As previously reported RM	As restated RM
Group		
30 September 2019		
Statements of Comprehensive Income		
Administrative expenses	(76,393,621)	(59,888,303)
Selling and distribution expenses	(89,219,775)	(93,353,960)
Other expenses	-	(12,371,133)
Statements of Financial Position		
Non-current assets		
Property, plant and equipment	49,335,811	49,684,674
Intangible assets	39,575,229	39,226,366
Current assets		
Fixed deposit with a licensed bank	380,000	-
Cash and cash equivalents	8,572,671	8,952,671
Current liabilities		
Other payables	28,108,779	25,532,387
Contract liabilities	19,935,816	22,512,208
Statements of Cash Flows		
Cash Flows from Operating Activities		
Changes in working capital:		
Other receivables	(7,340,264)	(7,330,110)
Other payables	11,652,600	9,076,208
Contract liabilities	3,623,685	6,200,077
Interest received	75,621	65,467
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(5,165,873)	(5,514,736)
Purchase of intangible assets	(13,671,890)	(13,323,027)
Company		
30 September 2019		
Statements of Comprehensive Income		
Administrative expenses	(27,420,933)	(1,217,738)
Other expenses	-	(26,203,195)

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Right issue of ICPS and Warrants B

On 12 March 2020, the right issue of ICPS with Warrants has been completed following the listing of and quotation of 1,061,027,506 ICPS and 265,256,876 Warrants B on ACE Market of Bursa Malaysia Securities Berhad.

Private placement

The Company has completed the Private Placement following the listing and quotation of 207,719,000 and 120,000,000 Placement Shares, being the first and final tranche of placement Shares for the Private Placement on 22 July 2020 and 23 July 2020 respectively.

Coronavirus (COVID-19) outbreak

The Coronavirus (COVID-19) outbreak was identified in Wuhan, China in December 2019. The World Health Organisation ("WHO") has declared the outbreak a Public Health Emergency of International Concern on 30 January 2020 and subsequently WHO declared the COVID-19 outbreak as global pandemic on 11 March 2020.

Following the WHO's declaration, Malaysia Government has on 16 March 2020 imposed the Movement Control Order ("MCO") starting from 18 March 2020 to restrain the spread of COVID-19 outbreak in Malaysia. Through the MCO, most businesses were forced to close down temporarily for the time being, except those categorised as "Essential Services" such as Telecommunication industry.

Since commencement of MCO, the Group's business operations were not badly affected as the Group managed to provide the mobile telecommunication products (i.e. starter pack and recharge), services and mobile application services through online platform.

36. EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Bonus issue of Warrants

On 19 October 2020, Bursa Malaysia Securities Berhad approved the Company's proposed bonus issue of up to 1,336,281,385 free warrants ("Warrants C") on the basis of three (3) Warrants C for every eight (8) existing ordinary shares of the Company held on an entitlement date to be determined and announced later ("Previous Proposed Bonus Issue of Warrants").

On 6 November 2020, to facilitate the Proposed Private Placement, the Company announced the proposed bonus issue of up to 1,566,850,510 free Warrants C on the basis of three (3) Warrants C for every eight (8) existing ordinary shares of the Company held on an entitlement date to be determined and announced later ("Proposed Bonus Issue of Warrants").

On 19 November 2020, Bursa Malaysia Securities Berhad has issued a letter granted its approval for the listed and quotation of additional 230,569,125 free Warrants C. The approval is subject to the conditions.

This proposal was approved by the shareholders of the Company at the Extraordinary General Meeting ("EGM") on 10 December 2020 and yet to complete as at the date of this report.

On 4 January 2021, the Company has resolved to fix the exercise price of the Warrants C at RM0.10 per Warrant C ("Exercise Price").

36. EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (cont'd)

Private placement

On 11 November 2020, Bursa Malaysia Securities Berhad approved the listing and quotation of up to 614,851,000 Placement Shares at an issue price ranging from RM0.0950 to RM0.1119 pursuant to the Private Placement. Private placement has been completed following the listing and quotation of the last tranche of the Placement Shares on 15 December 2020.

Offer and grant of options under SIS

On 19 October 2020, the Company has offered 55,500,000 options to employees under SIS at an exercise price of RM0.12 each and 52,806,200 options have been converted subsequent to year end.

On 10 December 2020, the Company has offered 22,689,672 options to employees under SIS at an exercise price of RM0.11 each.

