

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has not perused the contents of Part A of this Circular prior to its issuance as they are exempt document pursuant to provision of Guidance Note 22 of the ACE Market Listing Requirements of Bursa Securities (“**AMLR**”).

Bursa Securities has only perused the contents of Part B of this Circular on a limited review basis pursuant to provisions of Guidance Note 22 of the AMLR prior to its issuance.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

- (I) PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**
- (II) PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**(“PROPOSED SHAREHOLDERS’ MANDATE”)**

The Ordinary Resolution in respect of the above Proposal set out in this Circular will be tabled at the 23rd Annual General Meeting (“**AGM**”) of XOX TECHNOLOGY BERHAD (“**XOXTech**”). The Notice of the 23rd AGM together with the Form of Proxy are set out in Annual Report of XOXTech for the financial year ended 31 March 2023 (“**Annual Report 2023**”) which is despatched together with this Circular.

As a shareholder, you can appoint a proxy or proxies to attend and vote on your behalf. The Form of Proxy must be completed and deposited at the registered office of the Company at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, W.P. Kuala Lumpur or fax to 03-6413 3270 or email to [infosr@wscs.com.my](mailto:infosr@wscs.com.my) not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 23rd AGM should you subsequently wish to do so.

Date and time of the 23rd AGM	:	Wednesday, 6 September 2023 at 2.30 p.m.
Broadcast Venue of the 23rd AGM	:	Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan
Last date and time for lodging the Form of Proxy	:	Monday, 4 September 2023 at 2.30 p.m.

**This Circular is dated 31 July 2023**

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

<b>Act</b>	:	The Companies Act 2016, as amended from time to time and any re-enactment thereof
<b>AGM</b>	:	Annual General Meeting
<b>AMLR</b>	:	ACE Market Listing Requirements of Bursa Securities, including any amendments that may be made from time to time
<b>Annual Report 2023</b>	:	Annual Report of XOXTech issued for the financial year ended 31 March 2023
<b>Audit Committee</b>	:	Audit Committee of XOXTech
<b>Board</b>	:	Board of Directors of XOXTech
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad [Registration No.: 200301033577 (635998-W)]
<b>CEO</b>	:	Chief Executive Officer
<b>Circular</b>	:	This circular dated 31 July 2023 to the shareholders of XOXTech in relation to the Proposal
<b>DGB</b>	:	DGB Asia Berhad [Registration No. 200601001857 (721605-K)]
<b>DGB Group</b>	:	DGB and its subsidiaries (including all future subsidiaries which are acquired/incorporated by DGB Group before the next AGM of the Company)
<b>Director(s)</b>	:	The meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the respective RRPTs were agreed upon, a director of XOXTech, its subsidiary or holding company of XOXTech or a chief executive of the XOXTech, its subsidiary or holding company
<b>LPD</b>	:	26 July 2023, being the latest practicable date prior to the printing of this Circular
<b>Major Shareholder(s)</b>	:	A person who has an interest or interests in one or more voting shares in XOXTech and the number or aggregate number of those shares, is:  (a) 10% or more of the total number of voting shares in XOXTech; or  (b) 5% or more of the total number of voting shares in XOXTech where such person is the largest shareholder of XOXTech

This includes any person who is or was within the preceding 6 months of the date on which the terms of the RRPTs were agreed upon, a major shareholder of XOXTech or any other company which is its subsidiary or holding company of XOXTech

For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act

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**DEFINITIONS (CONT'D)**

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- Person(s) Connected** : In relation to a Director or a Major Shareholder (collectively referred to as the "**said Person**"), means such person who falls under any one of the following categories:
- (a) A family member of the said Person, which means such person who falls within any one of the following categories:
    - (i) spouse;
    - (ii) parent;
    - (iii) child including an adopted child and step-child;
    - (iv) brother or sister; and
    - (v) spouse of the person referred to in items (iii) and (iv) above
  - (b) A trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person or a family member of the said Person is the sole beneficiary;
  - (c) A partner of the said Person, which means such person who falls within any one of the following categories:
    - (i) a person with whom the said Person, is in or proposes to enter into partnership with. "Partnership" for this purpose refers to a "partnership" as defined in Section 3 of the Partnership Act 1961 or "limited liability partnership" as defined in Section 2 of the Limited Liability Partnerships Act 2012, as the case may be; or
    - (ii) a person with whom the said Person has entered or proposes to enter into a joint venture, whether incorporated or not.
  - (d) A person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
  - (e) A person, or whether the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under obligation, whether formal or informal, to act;
  - (f) A body corporate in which the said Person, or person connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
  - (g) A body corporate which is a related corporation of the said Person.

