

XOX BHD

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

31-3, Block C, Jaya One,
72A, Jalan Universiti,
46200 Petaling Jaya,
Selangor Darul Ehsan.

XOX BHD (Company No. 900384-X)

XOX BHD

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

PUBLIC ISSUE OF 46,800,000 NEW ORDINARY SHARES OF RM0.10 EACH AT AN ISSUE PRICE OF RM0.80 PER ORDINARY SHARE PAYABLE IN FULL ON APPLICATION COMPRISING:-

- 7,500,000 NEW ORDINARY SHARES OF RM0.10 EACH AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 9,500,000 NEW ORDINARY SHARES OF RM0.10 EACH AVAILABLE FOR APPLICATION BY THE ELIGIBLE DIRECTORS, EMPLOYEES AND BUSINESS ASSOCIATES OF XOX BHD AND ITS SUBSIDIARY COMPANIES; AND
- 29,800,000 NEW ORDINARY SHARES OF RM0.10 EACH FOR PRIVATE PLACEMENT TO SELECTED INVESTORS,

IN CONJUNCTION WITH THE LISTING AND QUOTATION OF OUR ENTIRE ENLARGED ISSUED AND PAID-UP SHARE CAPITAL ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD.

Adviser, Sponsor, Managing Underwriter and Sole Placement Agent

AmInvestment Bank Berhad
(Company No. 23742-V)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

A member of



AmInvestment Bank
Group

Co - Underwriters

AmInvestment Bank Berhad
(Company No. 23742-V)

(A Participating Organisation of
Bursa Malaysia Securities Berhad)

SJ Securities Sdn Bhd
(Company No. 141671-T)

(A Participating Organisation of
Bursa Malaysia Securities Berhad)

A member of



AmInvestment Bank
Group



INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

THERE ARE CERTAIN RISK FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER. TURN TO PAGE 27 FOR "RISK FACTORS".

INVESTORS ARE ADVISED TO NOTE THAT COMPANIES LISTED ON THE ACE MARKET MAY BE OF HIGH INVESTMENT RISK.

THIS PROSPECTUS IS DATED 24 MAY 2011.

PROSPECTUS



PROSPECTUS

RESPONSIBILITY STATEMENTS

THE DIRECTORS AND PROMOTERS OF THE COMPANY HAVE SEEN AND APPROVED THIS PROSPECTUS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE IS NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THE PROSPECTUS FALSE OR MISLEADING.

THE DIRECTORS ACCEPT FULL RESPONSIBILITY FOR THE PROFIT AND CASH FLOW FORECAST INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT THE PROFIT AND CASH FLOW FORECAST HAS BEEN PREPARED BASED ON ASSUMPTIONS MADE.

AMINVESTMENT BANK BERHAD, A MEMBER OF AMINVESTMENT BANK GROUP, BEING THE PRINCIPAL ADVISER AND SPONSOR, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE INITIAL PUBLIC OFFERING ("IPO"). IT IS SATISFIED THAT ANY PROFIT AND CASH FLOW FORECAST, PREPARED FOR THE INCLUSION IN THE PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

STATEMENTS OF DISCLAIMER

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THE REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SECURITIES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

APPROVAL HAS BEEN OBTAINED FROM BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") FOR THE LISTING OF AND QUOTATION FOR THE IPO SHARES. ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE IPO, OUR COMPANY OR OUR SECURITIES.

BURSA SECURITIES IS NOT LIABLE FOR ANY NON-DISCLOSURE HEREIN BY US AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS. BURSA SECURITIES MAKES NO REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF THIS PROSPECTUS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THIS PROSPECTUS.

A COPY OF THIS PROSPECTUS, TOGETHER WITH THE APPLICATION FORM, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES, WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

COMPANIES LISTED ON THE ACE MARKET MAY HAVE A LIMITED OPERATING HISTORY OR MAY NOT HAVE ANY PROFIT TRACK RECORD PRIOR TO LISTING. SUCH COMPANIES MAY BE HIGH INVESTMENT RISK. AS WITH ALL INVESTMENTS, PROSPECTIVE INVESTOR SHOULD BE AWARE OF ALL POTENTIAL RISKS IN INVESTING IN SUCH COMPANIES AND SHOULD MAKE THE DECISION TO INVEST AFTER GIVING DUE AND CAREFUL CONSIDERATION BY REFERRING TO, AMONG OTHERS, THE PROSPECTUS, LATEST FINANCIAL STATEMENTS AND CORPORATE ANNOUNCEMENTS. YOU ARE STRONGLY RECOMMENDED TO SEEK ADVICE FROM A SECURITIES PROFESSIONAL/ADVISER.

THE IPO IS AN EXEMPT TRANSACTION UNDER SECTION 213 OF THE *CAPITAL MARKETS & SERVICES ACT 2007* ("**CMSA**") AND IS THEREFORE NOT SUBJECT TO THE APPROVAL OF THE SECURITIES COMMISSION.

INVESTORS ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THE PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE IPO FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THIS PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES' WEBSITE AT WWW.BURSAMALAYSIA.COM. THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE COPY OF THIS PROSPECTUS REGISTERED WITH THE SC ARE THE SAME.