Issuance of ordinary shares

Subsequent to year end, the Company had increased its issued share capital from RM343,519,338 to RM412,896,457 by way of the issuance of:

(i) 8,008,600 new ordinary shares of RM0.05 each pursuant to conversion of 8,008,600 ICPS at a conversion ratio of 1 ICPS for 1 ordinary share;

(ii) 80,000 new ordinary shares at an issue price of RM0.06 per share pursuant to the exercise of Warrants B;

(iii) 71,016,200 new ordinary shares at an issue price of RM0.11, RM0.12 and RM0.13 per ordinary share pursuant to the exercise of the share options that was granted under SIS; and

(iv) 614,851,000 new ordinary shares at an issue price ranging from RM0.095 to RM0.1119 pursuant to the private placement for the purpose of fund raising.

Acquisition of other investment

On 14 October 2020, a wholly-owned subsidiary of the Company, XOX (Hong Kong) Limited ("XOXHK") acquired 117,848,500 ordinary shares in Nexion Technologies Limited ("Nexion") from Alpha Sense Investments Limited ("Alpha Sense"), a company which is wholly owned by Mr. Foo Moo Teng, being the sole director of Alpha Sense and also the Chairman of Nexion, which representing 16.37% of the total issued and paid up share capital of Nexion for a total purchase consideration of approximately RM23,183,138.

On 2 October 2020, XOXHK has acquired from the open market an aggregate of 32,362,900 ordinary shares in MACPIE Berhad ("MACPIE"), representing 9.16% of the total issued and paid up share capital of MACPIE for a total purchase consideration of approximately RM15,849,643.

On 21 October 2020, XOXHK has acquired from the open market an aggregate of 13,937,100 ordinary shares in MACPIE, representing 3.94% of the total issued and paid up share capital of MACPIE for a total purchase consideration of approximately RM6,866,682.

As at the date of reporting, the number of shares held by XOXHK in MACPIE is 46,300,000, representing 13.11% of the total issued and paid up share capital of MACPIE. The aggregate cost of investment of XOX in MACPIE was RM22,716,325.

36. EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (cont'd)

Coronavirus (COVID-19) outbreak

On 11 January 2021, Malaysia Government has announced MCO commencing from 13 January 2021 to 26 February 2021. The management does not expect significant impact to the business operations.

37. ANNOUNCED BUSINESS COLLABORATION

(i) On 29 January 2016, a wholly-owned subsidiary of the Company, XOX Media Sdn. Bhd. ("XOX Media") has entered into a Memorandum of Understanding ("MOU") with Pantech Inc., ("Pantech") to explore a business collaboration between the parties particularly to embed Voopee as default application into Pantech mobile phones. XOX Media has served a notice of termination to Pantech on 30 November 2020.

(ii) On 14 April 2016, XOX Media has entered into a MOU with Leopard Mobile ("Leopard") to explore a business collaboration between two parties in cross marketing and cross bundling programs where Leopard will promote and market Voopee through its various channels and its users and XOX Media will market the range of Leopard's products through its channels and subscribers. XOX Media has served a notice of termination to Leopard on 30 November 2020.

(iii) On 18 August 2017, XOX Media has entered into a MOU with Multimedia Research Lab Sdn. Bhd. ("MRL") to cooperate and collaborate with the aim of enhancing the functions of Voopee mobile application by sharing and incorporating MRL range of video conferencing and server technology ("Technology collaboration") to exploit the potential market that arises from XOX Media collaboration with PT. Inovasi Telematika Nusantara and Pengurus Besar Nahdlatul Ulama. To date, both parties are in the midst of finalising the business arrangement as the business plan in Indonesia has been halted due to unforeseeable circumstances.

(iv) On 26 February 2019, a wholly-owned subsidiary of the Company, XOX Mobile Sdn. Bhd. ("XOX Mobile") has entered into a MOU with 10T Tech Limited ("10T Tech") for the purpose of participating in a platform, to be called as the "eSIM Alliance", which will handle international traffic through eSIM profile switching between its participants. To date, the parties are still discussing on the formation of the Alliance and the agreement to govern the Alliance.

(v) On 8 August 2019, XOX Mobile has entered into a MOU with TOT Public Company Limited ("TOT") for the purpose to record the mobile virtual network operator ("MVNO") partnership, cooperation and support between both parties in relation to the performances of exploring MVNO market in Thailand, connecting in technicality and testing the mobile telecommunication systems as well as other commercial operations. To date, both parties are working on the project.