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**DEFINITIONS (CONT'D)**

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**Percentage Ratios**

“percentage ratios” means the figures, expressed as a percentage, resulting from each of the following calculations:

- (i) the value of the assets which are the subject matter of the transaction, compared with the net assets of the listed corporation;
- (ii) net profits of the assets which are the subject matter of the transaction, compared with the net profits attributable to the owners of the listed corporation (before other comprehensive income or loss);
- (iii) the aggregate value of the consideration given or received in relation to the transaction, compared with the net assets of the listed corporation;
- (iv) the number of shares issued by the listed corporation as consideration for an acquisition, compared with the total number of shares previously in issue (excluding treasury shares);
- (v) the aggregate value of the consideration given or received in relation to the transaction, compared with the market value of all the ordinary shares of the listed corporation (excluding treasury shares);
- (vi) the total assets which are the subject matter of the transaction compared with the total assets of the listed corporation;
- (vii) in respect of joint ventures, business transactions or arrangements, the total project cost attributable to the listed corporation compared with the total assets of the listed corporation or in the case where a joint venture corporation is incorporated as a result of the joint venture, the total equity participation of the listed corporation in the joint venture corporation (based on the eventual issued capital of the joint venture corporation) compared with the net assets of the listed corporation. The value of the transaction should include shareholders' loans and guarantees to be given by the listed corporation; or
- (viii) the aggregate original cost of investment of the subject matter of the transaction divided by the net assets of the listed corporation, in the case of a disposal and where the acquisition of the subject matter took place within the last 5 years.

**Proposed New Shareholders' Mandate** : Proposed new shareholders' mandate for RRPTs to be entered into by XOXTech Group from the date of the forthcoming AGM until the next AGM

**Proposed Renewal of Existing Shareholders' Mandate** : Proposed renewal of existing shareholders' mandate for RRPTs to be entered into by XOXTech Group from the date of the forthcoming AGM until the next AGM

**Proposal or Proposed Shareholders' Mandate** : Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate

**Recurrent Related Party Transaction(s) or RRPT(s)** : Recurrent Related Party Transaction(s) which is/are recurrent, of a revenue and/or trading nature and which is/are necessary for the day-to-day operations of XOXTech Group within the ordinary course of business of XOXTech Group

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**DEFINITIONS (CONT'D)**

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<b>Related Party Related Parties</b>	<b>or</b>	:	Director(s), Major Shareholder(s) and/or person(s) connected with such Director(s) or Major Shareholder(s)
<b>RM and sen</b>		:	Ringgit Malaysia and sen respectively
<b>Substantial Shareholder</b>		:	A person who has interest or interests in one or more voting Shares in XOXTech and the number or the aggregate number of such shares is not less than 5% of the total number of all the voting Shares included in XOXTech
<b>XOX</b>		:	XOX Berhad [201001016682 (900384-X)]
<b>XOX Group</b>		:	XOX and its subsidiaries (including all future subsidiaries which are acquired/incorporated by DGB Group before the next AGM of the Company)
<b>XOXTech Company</b>	<b>or</b>	<b>the</b>	XOX TECHNOLOGY BERHAD [Registration No.: 199901007872 (482772-D)]
<b>XOXTech Group</b>	<b>Group</b>	<b>or</b>	XOXTech and its subsidiaries (including all future subsidiaries which are acquired/incorporated by XOXTech Group before the next AGM of the Company), collectively
<b>XOXTech Shares</b>	<b>Shares</b>	<b>or</b>	Ordinary Shares in XOXTech

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

All references to “you” in this Circular are to the shareholders of our Company.

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TECHNOLOGY

**XOX TECHNOLOGY BERHAD**

Registration No. 199901007872 (482772-D)  
(Incorporated in Malaysia)

**Registered Office**

A3-3-8, Solaris Dutamas  
No. 1, Jalan Dutamas 1  
50480 Kuala Lumpur  
W.P. Kuala Lumpur

31 July 2023

**Board of Directors**

Chew Shin Yong, Mark (*Executive Chairman*)  
Nicholas Wong Yew Khid (*Executive Director*)  
Yong Ket Inn (*Independent Non-Executive Director*)  
Chen Chee Peng (*Independent Non-Executive Director*)  
Fan Yoke Ying (*Independent Non-Executive Director*)  
Datuk Chai Woon Chet (*Non-Independent Non-Executive Director*)

**To: The Shareholders of XOXTech**

Dear Sir/Madam,

- (I) **THE RENEWAL OF PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**
- (II) **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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**1. INTRODUCTION**

On 27 July 2023, the Board announced the Company's intention to seek the shareholders' approval the Proposed Shareholders' Mandate for RRPT. The existing authority for shareholders' mandate shall in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM, unless renewal is obtained from the shareholders of XOXTech at the said AGM.

In accordance with Section 3.1.5 of Guidance Note 8 of the Listing Requirements, disclosure has been made in the Annual Report 2023 of the Company of the actual breakdown of the aggregate value of the Recurrent Transactions undertaken pursuant to the Shareholders' Mandate during the financial year ended 31 March 2023.

