

**XOX BHD**  
**- Joint Venture Agreement**

---

**1 Introduction**

Reference is made to the Company's announcement made on 28 July 2017 in relation to the Memorandum of Understanding entered between XOX Media Sdn. Bhd. ("XOX Media"), a wholly-owned subsidiary of the Company with PT. Inovasi Telematika Nusantara and Pengurus Besar Nahdlatul Ulama for the purpose of conduct a study and the planning for the development and deployment of the Voopee solution under the Nahdlatul Ulama branding with all other accompanying solutions targeting to be adopted by PBNU members ("MOU").

The Board of Directors of XOX Bhd ("XOX" or "the Company") wishes to announce that XOX Media had on 21 June 2018 entered into a Joint Venture Agreement ("JVA") with Yayasan Nahdlatul Ulama ("NU"), EH Integrated Systems Sdn Bhd ("EH") and PT Nusantara Digital Telekomunikasi ("PT") for the purpose to establish a new joint venture company with the name PT Nusantara Mobile Telecommunication ("JVCO") to engage in the business related to telecommunication and telecommunication products and services, provision of mobile application services (Voopee) and E-wallet services in Indonesia ("Joint Venture").

Upon signing of the JVA, the MOU dated 28 July 2017 is deemed completed.

**2 Information on the XOX Media, NU, EH and PT**

XOX Media is a private limited company incorporated in Malaysia and engaged in the business of provision of mobile application services.

NU is the largest independent Islamic organisation in the Republic of Indonesia with about 93 million members, and also a charitable body funding schools and hospitals as well as organising communities to help alleviate poverty.

EH is a private limited liability company incorporated in Malaysia and engaged in the business of providing all kinds of products and services relating to telecommunication and information technology and other consultancy services.

PT is a private limited company incorporated in the Republic of Indonesia and in the telecommunications businesses, general trading and services.

**3 Salient Terms of the JVA**

- (i) The authorised share capital of the JVCO should be USD250,000 and the issued and paid-up share capital upon incorporation of the JVCO should be USD250,000 in stages.
- (ii) The proposed shareholdings structure of respective parties together with the capital injection are as follows:

<u>Shareholders</u>	<u>No. of shares</u>	<u>Equity interest</u>	<u>Amount</u>
		<b>(%)</b>	<b>USD</b>
XOX Media	100,000	40.0	100,000
NU	50,000	20.0	50,000

EH	37,500	15.0	37,500
PT	62,500	25.0	62,500
<b>Total</b>	<b>250,000</b>	<b>100.0</b>	<b>250,000</b>

#### **4 Basis of Consideration**

Based on the proposed shareholding structure stated in Section 3 (ii) above, XOX Media will subscribe for its equity shareholding in JVCO at par for a total consideration of USD100,000 (equivalent to approximately RM400,000), which will be fully satisfied by cash from its internally generated funds.

#### **5 Rationale and Prospect for the Joint Venture**

The formation of Joint Venture Company in Indonesia is part of the Company's expansion plan to have a presence in other countries. Barring any unforeseen circumstances, which include competitive pressures and uncertain economic environment, the prospect of the Joint Venture is expected to post positive results to the Group in near future.

#### **6 Risk Factors**

As in any business venture, the Joint Venture is subject to inherent risk in business and industry including but not limited to those associated with changes in the economic, political and regulatory conditions such as changes to government policies and administration, interest rates, taxes and exchange control regulations. In addition, there is no assurance that the anticipated benefits of the Joint Venture will be realised or that the Company will be able to generate sufficient revenues from the Joint Venture to offset the associated costs incurred.

Nevertheless, XOX will continue to exercise due care in considering the risks and benefits associated with the Joint Venture and will undertake appropriate measures to mitigate the various business risks identified.

#### **7 Liabilities to be Assumed**

There are no liabilities to be assumed by XOX arising from the Joint Venture.

#### **8 Financial Effect of the Joint Venture**

The Joint Venture will not have any effect on the share capital and substantial shareholders' shareholdings of the Company.

In addition, the Joint Venture is not expected to have a material effect on the earnings per share, net assets and gearing of the Group for the financial year ending 30 June 2018. Barring any unforeseen circumstances, the Joint Venture is expected to contribute positively to the Group's earnings and net assets in the future.

**9 Approvals**

The Joint Venture is not subject to the approval of the shareholders of the Company or other relevant authorities.

**10 Interest of Directors, and Major Shareholders and/ or Persons Connected**

None of the directors and/or major shareholders of the Company and/or persons connected with them have any interest, direct or indirect, in the Joint Venture.

**11 Estimate Timeframe for Completion**

Barring any unforeseen circumstances and subject to the fulfilment of all the conditions set out in the JVA, the subscription of shares by XOX Media in JVCO is expected to complete by the 1st quarter of the Group's financial year ending 30 June 2019.

**12 Directors' Statement**

The Directors of XOX, after taking into consideration of all financial and other factors, is of the opinion that the Joint Venture is in the best interest of the Company.

**13 Highest Percentage Ratio**

Based on the proposed shareholding structure stated in Section 3 (ii) above, the highest percentage ratio applicable to the JVA pursuant to Rule 10.02(g) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad is 0.37%.

**14 Documents for Inspection**

The JVA is available for inspection at the registered office of the Company at Suite 10.03, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur between 8.30 a.m. and 5.30 p.m. from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 21 June 2018.