(vi) On 15 June 2020, XOX Media has entered into a Joint Venture Agreement ("JVA") with DGB Networks Sdn. Bhd. ("DGB Networks"), a wholly-owned subsidiary of DGB Asia Berhad ("DGB") to form a 50/50 net profit sharing partnership for the media management and advertising platform that will result from the national deployment of DGB Networks' next generation AI Vending Machines. On 28 December 2020, XOX Media has entered into a Supplemental Letter to the JVA with DGB Networks to solidify their JVA by forming a Special Propose Vehicle, to co-own the AI Vending Machines ecosystem.

37. ANNOUNCED BUSINESS COLLABORATION (cont'd)

(vii) On 16 July 2020, XOX Media has entered into a 40/60 profit sharing on financing Partnership Agreement with Wetek Technology (M) Sdn Bhd for the proposed collaboration to offer micro-financing facilities to XOX's subscribers and general public to enhance the adoption of eWallet and ultimately give impoverished people an opportunity to become self-sufficient. To date, there is no material development pertaining to the agreement.

(viii) On 27 July 2020, XOX Media has entered into a Head of Agreement ("HOA") with Jiangsu Sulian Asset Management Co., Ltd ("Sulian Capital") to form a non-circumvention and commercial agreement between both parties concerning the introduction of a Chinese Telco, to partner and collaborate with XOX in the regional deployment of 5G mobile networks. To date, there is no material development pertaining to the HOA.

(ix) On 24 August 2020, a subsidiary of the Company, XOX Wallet Sdn. Bhd. ("XOX Wallet") has entered into a Strategic Collaboration Agreement with Alipay Labs (Singapore) Pte. Ltd. to collaborate in the blockchain-based solutions for a period of 3 years with annual subscription fee of USD200,000. As at the financial year end, XOX Wallet has paid for first year subscription fee and one (1) month subscription fee has been recognised in Statements of Comprehensive Income.

(x) On 17 September 2020, the Company has entered into a Provisional Technology Partnership Agreement with Nexion to establish a long-term and stable strategic partnership in order to ensure XOX and Nexion competitiveness and offerings to a more challenging global market. To date, there is no material development pertaining to the agreement.

(xi) On 9 October 2020, XOX Media has entered into a MOU with GEM Pay Sdn. Bhd. ("GEM Pay"), a subsidiary of NETX Holdings Berhad ("NETX"), for the purpose to discuss, explore and enter into negotiations in respect of a business arrangement to rent up to 1,000 units of contactless payment terminals and/or cashless eWallet payment solutions from GEM Pay to be incorporated into smart vending machines. To date, both parties are working on the business arrangement.

(xii) On 13 November 2020, XOX Mobile has entered into a Master Service Agreement with MACPIE relating to the provision of any services by MACPIE to XOX Mobile for the organisation of the Company's event known as "XOX Unity Player Unknown's Battleground (PUBG) League" on a fee to be agreed by MACPIE and XOX Mobile. To date, there is no material development pertaining to the agreement.

ANALYSIS OF SHAREHOLDINGS

AS AT 11 JANUARY 2021

SHARE CAPITAL

Total Number of Issued Share	:	3,762,673,975
Issued and Paid-Up Capital	:	RM 393,705,534.57
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 11 JANUARY 2021

SIZE OF SHAREHOLDINGS	NO. OF HOLDERS	NO. OF SHARES	%
1 – 99	167	7,408	Negligible
100 – 1,000	2,222	1,314,492	0.03
1,001 – 10,000	10,475	68,646,003	1.83
10,001 – 100,000	18,455	792,245,150	21.06
100,001 to less than 5% of issued shares	5,277	2,452,220,322	65.17
5% and above of issued shares	1	448,240,600	11.91
TOTAL	**36,547**	**3,762,673,975**	**100.00**

SUBSTANTIAL SHAREHOLDERS AND DIRECTORS' SHAREHOLDINGS AS AT 11 JANUARY 2021

Substantial Shareholders

		Direct		Indirect	
		No. of Shares Held	Percentage Held	No. of Shares Held	Percentage Held
1	Key Alliance Group Berhad	347,900,000	9.25	-	-

Directors' interests in shares

		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	Hew Tze Kok	-	-	-	-
5	Andy Liew Hock Sim	-	-	-	-

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS

(ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 11 JANUARY 2021)

