



# ANNUAL REPORT 2023

XOX 5G



BLACK  
MARKET



XOX  
wallet



BLACK APP

WHERE IMAGINATION  
MEETS INNOVATION



# INSIDE THIS REPORT

Corporate Information .....	1	Statement of Employees' Share Option Scheme ("ESOS") Committee .....	66
Profile of Directors .....	2	Statement on Risk Management and Internal Control .....	67
Profile of Key Senior Management ..	8	Other Disclosure Requirements Pursuant to the Listing Requirements of Bursa Securities .....	70
Financial Highlights .....	10	Financial Statements .....	76
Corporate Structure .....	12	Group Properties .....	190
Management Discussion and Analysis .....	14	Analysis of Shareholdings .....	191
Events Highlights 2023 .....	20	Notice of Annual General Meeting ..	195
Products and Services Launched During the Year .....	25	Administrative Guide .....	200
Sustainability Statement .....	26	Form of Proxy	
Corporate Governance Overview Statement .....	46		
Audit Committee Report .....	62		
Statement of Directors' Responsibility in Respect of the Audited Financial Statements .....	65		



**SCAN QR CODE**

to download this Annual Report

or log on to  
<http://xox.com.my>

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### DATO' SERI ABDUL AZIM BIN MOHD ZABIDI

Non-Independent  
Non-Executive Chairman

### ANDY LIEW HOCK SIM

Independent  
Non-Executive Director

### ROY HO YEW KEE

Executive Director

### KARINA BINTI IDRIS AHMAD SHAH

Independent  
Non-Executive Director

### TAN SIK EEK

Executive Director

### CHUAH HOON HONG

Independent  
Non-Executive Director

#### AUDIT COMMITTEE

**Andy Liew Hock Sim**

(Chairman)

**Karina binti Idris Ahmad Shah**

(Member)

**Chuah Hoon Hong**

(Member)

#### NOMINATION AND REMUNERATION COMMITTEE

**Karina binti Idris Ahmad Shah**

(Chairperson)

**Andy Liew Hock Sim**

(Member)

**Chuah Hoon Hong**

(Member)

#### INVESTMENT COMMITTEE

**Chuah Hoon Hong**

(Chairman)

**Tan Sik Eek**

(Member)

**Roy Ho Yew Kee**

(Member)

**Andy Liew Hock Sim**

(Member)

#### EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

**Tan Sik Eek**

(Chairman)

**Roy Ho Yew Kee**

(Member)

**Ng Kok Heng**

(Member)

#### COMPANY SECRETARIES

**Chong Voon Wah**

(SSM PC No. 202008001343)

(MAICSA 7055003)

**Thai Kian Yau**

(SSM PC No. 202008001515)

(MIA 36921)

#### REGISTERED OFFICE

22-09, Menara 1MK

No. 1, Jalan Kiara

Mont Kiara

50480 Kuala Lumpur

Telephone: (603) 2856 7333

Email:

[vw.chong@silverocean.com.my](mailto:vw.chong@silverocean.com.my)

#### BUSINESS ADDRESS

Lot 8.1, 8<sup>th</sup> Floor

Menara Lien Hoe

No. 8, Persiaran Tropicana

Tropicana Golf & Country

Resort

47410 Petaling Jaya

Selangor Darul Ehsan

Telephone: (603) 7884 2388

Facsimile: (603) 7803 0778

#### SHARE REGISTRAR

**ShareWorks Sdn. Bhd.**

No. 2-1, Jalan Sri Hartamas 8

Sri Hartamas

50480 Kuala Lumpur

Telephone: (603) 6201 1120

Facsimile: (603) 6201 3121

Email:

[sharereg@shareworks.com.my](mailto:sharereg@shareworks.com.my)

#### AUDITORS

**Messrs Moore Stephens**

**Associates PLT**

**201304000972**

**(LLP0000963-LCA)**

**Chartered Accountants**

**(AF002096)**

Unit 3.3A, 3<sup>rd</sup> Floor

Surian Tower

No. 1, Jalan PJU 7/3

Mutiara Damansara

47810 Petaling Jaya

Selangor Darul Ehsan

Telephone: (603) 7728 1800

Facsimile: (603) 7728 9800

#### PRINCIPAL BANKERS

**Ambank (M) Berhad**

**Public Bank Berhad**

**Hong Leong Bank Berhad**

#### STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia

Securities Berhad

Stock Name: XOX

Stock Code: 0165

#### WEBSITE

[www.xox.com.my](http://www.xox.com.my)

#### INVESTOR RELATIONS

Telephone: (603) 7884 2388

Email: [ir@xox.com.my](mailto:ir@xox.com.my)

# PROFILE OF DIRECTORS



## DATO' SERI ABDUL AZIM BIN MOHD ZABIDI

Non-Independent Non-Executive Chairman

**Nationality:** Malaysian

**Gender:** Male

**Age:** 64

**Length of Services:** 13 years 6 months  
(as at 31 December 2023)

Dato' Seri Abdul Azim bin Mohd Zabidi, was appointed to the Board on 30 June 2010. He graduated with a Masters of Arts in Business Law from the London Metropolitan University, United Kingdom in 1983. He is also a Fellow of The Chartered Institute of Secretaries and Administrators, United Kingdom.

Dato' Seri Azim was Chairman of Bank Simpanan Nasional (BSN), Malaysia's National Savings Bank, a position he held for 10 years from 1999 – 2009. He had quickly risen through the ranks of the Malaysian financial industry, having started his banking career in 1984.

Growing from his work with BSN, Dato' Seri Azim was also active in the work undertaken by the Brussels based World Savings Banks Institute (WSBI). In 2000, he was appointed President (Asia Pacific) for WSBI and in 2003, he was elevated to its Board of Directors. In 2007, he became the first non-European since WSBI's inception, to be appointed to the dual post of Vice President and Treasurer.

A long association with the unit trusts/mutual funds and fund management industry culminated in Dato' Seri Azim's election as President of the Federation of Malaysian Unit Trust Managers, a post he held from 1998 to 2003. During this period, he was appointed Member of the Board of Directors of the International Investment Funds Association (IIFA), with headquarters in Montreal, Canada, a post he relinquished in 2008. The year prior to that, he was also appointed Chairman of the Board's Audit Committee.

His love for the arts and being an avid collector of Malaysian art works saw him being appointed Chairman of the Board of Trustees of the National Art Gallery, Malaysia in March 2009 until 2010.

In the field of sports, he was appointed Chairman of the National Sports Institute in May 2017 and subsequent to that appointed Malaysia's Chef-de-Mission to the Asian Games 2018 in Jakarta and Palembang, Indonesia. On 5 May 2018, Dato' Seri Azim was elected Deputy President of the Olympic Council of Malaysia, a position he held until September 2021.

He now sits on numerous local and foreign Boards of Companies, both public and private, amongst which are Fintec Global Berhad, LYC Healthcare Berhad and Seacera Group Berhad.

He has no relationship with any other Directors or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past 5 years other than the traffic offence, if any.

## PROFILE OF DIRECTORS

### ROY HO YEW KEE

Executive Director

**Nationality:** Malaysian

**Gender:** Male

**Age:** 48

**Length of Services:** 4 years 9 months  
(as at 31 December 2023)

Mr Roy Ho Yew Kee was appointed to the Board on 22 March 2019 as Non-Independent Non-Executive Director, and as the representative of Key Alliance Group Berhad, the major shareholder of the Company.

On 16 March 2020, he was re-designated as Executive Director of the Company. He obtained his Bachelor of Commerce from the Griffith University, Brisbane, Australia. Mr Roy brings over 20 years of financial service and restructuring experience both locally and abroad in various capacities.

Mr Roy started his career in Australia in 1998, in the financial services industry, joining Hartley Poynton Ltd, a subsidiary of Royal Bank of Canada, where he was trained as a financial advisor, specialising in derivatives and first generation fintech products.

He then moved to a boutique trading firm, Tricom Futures Ltd, in 2003, where he set up a trading desk in greenfield markets, specialising in debt instruments, capital raising, equity linked structures and derivatives.

In 2011, Mr Roy returned to Malaysia where he joined Key Alliance Group Berhad as an Executive Director overseeing corporate strategy and in 2017, he was redesignated as Managing Director of Key Alliance Group Berhad, the major shareholder of the Company.

At present, he also sits on the board of directors of Key Alliance Group Berhad, Cheetah Holdings Berhad, Komarkcorp Berhad and Nexion Technologies Limited.

He is presently a member of the Employees' Share Option Scheme Committee and Investment Committee of the Company.

He has no relationship with any other Directors or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past 5 years other than the traffic offence, if any.



## PROFILE OF DIRECTORS



### TAN SIK EEK

Executive Director

**Nationality:** Malaysian

**Gender:** Male

**Age:** 47

**Length of Services:** 7 years 4 months  
(as at 31 December 2023)

Mr Tan Sik Eek was appointed to the Board on 25 August 2016 as an Independent Non-Executive Director. On 17 August 2018, he was re-designated as Executive Director of the Company. He majored in Economics and Political Science from University of Sydney, Australia.

He has more than two decades of experience ranging from corporate finance advisory to private equity investments. He was previously a partner in a private equity firm focused on investing in companies seeking growth funding and pre-IPO capital. Prior to that, he was specialising in securing funding from a series of established North America global opportunity fund, for companies listed on the regional capital markets.

Since 2013, he has been engaged as the Director of several public companies to provide management strategy, day to day operational oversight, fund raising and business development planning of the various companies.

He is also a Director of Fintec Global Berhad, Mlabs Systems Berhad, NetX Holdings Berhad and Symphony Life Berhad.

He is presently the Chairman of the Employees' Share Option Scheme Committee and a member of Investment Committee of the Company.

He has no relationship with any other Directors or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past 5 years other than the traffic offence, if any.

## PROFILE OF DIRECTORS

### ANDY LIEW HOCK SIM

Independent Non-Executive Director



**Nationality:** Malaysian

**Gender:** Male

**Age:** 43

**Length of Services:** 3 years 9 months  
(as at 31 December 2023)

Mr Andy Liew Hock Sim was appointed to the Board on 1 March 2020 as an Independent Non-Executive Director. Mr Andy is a Chartered Accountant with Malaysian Institute of Accountants (“MIA”) and member of Certified Practising Accountant (“CPA”) Australia.

Mr Andy has 20 years of experience with major audit firms in audit, taxation and accountancy that gained from both Malaysia and oversea. He was involved in numerous successful initial public offering (“IPO”) in Malaysia, Singapore, Hong Kong and Germany throughout his career.

Mr Andy started his career with a local audit firm in Malaysia. He then joined KPMG Kuala Lumpur after obtained his professional qualifications, i.e. MIA and CPA Australia in 2006. In KPMG Kuala Lumpur, he started to involve in the audit of multinational corporation and public listed company. He was also involved in the IPO of a financial services company in the Main Market of Kuala Lumpur Stock Exchange.

In 2008, he ventured to China and since then, spent 8 years in China. From 2008 to 2012, he worked in KPMG Beijing as Manager and actively involved in audit and IPO engagements. In 2012, he joined a China-based manufacturing company in the capacity of Chief Financial Officer, and listed the company in Frankfurt Stock Exchange in 2014 prior to his return to Malaysia.

Upon his return to Malaysia in 2016, he joined Baker Tilly Malaysia as the Director of the Transaction Reporting department. He was then promoted to Partner in 2017 and led a team of 40 specialise in IPO engagements and actively involved in various corporate exercises, e.g. business restructuring, merger and acquisition, reverse takeover, transfer listing, financial due diligence, regularisation plan for PN17 company, fund raising and etc.

In 2019, he started his own public practice and assumed the role of Managing Partner.

At present, he also sits on the board of directors of XOX Networks Berhad, Perak Corporation Berhad and Oversea Enterprise Berhad.

He is presently the Chairman of the Audit Committee and a member of Nomination and Remuneration Committee and Investment Committee of the Company.

He has no relationship with any other Directors or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past 5 years other than the traffic offence, if any.

## PROFILE OF DIRECTORS



### KARINA BINTI IDRIS AHMAD SHAH

Independent Non-Executive Director

**Nationality:** Malaysian

**Gender:** Female

**Age:** 54

**Length of Services:** 1 year 9 months  
(as at 31 December 2023)

Ms Karina Shah was appointed to the Board on 28 March 2022 as an Independent Non-Executive Director. She holds a Bachelor of Laws (LLB Hons) from the National University of Malaysia (UKM).

She has over 15 years of extensive in house experience as a legal consultant in a wide variety of disciplines namely telecommunication, construction, fast moving consumer goods (FMCG) and oil and gas industry.

She began her career in the Attorney Generals Chamber in 1994 and later progressed to a legal firm and various organisations in Kuala Lumpur. In 2007 she joined Iskandar Regional Development Authority (IRDA) a statutory body to develop Iskandar Malaysia in Johor and was instrumental in setting up the legal and secretarial unit for IRDA.

In 2011, she took a legal role in Doha, Qatar for WCT Berhad and upon her return she joined Zico Insource Kuala Lumpur as Legal Consultant providing consultancy to Time dot com, Heng Yuan Refining Co. (fka Shell Refining Co.), Dutch Lady Milk Industries Bhd, Genting Bhd, Bumi Armada, Maxis Bhd and Axiata Enterprise Sdn. Bhd.

She is also a Director of Mlabs Systems Berhad.

She is presently the Chairperson of Nomination and Remuneration Committee and a member of the Audit Committee of the Company.

She has no relationship with any other Directors or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past 5 years.

## PROFILE OF DIRECTORS

### CHUAH HOON HONG

Independent Non-Executive Director



**Nationality:** Malaysian

**Gender:** Male

**Age:** 37

**Length of Services:** 6 months  
(as at 31 December 2023)

Mr Chuah Hoon Hong was appointed to the Board on 30 June 2023 as an Independent Non-Executive Director. Mr Chuah holds a Bachelor of Science degree with First Class Honours in Applied Accounting from Oxford Brookes University.

He is a Fellowship Member of the Association of Chartered Certified Accountants (ACCA) and a practicing member of the Malaysia Institute of Accountants (MIA).

Mr Chuah, currently serving as a Director of CNP Group and Silver Ocean Consulting Group, with over seventeen (17) years of extensive and diverse experience in financial advisory and consultancy, brings a wealth of expertise to his role.

Mr Chuah founded CNP in 2014 and has been actively involved in its growth and development since then. He specialises in pre- and post-IPO exercises & compliances and merger & acquisitions for both local and international financial markets.