YOU MAY OBTAIN A COPY OF THE ELECTRONIC PROSPECTUS FROM THE WEBSITE OF CIMB INVESTMENT BANK BERHAD AT WWW.EIPOCIMB.COM, THE WEBSITE OF CIMB BANK BERHAD AT WWW.CIMBCLICKS.COM.MY, THE WEBSITE OF RHB BANK BERHAD AT WWW.RHB.COM.MY, THE WEBSITE OF PUBLIC BANK BERHAD AT WWW.PBEBANK.COM, THE WEBSITE OF AFFIN BANK BERHAD AT WWW.AFFINONLINE.COM AND THE WEBSITE OF MALAYAN BANKING BERHAD AT WWW.MAYBANK2U.COM.MY VIA HYPERLINK TO THE WEBSITE OF BURSA SECURITIES.

THE INTERNET IS NOT A FULLY SECURED MEDIUM. INTERNET APPLICATIONS MAY BE SUBJECT TO RISKS IN DATA TRANSMISSION, COMPUTER SECURITY THREATS SUCH AS VIRUSES, HACKERS AND CRACKERS, FAULTS WITH COMPUTER SOFTWARE AND OTHER EVENTS BEYOND CONTROL OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION. THESE RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTION.

IF YOU ARE IN DOUBT ABOUT THE VALIDITY OR INTEGRITY OF AN ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM US OR OUR ADVISER A PAPER/PRINTED COPY OF THIS PROSPECTUS. IF THERE IS ANY DISCREPANCY BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE PAPER/PRINTED COPY OF THIS PROSPECTUS, THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS, WHICH IS IDENTICAL TO THE COPY OF THE PROSPECTUS REGISTERED WITH THE SC, SHALL PREVAIL. THE ELECTRONIC PROSPECTUS SUBMITTED TO THE SC AND BURSA SECURITIES IS THE SAME AS THE REGISTERED PAPER PRINTED COPY.

IN RELATION TO ANY REFERENCE IN THIS PROSPECTUS TO THIRD PARTY INTERNET SITES (REFERRED TO AS "**THIRD PARTY INTERNET SITES**") WHETHER BY WAY OF HYPERLINKS OR BY WAY OF DESCRIPTION OF THE THIRD PARTY INTERNET SITES, YOU ACKNOWLEDGE AND AGREE THAT:-

(1) WE DO NOT ENDORSE AND IS NOT AFFILIATED IN ANY WAY TO THE THIRD PARTY

INTERNET SITES. ACCORDINGLY, WE ARE NOT RESPONSIBLE FOR THE AVAILABILITY OF OR THE CONTENT OR ANY DATA, FILES OR OTHER MATERIAL PROVIDED ON THE THIRD PARTY INTERNET SITES. YOU BEAR ALL RISKS ASSOCIATED WITH THE ACCESS TO OR USE OF THE THIRD PARTY INTERNET SITES;

- (II) WE ARE NOT RESPONSIBLE FOR THE QUALITY OF PRODUCTS OR SERVICES IN THE THIRD PARTY INTERNET SITES, PARTICULARLY IN FULFILLING ANY OF THE TERMS OF ANY OF YOUR AGREEMENTS WITH THE THIRD PARTY INTERNET SITES. WE ARE ALSO NOT RESPONSIBLE FOR ANY LOSS OR DAMAGE OR COST THAT YOU MAY SUFFER OR INCUR IN CONNECTION WITH OR AS A RESULT OF DEALING WITH THE THIRD PARTY INTERNET SITES OR THE USE OF OR RELIANCE ON ANY DATA, FILES OR OTHER MATERIAL PROVIDED BY SUCH PARTIES; AND
- (III) ANY DATA, FILE OR OTHER MATERIAL DOWNLOADED FROM THE THIRD PARTY INTERNET SITES IS DONE AT YOUR DISCRETION AND RISK. WE ARE NOT RESPONSIBLE, LIABLE OR UNDER OBLIGATION FOR ANY DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA RESULTING FROM THE DOWNLOADING OF ANY SUCH DATA, INFORMATION, FILES OR OTHER MATERIAL.

WHERE AN ELECTRONIC PROSPECTUS IS HOSTED ON THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, YOU ARE ADVISED THAT:-

- (I) THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS ONLY LIABLE IN RESPECT OF THE INTEGRITY OF THE CONTENTS OF THE ELECTRONIC PROSPECTUS, I.E. TO THE EXTENT THAT THE CONTENT OF THE ELECTRONIC PROSPECTUS ON THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION MAY BE VIEWED VIA WEB BROWSER OR OTHER RELEVANT SOFTWARE. THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT RESPONSIBLE FOR THE INTEGRITY OF THE CONTENTS OF THE ELECTRONIC PROSPECTUS, WHICH HAS BEEN OBTAINED FROM THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, AND SUBSEQUENTLY COMMUNICATED OR DISSEMINATED IN ANY MANNER TO YOU OR OTHER PARTIES; AND
- (II) WHILE ALL REASONABLE MEASURES HAVE BEEN TAKEN TO ENSURE THE ACCURACY AND RELIABILITY OF THE INFORMATION PROVIDED IN THE ELECTRONIC PROSPECTUS, THE ACCURACY AND RELIABILITY OF THE ELECTRONIC PROSPECTUS CANNOT BE GUARANTEED BECAUSE THE INTERNET IS NOT A FULLY SECURED MEDIUM.

THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT LIABLE (WHETHER IN TORT OR CONTRACT OR OTHERWISE) FOR ANY LOSS, DAMAGE OR COSTS, YOU OR ANY OTHER PERSON MAY SUFFER OR INCUR DUE TO, AS A CONSEQUENCE OF OR IN CONNECTION WITH ANY INACCURACIES, CHANGES, ALTERATIONS, DELETIONS OR OMISSIONS IN RESPECT OF THE INFORMATION PROVIDED IN THE ELECTRONIC PROSPECTUS WHICH MAY ARISE IN CONNECTION WITH OR AS A RESULT OF ANY FAULT WITH WEB BROWSERS OR OTHER RELEVANT SOFTWARE, ANY FAULT ON YOUR OR ANY THIRD PARTY'S PERSONAL COMPUTER, OPERATING SYSTEM OF OTHER SOFTWARE, VIRUSES OR OTHER SECURITY THREATS, UNAUTHORISED ACCESS TO INFORMATION OR SYSTEMS IN RELATION TO THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, AND/OR PROBLEMS OCCURRING DURING DATA TRANSMISSION WHICH MAY RESULT IN INACCURATE OR INCOMPLETE COPIES OF INFORMATION BEING DOWNLOADED OR DISPLAYED ON YOUR PERSONAL COMPUTER.

THIS PROSPECTUS HAS NOT BEEN AND WILL NOT BE MADE TO COMPLY WITH THE LAWS OF ANY JURISDICTION OTHER THAN MALAYSIA, AND HAS NOT BEEN AND WILL NOT BE LODGED, REGISTERED OR APPROVED PURSUANT TO OR UNDER ANY APPLICABLE SECURITIES OR EQUIVALENT LEGISLATION OR WITH OR BY ANY REGULATORY AUTHORITY OR OTHER RELEVANT BODY OF ANY JURISDICTION OTHER THAN MALAYSIA.

WE WILL NOT, PRIOR TO ACTING ON ANY ACCEPTANCE IN RESPECT OF THE IPO, MAKE OR

BE BOUND TO MAKE ANY ENQUIRY AS TO WHETHER YOU HAVE A REGISTERED ADDRESS IN MALAYSIA AND WILL NOT ACCEPT OR BE DEEMED TO ACCEPT ANY LIABILITY IN RELATION THERETO WHETHER OR NOT ANY ENQUIRY OR INVESTIGATION IS MADE IN CONNECTION THEREWITH.

IT SHALL BE YOUR SOLE RESPONSIBILITY IF YOU ARE OR MAY BE SUBJECT TO THE LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA TO CONSULT YOUR LEGAL AND/OR OTHER PROFESSIONAL ADVISERS AS TO WHETHER THE IPO WOULD RESULT IN THE CONTRAVENTION OF ANY LAWS OF SUCH COUNTRIES OR JURISDICTIONS.

FURTHER, IT SHALL ALSO BE YOUR SOLE RESPONSIBILITY TO ENSURE THAT YOUR APPLICATION FOR THE IPO WOULD BE IN COMPLIANCE WITH THE TERMS OF THE IPO AND WOULD NOT BE IN CONTRAVENTION OF ANY LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA TO WHICH YOU MAY BE SUBJECTED. WE WILL FURTHER ASSUME THAT YOU HAD ACCEPTED THE IPO IN MALAYSIA AND WILL AT ALL APPLICABLE TIMES BE SUBJECTED ONLY TO THE LAWS OF MALAYSIA IN CONNECTION THEREWITH.

HOWEVER, WE RESERVE THE RIGHT, IN OUR ABSOLUTE DISCRETION TO TREAT ANY ACCEPTANCE AS INVALID IF WE BELIEVE THAT SUCH ACCEPTANCE MAY VIOLATE ANY LAW OR APPLICABLE LEGAL OR REGULATORY REQUIREMENTS.

NO ACTION HAS BEEN OR WILL BE TAKEN TO ENSURE THAT THIS PROSPECTUS COMPLIES WITH THE LAWS OF ANY COUNTRIES OR JURISDICTIONS OTHER THAN THE LAWS OF MALAYSIA. IT SHALL BE YOUR SOLE RESPONSIBILITY TO CONSULT YOUR LEGAL AND/OR OTHER PROFESSIONAL ADVISERS ON THE LAWS TO WHICH THE IPO OR YOU ARE OR MIGHT BE SUBJECTED TO. NEITHER WE NOR THE ADVISER NOR ANY OTHER ADVISERS IN RELATION TO THE IPO SHALL ACCEPT ANY RESPONSIBILITY OR LIABILITY IN THE EVENT THAT ANY APPLICATION MADE BY YOU SHALL BECOME ILLEGAL, UNENFORCEABLE, AVOIDABLE OR VOID IN ANY COUNTRY OR JURISDICTION.

THE CIRCULATION OF THIS PROSPECTUS AND THE ISSUE, OFFER OR INVITATION OF THE SECURITIES MAY BE RESTRICTED IN CERTAIN JURISDICTIONS OUTSIDE MALAYSIA AND THEREFORE PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS COMES SHALL SEEK ADVICE ON AND OBSERVE ANY SUCH RESTRICTIONS, THIS PROSPECTUS DOES NOT CONSTITUTE AN ISSUE, OFFER OR INVITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH ISSUE, OFFER OR INVITATION IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH ISSUE, OFFER OR INVITATION.