No.	Name	Shares Held	Percentage
1.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR LAZARUS CORPORATE FINANCE PTY LTD	448,240,600	11.91
2.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD EXEMPT AN FOR NOMURA PB NOMINEES LTD	163,000,000	4.33
3.	LIONG LIUH JUIN	41,000,000	1.09
4.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	38,790,000	1.03
5.	M & A NOMINEE (ASING) SDN BHD EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED (ACCOUNT CLIENT)	20,000,000	0.53
6.	BOEY TZE NIN	15,819,500	0.42
7.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CHOW CHONG CHEK (PB)	15,472,300	0.41
8.	TIRAM TRAVEL SDN BHD	14,500,000	0.39
9.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE CHONG WEI	14,000,000	0.37
10.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEE CHUAN	13,500,000	0.36
11.	TAN CHOONG KEAT	12,000,000	0.32
12.	MARA INCORPORATED SDN BHD	11,559,945	0.31
13.	MD YUSOFF BIN ABDUL GHAFFAR	9,850,000	0.26
14.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEE CHI VUN (M02)	9,700,000	0.26
15.	LEE HYEN SIP @ SIMON	9,500,000	0.25
16.	CHENG, AIJIN	9,332,200	0.25
17.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG AUN HOOI (MY3852)	9,200,000	0.24
18.	M & A NOMINEE (TEMPATAN) SDN BHD FOR TUAH JUJUR SDN BHD	9,000,000	0.24
19.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JEGA DEVAN A/L M NADCHATIRAM	8,000,000	0.21
20.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG KOK HENG	8,000,000	0.21
21.	KENANGA NOMINEES (TEMPATAN) SDN BHD TAN HOCK KIAN (KAIZHENG13)	7,100,000	0.19
22.	TAN MAO LING	6,300,000	0.17
23.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN TECK KUNG (E-TJJ)	6,000,100	0.16
24.	TAN KIM MOON	5,700,000	0.15
25.	TEH SEONG KIAM	5,638,000	0.15
26.	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG LIP CHEE (B)	5,568,600	0.15
27.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SOO KWEE SWEE (E-BPT)	5,536,000	0.15
28.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAI CHIE KING (6000752)	5,500,000	0.15
29.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	5,055,000	0.13
30.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LING HENG SEEK (8120306)	5,000,000	0.13
	Total	**937,862,245**	**24.93**

ANALYSIS OF WARRANT HOLDINGS

AS AT 11 JANUARY 2021

WARRANTS B 2020/2023

Number of Outstanding Warrants : 231,832,876

DISTRIBUTION OF WARRANT HOLDINGS AS AT 11 JANUARY 2021

SIZE OF WARRANT HOLDINGS	NO. OF HOLDERS	NO. OF WARRANTS	%
1 – 99	37	1,825	Negligible
100 – 1,000	154	83,616	0.04
1,001 – 10,000	812	5,324,810	2.29
10,001 – 100,000	1,605	64,975,975	28.03
100,001 to less than 5% of issued warrant	471	161,446,650	69.64
5% and above of issued warrant	0	0	0.00
TOTAL	**3,079**	**231,832,876**	**100.00**

DIRECTORS' WARRANT HOLDINGS AS AT 11 JANUARY 2021

		Direct		Indirect	
		No. of Warrant Held	Percentage Held	No. of Warrant Held	Percentage Held
1	Dato' Seri Abdul Azim bin Mohd Zabidi	-	-	-	-
2	Roy Ho Yew Kee	-	-	-	-
3	Tan Sik Eek	-	-	-	-
4	Hew Tze Kok	-	-	-	-
5	Andy Liew Hock Sim	-	-	-	-

LIST OF TOP 30 WARRANT ACCOUNTS HOLDERS

(ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 11 JANUARY 2021)