Mr Chuah embarked on his professional journey in the audit firm in Kuala Lumpur, Malaysia. In addition to handling audit assignments, he actively participated in providing advisory and consultancy services, including IPO exercises, financial due diligence, and forensic accounting. Following this, Mr Chuah joined a Singapore-based consulting firm that focused on fundraising, merger & acquisitions, and restructuring initiatives for public-listed and private companies in Singapore, the People's Republic of China, and Malaysia.

Currently, Mr Chuah also serves as an Independent Non-Executive Director for Mlabs Systems Berhad, Vsolar Group Berhad, and Sinaran Advance Group Berhad, all of which are listed on Bursa Malaysia Securities Berhad.

He is presently the Chairman of Investment Committee and a member of the Audit Committee and Nomination and Remuneration Committee of the Company.

He has no relationship with any other Directors or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past 5 years.

# PROFILE OF KEY SENIOR MANAGEMENT



## NG KOK HENG

Chief Executive Officer

**Nationality:** Malaysian

**Gender:** Male

**Age:** 60

Mr Ng Kok Heng was appointed as Managing Director and Chief Executive Officer of the Company on 30 June 2010. After retiring as Managing Director on 9 December 2013, he continued to contribute as the Chief Executive Officer. On 17 August 2018, he took on the additional responsibility of Executive Director until his retirement from this position on 27 February 2020. He holds a Bachelor of Computer Science (Honours) from the University Sains Malaysia, Penang, graduating in 1987.

With a wealth of experience, Mr Ng has made significant contributions to the telecommunications industry. He served as a consultant to Teligent AB in Sweden, a prominent telecommunications provider, and collaborated with key players in various Southeast Asian countries, including Telekom Malaysia Berhad, Singapore Telecommunications Limited, and Smart Communications Inc. His leadership has been instrumental in guiding highly specialised teams of IT integrators and implementers to successfully deploy systems for telecommunications providers.

In his role as CEO, Mr Ng has been a dynamic force in driving innovation and sales growth.

He is known for his unwavering commitment to the development of new and innovative products, consistently propelling the company forward in a rapidly evolving industry. His strategic vision, coupled with a keen eye for detail, has played a pivotal role in the success of the organisation. Mr Ng's leadership is marked by a determined and benevolent approach, driving the company rigorously towards growth and excellence. His resilience in navigating challenges and fostering a culture of continuous improvement has established him as a forward-thinking, results-driven leader.

Currently, Mr Ng serves as a member of the Share Issuance Scheme ("SIS") Committee of the Company.

Importantly, Mr Ng maintains an impeccable professional record with no affiliations or conflicts.

He has no relationship with any Director or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than the traffic offence, if any.



## SYLVIA KONG CHOO HUI

Chief Financial Officer

**Nationality:** Malaysian

**Gender:** Female

**Age:** 57

Sylvia Kong Choo Hui graduated with a Bachelor of Business (Accounting) from the University of Technology, Sydney, Australia. With an extensive career spanning over thirty (30) years, she has demonstrated expertise in finance, accounting, and financial and operational management. Her professional background includes invaluable experience in both the manufacturing and telecommunications industries, where she actively contributed to corporate restructuring and successfully executed fundraising initiatives.

Before joining the company, Ms Kong served as the Finance Director of a multinational company in the manufacturing sector. Since assuming the role of Chief Financial Officer in 2015, her responsibilities encompass overseeing the Finance, Taxation, Legal, Human Resources, and Administration functions of the group.

She has no relationship with any Director or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than the traffic offence, if any.



## WINSON WONG MUN ONN

Chief Operating Officer

**Nationality:** Malaysian

**Gender:** Male

**Age:** 40

Mr Winson Wong Mun Onn is responsible for Big Data, Digital, Strategic Marketing and Product Development in XOX. Mr Winson joined the Company in May 2015 as Assistant General Manager, Marketing and was subsequently promoted to be Vice President, Big Data in September 2019. Currently, he holds the position of Chief Operating Officer.

Throughout Mr Winson's time in XOX, he has made significant contributions towards Analytics & Big Data development creating new experiences, services, products and performing Risk Analysis.

Prior to joining XOX, Mr Winson held the position of Head of Marketing with a multinational mobile phone company in Bangkok, Thailand.

Mr Winson is awarded with a Master's in Business Administration from Anglia Ruskin University, United Kingdom.

He has no relationship with any Director or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than the traffic offence, if any.

## PROFILE OF KEY SENIOR MANAGEMENT



### AZRIL BIN ALIUDDIN

Chief Strategy Officer

**Nationality:** Malaysian

**Gender:** Male

**Age:** 45

Mr Azril Bin Aliuddin graduated from Universiti Teknologi Mara with a Bachelor's Degree in Information Management. He is the Chief Strategy Officer of the Company who oversees the implementation of the business strategy of the Company. He has been in the Company since 2009 in various roles from project management, business process engineering, business development and business strategy. He is part of the pioneer team in the Company which form and develop the Company to be the 'thick' MVNO in the country. He is instrumental in driving the technology initiatives in the Company and setting up the technical foundation for the Company moving forward.

Prior to joining the Company, Mr Azril Aliuddin has various experiences in IT consultancy, IT project management and business process engineering. He was involved in a national level project which is Malaysia's Multimedia Super Corridor (MSC) Initiatives, the merger of two (2) major telecommunication operators in Malaysia and implementation of an internet service provider for one of the State in Malaysia.

He has no relationship with any Director or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than the traffic offence, if any.



### TAN TAI LIANG

Chief Sales Officer

**Nationality:** Malaysian

**Gender:** Male

**Age:** 57

Mr Tan Tai Liang graduated with a Diploma in Marketing from the Institute of Marketing, UK. He joined the Company in 2009 with the position of General Manager. He was very proficient in all job aspects and with his outperforming work attitude, he currently holds the position of Chief Sales Officer. Mr Tan is also one of the board of directors of Perak FC Sdn. Bhd. since 2022.

Aside from his notable contributions to the Company which includes assisting in the acquisition of One XOX Sdn. Bhd. as a subsidiary for the Company in 2014, he has also overseen sizeable growth for the activations and revenue of the Company since 2013.

He has no relationship with any Director or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than the traffic offence, if any.

Mr Tan has over thirty-five (35) years of managerial experience in both Sales and Business Development field with a successful record of sales accomplishments in the telecommunication, mobile and IT industries.



### SIM CHIN YEE

Chief Technology Officer

**Nationality:** Malaysian

**Gender:** Male

**Age:** 45

Mr Sim Chin Yee graduated from University of Portsmouth, United Kingdom with Bachelor's Degree in Computing. He has more than fifteen (15) years of experience in Telecommunication and Information Technology industry. He is part of the pioneer team in the Company and responsible for development and operation of telecommunication and IT infrastructure of the Company.

He has no relationship with any Director or Major Shareholder of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than the traffic offence, if any.

# FINANCIAL HIGHLIGHTS

## GROUP FINANCIAL SUMMARY

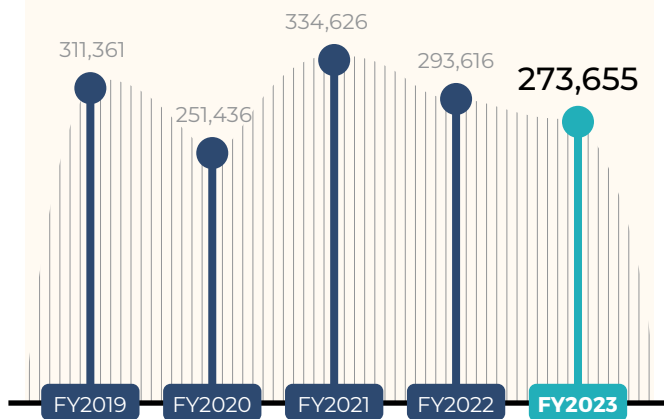
	12 Months FY2023 RM	Restated 12 Months FY2022 RM	12 Months FY2021 RM	12 Months FY2020 RM	15 Months* FY2019 RM
<b>FINANCIAL RESULTS</b>					
Revenue	<b>273,654,779</b>	293,615,791	334,626,293	251,436,160	311,361,314
Loss Before Tax	<b>(67,425,953)</b>	(89,227,245)	(46,858,141)	(55,663,403)	(21,344,657)
Loss After Tax	<b>(69,231,968)</b>	(92,079,768)	(47,395,229)	(54,447,415)	(21,499,673)
Losses Before Interest Tax Depreciation & Amortisation ("LBITDA")	<b>(45,240,921)</b>	(72,601,541)	(32,220,975)	(37,341,225)	(6,565,775)
Loss Attributable to Shareholders	<b>(67,480,275)</b>	(90,976,473)	(45,488,924)	(52,323,588)	(21,177,600)
<b>FINANCIAL POSITION</b>					
Ordinary shares	<b>468,851,182</b>	468,848,306	432,150,129	343,519,338	126,892,891
Irredeemable convertible preference shares ("ICPS")	<b>1,949,285</b>	1,949,285	1,949,285	2,160,345	-
Reserves	<b>(308,868,833)</b>	(237,158,305)	(128,384,857)	(84,256,163)	(33,706,396)
<b>Shareholders' Equity</b>	<b>161,931,634</b>	233,639,286	305,714,557	261,423,520	93,186,495
Non-controlling interests	<b>(4,661,614)</b>	(2,911,756)	(1,776,145)	136,572	2,312,034
Total Equity	<b>157,270,020</b>	230,727,530	303,938,412	261,560,092	95,498,529
Non-Current Liabilities	<b>104,418,217</b>	9,317,813	8,918,403	8,929,674	2,987,008
Current Liabilities	<b>100,298,920</b>	105,482,625	107,771,334	77,247,375	83,448,889
<b>Total Equity and Liabilities</b>	<b>361,987,157</b>	345,527,968	420,628,149	347,737,141	181,934,426
Non-Current Assets	<b>254,672,406</b>	183,563,907	188,290,782	97,844,878	90,597,168
Current Assets	<b>107,314,751</b>	161,964,061	232,337,367	249,892,263	91,337,258
<b>Total Assets</b>	<b>361,987,157</b>	345,527,968	420,628,149	347,737,141	181,934,426
<b>FINANCIAL RATIOS</b>					
Net Assets Per Share (sen)	<b>3.21</b>	4.63	7.57	8.52	8.53
Net Loss Per Share (sen)	<b>(1.34)</b>	(1.91)	(1.21)	(3.77)	(1.98)

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

# FINANCIAL HIGHLIGHTS

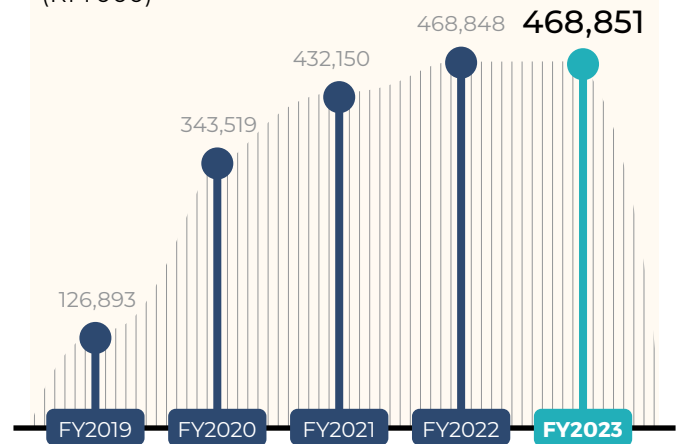
## REVENUE

(RM'000)



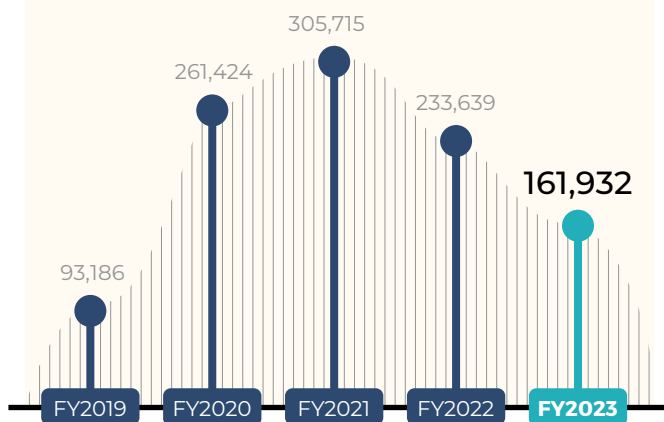
## ORDINARY SHARES

(RM'000)



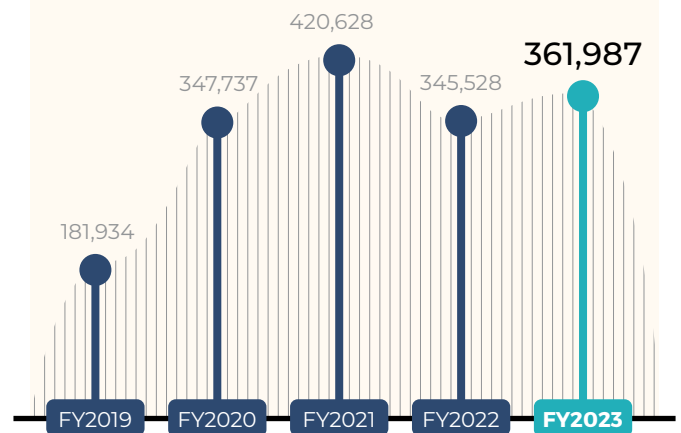
## SHAREHOLDERS' EQUITY

(RM'000)



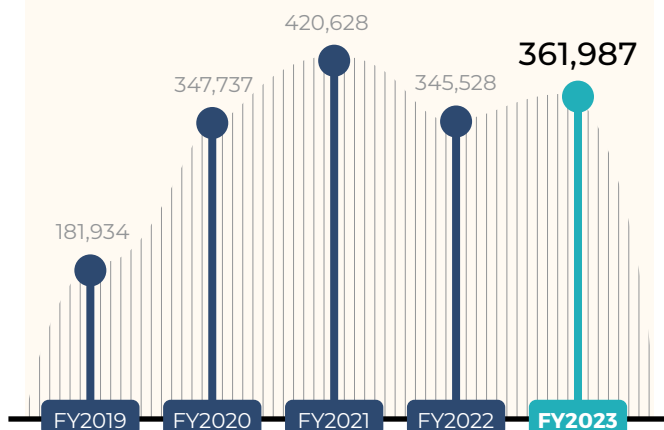
## TOTAL EQUITY AND LIABILITIES

(RM'000)



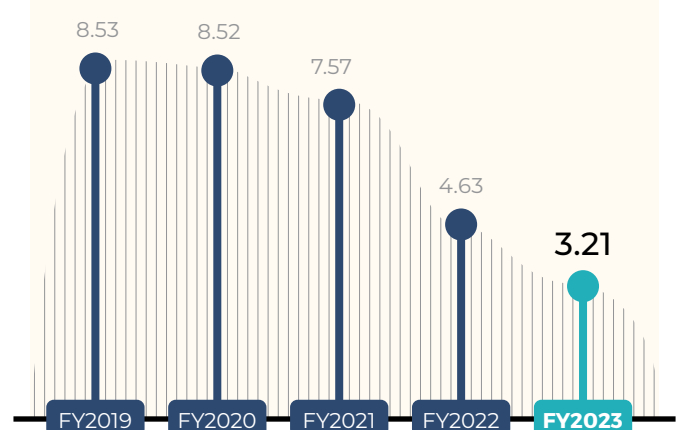
## TOTAL ASSETS

(RM'000)



## NET ASSETS PER SHARE

(Sen)



## CORPORATE STRUCTURE



## CORPORATE STRUCTURE



# MANAGEMENT DISCUSSION AND ANALYSIS

## Overview of the Group’s Business and Operations

**XOX Bhd (“XOX” or “the Company” or “the Group”) is primarily involved in offering mobile telecommunications products and services, e-Wallet services, e-commerce solutions, and digital advertising. Since June 2011, we have held the distinction of being the only publicly listed Mobile Virtual Network Operator (“MVNO”) in Malaysia.**

Our core business revolves around the strategic growth of the SIM card subscriber base, featuring products such as “ONEXOX Prepaid,” “ONEXOX BLACK,” and “XOX eSIM”; with a robust online and physical presence comprising around 145 touchpoints across Malaysia, including flagship stores, customer service centers, kiosks and X-Bikes to provide convenient access.