This Circular serve to provide you with the relevant information on the Proposed Shareholders' Mandate and to set out your Board's recommendation thereon and to seek your approval for the ordinary resolution to be tabled at the forthcoming 23rd AGM to be convened and held on Wednesday, 6 September 2023 at 2.30 p.m. The Notice of the 23rd AGM together with the Form of Proxy are enclosed in the Annual Report 2023 of XOXTech.

**SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE.**

## 2. PROPOSED SHAREHOLDERS' MANDATE

### 2.1 The Listing Requirements

Pursuant to Rule 10.09(2) of the Listing Requirements, a listed issuer may seek a shareholders' mandate in respect of RRPT which are necessary for its day-to-day operations subject to the following:

- a. the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- b. the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the prescribed threshold below in relation to a listed issuer with an issued share capital which is less than RM60 million:
  - (i) the consideration, value of the assets, capital outlay or costs of the RRPTs is RM1 million or more; or
  - (ii) the percentage ratio of such RRPTs is 1% or more,whichever is the lower;
- c. the circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities;
- d. in a meeting to obtain a shareholders' mandate, the relevant related party must comply with the following requirements:
  - (i) a related party with any interest, direct or indirect ("**interested related party**") must not vote on the resolution in respect of the related party transaction;
  - (ii) an interested related party who is a director or major shareholder must ensure that persons connected with it abstain from voting on the resolution in respect of the related party transaction; and
  - (iii) where the interested related party is a person connected with a director or major shareholder, such director or major shareholder must not vote on the resolution in respect of the related party transaction.
- e. the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include such information prescribed by Bursa Securities in its announcement.

In this regard, the Board proposes to seek shareholders' mandate for XOXTech Group for the Proposed Shareholders' Mandate. The Proposed Shareholders' Mandate will allow XOXTech Group, in the normal course of business, to enter into arrangements or transactions with the Related Parties, details of which are set out in Section 2.3 below, which are necessary for the day-to-day operations of the XOXTech Group and are based on normal commercial terms that are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of XOXTech.

If approved, the Proposed Shareholders' Mandate shall be valid for the period described in Section 2.4 below.



## 2.2 Principal activities of XOXTech Group

XOXTech is principally engaged in the provision of mobile solutions whilst its subsidiaries are principally involved in distribution and retailing of fast-moving electronic goods and related products, e-commerce and provision of e-Educational services.

As at LPD, the principal activities of its subsidiaries are as follows:

Name of company	Effective interest (%)	Principal activities
<b><u>Subsidiaries</u></b>		
Byteforge Sdn. Bhd.	100%	Information technology service activities
M3 Mobile Technologies (S) Pte. Ltd.	100%	Provision of mobile solutions
Messaging Technologies (H.K.) Ltd. ("M3Tech HK")	100%	Provision of mobile solutions; distribution and retailing of fast-moving electronic goods and related products
M3 Technologies (Thailand) Co., Ltd.	95%	Provision of mobile solutions; distribution and retailing of fast-moving electronic goods and related products
M3 Technologies Pakistan (Private) Ltd. ("M3Tech Pakistan")	60%	Provision of mobile solutions
PT Surya Genta Perkasa	80%	Provision of mobile solutions; distribution and retailing of fast-moving electronic goods and related products
Virtue Partners International Ltd.	100%	Investment holding company
<b><u>Held under M3Tech HK</u></b>		
M3 Technologies (Xiamen) Co., Ltd. ("M3Tech Xiamen")	95%	Provision of mobile solutions
M3 Technologies (Shen Zhen) Co., Ltd.	100%	Distribution and retailing of fast-moving electronic goods and related products
<b><u>Held under M3Tech Pakistan</u></b>		
M3 Technologies Middle East FZE	100%	Provision of mobile solutions; distribution and retailing of fast-moving electronic goods and related products

## 2.3 Related Parties and Nature of RRPT Contemplated under the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate will apply to the following Related Parties.

The principal activity of XOX is investment holding while its subsidiary companies are mainly involved in provision of mobile telecommunication products and services. The details of XOX's subsidiaries as well as their principal activities as at the LPD are set out in the table below:

<b>Transacting Related Party</b>	<b>Principal Activities</b>
XOX Com Sdn. Bhd.	Provision of mobile telecommunication products and services
XOX Media Sdn. Bhd.	Provision of mobile application services
XOX Wallet Sdn. Bhd.	Provision of mobile wallet services and the trading of telecommunications airtime as a traded commodity for Shariah compliant financing
One XOX Sdn. Bhd.	Provider of mobile telecommunication products and services
X Style Sdn. Bhd.	Provision of mobile virtual network operator services and broadband internet services
<b>Company held by XOX Com Sdn. Bhd.</b>	
XOX Mobile Sdn. Bhd.	Agent for marketing, promotion, support services and managing the distribution channels of mobile telecommunication products and services