TABLE OF CONTENTS

	Page
INDICATIVE TIMETABLE	i
DEFINITIONS	ii – vii
GLOSSARY OF TECHNICAL TERMS	viii – ix
CORPORATE DIRECTORY	x – xii
1. SUMMARY INFORMATION	1
1.1 Our History And Business	1
1.2 Competitive Advantages	2
1.3 Promoters, Substantial Shareholders And Directors Of Our Group.....	3
1.4 Proforma Consolidated Statements Of Comprehensive Income Of Our Group	4
1.5 Proforma Consolidated Statements Of Financial Position Of Our Group	5
1.6 Consolidated Profit Forecast.....	7
1.7 Principal Statistics Relating To The IPO	8
1.8 Utilisation Of Proceeds.....	9
1.9 Risk Factors.....	10
2. PARTICULARS OF THE IPO	11
2.1 Share Capital.....	13
2.2 Purposes Of The IPO	14
2.3 Details Of The IPO	14
2.4 Basis Of Arriving At The IPO Price.....	16
2.5 Market Capitalisation.....	17
2.6 Utilisation Of Proceeds.....	17
2.7 Financial Impact From Utilisation Of Proceeds.....	20
2.8 Commissions And Brokerage.....	20
2.9 Salient Terms of the Underwriting Agreement	21
2.10 Dilution.....	25
3. RISK FACTORS	27
4. INFORMATION ON OUR GROUP	36
4.1 Group Structure	36
4.2 Our History And Business	37
4.3 Location Of Business	37
4.4 Key Achievements And Milestones.....	38
4.5 Share Capital And Changes In Share Capital.....	39
4.6 Subsidiary Companies	39
4.7 Listing Scheme.....	43
4.8 Business Overview Of Our Group.....	46
4.9 Principal Markets For Products And Services.....	55
4.10 Seasonality	55
4.11 Competitive Advantages	56
4.12 Types, Sources And Availability Of Resources.....	57
4.13 Technology Used / To Be Used	58
4.14 Approvals, Major Licences And Permits Obtained	60
4.15 Brand Names, Registrations, Patents, Trade Marks, Licences, Technical Assistance Agreements And Other Intellectual Property Rights.....	63
4.16 Strategies And Modes Of Marketing	66
4.17 Quality Control Procedures or Quality Management Programmes.....	71
4.18 Dependency On Any Contracts, Arrangement, Document or Other Matter.....	72

TABLE OF CONTENTS

4.19	Research And Development.....	79
4.20	Interruptions In Business In The Past Twelve (12) Months	79
4.21	Major Customers	79
4.22	Major Suppliers.....	80
4.23	Future Plans, Strategies And Prospects of Our Group.....	81
5.	INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT	85
5.1	Promoters And Substantial Shareholders	85
5.2	Directors	91
5.3	Committee	101
5.4	Board Practices	104
5.5	Key Management	105
5.6	Involvement of Executive Directors/Key Management In Other Business Activities	110
5.7	Declaration Of Promoters, Directors And Key Management	113
5.8	Relationship And Associations	114
5.9	Existing Or Proposed Service Agreements.....	115
5.10	Changes In Shareholdings In Our Company For The Past Three (3) Years	117
5.11	Employees.....	119
6.	APPROVALS AND CONDITIONS	121
6.1	Approvals And Conditions	121
6.2	Moratorium On Shares	123
7.	RELATED-PARTY TRANSACTIONS/ CONFLICTS OF INTEREST	124
7.1	Existing And Proposed Related Party Transactions And Conflict Of Interest.....	124
7.2	Transactions Unusual In Their Nature Or Conditions	124
7.3	Outstanding Loans Made By Corporation Or Any Of Its Parent Or Subsidiaries To/For The Benefit Of Related Parties.....	124
7.4	Conflicts Of Interest	125
7.5	Contracts Or Arrangements In Which The Directors Or Substantial Shareholders Are Interested And Which Is Significant In Relation To The Business Of Our Group.....	126
7.6	Recurrent Related Party Transactions Of A Revenue Or Trading Nature	126
7.7	Declaration By Advisers	127
8.	PROPERTY PLANT AND EQUIPMENT	128
8.1	Land And Buildings	128
8.2	Material Plant And Equipment.....	129
8.3	Regulatory Requirement And Environmental Issue	129
8.4	Material Plans To Construct, Expand Or Improve Facilities	130
9.	FINANCIAL INFORMATION	131
9.1	Reporting Accountants' Letter On The Proforma Consolidated Financial Information.....	131
9.2	Historical Financial Information	156
9.3	Capitalisation And Indebtedness.....	157
9.4	Management's Discussion And Analysis Of Financial Condition, Results Of Operations And Prospects	158
9.5	Forecast Of Result Of Operations.....	183
9.6	Reporting Accountants' Letter On The Consolidated Profit And Cash Flow Forecast Of The XOX Group For The Financial Year Ending 31 December 2011..	187

TABLE OF CONTENTS

9.7	Dividend Policy.....	212
10.	ACCOUNTANTS' REPORT	213
11.	EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCHER REPORT.....	300
12.	DIRECTORS' REPORT.....	330
13.	FURTHER STATUTORY AND OTHER GENERAL INFORMATION	331
13.1	Share Capital.....	331
13.2	Articles Of Association	331
13.3	Limitation Of Rights	338
13.4	Directors And Substantial Shareholders	338
13.5	Material Contracts	339
13.6	Material Litigation And Arbitration.....	340
13.7	Repatriation Of Capital And Profits.....	340
13.8	General Information	340
13.9	Consents	340
13.10	Documents For Inspection	341
13.11	Responsibility Statements	341
14.	PROCEDURES FOR APPLICATION AND ACCEPTANCE	342
14.1	Opening And Closing Of Applications.....	342
14.2	Methods Of Application	342
14.3	Procedures For Applications	342
14.4	Applications Using Application Forms.....	342
14.5	Terms And Conditions.....	343
14.6	Applications Using Electronic Share Application.....	346
14.7	Applications Using Internet Share Application	351
14.8	Application And Acceptance.....	359
14.9	CDS Accounts	360
14.10	Notice Of Allotment	361
14.11	List Of Authorised Depository Agents	362

