



XOX BHD

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2022

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("Bursa Securities LR")



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Individual Quarter | | Cumulative Quarter | |
|--|---|---|--|--|
| | Quarter Ended 31-Dec-22 RM'000 | Quarter Ended 31-Dec-21 RM'000 | Period Ended 31-Dec-22 RM'000 | Period Ended 31-Dec-21 RM'000 |
| Revenue | 69,933 | 82,685 | 69,933 | 82,685 |
| Operating Expenses | (75,369) | (160,984) | (75,369) | (160,984) |
| Other Income | 419 | 743 | 419 | 743 |
| Finance Costs | (405) | (386) | (405) | (386) |
| Share of results of associates and joint venture, net of tax | 2,065 | 1,987 | 2,065 | 1,987 |
| Loss Before Tax | (3,357) | (75,955) | (3,357) | (75,955) |
| Tax Expenses | (90) | (9) | (90) | (9) |
| Loss for the period, net of tax | (3,447) | (75,964) | (3,447) | (75,964) |
| Other comprehensive income, net of tax Item that may be reclassified subsequently to profit or loss | | | | |
| Foreign currency translation | 8,891 | 641 | 8,891 | 641 |
| Total comprehensive income for the financial period | 5,444 | (75,323) | 5,444 | (75,323) |
| Loss for the period, net of tax Attributable to: | | | | |
| - Owners of the Company | (2,845) | (75,751) | (2,845) | (75,751) |
| - Non-controlling Interest | (602) | (213) | (602) | (213) |
| | (3,447) | (75,964) | (3,447) | (75,964) |
| Total comprehensive income Attributable to: | | | | |
| - Owners of the Company | 5,979 | (75,112) | 5,979 | (75,112) |
| - Non-controlling Interest | (535) | (211) | (535) | (211) |
| | 5,444 | (75,323) | 5,444 | (75,323) |
| Basic loss per ordinary share attributable to Owners of the Company (sen): | | | | |
| - Basic | (0.06) | (1.83) | (0.06) | (1.83) |
| - Diluted | (0.06) | (1.83) | (0.06) | (1.83) |

Notes:-

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



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Unaudited as at 31-Dec-22 RM'000 | Audited as at 30-Sep-22 RM'000 |
|---|--|--------------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 77,737 | 76,634 |
| Intangible assets | 34,635 | 34,196 |
| Investment in associates | 47,284 | 39,623 |
| Investment in a joint venture | 3,490 | 2,299 |
| Other investment | 60,227 | 18,597 |
| Goodwill | 14,282 | 14,282 |
| Finance lease receivable | - | 55 |
| Other receivables | 206 | 207 |
| Deferred tax assets | 305 | 305 |
| | 238,166 | 186,198 |
| Current assets | | |
| Inventories | 10,560 | 10,464 |
| Trade receivables | 12,384 | 11,875 |
| Finance lease receivable | 189 | 176 |
| Other receivables, deposits and prepayments | 40,848 | 51,980 |
| Tax recoverables | 1,981 | 1,533 |
| Cash and short term deposits | 64,691 | 83,301 |
| | 130,653 | 159,329 |
| TOTAL ASSETS | 368,819 | 345,527 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 468,848 | 468,848 |
| Irredeemable Convertible Preference Shares (ICPS) | 1,949 | 1,949 |
| Capital reserve | 2,200 | 2,200 |
| Warrants B reserve | 2,527 | 2,527 |
| Other reserve | (2,527) | (2,527) |
| Exchange reserve | (9,203) | (18,027) |
| Accumulated losses | (224,176) | (221,331) |
| Total equity attributable to owners of the Company | 239,618 | 233,639 |
| Non-controlling interest | (3,447) | (2,912) |
| | 236,171 | 230,727 |