The distinctive attributes of our products empower users to seamlessly carry forward their data and minutes. Our “Season Pass” facilitates bulk advance purchases with unlimited sharing of Data, Talk Time, and SMS quotas; while XOX eSIM is tailored to meet the needs of our digitally savvy customers in this new era of communication.

At the heart of our operations is the relentless pursuit of innovation and the commitment to providing groundbreaking digital solutions to our ever-expanding base of 2.5 million subscribers. “Where Imagination Meets Innovation” signifies a strategic shift from the role of MVNO to a diversified digital solutions provider, and our goal is to propel the Group into a leading technology company. Our offerings encompass a wide array of services and solutions, creating connections within the digital ecosystem and providing tailored platforms for our customers’ needs.



## MANAGEMENT DISCUSSION AND ANALYSIS

### REVENUE



RM273.65  
million

compared to RM293.62 million

### LBITDA



RM45.24  
million

compared to RM72.60 million

### CASH POSITION



RM33.85  
million

with a stable cash position

### TOTAL ASSETS



RM361.99  
million

compared to RM345.53 million

Our network keeps users seamlessly connected. Beyond traditional telecommunication services, we have successfully created an ecosystem that transcends the boundaries of mere connectivity. Our E-commerce platform empowers customers to shop conveniently from the comfort of their homes, while our Fintech services pave the way for a future of financial transactions with unparalleled ease. Through Smart Retail, we infuse innovation into the shopping experience, and Prosport leverages on sports marketing to elevate customer engagement. The linchpin is our BLACK APP, seamlessly connecting these services in the digital landscape, creating diversified revenue streams.

In tandem with our strategic evolution into a digital solutions provider, XOX has proactively cultivated a diverse investment portfolio, encompassing both quoted and unquoted shares in companies with the ability to complement and enhance our existing business model. This strategic initiative serves a dual purpose – fortifying our operational foundations and positioning us optimally for future growth. Our methodical approach is centered on unlocking synergies that concurrently drive revenue growth and optimise costs. Our unwavering commitment to establishing a robust and sustainable investment portfolio underscores our dedication to long-term value accretion, directly benefiting our esteemed shareholders.

XOX is more than a telco; we are architects of an interconnected digital future, redefining how people connect, shop, transact, and engage with the world around them. As we continue to evolve in the dynamic telecommunications landscape, we remain steadfast in our commitment to innovation, customer-centricity remains unwavering, propelling XOX into a new era of technological excellence.

### FINANCIAL REVIEW

	FY2023 RM	FY2022 RM
<b>Financial Results</b>		
Revenue	<b>273,654,779</b>	293,615,791
Loss Before Interest Tax Depreciation & Amortisation ("LBITDA")	<b>(45,240,921)</b>	(72,601,541)
Loss Before Tax ("LBT")	<b>(67,425,953)</b>	(89,227,245)
Loss After Tax ("LAT")	<b>(69,231,968)</b>	(92,079,768)
Loss Attributable to Shareholders	<b>(67,480,275)</b>	(90,976,473)
<b>Financial Positions</b>		
Shareholders' Equity	<b>161,931,634</b>	233,639,286
Total Assets	<b>361,987,157</b>	345,527,968
Net Assets Per Share (sen)	<b>3.21</b>	4.63
Net Loss Per Share (sen)	<b>(1.34)</b>	(1.91)

# MANAGEMENT DISCUSSION AND ANALYSIS

For the financial year ended 30 September 2023, the Group witnessed a decline in revenue from RM293.62 million to RM273.65 million, reflecting a 6.8% drop compared to the preceding financial year.

The decline was primarily attributed to the intensified price competition within our core telecom business, resulting in a 6.7% drop in blended Average Revenue Per User (ARPU). Despite a commendable increase in the number of subscribers by approximately 270,000, our financial performance has been significantly impacted by the challenging market conditions and aggressive pricing strategies. Additionally, our e-commerce revenue experienced a notable decline, mainly due to the consumers increasingly favouring in-person shopping experiences, seeking more tangible interactions and immediate gratification, coupled with a lack of unique products offered.

However, the Group's loss before tax improved by 24.43% from RM89.23 million to RM67.43 million for the current year, mainly due to lower non-operating losses of RM64.87 million (FY 2022: RM94.38 million) from investments. Consequently, the Group reported an improved LBITDA of RM45.24 million from RM72.60 million reported in the previous financial year.

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

## Financial Position

During the financial year, the share capital of the Company increased from RM468,848,306 to RM468,851,182 by way of the issuance of 47,925 new ordinary shares pursuant to the exercise of Warrant B 2020/2023.

The Group ended the financial year with shareholders' equity of RM161.93 million, on account of RM67.48 million losses attributed to shareholders mainly due to the impairment loss on investments. However, the Group's total assets increased from RM345.53 million to RM361.99 million after accounting for the additional investment in associate companies.

## BUSINESS AND OPERATIONAL REVIEW

XOX's core consumer telecom business had expanded through strategic partnerships, delivering tailored packages to specific consumer demographics. During the financial year 2023, XOX introduced two new additions to its postpaid lineup—the MySISWA Plan and ONEFamily Plan. These plans offer a higher internet allowance, catering to bandwidth-heavy activities such as mobile gaming, livestreaming, and video conferencing, meeting diverse subscriber needs.

The MySISWA Plan, fully endorsed by the Ministry of Higher Education of Malaysia, forms an ecosystem designed specifically for the 1.5 million tertiary students nationwide. Beyond providing telecom services, XOX's involvement extends to a larger initiative including the development of a youth entrepreneurship program, comprehensive e-commerce platforms, and exclusive fintech services for financial assistance.

XOX strategically acquired Perak FC Sdn. Bhd. ("Perak FC") as part of its broader agenda to expand its Group's footprint. This move had brought benefits to various entities across diverse industries under its umbrella. The acquisition facilitated the sale of Cheetah-produced Perak FC merchandise, and leading to the engagements with seven additional football clubs, tapping into Malaysia's 15.6 million-strong football fanbase. XOX had launched 8 exclusive Malaysia Football Club Plans to acquire quality and captive subscribers, deploying on-ground promotion initiatives nationwide in collaboration with its counterparts.

Simultaneously, the prepaid segment, albeit slower, has also shown noteworthy progress. The enhancement of UNL35 Data Plan caters to consumers who prefer a valuable choice without committing to a postpaid monthly subscription.

In response to changing consumer preferences, XOX's retention strategy involves diversifying beyond core offerings by bundling with non-telecom-related products available within its ecosystem. The success of XOX's on-demand campaigns contribute not only to the telecom business but also enhances other services, aligning with market sentiment.

In diversifying beyond telecom, XOX focuses on enhancing its BLACK App, the hub of its ecosystem, for seamless access to various services. BLACK Market, the e-commerce arm, faces challenges but it has its strengths within XOX's ecosystem, strategically positioning itself for growth, including through SpaceX vending machines. Endorsed partnerships with government entities boost its nationwide reach amid supply chain concerns. XOX is confident in its robust alliances to navigate market uncertainties.

While striving to strengthen recently established revenue growth engines, XOX remains steadfast in its commitment to offer customer-centric value-added services. The objective is to enhance subscribers' holistic digital experience, positioning XOX as a reliable presence at every stage of their journey.

# MANAGEMENT DISCUSSION AND ANALYSIS

## CORPORATE EXERCISES

### Irredeemable Convertible Preference Shares (“ICPS”)

There were no conversion of ICPS to ordinary shares during the financial year, and the total number of ICPS that remains unconverted amounted to 77,971,406 as at 30 September 2023.

### Employee Share Option Scheme (“ESOS”)

There were no options granted to eligible employees and no ESOS options exercised by eligible employees during the financial year.

### Warrants B & Warrants C

During the financial year, 47,925 of Warrant B were exercised at an issue price of RM0.06 per Warrant. The total numbers of Warrants B 2020/2023 that remain unexercised which stood at 231,784,951 lapsed on 3 March 2023.

No Warrants C was exercised during the financial year. As at 30 September 2023, the total number of Warrants C that remains unexercised remains at 1,412,612,765.

### Capital Contribution to Subsidiaries

The capital contribution to XOX Media Sdn. Bhd. and XOX Pro Sport Sdn. Bhd. amounted to RM36,442,664 during the financial year. It represented amounts due from subsidiaries which are non-trade in nature, unsecured and interest-free and the settlement of the amount is neither planned nor likely to occur in the foreseeable future. As this amount is in substance, it will be represented as an additional investment in the subsidiaries.

### Acquisition of Subsidiary and Associates

On 12 July 2022, XOX (Hong Kong) Limited entered into a Share Sale Agreement (“SSA”) with Muar Ban Lee Group Berhad for the acquisition of 2 ordinary shares in Theron Holdings Sdn. Bhd. (“Theron”), representing 100% of the total issued and paid-up share capital of Theron, for a total purchase consideration of RM19,254,590. The condition precedents as stipulated in the SSA had been fulfilled and the acquisition of Theron as 100% subsidiary was completed on 13 December 2022.

Theron is a special purpose vehicle incorporated for the purpose of acquiring and holding 98,090,536 ordinary shares in Symphony Life Berhad (“Symlife”), representing 13.7% of the total and issued ordinary shares of Symlife.

By virtue of this and the Group's contractual right to appoint a Director to the Board of Symlife to safeguard the Group's interest, Symlife was recognised as an associate company effective 1 January 2023.

# MANAGEMENT DISCUSSION AND ANALYSIS

## ANTICIPATED RISKS AND MITIGATING FACTORS

XOX acknowledges the presence of a wide array of risk factors that can impact our financial and operational performance. These risks permeate various levels of our operations. In response, we are committed to mitigating our exposure by implementing effective risk management strategies and internal control processes. Our goal is to minimise uncertainties and maximise potential opportunities within our business landscape.

### Market and Competition

In the fiercely competitive Malaysian telecommunications industry, XOX faces the dual challenges of market saturation and intense competition. As the market matures, acquiring new users becomes challenging, intensifying competition among telcos and emphasising the need for robust customer retention strategies and service differentiation. XOX needs to stand out through service quality, digital solutions and strategic marketing. Price wars impact the profit margins, prompting XOX to innovate and maintain a competitive edge. In addition, customer shifting their preferences pose a risk, in which case, XOX needs to leverage on data analytics for tailored offerings to mitigate subscriber retention risks.

### Human Resources

In the competitive talent landscape, the loss of key management or challenges in attracting and developing talent can impact our operations. The scarcity of digital and technology expertise, combined with rising acquisition costs, is a concern in the telecom industry. XOX is steadfast in its belief that sustained growth requires a diverse, sustainable workforce. To address talent shortages, we are committed to investing in attracting, developing, and retaining skilled professionals. We conduct annual succession reviews to ensure effective management and create an environment supporting talent growth. Our focus on upskilling aligns with digital transformation, fostering engagement for a dynamic and innovative workplace, essential for staying at the forefront of industry advancements.

### Technology

In the rapidly evolving landscape of the Malaysian telecommunications industry, XOX is confronted with multifaceted challenges related to technology disruption, infrastructure limitations, and the emergence of substitute technologies. The rapid pace of technological advancements, including the advent of 5G, demands substantial investments to stay at the forefront.

Concurrently, infrastructure challenges such as maintenance issues or delays in development projects pose threats to the quality and reach of XOX's telecommunications services. XOX needs to navigate these challenges to ensure seamless connectivity and meet the increasing demands of tech-savvy consumers.

Furthermore, with the rise in substitute technologies pose competition, XOX needs to strategically position itself to align offerings with evolving consumer preferences and technological shifts for sustained competitiveness.

### Cybersecurity and Data Privacy

In the digital realm of Malaysian telecom, XOX is also confronted with the challenges posed by cybersecurity amidst rapid digitisation and ensuring robust data protection. To mitigate these risks, XOX prioritise comprehensive cybersecurity strategies, incorporating advanced threat detection, encryption, and regular security audits. Adherence to strict data protection regulations is crucial, emphasising secure handling of customer data. Proactive cybersecurity, aligned with stringent data protection, are expected to safeguard against breaches, thus preserving customer trust. By investing in advanced technologies and complying with data protection standards, XOX fortifies its defences, ensuring customer data confidentiality and integrity.

### Regulatory

In the dynamic Malaysian telecom sector, XOX faces challenges and opportunities due to evolving regulations. Adapting swiftly to changes in data protection, privacy, and industry practices is crucial. Staying abreast of regulatory shifts, engaging with stakeholders, and proactively influencing policy changes are essential for XOX to thrive compliantly. This approach ensures stability and sustained growth in the ever-changing regulatory landscape.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Economic

XOX is directly impacted by economic conditions in Malaysia. Economic downturns can lead to reduced consumer spending on telecom services, while economic growth may increase demand. Currency fluctuations and inflation rates can affect operational costs, and changes in interest rates influence capital expenses. XOX must remain agile in adapting to economic shifts, leveraging growth opportunities during economic upturns and implementing strategic measures to withstand challenges during downturns. Understanding and navigating these economic factors are vital for sustaining growth and resilience.