No.	Name	Warrants Held	Percentage
1.	TAN MAO LING	4,115,000	1.77
2.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEE CHI VUN (M02)	3,850,000	1.66
3.	ENRICH TRANSACTION SDN BHD	3,000,000	1.29
4.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIAW TECK HWA	2,950,050	1.27
5.	YIN YIT FUN	2,610,000	1.13
6.	MAYBANK NOMINEES (TEMPATAN) SDN BHD OOI BENG LEE	2,456,000	1.06
7.	MA YUIN CHEK	1,820,000	0.79
8.	AFFIN HWANG INVESTMENT BANK BERHAD IVT (LJL)	1,699,600	0.73
9.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PUA CHYE (E-SKC)	1,689,600	0.73
10.	ONG EU LIONG	1,391,000	0.60
11.	MAYBANK NOMINEES (TEMPATAN) SDN BHD TAN SYUWOON	1,338,300	0.58
12.	CHUAH MEN SIN	1,250,000	0.54
13.	MAYBANK NOMINEES (TEMPATAN) SDN BHD LEE MEE KON	1,250,000	0.54
14.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ISMAIL BIN MAMAT	1,216,400	0.52
15.	FAHITAH BINTI MOHD SENAWI	1,200,000	0.52
16.	LIM CHIN HONG	1,100,000	0.47
17.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SHAHREL AMIR BIN MOHD RASHID	1,100,000	0.47
18.	SAKINAH BINTI MOHD AZAM	1,085,000	0.47
19.	AFFIN HWANG INVESTMENT BANK BERHAD IVT (JES)	1,000,000	0.43
20.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR VINCENT CHAI YUNG HSIN	1,000,000	0.43
21.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHONG KHENG TING (7003785)	1,000,000	0.43
22.	FOUR SISTERS SDN BHD	1,000,000	0.43
23.	LIM E @ LIM HOON NAM	1,000,000	0.43
24.	MAYBANK NOMINEES (TEMPATAN)BSDN BHD ONG BENG HOE	1,000,000	0.43
25.	MAYBANK NOMINEES (TEMPATAN) SDN BHD FIRDAUS BIN AHMAD	1,000,000	0.43
26.	SOH MENG CHAU	1,000,000	0.43
27.	SONNY YAP CHOON KAR	1,000,000	0.43
28.	TUNG CHEONG SENG	1,000,000	0.43
29.	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR LEE ZE KEONG	980,600	0.42
30.	TAN TENG FOOK	850,000	0.37
	Total	**46,951,550**	**20.25**

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") HOLDINGS

AS AT 11 JANUARY 2021

ICPS 2020/2030

Number of Outstanding ICPS : 78,405,206

DISTRIBUTION OF ICPS HOLDINGS AS AT 11 JANUARY 2021

SIZE OF ICPS HOLDINGS	NO. OF HOLDERS	NO. OF ICPS	%
1 – 99	0	0	0.00
100 – 1,000	29	16,200	0.02
1,001 – 10,000	122	805,006	1.03
10,001 – 100,000	277	13,222,100	16.86
100,001 to less than 5% of issued ICPS	108	44,961,900	57.35
5% and above of issued ICPS	2	19,400,000	24.74
TOTAL	**538**	**78,405,206**	**100.00**

DIRECTORS' ICPS HOLDINGS AS AT 11 JANUARY 2021

		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	Hew Tze Kok	-	-	-	-
5	Andy Liew Hock Sim	-	-	-	-

LIST OF TOP 30 ICPS ACCOUNTS HOLDERS

(ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 11 JANUARY 2021)

No.	Name	ICPS Held	Percentage
1.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEE CHI VUN (M02)	15,400,000	19.64
2.	TUNG CHEONG SENG	4,000,000	5.10
3.	CHIA AI WOON	3,030,000	3.86
4.	LEE HYEN SIP @ SIMON	3,000,000	3.83
5.	MAYBANK NOMINEES (TEMPATAN) SDN BHD LEE LEP KIONG	3,000,000	3.83
6.	MURLIDHAR A/L DUHLANOMAL	2,000,000	2.55
7.	CHONG YING CHOY	1,600,000	2.04
8.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIAW TECK HWA	1,375,400	1.75
9.	POH CHYE LEAN	1,200,000	1.53
10.	CHAI YUN KIEN	1,057,400	1.35
11.	WAI CHE SENG	1,000,000	1.28
12.	LEE SU CHEW	800,000	1.02
13.	WONG KAR CHUAN	800,000	1.02
14.	YAP FOOK LIM	800,000	1.02
15.	FONG CHIN TAU	770,000	0.98
16.	WONG HANG HUP @ WAN PENG KWONG	700,000	0.89
17.	MAYBANK NOMINEES (TEMPATAN) SDN BHD WOO SWEE HOE	694,300	0.89
18	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PHNG HOOI SIANG @ FONG HOOI SIANG	600,000	0.77
19.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR AHMAD BIN MUHAMED (PB)	600,000	0.77
20.	LING AH KENG	600,000	0.77
21.	MAYBANK NOMINEES (TEMPATAN) SDN BHD YAP FOOK LIM	600,000	0.77
22.	TAN BEE CHOO	520,000	0.66
23.	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR KHOO AH TIONG	512,900	0.65
24.	MAYBANK NOMINEES (TEMPATAN) SDN BHD WONG KIM MOI	470,000	0.60
25.	LOKE QUENG TUCK	450,000	0.57
26.	CHEN KOK SOON	429,000	0.55
27.	MOHAMAD LOKMAN BIN MOHAMAD RAFIUDDIN	426,000	0.54
28.	CHIM LUANG ENG	423,500	0.54
29.	LEONG KAM KWONG	420,000	0.54
30.	PANDAN HILL GOAT FARM SDN BHD	404,000	0.52
	Total	**47,682,500**	**60.82**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eleventh (11th) Annual General Meeting of XOX Bhd ("XOX" or "the Company") will be held on a fully virtual basis and entirely via remote participation and voting from the Broadcast Venue at Lot 8.1, 8th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 23 February 2021 at 11.00 a.m. for the purpose of transacting the following businesses:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 September 2020 together with the Directors' and Auditors' Reports thereon. **Please refer to Explanatory Note 1**

