

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 through Part A of this Circular in respect of the Proposed Shareholders’ Mandate (as defined below) prior to the issuance of this Circular as they are exempt document pursuant to provision of Guidance Note 22 of the ACE Market Listing Requirements of Bursa Securities.

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.



XOX TECHNOLOGY BERHAD
(fka M3 Technologies (Asia) Berhad)
Registration No. 199901007872 (482772-D)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

**PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE
FOR RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE AND/OR TRADING NATURE
 (“PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE”)**

The Ordinary Resolution in respect of the above proposal will be tabled at the 22nd Annual General Meeting (“**22nd AGM**”) of XOX TECHNOLOGY BERHAD (“**XOXTech**” or the “**Company**”) The Notice of the 22nd AGM together with the Form of Proxy are set out in Annual Report of XOXTech for the financial year ended 31 March 2022 (“**Annual Report 2022**”) 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 A1-2-2, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) or fax to 03-6413 3271 or email to 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 22nd AGM should you subsequently wish to do so.

Date and time of the 22nd AGM	:	25 August 2022, Thursday at 10.00 a.m.
Venue of the 22nd AGM	:	Broadcast Venue at Board Room of Level 13, 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	:	23 August 2022, Tuesday at 10.00 a.m.

This Circular is dated 29 July 2022

DEFINITIONS

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

“Act”	:	The Companies Act 2016 as amended from time to time and any re-enactment thereof
“AGM”	:	Annual General Meeting
“Audit Committee”	:	Audit Committee of XOXTech
“Board”	:	Board of Directors of XOXTech
“Bursa Securities”	:	Bursa Malaysia Securities Berhad [Registration No.: 200301033577 (635998-W)]
“CEO”	:	Chief Executive Officer
“Circular”	:	This circular dated 29 July 2022 to the shareholders of XOXTech in relation to the Proposal
“Director(s)”	:	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
“Listing Requirements”	:	ACE Market Listing Requirements of Bursa Securities, including any amendments that may be made from time to time.
“LPD”	:	25 July 2022, being the latest practicable date prior to the printing of this Circular
“Major Shareholder(s)”	:	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

DEFINITIONS (CONT'D)

- “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.

“Proposal”	“	The Proposed Renewal of Existing Shareholders’ Mandate for RRPT
“Proposed Renewal of Existing Shareholders’ Mandate”	:	Proposed Renewal of Shareholders’ Mandate for RRPT of a revenue and/or trading nature entered into by XOXTech Group from the date of the forthcoming AGM until the next AGM
“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
“Related Party” or “Related Parties”	:	Director(s), Major Shareholder(s) and/or person(s) connected with such Director(s) or Major Shareholder(s)
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“Substantial Shareholder”	:	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
“XOX”	:	XOX Berhad [201001016682 (900384-X)]
“XOX Group”	:	XOX and its subsidiaries as set out in Section 2.4 of this Circular
“XOXTech” or “the Company”	:	XOX TECHNOLOGY BERHAD (fka M3 Technologies (Asia) Berhad [Registration No.: 199901007872 (482772-D)])
“XOXTech Group” or “Group”	:	XOXTech and its subsidiaries, collectively
“XOXTech Shares” or “Shares”	:	Ordinary Shares in XOXTech
“Annual Report 2022”	:	Annual Report of XOXTech issued for the financial year ended 31 March 2022

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

(fka M3 Technologies (Asia) Berhad)

Registration No. 199901007872 (482772-D)

(Incorporated in Malaysia)

Registered Office

A1-2-2, Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
Wilayah Persekutuan (KL)

29 July 2022

Board of Directors

Chew Shin Yong, Mark (*Executive Chairman*)

Nicholas Wong Yew Khid (*Executive Director*)

Ng Kok Heng (*Independent Non-Executive Director*)

Yong Ket Inn (*Independent Non-Executive Director*)

Datuk Chai Woon Chet (*Non-Independent Non-Executive Director*)

To: The Shareholders of XOXTech

Dear Sir/Madam,

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE

1. INTRODUCTION

On 29 July 2022, the Board announced the Company's intention to seek the shareholders' approval for the Proposed Renewal of Existing Shareholders' Mandate. 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 2022 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 2022.

These circular serves to provide you with the relevant information on the Proposed Renewal of Existing 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 22nd AGM to be convened and held on Thursday, 25 August 2022 at 10.00 a.m. The Notice of the 22nd AGM together with the Form of Proxy are enclosed in the Annual Report 2022 of XOXTech.