---

## OUTLOOK & PROSPECTS

XOX Group operates in an industry where innovative information technology solutions are key drivers for the business. Consequently, the Group's business model will continually evolve in providing cutting-edge mobile solutions for its customers. Despite this, the Group remains committed to its core business of offering attractive mobile subscription plans for connectivity services to mobile network subscribers and customers. With 2.5 million subscribers, XOX is dedicated to technology and innovation, transforming into a technology company by consistently offering innovative digital solutions. This allows the Group to adapt to rapid industry changes and stay ahead of competition.

Furthermore, the Group has implemented various strategies, such as marketing and promotional activities, to increase brand awareness and maintain brand loyalty. Subscriber retention initiatives, including attractive mobile subscription packages, and the introduction of innovative products and services, allow the Group to adapt to dynamic changes and stay ahead of competition in its existing industry.

In addition to telecommunications industry, XOX has acquired Perak Football Club, leveraging on its expertise in brand strategy, digital marketing, and public relations. Live events during football matches serve as an effective channel to distribute XOX's products and services. Investments in quoted and unquoted shares in companies aim to unlock synergies that concurrently drive revenue growth and optimise costs for long-term value creation.

As the Group enters the 5G era, it anticipates tapping into the potential outcomes and benefits, beyond just faster connectivity but also its potential impact on business models and timelines. The Group will continue to expand digital ecosystems to deepen engagement with the Group's mobile network subscriber base.

Despite challenges like market saturation and uncertain economic factors, XOX remains cautiously optimistic about its future. Key approaches encompass enhancing brand awareness, implementing subscriber retention initiatives, and expanding digital ecosystems to harness the potential of the 5G era.

# EVENTS HIGHLIGHTS 2023



10 February  
2023

**MOU with  
KLFC**

XOX and Kuala Lumpur City Sdn. Bhd. (“KLFC”) have signed a MOU at the Kuala Lumpur Stadium to offer telecommunications services to football fans. The collaboration kickstarts XOX’s Football Club Project with football clubs involved in Liga Super Malaysia and enables KLFC to earn income whilst reaching out to their fans, enhancing their profile via home games activities, social media content and XOX Season Pass rewards, while at the same time allowing the XOX Brand reach and telecommunication services to be expanded to football fans all across Malaysia.

**MEMORANDUM OF  
UNDERSTANDING  
 (“MOU”)**



17 February  
2023

**MOU with  
NSFC**

A MOU between XOX and Negeri Sembilan Football Club Sdn. Bhd. (“NSFC”) was signed at XOX’s office in Menara Lien Hoe to offer telecommunications services to football fans. NSFC is the second football club to sign with XOX, and the collaboration allows NSFC to earn income, reach out to their fans via social media content, enhance their profile at home games activities, and earn XOX Season Pass rewards while enabling XOX to expand their brand reach and telecommunication services to football fans in Malaysia.

**MOU with  
DAFC**

18 February  
2023



XOX and Darulaman Football Club Sdn. Bhd. (“DAFC”) signed a MOU at Stadium Darul Aman, Kedah to offer telecommunications services and reach out to football fans. This collaboration with DAFC enables them to earn income from the dealership and reach out to their fans from home games activities, social media content, XOX Season Pass rewards, and at the same time, for the XOX brand to increase their reach and telecommunication services to football fans across Malaysia, especially in Kedah.

20 February 2023

MOU with SPFC



XOX and Sri Pahang Football Club Sdn. Bhd. ("SPFC") signed a MOU at Timorra Venue, Kuantan before Sri Pahang's squad reveal and jersey launch event. The collaboration encompasses an opportunity for SPFC to earn income, reach out to their fans, and enhance their profile via home games activities, social media content and XOX Season Pass rewards, while enabling XOX to increase their brand reach and telecommunications services to football fans in Malaysia, especially in Pahang.

MOU with KCFC



24 March 2023

XOX and Kuching City FC Sdn. Bhd. ("KCFC") signed a MOU at Bangunan Koperkasa, Kuching to offer telecommunications services to football fans in Sarawak. The collaboration entails an opportunity for KCFC to earn income from the dealership and at the same time, enhance their profile from home games activities, social media content, and XOX Season Pass rewards. Meanwhile, XOX is able to expand their brand reach and telecommunication services to football fans across Malaysia, including Sarawak.

MOU with KUFC



12 April 2023

XOX and Kelantan United FC Sdn. Bhd. ("KUFC") signed a MOU at XOX's office in Menara Lien Hoe to offer telecommunications services to football fans. The collaboration includes an opportunity for KUFC to earn income, reach out to their fans, and enhance their profile via home game activities, social media content, and XOX Season Pass rewards while maximising XOX brand reach and telecommunication services to football fans in Malaysia and specifically in Kelantan.

MOU with ABMB



19 May 2023

The signing of the MOU between XOX and Alliance Bank Malaysia Berhad ("ABMB") officiated the partnership to introduce the convenience of digital banking in the XOX BLACK App. The signing was carried out by ABMB's Ms Gan Pai Li, Group Chief Consumer Banking Officer, and Mr Edwin Lee, Head of Cards and Loans, and XOX's Mr Ng Kok Heng, Chief Executive Officer and Mr Azril bin Aliuddin, Chief Strategy Officer, in the presence of XOX's Board of Directors, top management, and the media.

# EVENTS HIGHLIGHTS 2023



**20 June  
2023**

## MOU with PFC

XOX and Penang FC Sdn. Bhd. ("PFC") signed a MOU at PFC's office in Komtar Tower, Penang to offer telecommunications services to football fans. This collaboration enables PFC to earn income from the dealership, reach out to their fans and enhance their profile via home game activities, social media content and XOX Season Pass rewards and at the same time, expand the XOX brand reach and telecommunication services to football fans in Malaysia and specifically in Penang.



**28 June  
2023**

## MOU with KDDI

XOX has entered into a MOU with KDDI Malaysia Sdn. Bhd. ("KDDI"), aiming to offer enhanced telecommunication services, including e-SIM, to subscribers. This collaboration encompasses the deployment of XOX's innovative SpaceX vending machines and the joint development of the Nimbus mobile application. This value-added service benefits mobile consumers across all regions of Japan and Malaysia.

# MEMORANDUM OF UNDERSTANDING ("MOU")

**31 July  
2023**

## MySiswa MOU Signing

XOX has signed a MOU with the Ministry of Higher Education Malaysia and VMR Three Sdn. Bhd. to develop a comprehensive MySiswa ecosystem for students in public and private universities. The MySiswa ecosystem is designed to offer a wide array of digitally enabled services with the inclusion of a platform for entrepreneurial knowledge and skillset development, e-learning, and a student-focused marketplace featuring exclusive offerings that aligns with the Ministry's objectives. The MySiswa ecosystem consists of the MySiswa Mobile Plan and System, Vending Machines, BLACK Market, e-Wallet, and ADX Loyalty System.

Students who are keen to further develop their entrepreneurial skills have an opportunity to create their own income streams under XOX's established framework and training programmes.



# EVENTS HIGHLIGHTS 2023

## COLLABORATION AGREEMENT

**Collaboration Agreement with Tourism Perak Management Berhad**

17 March 2023



XOX partners with Tourism Perak to promote and market "Visit Perak Year 2024" to its network of subscribers and sports fans. The collaboration will see the production of digital media about all places of attraction in Perak be directed, produced, and shared with the public. Through the collaboration, Perak FC players will also play the role of state ambassadors to attract more visitors to the state.

10 - 11 November 2022

**Main Distributors & Area Distributors Retreat 2022**



Two days filled with inspiration, collaboration, and celebration! Our Main Distributors and Area Distributors made the ONEXOX Retreat at Geno Hotel, Subang Jaya an unforgettable experience.

From problem-solving to celebrating victories, these shared experiences forge bonds that stand the test of time. Here's to the driving forces behind our success!

## EVENTS

**XOX CNY Lion Dance**

2 February 2023



It has been the annual Chinese New Year tradition for XOX to organise the lion dance performances to welcome and pay tribute to Cai Shen (the God of Wealth or Prosperity) to usher in good fortune and prosperity to our offices.

In keeping with tradition, offerings (such as mandarin oranges, pomelos, pineapples, Chinese lettuce, lotus roots, just to name a few) were tied with red ribbons that symbolises prosperity and abundance.

To add joy into this annual event, a Chinese New Year Buffet Lunch for our staff was held at Level 7 of our office, complete with the traditional tosses of Yee Sang (Prosperity Toss).

It was a wonderful opportunity for all staff members to bond at this event.



# EVENTS HIGHLIGHTS 2023

24 - 25 February  
2023



**Management  
Retreat**

The Annual Management Retreat is an event to provide the opportunity for Management Teams from respective companies within the XOX Group to come together for team building and work cohesively to build a strong team through forming bonds and connections. Brainstorming towards the common goal of determining the Company's future goals and directions for success.

Ipoh was chosen as the venue as it is away from the hustle and bustle of the Klang Valley, while additionally, Ipoh is well renowned as the food haven where one is totally spoiled for food choices.

A welcome dinner was held at a hotel with sumptuous Chinese delicacies, and it was an evening to remember.

**EVENTS**



**JOM Gegor Ipoh  
(Perak FC vs  
Kedah FC)**

24 - 25 February  
2023



Perak FC threw its crafted carnival for Perak football fans called Jom Gegor Ipoh to celebrate the team's first match in the Malaysian Super League for 2023 season in style with scrumptious food & beverage offerings, various offers on team jerseys & merchandise plus exciting activities including a small performance to welcome the fans back to the stadium to cheer for their favourite team. It has traditionally been a football culture among fans and Perak FC intends to keep the tradition going.

# PRODUCTS AND SERVICES LAUNCHED DURING THE YEAR

## MySiswa

In tandem with the MySiswa MOU Signing, we have rolled out a suite of Mobile Plan which aims to deliver customised experience for students in public and private universities.

Designated as "MySiswa Mobile Plan", these plans offer unlimited data with highspeed and unlimited calls to subscribers.



## ONEfamily

The ultimate family plan is designed to cater to the connectivity needs of both small and large families. Our plan is crafted to provide seamless communication and unlimited connectivity, ensuring that every family member stays connected, no matter the size of the household. The plan offers unlimited data and calls to all ONEfamily users, with just RM10 for every supplementary line.

The ONEfamily plan is about unlimited connectivity, unbeatable affordability – keeping your loved ones closer, without breaking the bank!



# SUSTAINABILITY STATEMENT

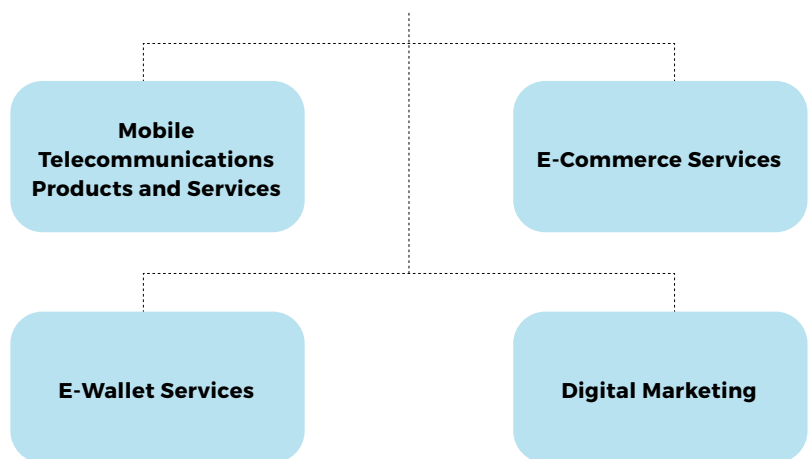
## About The Report

### The Report

**XOX Bhd (“XOX” or the “Company”) has issued the Sustainability Report (“Report”) for five consecutive years since the Report was first released in 2019. This Report provides an in-depth explanation of the Group’s ideas, methods and accomplishments in relation to sustainable development, social responsibility and governance during financial year ended (“FYE”) 30 September 2023. It covers the Group’s performance and activities in economic, environmental and social (“EES”) as well as governance aspects.**

### Scope of the Report

The Report encompasses XOX and its subsidiaries (“the Group”). It provides information on our major activities related to provisions of mobile telecommunications products and services, e-Wallet services, e-commerce services and digital marketing. Revenue from other business segments of the Group accounts for a very small percentage of total revenue and has a minimal impact on the overall performance of the Group, so it is not included in the scope of this Report.



The Report covers the period from 1 October 2022 to 30 September 2023. All information in the Report is disclosed from the Group level.

### Reporting principles

The Report is prepared in reference to the principles of:

- Bursa Malaysia Securities Berhad’s Sustainability Reporting Guide (2<sup>nd</sup> Edition);
- Listing Requirements of Bursa Malaysia Securities Berhad [Paragraph (30) of Appendix 9C of the ACE Market Listing Requirements (supplemented by Guidance Note 11)]; and
- Sustainability Reporting Standards (“GRI Standards”) core option published by Global Reporting Initiative (“GRI”).