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2022

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

| | Unaudited as at 31-Dec-22 RM'000 | Audited as at 30-Sep-22 RM'000 |
|---|--|--------------------------------------|
| Non-current liability | | |
| Lease liabilities | 9,193 | 7,265 |
| Deferred tax liabilities | 2,127 | 2,053 |
| | 11,320 | 9,318 |
| Current Liabilities | | |
| Trade payables | 23,176 | 22,764 |
| Other payable and accruals | 66,839 | 53,372 |
| Contract liability | 25,897 | 25,045 |
| Tax payable | - | 1 |
| Lease liabilities | 5,416 | 4,300 |
| | 121,328 | 105,482 |
| TOTAL LIABILITY | 132,648 | 114,800 |
| TOTAL EQUITY AND LIABILITIES | 368,819 | 345,527 |
| Net assets per share attributable to equity holders of the Company (sen) # | 4.74 | 4.63 |

Notes: -

The net assets per share attributable to equity holders of the Company is computed based on the net assets divided by 5,050,830,575 ordinary shares of the Company. The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2022 and the accompanying explanatory notes attached to this interim financial statements.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | <div>Attributable to owners of the parent</div> <div>Non-distributable</div> | | | | | | | | | | |
|---|--|--------|---------------|-----------|-----------------|------------------|-------------------|--------------------|---------|--------------------------|--------------|
| | Share Capital | ICPS | Other Reserve | Sub-total | Capital Reserve | Warrants Reserve | Exchange Reserves | Accumulated Losses | Total | Non-Controlling Interest | Total Equity |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 October 2022 | 468,848 | 1,949 | (2,527) | 468,270 | 2,200 | 2,527 | (18,027) | (221,331) | 233,639 | (2,912) | 230,727 |
| Loss for the financial period | - | - | - | - | - | - | - | (2,845) | (2,845) | (602) | (3,447) |
| Other comprehensive income | | | | | | | | | | | |
| Foreign currency translations | - | - | - | - | - | - | 8,824 | - | 8,824 | 67 | 8,891 |
| Total comprehensive income for the financial period | - | - | - | - | - | - | 8,824 | (2,845) | 5,979 | (535) | 5,444 |
| At 31 December 2022 | 468,848 | 1,949 | (2,527) | 468,270 | 2,200 | 2,527 | (9,203) | (224,176) | 239,618 | (3,447) | 236,171 |



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

| | Attributable to owners of the parent | | | | | | | | | | |
|---|--------------------------------------|--------|---------------|-----------|-------------------|------------------|-------------------|--------------------|----------|--------------------------|--------------|
| | | | | | Non-distributable | | | | | | |
| | Share Capital | ICPS | Other Reserve | Sub-total | Capital Reserve | Warrants Reserve | Exchange Reserves | Accumulated Losses | Total | Non-Controlling Interest | Total Equity |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 October 2021 | 432,150 | 1,949 | (2,527) | 431,572 | 2,200 | 2,527 | (1,694) | (131,927) | 305,714 | (1,776) | 303,938 |
| Loss for the financial period | - | - | - | - | - | - | - | (75,751) | (75,751) | (213) | (75,964) |
| Other comprehensive income | | | | | | | | | | | |
| Foreign currency translations | - | - | - | - | - | - | 639 | - | 639 | 2 | 641 |
| Total comprehensive income the financial period | - | - | - | - | - | - | 639 | (75,751) | (75,112) | (211) | (75,323) |
| Transactions with owners of the Company: | | | | | | | | | | | |
| Issuance of ordinary shares pursuant to: | | | | | | | | | | | |
| - Share options exercised | 27,398 | - | - | 27,398 | - | - | - | - | 22,238 | - | 22,238 |
| Share options granted | - | - | - | - | - | - | - | - | 4,521 | - | 4,521 |
| Share options expired | - | - | - | - | - | - | - | 7 | - | - | - |
| Total transactions with owners of the company | 27,398 | - | - | 27,398 | - | - | - | 7 | 26,759 | - | 26,759 |
| At 31 December 2021 | 459,548 | 1,949 | (2,527) | 458,970 | 2,200 | 2,527 | (1,055) | (207,671) | 257,361 | (1,987) | 255,374 |