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for our entire enlarged share capital on the ACE Market of the Bursa Securities are set out below: -

<u>Date</u>	<u>Events</u>
24 May 2011	Tentative Publication of Prospectus/Opening date of the application for the IPO
<u>Tentative Dates</u>	
31 May 2011	Tentative closing date of the application for the IPO
2 June 2011	Tentative date of balloting of application for the IPO Shares
7 June 2011	Tentative date of allotment of the IPO Shares to successful applicants.
10 June 2011	Tentative date of Listing

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES.

THE APPLICATION PERIOD WILL REMAIN OPEN UNTIL 5.00 PM ON 31 MAY 2011 OR FOR SUCH FURTHER PERIOD OR PERIODS AS OUR DIRECTORS AND/OR PROMOTERS TOGETHER WITH OUR UNDERWRITERS IN THEIR ABSOLUTE DISCRETION MAY MUTUALLY DECIDE.

IN THE EVENT THAT THE CLOSING DATE OF THE APPLICATION FOR THE IPO IS EXTENDED, THE DATES FOR THE BALLOTING, ALLOTMENT OF THE IPO SHARES AND THE LISTING OF OUR ENTIRE ISSUED AND PAID UP CAPITAL ON THE ACE MARKET OF BURSA SECURITIES WILL BE EXTENDED ACCORDINGLY. ANY EXTENSION OF THE ABOVEMENTIONED DATES WILL BE ANNOUNCED BY WAY OF ADVERTISEMENT IN A WIDELY CIRCULATED DAILY BAHASA MALAYSIA AND ENGLISH NEWSPAPERS.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

DEFINITIONS

In this Prospectus, unless where the context requires otherwise, the following words and abbreviations shall have the following meanings:-

Act	:	The Companies Act, 1965 or any statutory modification, amendment or re-enactment thereof for the time being in force
Acquisitions	:	Collectively, the Acquisition of XOX Com, Acquisition of XOX Management Services and Acquisition of XOX Media
Acquisition of XOX Com	:	The acquisition by our Company of the entire issued and paid-up share capital of XOX Com comprising 24,879,998 ordinary shares of RM1.00 each for a purchase consideration of RM24,879,998 satisfied wholly by the issuance of 24,879,998 new ordinary shares of RM1.00 each in our Company, each credited as fully paid-up at an issue price of RM1.00 per ordinary share
Acquisition of XOX Management Services	:	The acquisition by our Company of the entire issued and paid-up share capital of XOX Management Services comprising 40,000 ordinary shares of RM1.00 each for a purchase consideration of RM40,000 satisfied wholly by the issuance of 40,000 new ordinary shares of RM1.00 each in our Company, each credited as fully paid-up at an issue price of RM1.00 per ordinary share
Acquisition of XOX Media	:	The acquisition by our Company of the entire issued and paid-up share capital of XOX Media comprising 100,000 ordinary shares of RM1.00 each for a purchase consideration of RM100,000 which was satisfied wholly by the issuance of 100,000 new ordinary shares of RM1.00 each in our Company, each credited as fully paid-up at an issue price of RM1.00 per ordinary share
ADA	:	Authorised Depository Agent
ADA Code	:	ADA (Broker) Code
Adviser	:	AmInvestment Bank
AmInvestment Bank	:	AmInvestment Bank Berhad (23742-V), a member of AmInvestment Bank Group
Application	:	The application for the IPO Shares by way of Application Forms or by way of Electronic Share Application or Internet Share Application
Application Form(s)	:	The printed Application Form(s) for the application for the IPO Shares
ATM	:	Automated Teller Machine
Authorised Financial Institution(s)	:	The authorised financial institution(s) participating in the Internet Share Application, with respect to payments for the Public Issue Shares made available for Application under the Public Issue
Board or Directors	:	Board of directors of XOX

DEFINITIONS (Cont'd)

Bonus Issue in XOX Com	:	The bonus issue of 7,999,998 new ordinary shares of RM1.00 each in XOX Com to the existing shareholders of XOX Com on the basis of approximately one (1) new ordinary share of RM1.00 each in XOX Com for every two (2) existing ordinary shares of RM1.00 each held in XOX Com
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W), a subsidiary of Bursa Securities
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
CCM	:	Companies Commission of Malaysia
CDS	:	Central Depository System
Carriage	:	A service for carrying Communications by means of guided or unguided electromagnetic energy or both
Celcom or host network provider	:	Celcom Axiata Berhad (formerly known as Celcom (Malaysia) Berhad) (Company No. 167469-A)
Celcom's Digital Network	:	A Network owned or operated by any entity within the Celcom Group for the Carriage of Communications on the 2G and 3G network in Malaysia, and any other bands in Malaysia which Celcom may determine for the Carriage of Communications, together with such Capacity on the said Networks as is utilised to transfer Communications to or from MVNO Customers. For the purpose of this definition, the "Network" referred to above may comprise a collection of Networks that collectively are capable for Carriage of Communications in the above specified bands
Central Depositories Act	:	The Securities Industry (Central Depositories) Act, 1991 or any statutory modification, amendment or re-enactment thereof for the time being in force
Communications	:	Has the meaning given to the term "communications" in the Communications and Multimedia Act and includes any such communications via a transmission, emission or reception of signs, signals, writing, images, sounds, or intelligence of any nature by wire, radio, optical or other electro-magnetic systems whether or not such signs, signals, writing, images, sounds or intelligence have been subjected to rearrangement, computation or other processes by means in the course of their transmission, emission or reception
Convergence subscription plan	:	A mobile subscription plan which merges both prepaid and postpaid plans into one (1) single mobile plan, i.e convergence subscription plan.
CMSA	:	Capital Markets and Services Act, 2007 or any statutory modification, amendment or re-enactment thereof for the time being in force
Deposited Security	:	A security in our Company standing to the credit of a Securities Account of a Depositor subject to the provision of the Central Depositories Act and the Rules
Depositor	:	A holder of a Securities Account