The principal activity of DGB is investment holding company while its subsidiary companies are mainly involved in provision of mobile telecommunication products and services. The details of DGB's subsidiaries as well as their principal activities as at the LPD are set out in the table below:

<b>Transacting Related Party</b>	<b>Principal Activities</b>
DGB Networks Sdn. Bhd.	Business of courier services, vending machine, software customisation and development, other related activities and investment holding
DGB Properties Sdn. Bhd.	Business of wholesale and retail dealers in digital scan equipment and related products
DGB Asia Capital Sdn. Bhd.	Dormant
CLI Investment Limited	Investment in and operation of a hotel
<b>Subsidiaries of DGB Networks Sdn. Bhd.</b>	
Spacedx Sdn. Bhd.	Business of vending machines and other related activities, renting and leasing of other machinery, equipment and tangible goods and advertising activities through vending machines
DGB Express Sdn. Bhd.	Business as retailers of all kinds of products through various channels such as brick and mortar stores, online platforms, direct sales, door-to-door sales persons, vending machines and others
<b>Subsidiaries of DGB Asia Capital Sdn. Bhd.</b>	
DGB Asia Capital Limited	Dormant

The details and nature of RRPT contemplated for which the Proposed Shareholders' Mandate (based on XOX Tech Group structure as at LPD) is sought are set out below:

(i) **Proposed Renewal of Shareholders' Mandate**

Transacting Party	Related Party	Nature of transaction	Estimated value as disclosed in the preceding Circular dated 29 July 2022 (RM'000)	Actual value from April 2022 to March 2023 (RM'000)	Estimated aggregate value from the forthcoming 23rd AGM until the next AGM (RM'000)	Interested Directors/ Major Shareholders and nature of their relationship with Related Party
XOXTech Group	XOX Group	Provision of short message service (SMS) connection for SMS broadcasting and banking SMS service by XOX Group	300	158	300	XOX is a major shareholder of XOXTech <sup>(1)</sup>  Refer to Note (2) below
		Provision of short message service (SMS) connection for SMS broadcasting and banking SMS service to XOX Group	200	11	200	
		Provision of software development, licensing, maintenance and support service to XOX Group	500	43	500	
		Provision of i3Display panel service to XOX Group	1,500	27	1,500	

**Notes:**

- (1) As at LPD, XOX holds 32,049,200 Shares representing shareholding of 3.586% in XOXTech, and 199,830,800 Shares representing shareholding of 22.362% deemed interested in the shares held by XOX (Hong Kong) Limited pursuant to Section 8 of the Companies Act 2016.
- (2) The Company confirmed that the percentage ratio for the RRPT(s) from the date of the first transaction up to the date of the Company's forthcoming EGM will not exceed 5%.

**(ii) Proposed New Shareholders' Mandate**

Transacting Party	Related Party	Nature of transaction	Estimated aggregate value from the forthcoming 23 <sup>rd</sup> AGM until the next AGM (RM'000)	Actual value transacted from the date of the first transaction up to LPD (RM'000)	Interested Directors/ Major Shareholders and nature of their relationship with Related Party
XOXTech Group	DGB Group	Provision of short message service (SMS) connection for SMS broadcasting and SMS service to DGB Group	20	9	Refer to Note (1), (2), and (3) below.
		Provision of software development, licensing, maintenance and support service to DGB Group	500	1,124	
		Provision of advertising service by DGB Group	1,000	-	
		Provision of vending machine maintenance and support service and subscription package by DGB Group	1,000	-	
		Provision of logistics, fulfilment, warehousing and storage services by DGB Group	60	-	
		Provision of i3Display panel service to DGB Group	420	1,875	

**Notes:**

- (1) As at LPD, XOX holds 32,049,200 Shares representing shareholding of 3.586% in XOXTech, and 199,830,800 Shares representing shareholding of 22.362% deemed interested in the shares held by XOX (Hong Kong) Limited pursuant to Section 8 of the Companies Act 2016. XOX is also a major shareholder of DGB.
- (2) Mr. Nicholas Wong Yew Khid is an Executive Director of XOXTech. He also sits on the board of DGB as an Executive Director and also the board of subsidiaries of DGB as a director.
- (3) Mr. Chen Chee Peng is an Independent Director of XOX Tech and DGB.
- (4) The Company confirmed that the percentage ratio for the RRPT(s) from the date of the first transaction up to the date of the Company's forthcoming EGM will not exceed 5%.
- (5) Rule 10.08 applied that any one of the percentage ratios of a RPT entered into between subsidiary of XOXTech Group and DGB group, is 5% or more and there are no other interested relationships except for a related party having an interest in the transaction who is -
  - (a) a director or major shareholder of such subsidiary or the holding company of such subsidiary (other than the listed corporation or the holding company of the listed corporation) ("said director" or "said major shareholder"); or
  - (b) a person connected with the said director or said major shareholder;

XOXTech is exempted from -

    - (i) appointing an independent adviser or engaging the services of a Sponsor or Adviser;
    - (ii) issuing a circular to shareholders; and
    - (iii) obtaining shareholder approval of the transaction in general meeting,

provided that the Board of XOXTech -

    - (aa) approves the transaction before the terms of transaction are agreed upon; and
    - (bb) ensures that the transaction is fair and reasonable to the listed corporation, and is in the best interests of the listed corporation.