Notes:-

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



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

| | Period Ended 31-Dec-22 RM'000 | Period Ended 31-Dec-21 RM'000 |
|---|--|--|
| CASH FLOWS FOR OPERATING ACTIVITIES | | |
| Loss before taxation | (3,357) | (75,955) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 3,703 | 3,204 |
| Amortisation of intangible assets | 836 | 870 |
| Share-based payment expenses | - | 4,521 |
| Gain on modification of lease contract: | | |
| - Modification of right-of-use assets | 121 | 46 |
| - Modification of Lease liability | (153) | (65) |
| Fair value adjustment on other investment | 570 | 18,464 |
| Impairment loss on: | | |
| - trade receivables | 739 | 890 |
| - investment in associates | - | 56,258 |
| Reversal of Impairment loss on investment in associates | (6,786) | - |
| Interest expense | 405 | 386 |
| Interest income | (248) | (582) |
| Lease interest income | (7) | (12) |
| Share of joint venture's (profit)/loss | (1,191) | 452 |
| Share of associate's profit | (874) | (2,439) |
| Covid-19 related rent concession | (9) | (86) |
| Unrealised loss on foreign exchange | 8,874 | 2,461 |
| Operating profit before working capital changes | 2,623 | 8,413 |
| Changes in working capital: | | |
| Inventories | (96) | (76) |
| Trade and other receivables | 9,937 | (3,146) |
| Finance lease receivables | 42 | 37 |
| Trade and other payables | (8,295) | 9,470 |
| | 1,588 | 6,285 |
| Cash generated from operations | 4,211 | 14,698 |



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

| | Period Ended 31-Dec-22 RM'000 | Period Ended 31-Dec-21 RM'000 |
|---|--|--|
| Interest received | 246 | 580 |
| Lease interest income | 7 | 12 |
| Interest paid | (405) | (386) |
| Tax paid | (464) | (180) |
| | <u>(616)</u> | <u>26</u> |
| Net cash generated from operating activities | 3,595 | 14,724 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of property, plant and equipment | (380) | (9,828) |
| Acquisition of intangible assets | (1,274) | (4,777) |
| Acquisition of other investments | - | (4,008) |
| Investments in associate | - | (50,199) |
| Acquisition of subsidiary, net of cash and cash equivalent acquired | (18,775) | - |
| Net cash used in investing activities | (20,429) | (68,812) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of lease liability | (1,340) | (1,113) |
| Proceeds from issuance of shares | - | 22,237 |
| Net cash (used in)/generated from financing activities | (1,340) | 21,124 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (18,174) | (32,964) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD | 83,301 | 163,767 |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS HELD | (436) | (64) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD | 64,691 | 130,739 |

Notes: -

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



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2022

A. Explanatory Notes Pursuant to MFRS 134

1. Basis of preparation

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

The unaudited interim financial report should be read in conjunction with the latest audited financial statements of XOX Bhd ("XOX" or the "Company") and its subsidiaries ("Group") for the financial year ended 30 September 2022.

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

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

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

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

2. Seasonality or cyclicity factors

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

3. Nature and amount of exceptional and extraordinary items

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

4. Changes in estimates

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

5. Debt and equity securities

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

6. Dividends Paid

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



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

7. Segment information

Segmental information is neither included in the internal management reports nor provided regularly to the Management as the Group operates principally in Malaysia and in one major business segment that is in the provision of mobile communication services and its related products.