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 others benefits payable of up to RM200,000.00 for the period commencing from 23 February 2021 until the conclusion of the next Annual General Meeting of the Company. **Ordinary Resolution 1**

3. To re-elect Mr Andy Liew Hock Sim who retires pursuant to Clause 125 of the Company's Constitution. **Ordinary Resolution 2**

4. To re-elect Mr Tan Sik Eek who retire pursuant to Clause 115 of the Company's Constitution. **Ordinary Resolution 3**

5. To re-appoint Messrs Moore Stephens Associates PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 4**

SPECIAL BUSINESSES :
To consider and, if thought fit, to pass the following Resolution:

6. **Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act, 2016** **Ordinary Resolution 5**

"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 ("the Act"), Additional Temporary Relief Measures to Listed Corporations for COVID-19, issued by Bursa Malaysia Securities Berhad ("Bursa Securities") on 16 April 2020 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 20% of the issued share capital of the Company for the time being ("20% General Mandate") and that the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued.

AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until 31 December 2021, as empowered by Bursa Securities pursuant to its letter dated 16 April 2020 to grant additional temporary relief measures to listed corporations, notwithstanding Section 76(3) of the Act, duly varied and adopted by the Directors of the Company pursuant to Section 76(4) of the Act."

Notice of Annual General Meeting (Cont'd)

7. **Proposed New Shareholders' Mandate and Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")** **Ordinary Resolution 6**

"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 25 January 2021 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 ("CA") (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of CA); 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."

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
25 January 2021

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 Registrar Office of the Company at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur 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 16 February 2021 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.

EXPLANATORY NOTES

1. Audited Financial Statements for the Financial Year Ended 30 September 2020

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.

Notice of Annual General Meeting (Cont'd)

2. **Ordinary Resolution 1: To approve the payment of Directors' Fees and Others 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 23 February 2021 until the conclusion of the next Annual General Meeting for the Company.

3. **Ordinary Resolution 5 : Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016**

   The proposed Ordinary Resolution 5, if passed, is a general mandate to empower the Directors to issue and allot shares up to an amount not exceeding 20% 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.

   Bursa Malaysia Securities Berhad ("Bursa Securities") has via their letter dated 16 April 2020 granted several additional temporary relief measures to listed corporations, amongst others, an increase in general mandate limit for new issues of securities to not more than 20% of the total number of issued shares of the Company for the time being ("20% General Mandate"). Pursuant to the 20% General Mandate, Bursa Securities has also mandated that the 20% General Mandate may be utilised by a listed corporation to issue new securities until 31 December 2021 ("Extended Utilisation Period") and thereafter, the 10% general mandate will be reinstated. Having considered the current economic climate arising from the global COVID-19 pandemic and future financial needs of the Group, the Board would like to procure approval for the 20% General Mandate, inclusive of the Extended Utilisation Period, pursuant to Section 76(4) of the Companies Act, 2016 from its shareholders at the forthcoming AGM of the Company.

   The 20% 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.

   The 20% General Mandate, unless revoked or varied by the Company in general meeting, will expire at the end of the Extended Utilisation Period, i.e. by 31 December 2021.