XOXTech must still comply with the requirements in Rule 10.07, Part F or Part F(A), as the case may be, if any one of the percentage ratios of the related party transaction under this subRule is 25% or more.

## **2.4 Validity Period of the Proposed Shareholders' Mandate**

The authority from the shareholders of XOXTech to undertake the Proposed Shareholders' Mandate, if granted, shall be effective upon the passing of the ordinary resolution proposed at the forthcoming AGM and shall continue to be in force until:

- a. the conclusion of the next AGM of XOXTech following the general meeting at which the ordinary resolution for the Proposed Shareholders' Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- b. the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the Act [but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act]; or
- c. revoked or varied by ordinary resolution passed by the shareholders of XOXTech at a general meeting of XOXTech,

whichever is the earlier.

## **2.5 Amount due and owing by the Related Parties pursuant to RRPT**

As at the LPD, there is no amount due and owing to XOXTech by Related Parties pursuant to RRPT which has exceeded the credit term. As such, the disclosures as required under items 16A and 16B in Annexure GN8-A of the Listing Requirements are not applicable.

## **2.6 Review and Disclosure Procedures for RRPT**

XOXTech Group has established the following procedures to ensure that the RRPTs are undertaken on an arm's length basis, at transaction prices and on normal commercial terms consistent with XOXTech Group's usual business practices and policies, which are no more favourable to the Related Parties than those extended to third parties/public and are not detrimental to the interest of the minority shareholders of XOXTech.

The review and disclosure procedures are as follows:

- (i) Any tender, quotation or contract received from or proposed to be entered with a Related Party will be reviewed by the senior management of the Group who will ascertain if it is an approved RRPT. Such tender, quotation or contract will not be approved unless the terms offered to the Group are comparable with those offered by other unrelated parties for the same or substantially similar type of transactions. The RRPT with a Related Party will only be entered into after taking into account, the pricing, quality, deliverables, level of service and other related facts including competitors' prices of similar products and services in the open market;
- (ii) Records will be maintained by the Group to capture all RRPT entered into pursuant to the Proposed Shareholders' Mandate for RRPT to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to;
- (iii) All RRPT entered into pursuant to the Proposed Shareholders' Mandate for RRPT will be tabled to the Audit Committee for review on a quarterly basis. In its review of such RRPT, the Audit Committee may, as it deems fit, request for additional information pertaining to the RRPT from independent sources;
- (iv) The pricing for services and products to be provided/supplied and/or received is determined based on the Group's business practices and policies to ensure that prices and terms and conditions are based on competitive prices of similar products and services in the open market;
- (v) At least two (2) other contemporaneous transactions with unrelated third parties for substantially similar products and/or services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties, for the same or substantially similar type of products/services

and/or quantities;

- (vi) In the event that quotations or comparative pricing from unrelated third parties cannot be obtained for the proposed transactions; the Audit Committee shall review the transaction price based on the usual business practices of the Group to ensure that the RRPT are not detrimental to XOXTech and the Group;
- (vii) The RRPT which is below RM1.0 million in value for each transaction is subject to the approval of any one of the Executive Directors of the Company; and
- (viii) The RRPT which is RM1.0 million and above or 1% of any percentage ratios shall be reviewed and approved by the Audit Committee and the Board before the transaction is entered into.

### **3. AUDIT COMMITTEE STATEMENT**

The Audit Committee of XOXTech has seen and reviewed the procedures set forth in Section 2.5 above and is of the opinion that the procedures and processes are sufficient to ensure that the RRPTs are carried out at arms' length basis, on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interests of the minority shareholders.

The Audit Committee of XOXTech is also of the view that the Group has in place adequate procedures and processes to monitor, track and identify the RRPT in a timely and orderly manner, and such procedures and processes are reviewed by the Audit Committee on a yearly basis or whenever the need arises.

### **4. RATIONALE AND BENEFITS OF THE PROPOSAL**

#### **4.1 Rationale**

The Proposed Shareholders' Mandate will enhance the Group's ability to pursue business opportunities which are time-sensitive in nature. It will also eliminate the need for convening of general meetings on an ad hoc basis and hence will reduce substantially the administrative time, inconvenience and the expenses associated therewith.

#### **4.2 Benefits**

Some of the benefits to be derived from the RRPT are as follows:

- a. the Related Parties with whom the Group transacts are reliable suppliers of the goods/services required for the Group's business and therefore, risk of any interruption to the Group's day-to-day operations would be minimised;
- b. the RRPT creates mutual benefits for the Group, such as expediency and increased efficiency which are necessary for its day-to-day operations; and
- c. the Group also benefits from the close business relationship with the Related Parties whereby prompt and better service can be obtained as the Related Parties have in-depth understanding of the Group's businesses and industries in which the Group operates.