# SUSTAINABILITY STATEMENT

The Report follows the reporting principles of:



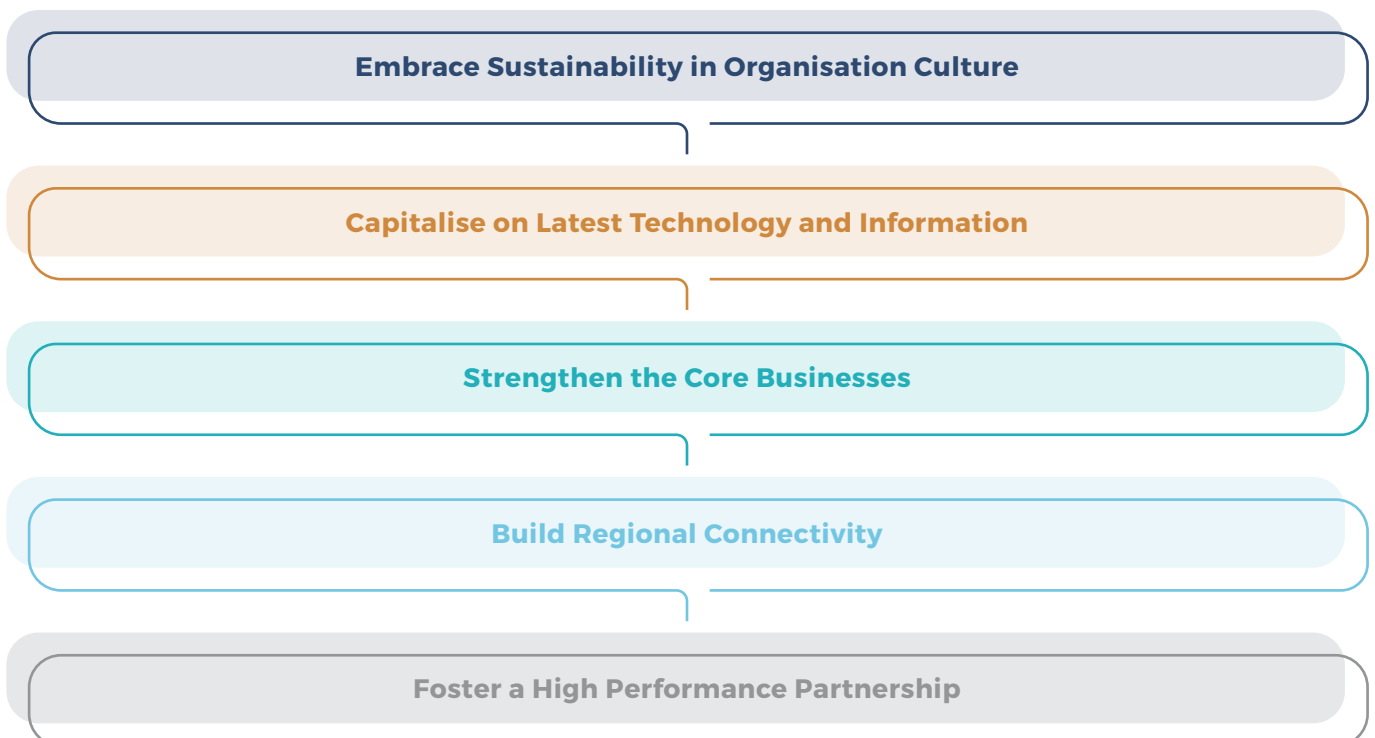
## COMMITMENT TO SUSTAINABILITY DEVELOPMENT

XOX has always considered sustainability to be a fundamental aspect of our organisational culture, as we aim to attain sustained growth and profitability while prioritising safety, care and environmental sustainability. We acknowledge that sustainability practices are a crucial factor in investors' decisions regarding investments.

In line with Bursa Malaysia Securities Berhad's Sustainability Reporting Guide (2<sup>nd</sup> Edition), the Group's sustainability practices are to ensure that EES risks and opportunities are tied in with our governance framework and social responsibilities. This enables our corporate success and behaviour to be judged and measured by the public.


As a responsible corporate entity, our objective is to uphold high standards of governance throughout our operations. This is in line with our corporate culture, which seeks to promote responsible business practices, manage our environmental footprint and address the social needs of the communities where we operate.

Our policy on sustainability:



# SUSTAINABILITY STATEMENT


The Group's ability to maintain a sustainable business and create long-term value for its shareholders is subject to various internal and external factors. Each material factor presents unique risks and opportunities to our organisation and is a key consideration in our approach to strategies formulation and execution as it substantially influences the assessments and decisions of our stakeholders. We regularly review these factors to assess their impacts on our business model over the near, medium and long term.



### Economic

**Sustaining Our Economy**


- Delivering sustainable returns to our shareholders
- Providing professional services in addressing customers' requirements
- Create value, by looking for opportunities to collaborate and to share best practices with our suppliers



### Environment

**Conserving Our Environment**

- Protecting our environment and improving our environmental performance and adopting environmental-friendly practices



### Social

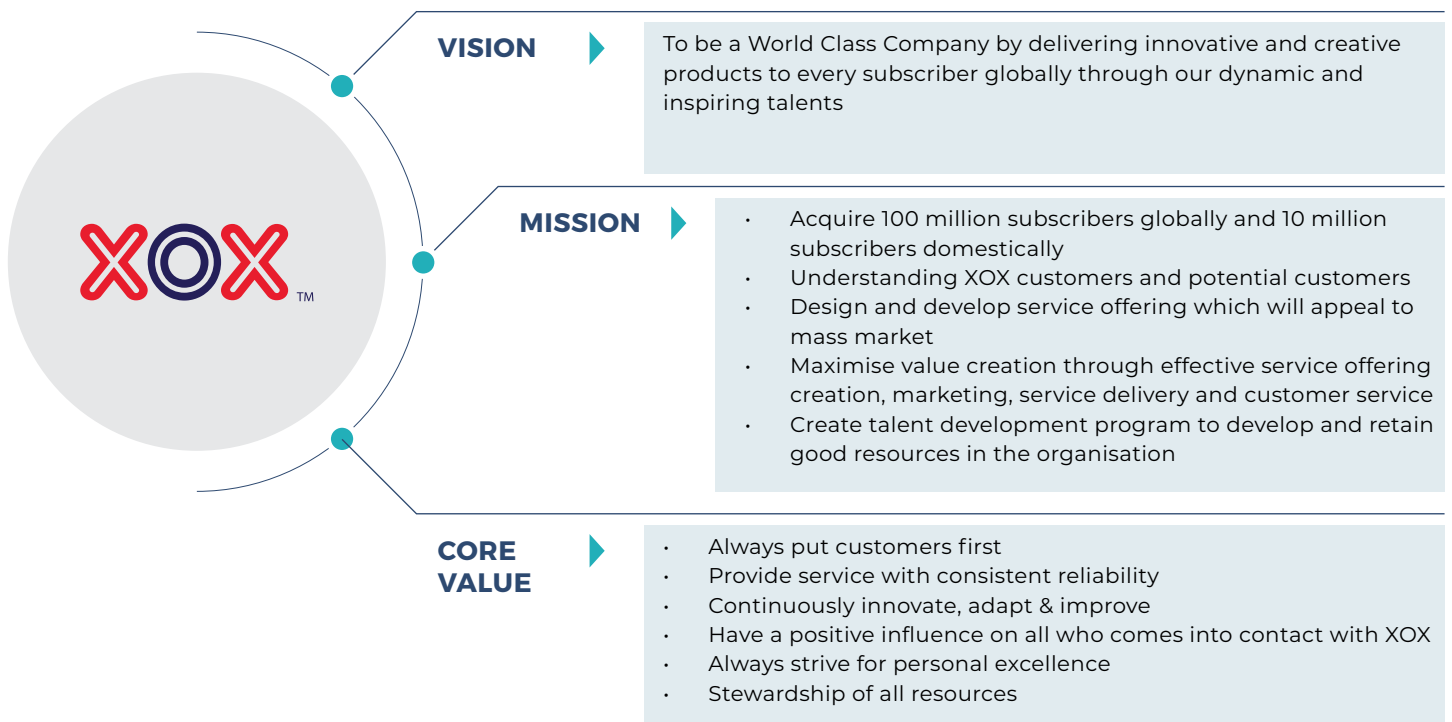
**Building A Resilient Workforce & Serving Our Community**

- Ensuring a positive work environment for our employees to learn and grow
- Contributing to the well-being of the community around us

## GOVERNANCE FRAMEWORK

### Vision, Mission and Core Value

The foundation of our dedication to the sustainability of the Group lies in our vision and mission. Our day-to-day operations are guided by our core values, serving as the principles that shape our culture and support our overarching vision.



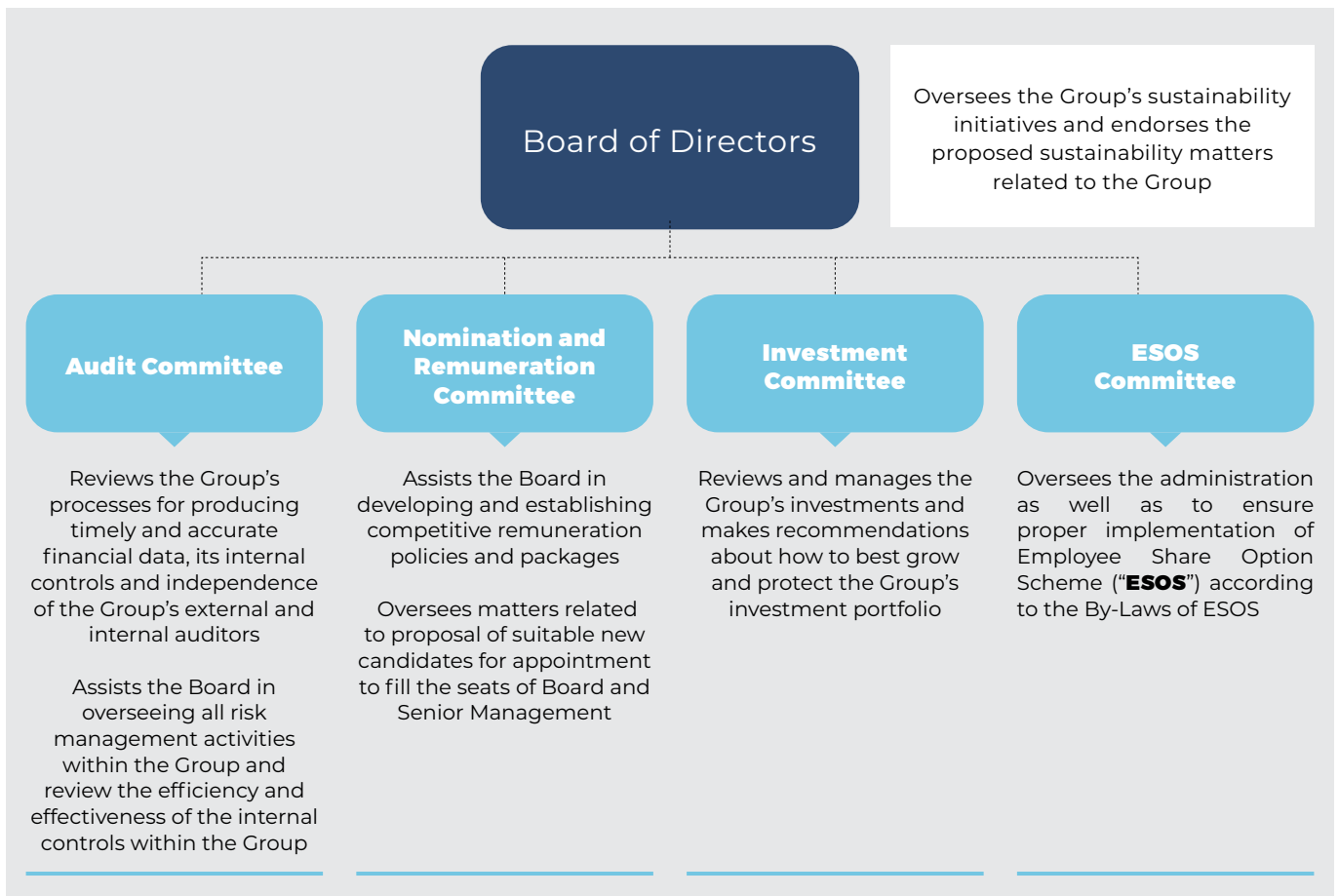
# SUSTAINABILITY STATEMENT

## Corporate Governance

We have integrated sustainability into our organisational approach, which is championed by our top leadership. The Board of Directors (“**Board**”) with the assistance from Chief Executive Officer (“**CEO**”) and Senior Management plays a vital role in guiding and overseeing sustainability initiatives throughout the organisation. It is imperative for the Board to possess a comprehensive understanding of sustainability in order to connect sustainability issues with strategic decision-making for the business. The Board must be familiar with the fundamentals of sustainability to enable them to ask pertinent questions and ultimately link sustainability with the business and strategic decision-making processes.

The Board also acknowledges that risk management and internal controls are integral to our corporate governance and it is responsible for establishing a sound risk management framework and internal control system as well as to ensure their adequacy and effectiveness. The review of the adequacy and effectiveness of the risk management framework and the internal control system is delegated by the Board to the Audit Committee.

The Group’s performance is also tracked with the assistance of the Nomination and Remuneration Committee. Performance evaluation of the Board and Senior Management include a review of the performance of the Group in addressing the Group’s material sustainability risks and opportunities.



The responsibility of the Board to promote and embed sustainability in the Group includes overseeing the following:

- Stakeholders' engagement
- Materiality assessment and identification of sustainability risks and opportunities relevant to us
- Management of material sustainability risks and opportunities
- Tracking and communication of sustainability strategies, priorities and targets as well as performance against targets to internal and external stakeholders

The Board also delegates sustainability management to Senior Management, which comprises representatives from various business units in the form of Sustainability Policy, internal memos and updates to the Group's Standard Operating Procedures (“**SOPs**”) to continue embedding sustainability in every aspect of the Group's daily operations.

# SUSTAINABILITY STATEMENT

## Ethical Business Practices and Anti-Bribery & Anti-Corruption Policy

The Board acknowledges the significance of ethical business practices throughout the organisation to preserve the trust of our stakeholders. We uphold the highest standards of integrity in our operations through good governance, as outlined in the Group’s Code of Ethics and Conducts.

At the core of our business lies good governance, which is founded upon ethical business practices and integrity. We have incorporated the highest standards of governance into our business, not only by adhering to the law, but also by implementing processes and guidelines that reinforce these principles.

The Group has established and adopted Anti-Bribery & Anti-Corruption Policy as we are committed to a zero-tolerance against all forms of bribery and corruption. We are committed to conduct our business ethically, as well as in conformity with all applicable laws. This Anti-Bribery & Anti-Corruption Policy is applicable to the Board, our employees as well as any third parties associated with us.

The Group inducts all new employees on the Company’s Anti-Bribery & Anti-Corruption Policy as well as Code of Ethics and Conducts, during the dedicated in-house orientation programme. Any updates to the Employee Handbook are done through the internal network and all employees have to sign off on the Company’s policies on confidentiality and conflict of interest, integrity and prevention of staff fraud once they have attended the Group’s internal briefings. All business operations have been assessed for corruption related risks. There was no reported complaints of bribery or corruptions in FYE 2023.



## RESPONSES TO SUSTAINABLE DEVELOPMENT GOALS (“SDG(s)”)

“Agenda 2030” was adopted by all 193 United Nation member states in September 2015. This plan aims to address the world’s most pressing EES problems over the next 15 years. It consists of 17 goals and 169 targets that cover a broad set of challenges such as economic inclusion, geopolitical instability, depleting natural resources, environmental degradation and climate change. Malaysia is dedicated to achieving “Agenda 2030” through its SDG Roadmap.

We endorse the SDGs and acknowledge their significance to our business and the world. As a result, we are determined to aid in achieving them. The Group has implemented well-established initiatives to ensure sustainable and responsible operations, in accordance with our longstanding pledge to ethical corporate citizenship and sustainability promotion in all our endeavors. All of the SDGs are relevant to our operations to varying extents, and we already contribute to several of these objectives. We focus on supporting goals where we can make the greatest contribution.



# SUSTAINABILITY STATEMENT

5 GENDER EQUALITY



## Achieve gender equality and empower all women and girls

XOX adapts SDG 5 on gender equality and this reflects the Company's commitment to promote and advance gender balance and inclusivity across its operations. The Company committed on creating a more diverse and inclusive workforce by ensuring equal opportunities for men and women at all levels. This includes recruitment, promotions, and leadership positions.