   As at the date of this Notice, 327,719,000 new ordinary shares in the Company were issued by way of private placement pursuant to the general mandate granted to the Directors at the Tenth (10th) Annual General Meeting held on 27 February 2020. The total proceeds raised from the said private placement exercise was around RM19.66 million. The details and status of the utilisation of proceeds raised from the said private placement exercise are as follows :

Utilisation of Proceeds	Proposed Utilisation RM	Amount Utilisation RM	Balance Available for Utilisation RM
Investment in the business of smart vending machine	19,063,140	2,445,996	16,617,144
Expenses incurred for the Private Placement	600,000	600,000	-
Total	**19,663,140**	**3,045,996**	**16,617,144**

In addition to the above, 554,851,000 new ordinary shares in the Company were issued by way of private placement pursuant to the general mandate granted to the Directors at the Extraordinary General Meeting held on 1 July 2020 ("20% General Mandate"). The total proceeds raised from the 20% General Mandate was around RM60.63 million. The details and status of the utilisation of proceeds raised from the 20% General Mandate are as follows :

Utilisation of Proceeds	**Proposed Utilisation RM**	**Amount Utilisation RM**	**Balance Available for Utilisation RM**
Fintech Business Expansion	48,000,000	15,059,046	32,940,954
Rebranding exercise to reposition the XOX brand into a Fintech solution and telecommunications provider	5,000,000	38,450	4,961,550
Marketing and promotional expenses for the Fintech Business Expansion	7,060,845	920,000	6,140,845
Estimated expenses for the 20% General Mandate	570,000	570,000	-
Total	**60,630,845**	**16,587,496**	**44,043,349**

4. Ordinary Resolution 6 : Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 6, 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 above Directors who are standing for re-election) at the Eleventh (11th) 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 5 as stated in the Notice of Eleventh (11th) Annual General Meeting of the Company for the details.

ELEVENTH (11TH) ANNUAL GENERAL MEETING

ADMINISTRATIVE GUIDE

Date	Time	Broadcast Venue
Tuesday, 23 February 2021	11.00 a.m.	Lot 8.1, 8th Floor, Menara Lien Hoe No. 8 Persiaran Tropicana Tropicana Golf & Country Resort 47410 Petaling Jaya, Selangor

Coronavirus Disease (COVID-19) Outbreak

1. With the outbreak of Coronavirus Disease (COVID-19) and as part of the safety measures to curb the spread of COVID-19 pandemic, the Eleventh (11th) General Meeting ("**AGM**") will be conducted by way of a fully virtual meeting and online remote voting using the Remote Participation and Voting Facilities ("**RPV Facilities**") as the safety of our members, Directors, staff and other stakeholders who will attend the AGM is of paramount importance to us.

2. Having regard to the well-being and the safety of our members, we **strongly encouraged** our members 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

3. The AGM will be held virtually. The registration is mandatory for the event. Please click the following link to register: https://rebrand.ly/XOX-AGM.

4. All the Shareholders are required to register in order to participate to the AGM. The registration will be open from 9.00 a.m. on 25 January 2021 and close at 11.00 a.m. on 22 February 2021.

   Upon submission of your registration, you will receive an email to notify you that your registration has been received and is pending verification.

5. After verification of your registration against the General Meeting Record of Depositors of the Company, the system will send you an email to notify you if your registration is approved or rejected after 16 February 2021.

6. Should your registration be rejected, you can contact the Company's Share Registrar or the Company for clarifications.

7. 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 Records of Depositors

8. 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 16 February 2021 shall be entitled to attend this meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

Individual Members

9. 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.

10. 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.

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 Share Registrar with the details set out below for assistance and will be required to provide the following documents to the Company no later than 22 February 2021 at 11.00 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.

    Upon receipt of such documents, the Company's Share Registrar or the Company will respond to your remote participation request.

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 Share Registrar with the details set out below for assistance and will be required to provide the following documents to the Company no later than 22 February 2021 at 11.00 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.

    Upon receipt of such documents, the Company's Share Registrar or the Company will respond to your remote participation request.

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.

Proxy

15. If a member is unable to attend the AGM, he/she may appoint a proxy or 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.

16. If an individual member has submitted his/her Form of Proxy prior to the AGM and subsequently decides to personally participate in the AGM via RPV Facilities, the individual member must contact the Company's Share Registrar or the Company, whose contact details are set out in No. 20 below, to revoke the appointment of his/her proxy no later than 22 February 2021 at 11.00 a.m.

Poll Voting

17. 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.