### **5. DISCLOSURE IN ANNUAL REPORT**

Disclosure will be made in XOXTech's annual report in respect of the Proposed Shareholders' Mandate and in the annual reports for subsequent years that the Proposed Shareholders' Mandate

continues to be in force in accordance with applicable accounting standards and Rule 3.1.5 of Guidance Note 8 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPT made during the financial year, amongst others, based on the following information:

- a. The types of the RRPT made; and
- b. The names of the Related Party involved in each type of the RRPT made and their relationship with the Group.

## 6. APPROVAL REQUIRED FOR THE PROPOSAL

The Proposed Shareholders' Mandate is conditional upon approval being obtained from the shareholders of XOXTech at the forthcoming 23rd AGM to be convened.

## 7. DETAILS OF THE SUMS DUE AND OWING BY THE RELATED PARTIES

As at LPD, there was no amount due and owing to XOXTech Group by Related Parties pursuant to RRPT which has exceeded the credit term. As such, the disclosures as required in Annexure GN8-A of the Listing Requirements are not applicable.

## 8. EFFECTS OF THE PROPOSAL

The Proposed Shareholders' Mandate will not have any effect on the issued share capital and the Major Shareholders' shareholdings in XOXTech and is not expected to have any material effect on the net assets, gearing and earnings of XOXTech Group.

## 9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

As at LPD, the interests of the interested Directors and/or Major Shareholders of XOXTech and/or Person Connected to them in the Proposal are as follows:

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
XOX	32,049,200	3.59	199,830,800(1)	22.36
XOX (Hong Kong) Limited	199,830,800	22.36		
Mr. Nicholas Wong yew Khid <sup>(2)</sup>	-	-	-	-
Mr. Chen Chee Peng <sup>(3)</sup>	-	-	-	-

### Notes:

- (1) Deemed interested in the shares held by XOX (Hong Kong) Limited pursuant to Section 8 of the Act.
- (2) Mr. Nicholas Wong Yew Khid is an Executive Chairman of XOXTech and he is an Executive Director of DGB. He also sits on the board of subsidiaries of XOX and DGB as a director.
- (3) Mr. Chen Chee Peng is an Independent Director of XOXTech and DGB.

Mr. Nicholas Wong Yew Khid and Mr. Chen Chee Peng ("Interested Directors") had abstained and/or will continue to abstain from all Board deliberations and voting on the resolution pertaining to the Proposed Shareholders' Mandate.

Accordingly, the Interested Directors and/or shareholders ("Interested Directors and/or Shareholders") of XOXTech will abstain from deliberation and voting in respect of their direct and indirect shareholdings in XOXTech on the resolution on the Proposed Shareholders' Mandate at the forthcoming 23rd AGM of XOXTech. The Interested Directors and/or Shareholders have also undertaken to ensure that the Persons Connected to them, if any, will abstain from deliberation and voting in respect of their direct and indirect shareholdings on the resolution on the Proposed Shareholders' Mandate at the forthcoming AGM of XOXTech.

Save as disclosed above, none of the other Director and/or Major Shareholders or persons connected with Director or Major Shareholders of XOXTech have any interest, directly or indirectly in the Proposed Shareholders' Mandate.

#### **10. DIRECTORS' STATEMENT AND RECOMMENDATION**

The Board (save for the Interested Directors) having considered all aspects of the Proposal, is of the opinion that the Proposal is in the best interest of XOXTech Group, are fair, reasonable and on normal commercial terms and not detrimental to the interest of the minority shareholders.

Accordingly, the Board (save for the Interested Director) recommends that you vote in favour of the resolution pertaining to the Proposal to be tabled at the forthcoming 23rd AGM.

#### **11. 23RD ANNUAL GENERAL MEETING**

The 23rd AGM of XOXTech, the extract of the Notice of 23rd AGM of which is enclosed in this Circular, will be conducted on a virtual basis through live streaming and online remote participation and voting from the Broadcast Venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 24 August 2023 at 10.00 a.m. for the purpose of considering and if thought fit, passing, inter alia, the ordinary resolution for the Proposed Shareholders' Mandate as described therein.

If you are unable to attend and vote in person at the 23rd AGM, you are requested to complete and return the Form of Proxy enclosed in the Annual Report 2023 in accordance with the instructions thereon as soon as possible and in any event so as to arrive at the registered office of the Company at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, W.P. Kuala Lumpur.

#### **12. FURTHER INFORMATION**

Shareholders are requested to refer to Appendix I contained in this Circular for further information.