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

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

- (a) On 10 February 2023, XOX Pro Sport Sdn. Bhd a wholly-owned subsidiary of XOX Bhd had entered into a Memorandum of Understanding ("MOU") with Kuala Lumpur City FC Sdn. Bhd. for the purpose to explore a business collaboration between the parties particularly in the scope of commercial activities, including sports marketing and management.
- (b) On 17 February 2023, XOX Pro Sport Sdn. Bhd a wholly-owned subsidiary of XOX Bhd had entered into a MOU with Negeri Sembilan Football Club Sdn. Bhd. for the purpose to explore a business collaboration between the parties particularly in the scope of commercial activities, including sports marketing and management.
- (c) On 18 February 2023, XOX Pro Sport Sdn. Bhd a wholly-owned subsidiary of XOX Bhd had entered into a MOU with Darulaman Football Club Sdn. Bhd. for the purpose to explore a business collaboration between the parties particularly in the scope of commercial activities, including sports marketing and management.
- (d) On 20 February 2023, XOX Pro Sport Sdn. Bhd a wholly-owned subsidiary of XOX Bhd had entered into a MOU with Sri Pahang Football Club Sdn. Bhd. for the purpose to explore a business collaboration between the parties particularly in the scope of commercial activities, including sports marketing and management.
- (e) On 25 February 2023, Perak FC Sdn. Bhd an indirect wholly-owned subsidiary of XOX Bhd had entered into a MOU with Tourism Perak Management Berhad for the purpose to explore a collaboration in assisting Perak Tourism particularly in the scope of tourism and promotional activities in the state of Perak.

9. Changes in the composition of the Group

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

- (a) Acquisition of 100% shares in Theron Holdings Sdn Bhd was completed on 13 December 2022.

10. Contingent liabilities and assets

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



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

11. Capital commitment

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

| | RM'000 |
|------------------------------|--------------|
| Approved and contracted for: | |
| - Capital Expenditure | <u>8,573</u> |

12. Significant related party transactions

(a) Identities of related parties

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

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

| | Quarter Ended 31 December 2022 RM'000 | Quarter Ended 31 December 2022 RM'000 |
|--|---|---|
| (i) Services to a related party: | | |
| - Web blasting | 44 | 56 |
| - Mobile services | 2 | 1 |
| - E-commerce services | 32 | 26 |
| - Rental income | 49 | 48 |
| (ii) Services from related parties: | | |
| - Rental charged | 58 | 48 |
| - Marketing and consultancy related expenses | 1,038 | 1,357 |
| - Printing & packaging | 178 | 220 |
| - Healthcare product | 141 | 15 |
| - Renovation | - | 12 |
| - Apparels | 120 | - |
| - Purchase of software/hardware | 68 | 1,255 |

13. Other Investments

Save for the funds of RM42.626 million placed with a licensed bank, invested in money market investments and short to medium-term fixed income instruments as at 31 December 2022, details of other investments are as follows:-

| Company | Nos of Share Held | Market Value RM |
|-----------------------------|-------------------|--------------------------|
| XOX Networks Berhad | 171,000,000 | 5,130,000 |
| Nexion Technologies Limited | 117,848,500 | 2,919,343 |
| DGB Asia Berhad | 256,000,000 | 3,840,000 |
| BioAlpha Holdings Berhad | 68,000,000 | 7,140,000 |
| Symphony Life Berhad | 98,090,536 | 41,198,025 |
| Total | | <u><u>60,227,368</u></u> |



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2022

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

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

| | Individual Quarter | | | | Cumulative Quarter | | | |
|--------------------|--------------------|-----------|----------|-------|--------------------|-----------|----------|-------|
| | Quarter | Quarter | Changes | | Period | Period | Changes | |
| | Ended | Ended | | | Ended | Ended | | |
| | 31-Dec-22 | 31-Dec-21 | RM'000 | % | 31-Dec-22 | 31-Dec-21 | RM'000 | % |
| | RM'000 | RM'000 | RM'000 | % | RM'000 | RM'000 | RM'000 | % |
| Revenue | 69,933 | 82,685 | (12,752) | -15% | 69,933 | 82,685 | (12,752) | -15% |
| Earnings/(Losses) | | | | | | | | |
| Before Interest | | | | | | | | |
| Tax Depreciation | | | | | | | | |
| & Amortisation | | | | | | | | |
| ("EBITDA/LBITDA") | 1,332 | (72,089) | 73,421 | -102% | 1,332 | (72,089) | 73,421 | -102% |
| Loss Before Tax | | | | | | | | |
| ("LBT") | (3,357) | (75,955) | 72,598 | -96% | (3,357) | (75,955) | 72,598 | -96% |
| Loss After Tax | | | | | | | | |
| ("LAT") | (3,447) | (75,964) | 72,517 | -95% | (3,447) | (75,964) | 72,517 | -95% |
| Loss Attributable | | | | | | | | |
| to Ordinary Equity | | | | | | | | |
| Holders of the | | | | | | | | |
| Parent | (2,845) | (75,751) | 72,906 | -96% | (2,845) | (75,751) | 72,906 | -96% |

The lower revenue from postpaid plans and devices recorded in the current quarter has resulted the Group's revenue trimmed to RM69.93 million, a 15% down compared to the previous corresponding quarter.