DEFINITIONS (Cont'd)

EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
Electronic Prospectus	:	A copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to CD-ROMs or floppy disks
Electronic Share Application or ESA	:	An application for the IPO Shares through Participating Financial Institutions' ATM
Eligible Persons	:	The pioneer management team of XOX Group who joined XOX Group since its incorporation and/or since its commencement of XOX's business operations in FYE2009
EPS	:	Earnings per Share
FYE	:	Financial Year Ended or Ending 31 December
HopOn Subscription Plan	:	A basic prepaid subscription plan that allows subscribers of other mobile operators to switch to XOX services and retain their existing mobile number
Hybrid	:	XOX's second convergence subscription plan
Internet Participating Financial Institution(s)	:	Participating organisation(s) in the Internet Share Application
Internet Share Application	:	Application for the subscription of the Public Issue Shares through an Internet Participating Financial Institution
IPO	:	Initial public offering of the Shares comprising the Public Issue
IPO Price	:	RM0.80 for each IPO Share, being the price payable by investors under the Public Issue
IPO Share(s)	:	The Public Issue Share(s)
IT	:	Information technology
Listing	:	Admission to the Official List and the listing of and quotation for the entire issued and paid up share capital of XOX of RM30,200,000 comprising 302,000,000 Shares on the ACE Market of Bursa Securities
Listing Requirements	:	The ACE Market Listing Requirements of Bursa Securities
Listing Scheme	:	The Bonus Issue in XOX Com, Acquisitions, Share Split, Special Issue, Initial Public Offering and Listing collectively
LAT	:	Loss after tax
LBT	:	Loss before tax
LBITDA	:	Loss before interest, taxation, depreciation and amortisation
LPS	:	Loss per Share
LPD	:	5 April 2011, being the latest practicable date prior to the publication of this Prospectus by our Company

DEFINITIONS (Cont'd)

Malaysian Public or Public	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Mara Incorporated	:	Mara Incorporated Sdn Bhd (48788-P)
Market Day	:	A day on which Bursa Securities is open for trading
Memorandum and Articles of Association	:	The Memorandum and Articles of Association of our Company as amended, supplemented or modified from time to time
Mobile Number Portability or MNP	:	The ability of a mobile subscriber to retain his existing mobile number when changing from one mobile network operator to another
MCMC	:	Malaysian Communications and Multimedia Commission
MI	:	Minority interest
MIH or Issuing House	:	Malaysian Issuing House Sdn Bhd (258345-X)
NA	:	Net assets
NL	:	Net liabilities
NTA	:	Net tangible assets
NTL	:	Net tangible liabilities
Network	:	A Communications system or systems of a person used or intended to be used for the provision of Communications services, and includes networks used for mobile and/or fixed line voice and/or data communications
Participating Financial Institution(s)	:	Refers to the participating financial institutions for Electronic Share Application as listed in Section 14.7.2 of this Prospectus
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PE Multiple	:	Price earnings multiple
Pink Form Share Allocation	:	The 9,500,000 new Shares, representing approximately 3.1% of the enlarged issued and paid-up share capital of XOX, being made available for application by the eligible Directors, employees and business associates of XOX Group
Prescribed Security	:	Shares of a company that are prescribed by Bursa Securities to be deposited in the CDS subject to the provision of the Central Depositories Act and the Rules
Promoters	:	Dato' Seri Abdul Azim Bin Mohd Zabidi, Ng Kok Heng and Wong Yip Kee, collectively
Public Issue	:	The invitation by our Company to the public to subscribe for the Public Issue Shares at the IPO Price, payable in full upon application, subject to the terms and conditions of this Prospectus

DEFINITIONS (Cont'd)