RPV Facilities

18. Please refer to the following information on RPV Facilities for live streaming and remote voting at the AGM:

Procedures		Action	
Before AGM			
1.	Register as participant in Virtual AGM	•	Using your computer, access the website at https://rebrand.ly/XOX-AGM Click on the Register button to register for the AGM session.
		•	Upon submission of your registration, you will receive an email notifying you that your registration has been received and is pending verification.
		•	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.
2.	Submit your online registration	•	All the Shareholders are required to register prior to the meeting. The registration will be open from 9.00 a.m. on 25 January 2021 and the registration will close at 11.00 a.m. on 22 February 2021.
		•	Clicking on the link will redirect you to the AGM event page. Click on the Register button for the online registration form.
		•	Complete your particulars in the registration page. Your name MUST match your CDS account name (not applicable for proxy).
		•	Insert your CDS account number and indicate the number of shares you hold.
		•	Read and agree to the Terms & Conditions and confirm the Declarations.
		•	Please ensure all information given is accurate before you click Submit to register your remote participation. Failure to do so will result in your registration being rejected.
		•	System will send an email to notify that your registration for remote participation is received and will be verified.
		•	After verification of your registration against the General Meeting Record of Depositors of the Company as at 16 February 2021, the system will send you an email to notify you if your registration is approved or rejected after 16 February 2021.
		•	If your registration is rejected, you can contact the Company's Share Registrar or the Company for clarifications or to appeal.

On the day of AGM			
3.	Attending Virtual AGM	•	Two reminder emails will be sent to your inbox. First is one day before the AGM day, while the 2nd will be sent 1 hour before the AGM session.
		•	Click Join Event in the reminder email to participate the RPV.
4.	Participate with live video	•	You will be given a short brief about the system.
		•	Your microphone is muted throughout the whole session.
		•	If you have any questions for the Chairman/Board, you may use the Q&A panel to send your questions. The Chairman/Board will try to respond to relevant questions if time permits. All relevant questions will be collected throughout the session and replied later through your registered email.
		•	The session will be recorded.
		•	Take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at your location.
5.	Online Remote Voting	•	The Chairman will announce the commencement of the Voting session and the duration allowed at the respective AGM.
		•	The list of resolutions for voting will appear at the right-hand side of your computer screen. You are required to indicate your votes for the resolutions within the given stipulated time frame.
		•	Click on the Submit button when you have completed.
		•	Votes cannot be changed once it is submitted.
6.	End of remote participation	Upon the announcement by the Chairman on the closure of the AGM, the live session will end.	

No Recording or Photography

19. Strictly NO recording or photography of the proceedings of the AGM is allowed.

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:
    XOX Bhd

    Name: Mr. Alvin Ng
    Telephone No: 011 1303 3355
    Email: enquiry@mlabs.com

    For Proxy and other matters:
    ShareWorks Sdn. Bhd.

    Name: Mr Vemalan / Mr Fong
    Telephone No: 03 6201 1120
    Email: enquiry@shareworks.com.my

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XOX BHD

[Registration No. 201001016682 (900384-X)]
(Incorporated in Malaysia)

CDS Account No.
No. of Shares held

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/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Eleventh (11th) Annual General Meeting of the Company to be held on a fully virtual basis and entirely via remote participation and voting from the Broadcast Venue at Lot 8.1, 8th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 23 February 2021 at 11.00 a.m. or at any adjournment thereof.

No.	Agenda	Resolution	For	Against
1.	To approve the payment of Directors' fees and others benefits payable to the Directors.	Ordinary Resolution 1		
2.	To re-elect Andy Liew Hock Sim as Director	Ordinary Resolution 2		
3.	To re-elect Tan Sik Eek as Director.	Ordinary Resolution 3		
4.	To re-appoint Messrs Moore Stephens Associates PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	Ordinary Resolution 4		
5.	To approve the authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.	Ordinary Resolution 5		
6.	To approve the Proposed New Shareholders' Mandate and Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Ordinary Resolution 6		

(Please indicate with a "X" in the space provided on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion)

Signed this ....

Signature*
Member

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 authorized 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 Registrar Office of the Company at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur 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 16 February 2021 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 resolution 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.

Affix Stamp

THE SHARE REGISTRAR OF

XOX BHD Company No. 201001016682 (900384-X)

SHAREWORKS SDN. BHD.

No.2-1, Jalan Sri Hartamas 8, Sri Hartamas

50480 Kuala Lumpur, Malaysia

XOX MOBILE

XOX eSIM ONEXOX Prepaid ONEXOX BLACK XOX-Voopee

XOX BHD
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