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

2. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE

2.1 The Listing Requirements

Pursuant to Rule 10.09(2) of the Listing Requirements, XOXTech may seek its 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 and issued share capital of RM60 million and above:-
 - (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 higher;
- c. XOXTech's circular to shareholders for the Proposed Renewal of Existing Shareholders' Mandate includes the information as may be prescribed by Bursa Securities;
- d. in a meeting to obtain Proposed Renewal of Existing 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. XOXTech immediately announces to Bursa Securities when the actual value of RRPT entered into by XOXTech, 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 Renewal of Existing Shareholders' Mandate. The Proposal 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 Renewal of Existing 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
<u>Subsidiaries</u>		
M3 Asia Sdn. Bhd. (" M3 Asia ")	100%	Distribution and retailing of fast-moving electronic goods and related products
M3 Online Sdn. Bhd.	100%	Provision of mobile solutions
M3 Mobile Technologies (S) Pte. Ltd.	100%	Provision of mobile solutions
M3 Asia Distribution (S) Pte. Ltd.	60%	Distribution and retailing of fast-moving electronic goods and related products
Messaging Technologies (H.K.) Limited (" 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
<u>Held under M3 Asia</u>		
M3Shoppe (Asia) Sdn. Bhd.	100%	e-Commerce
<u>Held under M3Tech HK</u>		
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
<u>Held under M3 Online Sdn Bhd</u>		
M3 Online Ltd.	100%	Provision of mobile solutions
<u>Held under M3Tech Pakistan</u>		
M3 Technologies Middle East FZE	100%	Provision of mobile solutions; distribution and retailing of fast-moving electronic goods and related products
<u>Held under M3Tech Xiamen</u>		
M3 Interactive (Shen Zhen) Co., Ltd.	100%	Provision of e-Educational services

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

The Proposed Renewal of Existing 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:-

Transacting Related Party	Principal Activities
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
Company held by XOX Com Sdn. Bhd.	
XOX Mobile Sdn. Bhd.	Agent for marketing, promotion, support services and managing the distribution channels of mobile telecommunication products and services

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

Transacting Party	Related Party	Nature of transaction	Estimated value as disclosed in the preceding Circular dated 30 August 2021 (RM'000)	Actual value (RM'000)	Estimated aggregate value from the forthcoming 22nd AGM until the next AGM (RM'000)	Interested Director/ Major Shareholders and nature of their relationship with Related Party
XOXTech Group (Recipient)	XOX Group (Provider)	Short message service (SMS) connection for SMS broadcasting and banking SMS service	May exceed 5% of the percentage ratio pursuant to Rule 10.02 of the Listing Requirements #	247	2,500	XOX is a substantial shareholder of XOXTech ⁽¹⁾

Notes:

The estimated value of transactions cannot be determined as XOXTech has yet to identify any contract / service which to be entered with the related party. The actual value is dependent on the particular requirements of the transactions to be entered between XOXTech and the Related Parties.

(1) As at LPD, XOX holds 32,049,200 shares representing shareholding of 3.59% in XOXTech, and 199,830,800 shares representing shareholding of 22.36% deemed interested in the shares held by XOX (Hong Kong) Limited pursuant to Section 8 of the Companies Act 2016.

(2) Mr. Ng Kok Heng is an Independent Non-Executive Director of XOXTech and he also an CEO of XOX and director of subsidiaries of XOX.

2.4 Validity Period of the Proposed Renewal of Existing Shareholders' Mandate

The authority from the shareholders of XOXTech to undertake the Proposed Renewal of Existing 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 Renewal of Existing 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 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 Renewal of Existing Shareholders' Mandate 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 Renewal of Existing Shareholders' Mandate 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;

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;

- (vi) 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
- (vii) 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.

2.6 Threshold for Approval of the RRPT

There is no specific threshold for approval of the RRPT within the Group. However, all RRPT are subject to the approval by the appropriate level of authority as determined by the senior management and/or the Board. Where a Director has an interest (direct or indirect) in an RRPT, such Director shall abstain from deliberating over such transaction.

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 Renewal of Existing 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 Renewal of Existing Shareholders' Mandate and in the annual reports for subsequent years that the Proposed Renewal of Existing 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 Renewal of Existing Shareholders' Mandate is conditional upon approval being obtained from the shareholders of XOXTech at the forthcoming 22nd 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 Renewal of Existing 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 Director 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	22.36
XOX (Hong Kong) Limited	199,830,800	22.36	-	-
Mr. Ng Kok Heng ⁽¹⁾	-	-	-	-

Notes:-

- (1) *Mr. Ng Kok Heng is an Independent Non-Executive Director of XOXTech and he also an CEO of XOX and director of the subsidiaries of XOX.*

Mr. Ng Kok Heng ("**Interested Director**") had abstained and/or will continue to abstain from all Board deliberations and voting on the resolution pertaining to the Proposed Renewal of Existing Shareholders' Mandate.

Accordingly, the Interested Director and/or shareholders (“**Interested Director 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 Renewal of Existing Shareholders’ Mandate at the forthcoming 22nd AGM of XOXTech. The Interested Director 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 Renewal of Existing 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 Renewal of Existing Shareholders’ Mandate.