Yours faithfully  
For and on behalf of the Board  
**XOX TECHNOLOGY BERHAD**

**CHEW SHIN YONG, MARK**  
Executive Chairman



## APPENDIX I

### FURTHER INFORMATION

#### 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of XOXTech who collectively and individually accept full responsibility for the accuracy of the information given and confirm that after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements contained in this Circular, or other facts the omission of which would make any information or statement herein false or misleading.

#### 2. MATERIAL CONTRACTS

As at the LPD, XOXTech Group has not entered into any material contract (not being contracts entered into in the ordinary course of business of the Group) during the two (2) years immediately preceding the date of this Circular.

#### 3. MATERIAL LITIGATIONS, CLAIMS OR ARBITRATION

As at LPD, the Directors confirmed that the Company and its subsidiaries are not presently engaged in any material litigation either as plaintiff or defendant, claims or arbitration and they are not aware of any proceedings pending or threatened against the Company and/or its subsidiaries or of any facts likely to give rise to any proceedings which might materially affect the position or business of the Company and/or its subsidiaries:

- (a) In previous years, a subsidiary, M3 Tech Pakistan has purchased copyrights of songs albums from Mr. Asif Heera ("the Defendant"), the owner of Heera Studio. During the financial period, M/S S.M Sadiq ("the Plaintiff") has filed a suit against the Defendant for permanent injunction against the infringement of copyrights and passing off the goods/services by the Defendants as for the goods of the Plaintiff and accordingly has made M3 Tech Pakistan as pro-forma defendant. The honourable court of presiding officer, Intellectual Property Tribunal, Lahore, Pakistan has granted stay to the Plaintiff. However, the Defendant has represented to M3 Tech Pakistan that it has all the legal documents regarding purchase of content from the Plaintiff and are of the view that the suit will be decided in the favour of the Defendant.
- (b) On 4 September 2019, the Company has filed a civil claim in the Shah Alam Sessions Court against a former employee of the Group to recover a sum of RM705,569 pertaining to suspected fraud payments made to certain suppliers of the Company in previous years. On 21 December 2022, the Sessions Court dismissed the Company's claim against the Defendant with costs of RM35,000. On 3 January 2023, the Company filed an appeal against the Shah Alam Session Court's decision in the Shah Alam High Court. The appeal is fixed for bearing on 28 July 2023 at Shah Alam High Court.
- (c) In previous years, two former employees of the Company ("Respondents") had filed a claim against the Company for unlawful dismissal. On 19 November 2020, the Industrial Court decided in favour of the 1st Respondent and awarded the sum of RM85,500 to the 1st Respondent. The Company then filed judicial review application to challenge the decision of the Industrial Court. The sum of RM85,500 has been paid by the Company to the 1st Respondent's Solicitors as stakeholders and the said sum has been deposited into an interest-bearing account pending the disposal of the judicial review application. Leave to commence judicial review has been obtained on 27 April 2021 ("Encl. 10"). On 21st May 2021, the 1st Respondent filed an application to set aside the leave for judicial review ("Encl. 12"). On 5 August 2021, the 1st Respondent filed another application to set aside the leave for judicial review ("Encl. 23"). Both Encl. 12 and Encl. 23 were dismissed with costs of RM2,500 each. On 28 April 2022, the Court proceeded with the substantive hearing of Encl. 10. Encl. 10 is now fixed for decision on 16 June 2022. On 16 June 2022, the High Court allowed the Encl. 10 in part, in that the High Court reduced the award of the Industrial Court from RM85,500 to RM42,000. Both parties have not appealed against the decision of the High Court.

- (d) On 18 May 2021, Lim Seng Boon and Voon Sze Lin (“Plaintiffs”) has filed an originating summons against certain Directors and the Company (“Defendants”) to restrain the Company from undertaking Employees Share Option Scheme and other corporate exercise which will bears the effect of diluting the shareholdings that the Plaintiffs allegedly had. On 2 June 2022, the Plaintiffs filed an appeal to the Court of Appeal after the High Court dismissed their OS on 6 May 2022. On 12 April 2023, the appeal was dismissed with costs of RM15,000.
- (e) On 8 July 2021, a former Director of the Group has served a writ and statement of claim for alleging the Company for defamation via announcement made to Bursa Securities and claims for RM5 millions of damages. On 18 October 2021, the court has given direction for this suit to be transferred to Sessions Court. On 10 August 2022, the suit has been settled amicably via consent judgement.
- (f) On 16 July 2021, the Company and its wholly owned subsidiary, M3 Online Sdn. Bhd. (collectively referred to as “Plaintiffs”) filed a writ and statement of claim against certain former directors and former employees, certain current employees and a private limited liability company (collectively referred to as “Defendants”) for misuse of the Plaintiffs’ software products. On 19 August 2021, the Plaintiffs granted an approval for an Anton Piller application in Enclosure 4 (“APO”) for, inter alia, Plaintiffs’ solicitors, supervising solicitors and forensic representative to enter the premises of certain Defendants to search, receive, analyse, copy, image and/or take into custody items as listed in Schedule 2 of the APO.