EBITDA stood at RM1.33 million, up 102% versus the previous corresponding quarter, attributed to the marginal impact of the quoted share investment in the reporting quarter compared to the fair value changes of RM74.72 million and RM4.51 million share-based payment expenses recorded in the corresponding quarter.



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

2. Performance of the current quarter against the preceding quarter

| | Current Quarter 31-Dec-22 RM'000 | Immediate Preceding Quarter 30-Sep-22 RM'000 | Changes | |
|---|---|--|---------|-------|
| | | | RM'000 | % |
| Revenue | 69,933 | 68,633 | 1,300 | 2% |
| Earnings/(Loss) Before Interest Tax Depreciation & Amortisation ("EBITDA/LBITDA") | 1,332 | (12,820) | 14,152 | -110% |
| Loss Before Tax ("LBT") | (3,357) | (17,302) | 13,945 | -81% |
| Loss After Tax ("LAT") | (3,447) | (19,788) | 16,341 | -83% |
| Loss Attributable to Ordinary Equity Holders of the Parent | (2,845) | (19,364) | 16,519 | -85% |

The Group's revenue remained stable at RM69.93 million in the first quarter of 2023, up 2% on a quarterly basis; attributed to the healthy growth in the prepaid segment, which was driven by the acceleration of targeted campaigns and on-ground activities under the WAWA18 plan.

EBITDA stood at RM1.33 million, up 110% on a quarterly basis, attributed to the marginal impact of the quoted share investment in the current quarter compared to the fair value changes of RM20.85 million in Q4 2022.

3. Prospects and business outlook

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

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

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

4. Profit forecast or profit guarantee

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



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

5. Qualification of preceding audited financial statements

There was no audit qualification reported in the audited financial statements of the Group for the financial year ended 30 September 2022.

6. Loss before tax

| | Individual Quarter | | Cumulative Quarter | |
|---|--------------------|-----------|--------------------|-----------|
| | Quarter | Quarter | Period | Period |
| | Ended | Ended | Ended | Ended |
| | 31-Dec-22 | 31-Dec-21 | 31-Dec-22 | 31-Dec-21 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Amortisation of Intangible assets | 836 | 870 | 836 | 870 |
| Depreciation of property, plant and equipment | 3,703 | 3,204 | 3,703 | 3,204 |
| Fair value adjustment on other investment | 570 | 18,464 | 570 | 18,464 |
| Interest expense | 405 | 386 | 405 | 386 |
| Interest income | (248) | (582) | (248) | (582) |
| Lease Interest Income | (7) | (12) | (7) | (12) |
| Impairment loss: | | | | |
| - Trade receivables | 739 | 890 | 739 | 890 |
| - Investment in Associates | - | 56,258 | - | 56,258 |
| Reversal of Impairment loss on investment in associates | (6,786) | - | (6,786) | - |
| Share options granted under ESOS/SIS | - | 4,521 | - | 4,521 |

7. Income Tax Expense

| | Individual Quarter | | Cumulative Quarter | |
|---|--------------------|-----------|--------------------|-----------|
| | Quarter | Quarter | Period | Period |
| | Ended | Ended | Ended | Ended |
| | 31-Dec-22 | 31-Dec-21 | 31-Dec-22 | 31-Dec-21 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income Tax: | | | | |
| - Current | 16 | - | 16 | - |
| Deferred Tax | | | | |
| - Relating to origination & reversal of temporary differences | 74 | 9 | 74 | 9 |
| Income tax expenses | 90 | 9 | 90 | 9 |

The effective tax rate of the Group for the current quarter and financial year to-date is slightly lower than the statutory income tax rate mainly due to utilisation of tax losses and unabsorbed capital allowances.