In addition to that, the implementation of policies and practices that ensure equal pay for equal work is essential. This involves conducting regular pay equity assessments and addressing any disparities.

8 DECENT WORK AND ECONOMIC GROWTH



## Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

A clear avenue for XOX to contribute to the SDGs is by fostering economic growth through the expansion of our business. However, it is imperative to emphasise that growth should not compromise the well-being of the planet or people, particularly our vulnerable employees.

Four of the ten identified Sustainability Matters crucial to the Group pertain to our employees, underscoring their significance in the success of XOX.

Our focus is on cultivating a vibrant and thriving organisation by recruiting and nurturing talented individuals, empowering them to achieve their full potential, consistently enhancing our leadership, and fostering a high-performance culture through strong engagement. We are dedicated to creating a safe and healthy workplace, ensuring equal opportunities in recruitment, career development, promotion, training, and rewards for all employees, irrespective of gender, ethnicity, or physical ability. This commitment aims to cultivate a diverse workforce, supported by comprehensive training and succession plans.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



## Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

In the highly competitive landscape of the business world, providing exceptional customer service is imperative for staying ahead. Customer satisfaction stands out as a key determinant of business success. XOX is committed to a "consumer-oriented" business approach, consistently diversifying our range of products and services to enhance customer satisfaction. Moreover, our business operations align with the guidelines of the Malaysian Personal Data Protection Act 2010 ("PDPA") concerning the collection, utilisation, and disclosure of personal data.

10 REDUCED INEQUALITIES



## Reduce inequality within and among countries

Having a diverse Board and Senior Management team can bring various benefits to a company, such as a wider range of perspectives, improved decision-making, and better performance in a dynamic business environment. Gender diversity is one aspect of diversity that companies should prioritise, as it can bring unique perspectives and skillsets to the table.

To promote gender diversity, companies should take proactive measures to seek out and recruit qualified women candidates for Board and Senior Management positions. This can include initiatives such as targeted outreach to women candidates, unbiased recruitment processes, and mentorship and sponsorship programs to support the development and advancement of women leaders. By creating a more diverse and inclusive leadership team, companies can foster a culture of innovation and drive sustainable business success.

# SUSTAINABILITY STATEMENT

## STAKEHOLDERS' ENGAGEMENT AND COMMUNICATION

Throughout the fiscal year, we remained committed to actively engaging with our stakeholders as part of our sustainability assessment process. By engaging with our stakeholders, we are better able to gain a comprehensive understanding of the material issues and concerns they may have. Through this engagement, we are also able to capture the key aspects and impacts of our sustainability journey.

The table below lists our key stakeholder groups and their respective areas of interest as well as methods by which the Board engages them.

STAKEHOLDERS	ENGAGEMENT METHODS	ENGAGEMENT AREAS
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Annual &amp; Extraordinary General Meetings</li> <li>Press releases</li> <li>Bursa announcements</li> <li>Quarterly report</li> <li>Annual report</li> <li>Timely update on corporate website</li> </ul>	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>Return on investments</li> <li>Corporate governance</li> </ul>
<b>Government</b>	<ul style="list-style-type: none"> <li>Compliances to laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Operation regulations</li> <li>Bursa listing requirements</li> <li>Companies Act</li> <li>Labour law</li> <li>Taxations</li> <li>Anti-Bribery and Corruption</li> </ul>
<b>Board of directors</b>	<ul style="list-style-type: none"> <li>Board meetings</li> </ul>	<ul style="list-style-type: none"> <li>Corporate strategy</li> <li>Corporate governance</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Technical and skills trainings</li> <li>Performance appraisal</li> <li>Team building activities</li> </ul>	<ul style="list-style-type: none"> <li>Remuneration policy</li> <li>Career development</li> <li>Performance review</li> <li>Fair employment practices</li> </ul>
<b>Financial Institutions</b>	<ul style="list-style-type: none"> <li>Bursa announcements</li> <li>Quarterly report</li> <li>Annual report</li> <li>Timely update on corporate website</li> </ul>	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>Funding requirement</li> </ul>
<b>Customers (Dealers &amp; Subscribers)</b>	<ul style="list-style-type: none"> <li>Subscription package</li> <li>Website</li> <li>Social media</li> <li>Company events</li> <li>Online store</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfactions</li> <li>After-sales services</li> <li>Quality assurance</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Service vendor evaluation form</li> <li>Regular meetings</li> <li>Quality audit on products and services</li> <li>Contract negotiation</li> </ul>	<ul style="list-style-type: none"> <li>Quality of products and services</li> <li>Supply commitment</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>Community events</li> </ul>	<ul style="list-style-type: none"> <li>Social contribution</li> <li>Job opportunities</li> <li>Donation and financial aid</li> </ul>
<b>Analyst/Media</b>	<ul style="list-style-type: none"> <li>Annual &amp; Extraordinary General Meetings</li> <li>Press conferences and media releases</li> </ul>	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>General announcements</li> </ul>

## SUSTAINABILITY RISKS AND RESPONSES

The Board understands the importance of addressing sustainability risks and opportunities in an integrated and strategic manner to support the Group's long-term strategy and success. The Board proactively considers sustainability issues when overseeing the planning, performance and long-term strategy of the Company, to ensure the Company remains resilient, is able to deliver durable and sustainable value as well as maintain the confidence of its stakeholders.

# SUSTAINABILITY STATEMENT

## RISK: CYBERSECURITY THREATS

### Risk Analysis:

Cyber threats like hacking, malware, phishing and ransomware have the potential to jeopardise IT infrastructure, resulting in data breaches, system downtime and financial setbacks.

### Risk Responses:

The Group formulates policies and procedures detailing the organisation's cybersecurity strategy, encompassing password guidelines, incident response protocols and plans for data backup and recovery, with a focus on practical implementation by the infrastructure team.

The Group also invests in advanced technologies by incorporating advanced threat detection, encryption, and regular security audits to comply with data protection standards.

We continue to enhance the cybersecurity proficiency of the infrastructure team by enrolling them in training program conducted by reputable organisation, aiming to increase their capabilities in managing cybersecurity challenges.

## RISK: COMPETITIVE RISK

### Risk Analysis:

The telecommunications sector in which we operate remains highly competitive, particularly in the field of mobile connectivity. There are significant possibilities for an increased acceptance of digital technologies by both consumers and businesses.

### Risk Responses:

To address the challenges and effectively compete while navigating the wave of 5G implementation, we are adjusting our targets and goals. Our focus is shifting towards becoming a technology solutions provider. As part of this strategic realignment, we are actively forming key partnerships that will enhance our digital value proposition, facilitating revenue growth and leveraging advancements in digital and internet adoption. Our approach involves introducing a diverse array of innovative digital solutions to customers, incorporating edge computing, data analytics, artificial intelligence, e-commerce platforms, cloud services, and blockchain applications. This comprehensive strategy encompasses offerings from both our in-house developments and collaborative ventures with partners.

## RISK: DATA LOSS OR CORRUPTION

### Risk Analysis:

IT infrastructure risks pose a multifaceted challenge, with data vulnerability arising from hardware failures, software bugs or human errors. Hardware failures, encompassing malfunctions in servers, storage devices or networking components, can disrupt data accessibility and compromise integrity. Software bugs, involving errors or glitches in applications or systems, may lead to unpredictable behaviours, jeopardising data accuracy and system stability. Additionally, the potential for human error introduces another layer of risk, as mistakes or oversights in IT management or usage can inadvertently result in data loss or corruption.

### Risk Responses:

The Group implements routine critical data backup measures, employing multiple copies stored across different locations to mitigate the risk of loss from a singular event. A backup solution is systematically implemented to automate and regularly safeguard crucial server data. Additionally, End Point Detection and Response (EDR) mechanisms are deployed to proactively prevent data breaches.

## RISK: UNPLANNED DOWNTIME

### Risk Analysis:

Unexpected downtime can be triggered by both hardware and software failures, leading to diminished productivity, dissatisfied customers and revenue setbacks. Hardware failures encompass issues with servers, storage devices, network equipment and other vital components. On the software front, challenges like bugs, application conflicts and compatibility issues can disrupt system functionality, causing unplanned downtime.

### Risk Responses:

The Group implements a system monitoring solution to identify abnormalities in the system proactively, averting potential downtimes. Additionally, we enhance downtime notifications through more frequent reviews and updates to related standard operating procedures. The team also designs an active-active distributed system architecture, enhancing overall system uptime.

## RISK: STAFF ENGAGEMENT

### Risk Analysis:

Staff engagement: Transforming staff to evolving needs and supporting employment with limited resources without compromise is challenging.

Workplace wellness: Expectation on work-life balance and workplace health and safety are even higher after the pandemic.

### Risk Responses:

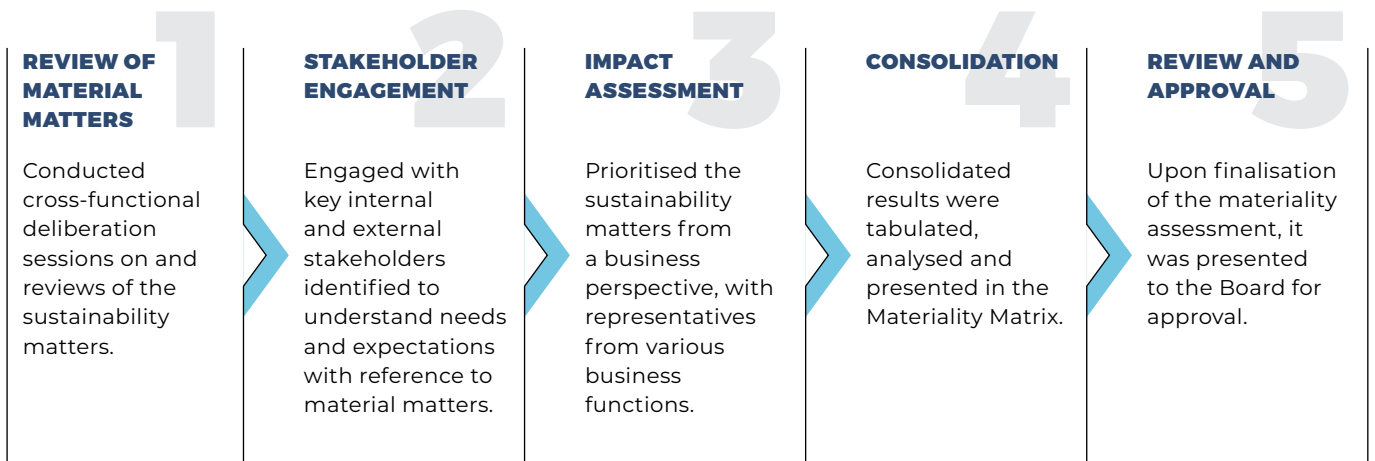
The Group continues to cultivate a high-performance culture and nurture a vibrant and diverse workforce with robust training and succession plan.

The Group focused on upskilling aligns with digital transformation, fostering engagement for a dynamic and innovative workplace, essential for staying at the forefront of industry advancements.

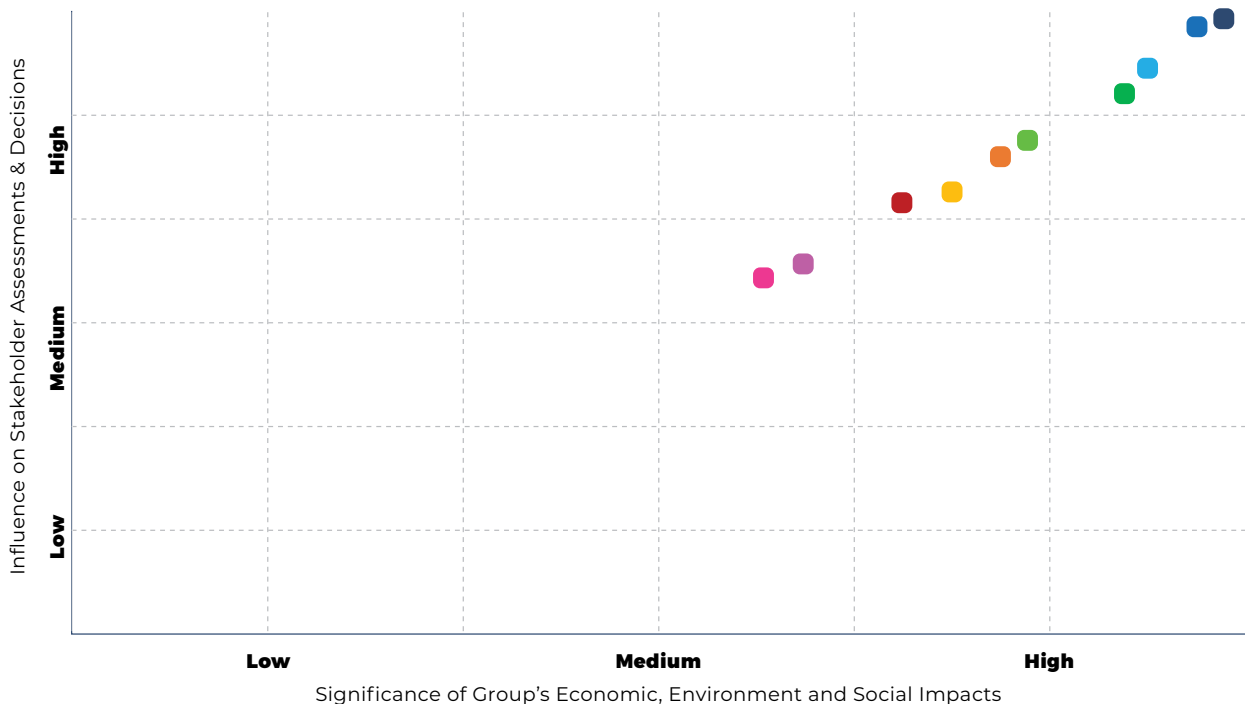
# SUSTAINABILITY STATEMENT

## MATERIALITY ASSESSMENT

We conducted a structured materiality assessment exercise to prioritise our sustainability matters based on both business and stakeholder expectations. Our materiality assessment process was guided by Bursa Malaysia’s Sustainability Reporting Guide (2<sup>nd</sup> Edition) and Bursa Malaysia Toolkit.



We assess our sustainability material matters annually to fully understand how to manage the risks and opportunities they present. This ensures that we prioritise the issues that have the greatest impact on the economy, society and the environment.