On 20 January 2022, the Defendants had filed applications to set aside the APO but was subsequently dismissed by the Honourable Court. APO (inter-partes) was sustained on the same day. The Defendants appealed against both decisions. On 4 April 2022, the Plaintiffs’ application dated 15 September 2021 for further direction/consequential order on protocol to deal with seized evidence from the APO had been allowed by the Honourable Court. The Defendants appealed against the decision. The suit is currently on-going with multiple interlocutory applications and a case management will be held on 9 February 2023 for pre-trial directions. The Court has fixed trial dates on 18 July 2023 to 24 July 2023 and 7 August 2023 and 10 August 2023.

- (g) On 4 February 2022, one former Director (“Plaintiff”) initiated a civil suit against the Company (“Defendants”) for unpaid payment of salary amounting to RM330,635. The Defendant reached a settlement with Plaintiff and a consent order was entered for the full payment of RM330,635 to be paid to Plaintiff in three (3) instalments. The Company has remitted the full sum to the former Director and the matter has been settled by 31 May 2022.
- (h) M3 Tech Pakistan has obtained legal advice and based on that advice; M3 Tech Pakistan has stopped accounting for further provision in respect of the Sindh Workers’ Welfare Fund. The management and the legal advisor believe that M3 Tech Pakistan does not fall within the ambit of ‘Industrial Establishment’ as defined in Section 2(g) of the Sindh Workers’ Welfare Fund Act, 2014 as such, M3 Tech Pakistan uses the telecommunication services to render its services but it itself is not a ‘concern engaged in telecommunication’ which actually falls within the ambit of ‘Industrial Establishment’.

Assistant Commission, Sindh Revenue Board (SRB) has passed an order dated 11 January 2019 to M3 Tech Pakistan under Section 2(g) of the Sindh Workers Welfare Fund Act, 2014 (the Act) for the submission of Sindh Workers welfare Fund (SWWF) amounts to Government of Sindh. M3 Tech Pakistan’s tax advisor has submitted his response on 31 January 2019 to the Assistant Commissioner that M3 Tech Pakistan believes that it does not fall under Section 2(g) of the Act.

Accordingly, M3 Tech Pakistan has not recorded any expense in this regard as M3 Tech Pakistan and its tax advisor are confident that all outstanding matter will be decided in M3 Tech Pakistan’s favour.

#### **4. DOCUMENTS FOR INSPECTION**

The following documents are available for inspection at the registered office of XOXTech at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, W.P. Kuala Lumpur, during normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular and up to and including the date of the forthcoming 23rd AGM :-

- a. Constitution of XOXTech;
- b. Audited Financial Statements of XOXTech for the financial year ended 31 March 2022 and 31 March 2023 as well as the latest unaudited financial results of the Group for the 12-month financial period ended 31 March 2023; and
- c. Material contracts referred to in Section 2 above.

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**EXTRACT OF NOTICE OF 23RD ANNUAL GENERAL MEETING OF XOXTECH**

**ORDINARY RESOLUTION 9**

**Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature (Proposed Renewal Shareholders' Mandate)**

"**THAT**, authority be and is hereby given in line with Rule 10.09 of the AMLR of Bursa Securities, for the Company and/or its subsidiaries to enter into any of the recurrent related party transactions with the related party as set out in Section 2.3 of the Circular to Shareholders in relation to the Proposed Renewal Shareholders' Mandate dated 31 July 2023 which are necessary for the day-to-day operations of the Company and/or its subsidiaries within the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company;

**AND THAT** such authority shall commence immediately upon the passing of this resolution until:

- (i) the conclusion of the next AGM of the Company following the general meeting at which the ordinary resolution for the Proposed Renewal Shareholders' Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- (ii) the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the CA 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the CA 2016); or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

**AND FURTHER THAT** the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed Renewal Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed Renewal Shareholders' Mandate in the best interest of the Company."

**ORDINARY RESOLUTION 10**

**Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature (Proposed New Shareholders' Mandate)**

"**THAT**, authority be and is hereby given in line with Rule 10.09 of the AMLR of Bursa Securities, for the Company and/or its subsidiaries to enter into any of the recurrent related party transactions with the related party as set out in Section 2.3 of the Circular to Shareholders in relation to the Proposed New Shareholders' Mandate dated 31 July 2023 which are necessary for the day-to-day operations of the Company and/or its subsidiaries within the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not

detrimental to the minority shareholders of the Company;

**AND THAT** such authority shall commence immediately upon the passing of this resolution until:

- (i) the conclusion of the next AGM of the Company following the general meeting at which the ordinary resolution for the Proposed New Shareholders' Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- (ii) the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the CA 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the CA 2016); or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

**AND FURTHER THAT** the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed New Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed New Shareholders' Mandate in the best interest of the Company."