XOX BHD

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2022

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

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

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

9. Corporate proposals and utilisation of proceeds

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

A. On 24 May 2022, XOX Bhd has entered into a MOU with Majlis Bandaraya Ipoh ("MBI") for the purpose to solidify the parameters and lay the foundation for formalisation of the strategic technology partnership to collectively enhance the current infrastructure and services provided by MBI to the residents of Ipoh, by virtue of digitalisation, augmented reality application, cashless applications and automation. To date, both parties are still in the midst of discussion.

B. On 12 October 2022, Perak FC Sdn Bhd, an indirect wholly-owned subsidiary of XOX Bhd had entered into a MOU with VFL WOLFSBURG-FUßBALL GMBH ("Wolfsburg") to setup a working executive committee to build a commercial and professional sporting partnership framework between both football clubs, focusing on 3 key areas, youth development, technology transfer and merchandising opportunities. To date, both parties are still in the midst of discussion.

C. Utilisation of proceeds from various corporate exercises as at 31 December 2022:-

Private Placement (Completed on 23 July 2020)

| Details | Proposed Utilisation (based on acceptance applications for Private Placement) RM | Actual Utilisation RM | Balance Available for Utilisation RM |
|---|--|-----------------------------|---|
| (a) Investment in the business of smart vending machine | 19,063,140 | 10,010,000 | 9,053,140 |
| (b) Expenses incurred for the Private Placement | 600,000 | 600,000 | - |
| Total | 19,663,140 | 10,610,000 | 9,053,140 |

Private Placement (Completed on 15 December 2020)

| Details | Proposed Utilisation (based on acceptance applications for Private Placement) RM | Actual Utilisation RM | Balance Available for Utilisation RM |
|--|--|-----------------------------|---|
| (a) Fintech Business Expansion | 48,000,000 | 33,202,023 | 14,797,977 |
| (b) Rebranding exercise to reposition the XOX brand into a Fintech solution and telecommunication provider | 5,000,000 | 1,678,635 | 3,321,365 |
| (c) Marketing and promotional expenses for the Fintech Business Expansion | 7,060,845 | 6,268,928 | 791,917 |
| (d) Expenses for the Private Placement | 570,000 | 570,000 | - |
| | 60,630,845 | 41,719,586 | 18,911,259 |



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2022

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

10. Group Borrowings

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

| | Unaudited As at 31-Dec-22 RM'000 | Audited As at 30-Sep-22 RM'000 |
|--------------------------|---|---|
| Lease Liabilities | | |
| Short-term | 5,416 | 4,300 |
| Long-term | 9,193 | 7,265 |

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

11. Trade Receivables

| Descriptions | Unaudited As at 31-Dec-22 RM'000 | Audited As at 30-Sep-22 RM'000 |
|---------------------------------------|---|---|
| Trade Receivables | 19,568 | 18,321 |
| Less: Allowance for impairment losses | (7,184) | (6,446) |
| | <u>12,384</u> | <u>11,875</u> |

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

12. Material litigation

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



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2022

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

13. Earnings per share

| | Individual Quarter | | Cumulative Quarter | |
|---|----------------------|----------------------|----------------------|----------------------|
| | Quarter Ended | Quarter Ended | Period Ended | Period Ended |
| | 31-Dec-22 | 31-Dec-21 | 31-Dec-22 | 31-Dec-21 |
| Basic loss per share: | | | | |
| Loss after tax attributable to the Owners of the Company (RM,000) | <u>(2,845)</u> | <u>(75,751)</u> | <u>(2,845)</u> | <u>(75,751)</u> |
| Weighted average number of ordinary shares ('000) | 5,050,831 | 4,141,742 | 5,050,831 | 4,141,742 |
| Basic loss per share (sen) | <u>(0.06)</u> | <u>(1.83)</u> | <u>(0.06)</u> | <u>(1.83)</u> |

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