10. DIRECTORS’ STATEMENT AND RECOMMENDATION

The Board (save for the Interested Director) 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 22nd AGM.

11. 22ND AGM

The 22nd AGM of XOXTech, the Extract of the Notice of 22nd 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 Board Room of Level 13, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 25 August 2022 at 10.00 a.m. for the purpose of considering and if thought fit, passing, inter alia, the ordinary resolution for the Proposed Renewal of Existing Shareholders’ Mandate as described therein.

If you are unable to attend and vote in person at the 22nd AGM, you are requested to complete and return the Form of Proxy enclosed in the Annual Report 2022 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 A1-2-2, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan (KL).

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 of Directors
XOX TECHNOLOGY BERHAD
(fka M3 TECHNOLOGIES (ASIA) 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 ("**Defendant**"), the owner of Heera Studio. During the financial period, M/S S.M Sadiq ("**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) In previous years, the Company has filed a civil claim against a former employee of the Company to recover a sum of RM705,569 pertaining to suspected fraud payments made to certain suppliers of the Company in previous years. The matter is now ongoing with part heard. On 21 July 2022, both the Company and the Defendant has closed its case. The parties are required to prepare the notes of proceedings and file a written submission by 29 September 2022. The matter is fixed for a decision on 27 October 2022.
- (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 RM 85,500 to RM 42,000. Both parties have not appealed against the decision of the High Court.

- (d) On 7 May 2021, the Company has filed an originating summons together with an injunction application against two former Directors (“Defendants”) to restrain the Defendants, including their agents or servants from taking further steps in respect of the Defendants’ notice pursuant to Section 311 of Companies Act 2016 to requisition for an Extraordinary General Meeting to be convened within 14 days is null and void. On 4 June 2021, the High Court had granted the injunction. The originating summons (“OS”) was fixed for hearing on 10 September 2021 and the High Court dismissed the OS on the basis that the prayers in the OS have become academic in view of the Defendants’ retraction of the Notice.
- (e) On 18 May 2021, two former Directors (“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 6 May 2022, the originating summons was dismissed by the Court with costs of RM35,000.

- (f) 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. The suit is currently on going and trial dates are in August 2022.

- (g) 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 trial dates are in July 2023.

- (h) 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.
- (i) 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 believes 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.

- (j) SRB has disallowed input tax on invoices issued by telecom operators to M3 Tech Pakistan amounting to Rupees 103,781,995 (approximately RM2,690,756) pending finalisation of litigation with the telecom operators. M3 Tech Pakistan had recognised the liability pertaining to the disallowed input tax in its financial statements and had filed a Constitutional Petition (CP) with Honourable High Court of Sindh pursuant to the disallowed input tax. The hearing of the CP before the Honourable Court is pending as at the date of approval of the financial statements. M3 Tech Pakistan and its tax advisor are of the view that the matter will be decided in favour of M3 Tech Pakistan and there will be no further financial impact pertaining to this matter for the financial year ended 31 March 2022.

4. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of XOXTech at A1-2-2, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan (KL), 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 22nd AGM :-

- a. Constitution of XOXTech; and
- b. Audited Financial Statements of XOXTech for the financial year ended 31 March 2022.
- c. Material contracts referred to in Section 2 above.

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APPENDIX II



XOX TECHNOLOGY BERHAD
(fka M3 Technologies (Asia) Berhad)
Registration No. 199901007872 (482772-D)
(Incorporated in Malaysia)

EXTRACT OF NOTICE OF 22ND ANNUAL GENERAL MEETING OF XOXTECH

ORDINARY RESOLUTION 9

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE ("PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE")

"**THAT**, pursuant to Rule 10.09(2) of the ACE Market Listing Requirement ("AMLR") of Bursa Securities approval be and is hereby given to the Company and/or its subsidiary companies to enter into and give effect to specified Recurrent Related Party Transactions of a revenue or trading nature and with classes of those related parties as specified in Section 2.3 of the Circular to Shareholders dated 29 July 2022 subject further to the following:-

- (i) That the transactions are in the ordinary course of business and are on terms that are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.
- (ii) That the transactions are made on an arm's length basis and on normal commercial terms.
- (iii) That disclosure shall be made in the Annual Report of a breakdown of the aggregate value of all transactions conducted pursuant to the Proposed Renewal of Existing Shareholders' Mandate during the financial year, based on the following information:-
 - the type of the Recurrent Related Party Transactions made; and
 - the names of the Related Parties involved in each type of the Recurrent Related Party Transactions entered into and their relationships with the Company.
- (iv) That such approvals shall only continue to be in force until:-
 - the conclusion of the next AGM following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the mandate is renewed;
 - the expiration of the period within which the next AGM after that date is required 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 CA 2016); or
 - revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to this Ordinary Resolution."