- Consumers & products
- Diversity & inclusion
- Community engagement
- Shareholders
- Labour practises
- Energy savings
- Suppliers & vendors
- Safe workplace
- Waste management
- Talent motivation & skill development

# SUSTAINABILITY STATEMENT

The table below shows key relationships between the Group's top material sustainability matters, and the related SDGs.

Ranking	Material Sustainability Matters	ESS Pillars	Related SDGs
1.	Customers & Products	Economic	 
2.	Shareholders	Economic	
3.	Suppliers & Vendors	Economic	  
4.	Talent Motivation & Skill Development	Social	
5.	Diversity & Inclusion	Social	  
6.	Labour Practices	Social	
7.	Safe Workplace	Social	 
8.	Community Engagement	Social	 
9.	Energy Savings	Environmental	 
10.	Waste Management	Environmental	

# SUSTAINABILITY STATEMENT



## ECONOMIC

### SHAREHOLDERS

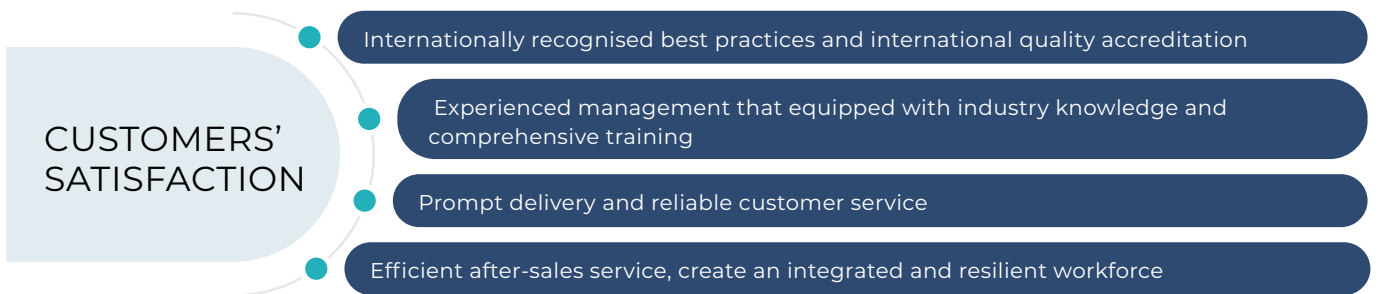
As the ultimate proprietors of our company, our shareholders' interests are of utmost importance to us. Therefore, one of the significant sustainability concerns for our group is maintaining a robust and sustainable financial performance and position. We are committed to achieving economic growth that is sustainable for the benefit of our shareholder.

The Group recognises the importance of prioritising financial sustainability and considers it a crucial aspect of its operations. Our fundamental principle is that the long-term profitability and value for shareholders are best achieved by taking into account the interests of all stakeholders, including shareholders, employees, suppliers, and the wider community. We believe that by adopting a holistic approach that considers the needs of all stakeholders, we can create sustainable value for our shareholders over the long run.

To promote transparency, our shareholders are entitled to timely and quality information on the Group's financial performance and position. Apart from the Annual General Meeting where shareholders are encouraged to ask questions to the Board and Senior Management on business operations, and the financial performance and position of the Group, the Group's corporate website at [www.xox.com.my](http://www.xox.com.my) also provides a link on investor relations where quarterly and annual financial statements, announcements, financial information, annual reports, circulars/statements to shareholders and other pertinent information are uploaded on a timely basis when available.

### CUSTOMERS & PRODUCTS

The Group is dedicated to ensure that not only our shareholders' interests but also those of our customers are well-taken care of. For our customers, we are committed to supply and provide high-quality products and services that meet their satisfaction and expectations. We strive to achieve this by continually improving our technology and processes as required.



At XOX, we believe that staying at the forefront of the technological advancements is essential to keep up with the rapid development of the customers' needs and preferences. Our presence across multiple industries have created a wide canvas to harmonise various technological innovations into one single ecosystem. The XOX ecosystem will create limitless opportunities for business-minded individuals to compete in the modern economy. We take pride in receiving the prestigious "Most Affordable Postpaid & Prepaid Telco Brand" Award by The Brandlaureate in 2023.



# SUSTAINABILITY STATEMENT

In this competitive business world and digital era, offering excellent customer service is a necessity for businesses to stay ahead of the curve. Customer satisfaction is one of the major factors that contribute to the business success. XOX adheres to the “consumer-oriented” business concept. We are constantly offering variety of products and services to ensure higher satisfaction from our customers.

- Implemented an optimised procedure for resolving issues by assigning dedicated support agents to address specific categories of problems. This ensures quicker response times and specialised expertise in handling various types of issues.
- Introduced an effective Interactive Voice Response System (“IVR”) call routing system with a user-friendly menu, ensuring easy navigation for customers. By directing customers to the appropriate agent based on their menu selection – for instance, prioritising complex network issues to specialised agents or giving them priority in the queue – we aim to minimise unnecessary transfers. This strategy accelerates call resolution, reducing customer frustration.
- Established new live chat feature on WhatsApp facilitating instant responses to customer inquiries and ensuring swift and effective support.



The Group also engaged in sponsorships to increase our brand visibility and awareness. Sponsorship often comes with marketing and promotional opportunities, such as logo placement, advertising and mentions. This allows us to promote our products or services and building a positive brand perception.



In today’s business environment, ensuring the security and privacy of clients’ data is a top priority. The Group recognises the risks associated with cyberattacks and takes measures to minimise or eliminate them. To this end, the Company provides training for its Information Technology (“IT”) officers to enhance their skills in addressing cybersecurity concerns. This helps to instil confidence in clients that their data is being protected and that the Company is taking appropriate steps to prevent cyberattacks.

In the year under review, similar to last year, there have been no incidence or breach from malware, ransomware, hacking or other cyberattacks on its database. The Group’s IT Department has conducted its routine IT audits and has given the Group’s assets a clean bill of health, including exposure from unauthorised software usage.

**We conduct our business in compliance with the Personal Data Protection Act 2010 (“PDPA”)’s guidance with the collection, use and disclosure of personal data. We have also safeguarded against external attempts to breach any confidential information. There were no reported cases of non-compliance with PDPA in FYE 2023.**

**Number of substantiated complaints concerning breaches of customer privacy and losses of customer data (FYE2023)**

Nil

# SUSTAINABILITY STATEMENT

## SUPPLIERS & VENDORS

We have cultivated a proficient network of suppliers grounded in integrity, trust, and reliability. This has allowed us to foster strong and enduring relationships with our current suppliers, who have seamlessly assimilated into our working culture, incorporated sustainability measures into their operations, and demonstrated a willingness to surpass expectations in terms of both quality and services.

We place a high value on the enduring collaboration with our suppliers, a partnership that has led to enhanced efficiency and the dependable delivery of services or products. Regular assessments are carried out to verify that the quality of products and services aligns with our established requirements and standards. For new suppliers, adherence to the quality standards expected by our customers is a prerequisite to ensure the quality of their products and services.

In our commitment to suppliers, we strive to improve our processes and actively engage with them to identify and manage risks, boost productivity, and enhance efficiency within the supply chain. This commitment is rooted in values of integrity and transparency. We seek to create value by actively exploring opportunities for collaboration and sharing best practices with our suppliers.

During the process of supplier acceptance, our suppliers undergo a meticulous selection procedure, ensuring engagement only with those meeting the specified criteria. We adhere to an internal checklist in the Vendor Evaluation Form to assess the qualifications and systems of potential suppliers, enabling us to approve those who meet the required standards. The Group conducts assessments encompassing quality management, environmental considerations, social responsibility, governance risk, and other relevant factors to thoroughly evaluate potential suppliers.

XOX is committed to address the environmental and social impacts of our business within our operations and across our supply chain. We promote sustainable supply chain by embedding this into the Group's value chain creates a sense of corporate responsibility on resource management. We trust operating a sustainable business will enable us to serve our customers for generations to come.

We encourage our suppliers to adopt responsible and sustainable practises with respect to a range of environmental and social issues outlined in our Code of Ethics and Conducts. This process gives preference to suppliers which integrate considerations for environmental conservation, protection of endangered species, protection of labour rights and welfare, equal opportunities, no corruptions or bribery and no pending environmental issues.

The Group consistently carries out inspections on services and products received from suppliers, supplemented by an annual performance evaluation based on the specified criteria. Should suppliers fail either the inspection or the annual review, we prioritise prompt action and terminate sourcing from them immediately. This approach ensures a proactive stance in maintaining the quality and performance standards expected from our suppliers.

The Group places a strategic emphasis on procuring from local suppliers to contribute to local job creation and maintain price competitiveness. During the period under review, the Group efficiently allocated the majority of its budgets to identify, assess, and partner with local suppliers possessing a commendable service history, untarnished reputations, and the ability to deliver high-quality work within agreed-upon schedules.

## ENVIRONMENT

### ENERGY SAVINGS

In response to the global commitment and the accelerated push towards transitioning to a net-zero economy, we have conducted a thorough assessment of our operations. This evaluation aims to improve energy efficiency, thereby reducing our carbon footprint and fostering cleaner and sustainable growth. Our commitment to environmental protection involves integrating environmental considerations into our decision-making processes. Through the implementation of appropriate measures, we actively work towards advancing energy efficiency to mitigate the environmental impacts associated with our daily operations.

Our ongoing efforts to reduce energy consumption include advocating for the maintenance of a temperature range between 22-25 degrees Celsius for the air-conditioning systems in all our office spaces. Additionally, we consistently install and replace lighting fixtures with energy-efficient LED lights on an annual basis. Furthermore, we actively practice turning off unnecessary ventilation, air conditioning systems, and lighting when not in use or during non-business hours as part of our commitment to energy conservation.

In FYE 2023, the Group's total energy consumption stood at 305,885kWh amounting to RM162,761 with an increase in usage of 18.6% from 257,850kWh in FYE 2022 due to the increased number of physical events that took place as we entered the "Transition to Endemic" phase and the operation of new office floor and outlets.

### WASTE MANAGEMENT

In alignment with our commitment to sustainable consumption and production patterns, we actively strive to reduce consumption and responsibly utilise available resources. Ongoing paper recycling initiatives involve encouraging employees to prioritise electronic methods for sharing and storing documents, minimising printing or photocopying, and opting for double-sided printing when necessary. The adoption of a Human Resource Management System for leave applications and access to payslips further eliminates the requirement for physical copies, contributing to our sustainable resource management efforts. Leveraging tablets for board meetings and transitioning to electronic document distribution represents a forward-thinking approach to further reduce paper consumption. Embracing this digital shift not only enhances efficiency but also aligns with environmental sustainability practices.

Additionally, other materials such as furnishing, and fixture are recycled or reused where possible. Waste segregation has been done by placing different bins in and around our offices. The employees are encouraged to subscribe "Let's Swapp Digital Business Card" application to reduce the need for physical name card.

# SUSTAINABILITY STATEMENT



## SOCIAL

### SAFE WORKPLACE

The Group firmly believes that the safety and well-being of its employees form the cornerstone of its success. Therefore, we are dedicated to fostering a safe and healthy environment for our workforce, promoting secure practices in every facet of our business operations. To underscore this commitment, the Group has established a policy designed to:

- ensure compliance with laws and regulations in relation to occupational safety and health; and
- promote a culture where all employees share the commitment to prevent harm to the safety and health of our employees and the general public.

The Group is regularly engaging and educating employees to inculcate a culture of safety and compliance through safety and health awareness talk.

Throughout 2023, a series of awareness talks were organised with the aim to provide information, promote healthy lifestyles and underscore the importance of maintaining well-being both in and outside the workplace. The sessions covered topics such as colorectal cancer, hypertension, long covid and etc. The goal was to foster a culture that prioritises the overall health and wellness of the employees, recognising its positive impact on both individual performance and the collective well-being of the organisation.

The Group aimed to achieve a zero-accident rate for occupational safety and health. There were no work-related fatalities as well as zero accident on our employees reported in FYE 2023.

### LABOUR PRACTICES

We are dedicated to upholding and respecting fundamental human rights, ensuring protection against any violations. Our commitment extends to maintaining a workplace that is both anti-discriminatory and anti-harassment, prioritising safety, health, and ethical conduct. Employees have the freedom to unionise in accordance with local laws and practices. It's noteworthy that no complaints regarding human rights violations or unfair treatment of employees were filed throughout the year 2023.

In addition to this, all employee benefits provided by the Group is above minimum statutory requirements and includes healthcare and insurance coverage, leaves, statutory payment and career development bonuses. Remuneration packages, while strictly private and confidential, are determined upon the employees' experience, expertise, qualifications and job grade.

**Number of substantiated complaints concerning human rights violations (FYE2023)**

**Nil**

### TALENT MOTIVATION & SKILL DEVELOPMENT

The old adage, "Our people are our best assets" may sound cliché but it is nonetheless true. At XOX, we have always recognised this and have strived to bring out the best in our people and ensure that they share a vision to always be ahead in all we do. The development of our employees is a key priority which we take seriously as we believe in creating value through the growth of our own people. Our approach is a holistic one that considers learning needs, individual development plans to drive career growth and retention, and the embedding of our culture and values.

The Group acknowledges that the Industrial Revolution 4.0 will compel organisations to consistently upskill and reskill their workforce to remain relevant and productive. Employees are actively encouraged to participate in internal or external training programmes, or pursue professional development opportunities. This initiative aims to enhance their knowledge and skills, contributing to career advancement and personal development in areas such as human resource management, technical skills, and more.

In FYE 2023, the total training hours for external training and internal training amounted to 359 hours (2022: 30 hours) and 2,468 hours (2022: 2,184) respectively, indicating a remarkable increase of 1,097% for external training and 13% for internal training.

## SUSTAINABILITY STATEMENT

FYE 2023	External Training		Internal Training	
	No. of employees	Training hours	No. of employees	Training hours
Senior Management	5	37	11	141
Middle Management	10	127	104	1,319
Administrative Workforce	0	0	53	630
Frontline Sales and Customer Service	0	0	23	315
Technical and Professional Workforce	12	195	5	35
Management Trainee	0	0	2	28
<b>Total</b>	<b>27</b>	<b>359</b>	<b>198</b>	<b>2,468</b>

Our Management Trainee Programme continues to attract talented graduates to undergo a comprehensive programme and on-the-job engagement, to develop them as the future leaders of XOX, to broaden their minds by providing them opportunities for interchange of experiences, and to correct the narrow outlook they may feel arising from over specialisation. We also create jobs opportunities for our dealers and hire additional workforce for the business transformation. We share the responsibility of improving the well-being of society, thus assisting in a small way towards reducing and preventing poverty.

As part of the Group's talent management pipeline, the Group supports internships by partnering local institutions of higher learning to place their undergraduates within departments relevant to their studies for real-life work experiences.

In ensuring the long-term performance and sustainability of our Group, succession planning is deemed essential for critical and leadership roles. The Executive Directors, CEO and Senior Management play a crucial role in reviewing the Group's human resources plan, which encompasses the succession management framework and related activities. This evaluation includes a thorough examination of human resources initiatives, such as job and salary reviews, along with an assessment of the annual manpower budget. The implementation of succession planning across the Group occurs in stages, with specially tailored training programmes designed for management staff.

For many years, we have recognised the importance of engaging with our workforce. Employees' engagement is important to an organisation because it motivates employees to do their best. We consider effective engagement a key element of the Company's ability to create value as we recognise that our people are our greatest asset. Management regularly engages with the workforce through a range of activities such as annual dinner, festive season celebration, birthday celebration, awareness talks etc.



# SUSTAINABILITY STATEMENT

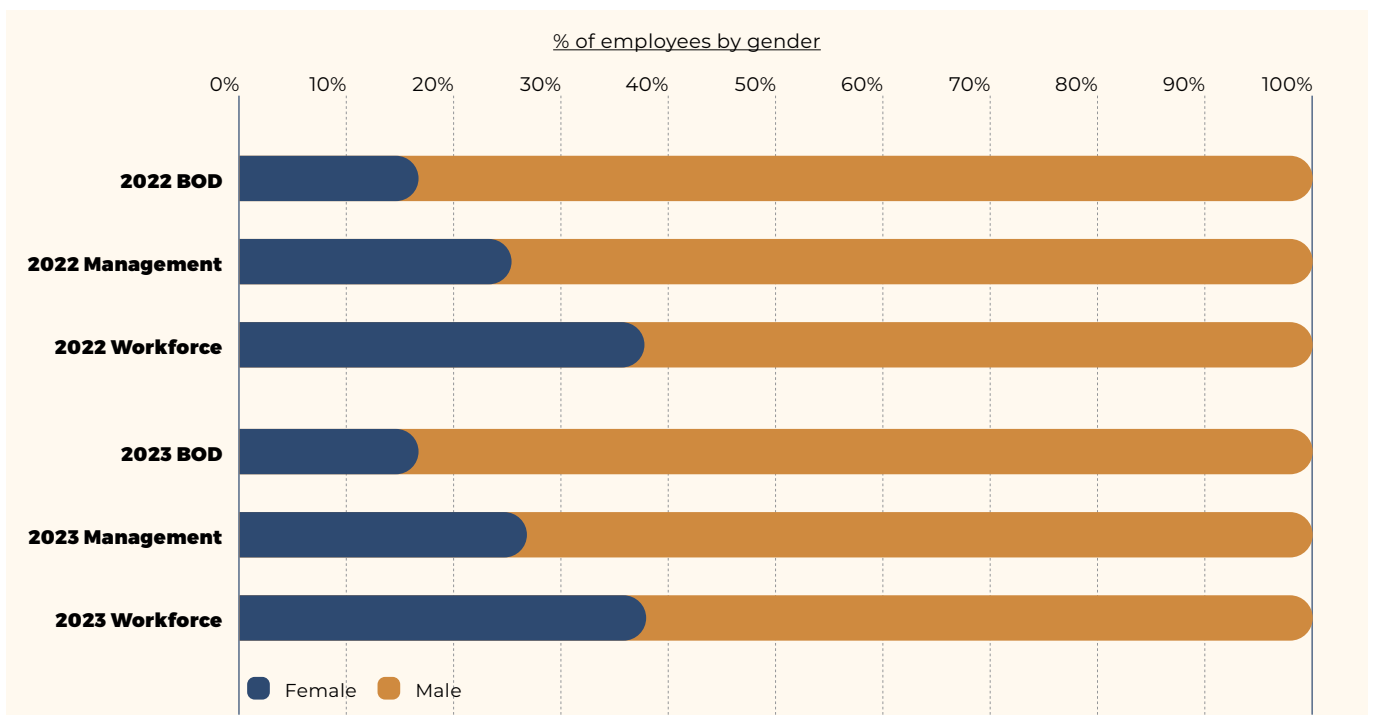


As at 30 September 2023, the Group had a total staff strength of 478 personnel, an expansion of 5.8% from 1 October 2022's 452 personnel.

## DIVERSITY & INCLUSION

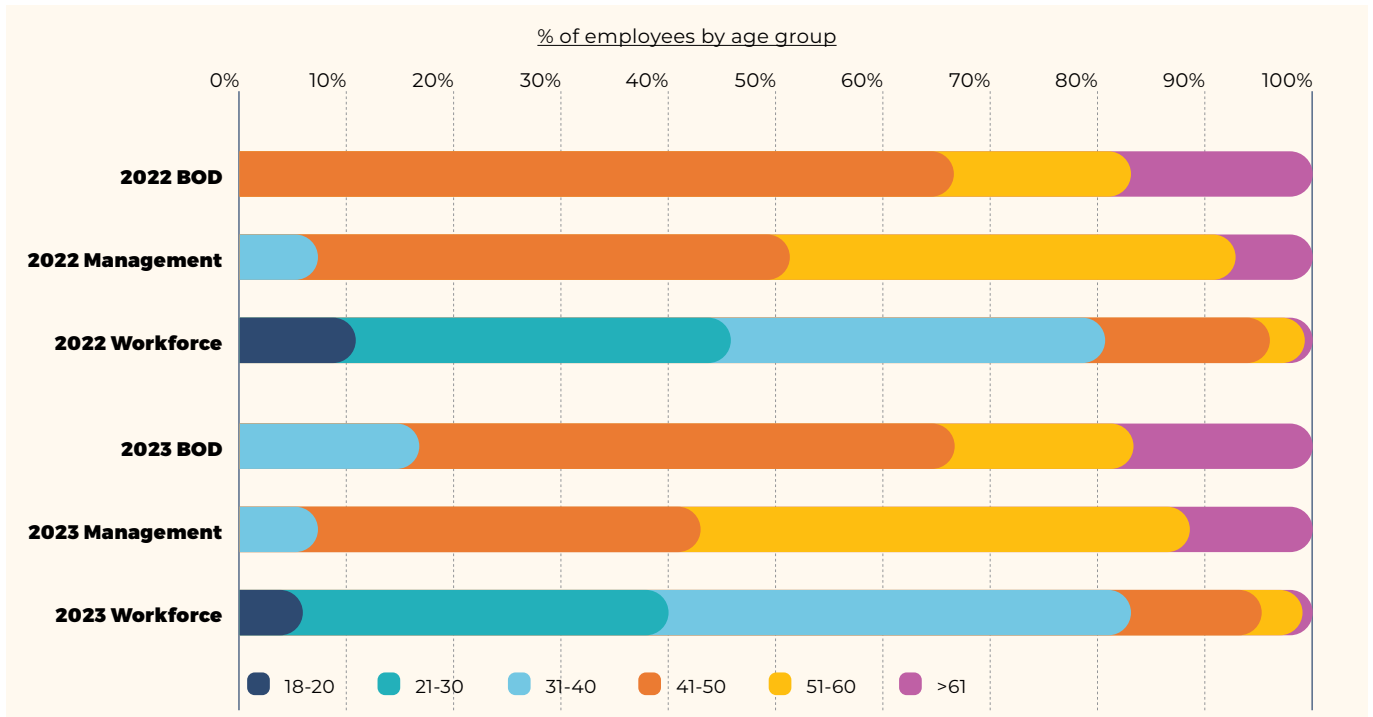
Diversity encompasses variations in the workforce based on factors such as gender, age, ethnicity, and disability. This measure is evaluated across all levels, including the Board, Management, and the broader workforce.

In the appointment and recruitment process, we pride ourselves being an employer that provides equal opportunities and continuously seek to promote it regardless of religious belief, age, marital status, gender, family status or any disability. Our commitment in that respect applies to all areas of the working environment, all employment activities, resource allocation and all employment terms and conditions. Every employee is given an equal opportunity to rise up in their careers through hard work and dedication.



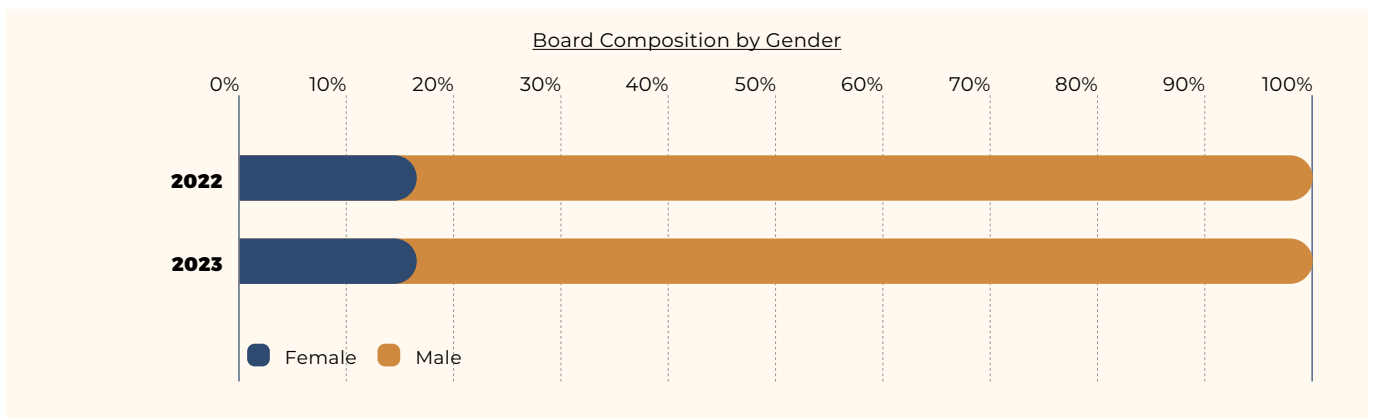
Maintaining a diverse team of employees, spanning various age groups, genders, and industry experiences, fosters open-minded dialogues, expands our positive influence and outreach, bridges gaps, and introduces fresh perspectives and strategies.

# SUSTAINABILITY STATEMENT

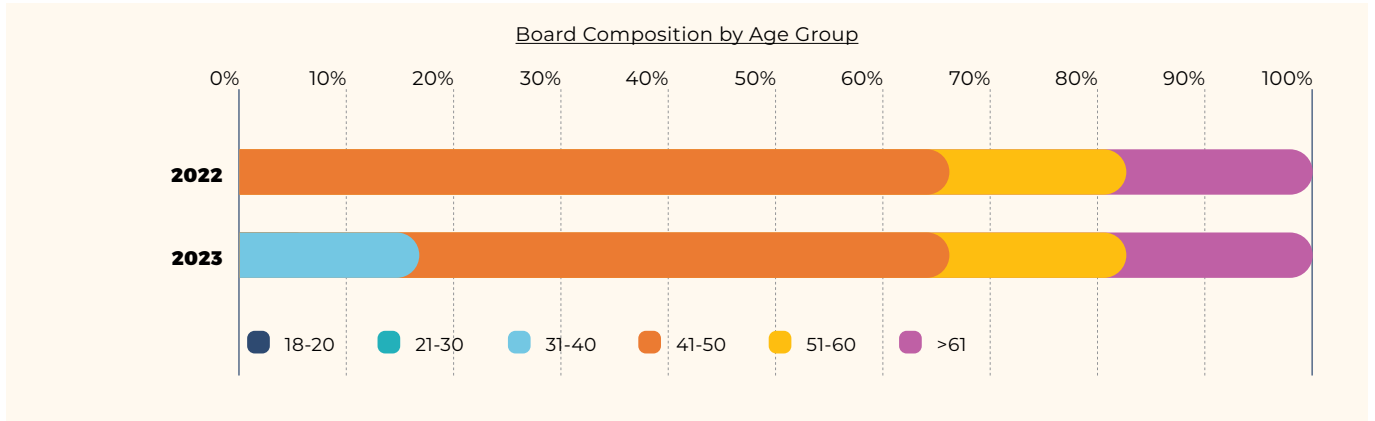


Aside from this, we also ensure that the welfare and wellbeing of senior staff with the age over 60 are not neglected. It is a commitment by XOX to provide employment opportunities to them ever since we commenced our business operations, and as at 30 September 2023, approximately 1.0% (2022: 0.9%) of the Group’s workforce is over the age of 60. We acknowledge that the senior staff could contribute positively to the Company even after their retirement and that the valuable experience, skills and mastery in their industries can still be gainfully utilised. In this respect, the Group is proud that it has been a strong source of employment for these senior staff for past years. This has raised the quality of life of these senior staff as there is greater income stability and consequently, better and improved living standards and conditions.

We continue to adopt an approach of strong corporate governance. The Nomination and Remuneration Committee continues to review the composition of the Board and skills and diversity of the Directors and will make further appointments where it considers them necessary, having regard to diversity. The Nomination and Remuneration Committee endeavours to create a diverse pipeline with a good mix of people with varied experiences and backgrounds to enrich the organisation including board composition.



## SUSTAINABILITY STATEMENT



### COMMUNITY ENGAGEMENT

Engaging with the community and providing support, particularly to those from vulnerable groups, constitutes a significant aspect of our outreach initiatives. We take pride in the privilege of serving diverse segments of the community, including individuals with low incomes, people living with disabilities, senior citizens, and more. Our commitment extends towards fostering social empowerment and making a positive impact on people from all walks of life.

We have from time to time made various donations and contribution to orphanages, old folks homes, disability homes and non-profit organisations, as listed below:

- Pertubuhan Kebajikan Orang Tua Cacat & Kurang Upaya, Cheras
- Home Care Old Folks Home Bandar Damai, Cheras
- Sunshine Disability Welfare Home, Cheras

**Total amount invested in the communities with external beneficiaries (FYE2023)**

**RM158,602**



## SUSTAINABILITY STATEMENT

On 18 – 19 February 2023, we visited Pahang Orang Asli Village, contributing a donation of RM15,000 to purchase school bags for the children.



In conjunction with Watt-A-Run Charity Run, we donated RM6,000 to “Teach For Malaysia” organised by Heriot-Watt University, with the aim to raise awareness of the importance of good health, sustainability and in support of the United Nations Sustainable Development Goals.



## SUSTAINABILITY STATEMENT



Our signature corporate social responsibility initiative, JomBantu, focused on digital-inclusion was originally launched in September 2021 and has been extended throughout the FYE 2023. This is an initiative to provides disadvantaged students with free mobile connectivity. Individual subscribers can also participate by donating their data to the pool and we are immensely proud to have helped >1,500 new students with >78,000GB donated to passionate learners to further develop their education.



### OUR COMMITMENT

The Group aims to be a responsible member of the corporate community by prioritising sustainable and responsible practices that promote sustainable business growth, environmental stewardship, and social responsibility.