Public Issue Shares	:	The 46,800,000 new Shares, which are the subject of the Public Issue
R&D	:	Research and development
Record of Depositors	:	A record provided by the Central Depository to our Company under Chapter 24.0 of the Rules
RM and sen	:	Ringgit Malaysia and sen respectively
Rules	:	The Rules of the Bursa Depository
SC	:	Securities Commission
SC Guidelines	:	Equity Guidelines issued by the SC
Securities Account or CDS Account	:	An account established by Bursa Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor
Share(s)	:	Ordinary share(s) of RM0.10 each in XOX
Share Split	:	The subdivision of one (1) ordinary share of RM1.00 each in XOX to ten (10) Shares
Short Call	:	短 ^{Short} _{Call} , a feature in XOX Group's subscription plans
Sole Placement Agent	:	AmlInvestment Bank
SPA	:	Sale and purchase agreement
Special Issue	:	The issuance of 5,000,000 new Shares representing approximately 1.7% of the enlarged issued and paid up share capital of XOX at an issue price of RM0.36 per Share to the Eligible Persons
Underwriters	:	AmlInvestment Bank and SJ Securities Sdn Bhd
Underwriting Agreement	:	The Underwriting Agreement entered into between our Company and the Underwriters for the underwriting of 17,000,000 IPO Shares upon the terms and subject to the conditions contained therein
XOX or Company	:	XOX Bhd (900384-X)
XOX Group or Group	:	XOX Bhd and its group of subsidiaries, namely XOX Com, XOX Management Services, XOX Media and XOX Mobile
XOX Mobile	:	XOX Mobile Sdn Bhd (813250-K)
XOX Com	:	XOX Com Sdn Bhd (709922-X)
XOX Management Services	:	XOX Management Services Sdn Bhd (849780-K)
XOX Media	:	XOX Media Sdn Bhd (763354-U)
XinXun	:	新訊. XOX Group's prepaid subscription plan
XOX-RT Super 88	:	XOX's first convergence subscription plan

DEFINITIONS (Cont'd)

010 Prepaid Subscription Plan : A basic prepaid subscription plan where subscribers can choose any of XOX's 010 service number allocated by MCMC

Words referring to the singular shall, where applicable, include the plural and *vice versa*, and words referring to the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include a company or a corporation.

Any enactment referred to in this Prospectus is a reference to that enactment for the time being amended or re-enacted.

All references to "our Company" and "XOX" in this Prospectus are to XOX Bhd, references to "our Group" is to our Company and our subsidiaries and references to "we", "our", "us" and "ourselves" are to our Company, and save where the context requires, and our subsidiaries. Unless the context otherwise requires, references to statements as to our beliefs, expectations, estimates and opinions are those of our Directors and key management.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Glossary Of Technical Terms

2G	:	Second generation or 2G refers to the digital wireless communications system which uses circuit switching technology. GSM is one of the most widely used 2G mobile systems
3G	:	Third generation or 3G refers to digital wireless communications system which uses both circuit and packet switching technology and offers higher speed data transmission rates (64kbps to 384kbps) than those available under 2G
ARPU	:	Average revenue per user is used to measure and track the average revenue generated by XOX Group's subscribers on a monthly basis. ARPU is calculated based on actual subscriber's usage for the period divided by the monthly average number of active subscriptions
ASP	:	Application service provider
Circuit Switching	:	A method of transmitting voice or data which involves setting up a call or connection using switches and reserving the circuit for such use until the call or connection is terminated
Convergence Charging System	:	A system which allows the convergence of subscription plans whereby the subscriber is able to have both postpaid and prepaid accounts for their flexibility. The convergence charging system is also able to merge the mobile service accounts with the internet
GSM	:	Global system for mobile communications; one of the most widely used standards for mobile communications, initially developed to standardise the use of mobile technology in Europe
Graphical User Interface	:	A computer program that uses the computer's graphics capabilities which translate text based programming language into pictorial icons that represent the information and actions available to user
HLR	:	Home location register is a database in a mobile network which records information relating to the subscribers
kbps	:	1,024 bits per second
MMS	:	Multimedia messaging services
MNO	:	Mobile network operator
MNP	:	Mobile number portability
MVNO	:	Mobile virtual network operator
NSP-I	:	Network service provider-Individual
Network Management System	:	Network management system is a combination of hardware and software used to monitor and administer a network. It allows XOX to monitor network and system integrity and performance to ensure a high level of service availability

Glossary Of Technical Terms (Cont'd)

- Packet Switching** : A method of transmitting voice, data and video using a data network. Packet switched networks break up messages or files into small packets. Each message packet may take a different route from origin to destination, travelling along network circuits that are shared with packets from other messages
- SIM** : Subscriber identity module is an electronic card which stores the subscriber identity information and authentication key which identifies the subscriber to a network
- SMS** : Short messaging services
- SOA System** : Service oriented architecture system is a system that uses a flexible set of design principles for implementing loosely-integrated suites of services that can be used within multiple business domains

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Address	Occupation	Nationality
Dato' Seri Abdul Azim Bin Mohd Zabidi	Non-Independent Non-Executive Chairman	Tanah Abang No. 1, Jalan Setiabudi Bukit Damansara 50490 Kuala Lumpur	Director	Malaysian
Ng Kok Heng	Managing Director and Chief Executive Officer	P-09-09, Mutiara Oriental Taman Bukit Mayang Emas 47301 Petaling Jaya Selangor Darul Ehsan	Director	Malaysian
Wong Yip Kee	Executive Director	No. 8, Jalan BJ/6A Taman Bukit Jaya Bukit Antarabangsa 68000 Ampang Selangor Darul Ehsan	Director	Malaysian
Soo Pow Min	Non-Independent Non-Executive Director	42, Jalan TR 2/1 Tropicana Golf & Country Resort 47400 Petaling Jaya Selangor Darul Ehsan	Director	Malaysian
Phoon Sow Cheng	Independent Non-Executive Director	73, Jalan SS1/23 47300 Petaling Jaya Selangor Darul Ehsan	Chartered Accountant	Malaysian
Lee Chong Hoe	Independent Non-Executive Director	61, Jalan 19/155B Taman Esplanad Bukit Jalil 57000 Kuala Lumpur	Lawyer	Malaysian
Yeoh Chong Keat	Independent Non-Executive Director	4, Jalan 12/19 46200 Petaling Jaya Selangor Darul Ehsan	Chartered Accountant	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Phoon Sow Cheng	Chairman	Independent Non-Executive Director
Lee Chong Hoe	Member	Independent Non-Executive Director
Yeoh Chong Keat	Member	Independent Non-Executive Director

CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARY** : Rebecca Leong Siew Kwan
MAICSA 7045547
No. 13, Jalan S3
Taman Sakapp 43000 Kajang
Selangor Darul Ehsan
- HEAD OFFICE** : 31-3 Block C, Jaya One
No. 72A, Jalan Universiti
46200 Petaling Jaya
Selangor Darul Ehsan
Telephone No. : (03) 7955 1388
Facsimile No. : (03) 7955 1288
Website: www.xox.com.my
- REGISTERED OFFICE** : Suite 11.1A, Level 11, Menara Weld
76 Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No. : (03) 2031 1988
Facsimile No. : (03) 2031 9788
- REGISTRARS** : Symphony Share Registrars Sdn Bhd (378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya, Selangor Darul Ehsan
Telephone No. : (03) 7841 8000
Facsimile No. : (03) 7841 8151
- AUDITORS AND REPORTING ACCOUNTANTS** : Crowe Horwath (AF 1018)
Level 16, Tower C Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Telephone No. : (03) 2166 0000
Facsimile No. : (03) 2166 1000
- SOLICITORS FOR THE IPO** : Teh & Lee
Unit A-3-3 & A-3-4, Northpoint Offices
Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Telephone No. : (03) 2283 2800
Facsimile No. : (03) 2283 2500
- PRINCIPAL BANKER** : Hong Leong Bank Bhd (97141-X)
180-0-7 & 180-0-8, Wisma Mahkota,
Taman Maluri, Cheras
55100 Kuala Lumpur
Telephone No. : (03) 9282 1507
Facsimile No. : (03) 9282 1549
- INDEPENDENT RESEARCHER** **MARKET** : Dun & Bradstreet (D&B) Malaysia Sdn Bhd (527570-M)
Block C-17-02, 3 Two Square
No 2, Jalan 19/1
46350 Petaling Jaya
Selangor Darul Ehsan
Telephone No. : (03) 7966 6866
Facsimile No. : (03) 7966 6868

CORPORATE DIRECTORY (Cont'd)

- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd (258345-X)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Telephone No. : (03) 7841 8000
Facsimile No. : (03) 7841 8150
- ADVISER, SPONSOR, MANAGING UNDERWRITER, CO-UNDERWRITER AND SOLE PLACEMENT AGENT** : AmInvestment Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No. : (03) 2036 2633
Facsimile No. : (03) 2070 8596
- CO-UNDERWRITER** : SJ Securities Sdn Bhd (141671-T)
Ground Floor, Wisma Synergy
72 Pesiaran Jubli Perak
Seksyen 22, 40000 Shah Alam
Selangor Darul Ehsan
Telephone No. : (03) 5192 7408 / 5192 0202
Facsimile No. : (03) 5192 7208
- LISTING SOUGHT** : ACE Market of Bursa Securities

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1. INFORMATION SUMMARY

THIS SECTION IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT OUR GROUP AND YOU SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER OR NOT TO INVEST IN THE SHARES OF OUR COMPANY. THE SUMMARY INFORMATION SET OUT BELOW IS DERIVED FROM THIS PROSPECTUS AND SHOULD BE READ IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS.

1.1 OUR HISTORY AND BUSINESS

Our Company was incorporated in Malaysia under the Act as a public company on 10 May 2010 under the name of XOX Bhd. We are an investment holding company. Our Group was founded by our Group's key founding members, Dato' Seri Abdul Azim Bin Mohd Zabidi, Ng Kok Heng and Wong Yip Kee.

Our Group's history can be traced back to the incorporation of XOX Com in 2005. In 2007, we obtained the NSP-I license from the Ministry of Energy, Green Technology and Water (*formerly known as Ministry of Energy, Water and Communications Malaysia*). The NSP-I licence allows our Group to operate a mobile telecommunications services business in Malaysia.

XOX is an MVNO. An MVNO is a company that provides mobile phone services but does not have its own licensed frequency allocation of radio spectrum, nor does it necessarily have the infrastructures required to provide mobile telephone services.

In 2008, we had entered into an agreement with Celcom, allowing our Group to utilise Celcom's Digital Network. Our Group obtained the ASP licence from the MCMC in the same year, which allows our Group to provide contents/services such as festival greetings SMS to our Group's subscribers and the sale of recharge vouchers. Our Group had also been awarded 1.5 million service numbers with a prefix "010-3000000 to 010-3499999", "010-8300000 to 010-8799999" and also "011-13000000 to 011-13499999" from MCMC. When a subscriber ceases to be an XOX subscriber, the service number will be recycled and made available for new registration. As at LPD, approximately 368,000 service numbers representing approximately 24.5% of the total 1.5 million service numbers awarded to our Group has been registered. Our Group will apply to MCMC to obtain additional service numbers as and when our Group deems appropriate.

As at LPD, our Group has approximately 395,000 subscribers.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1. INFORMATION SUMMARY (Cont'd)

The principal activities of our subsidiaries are as detailed below:-

Corporation	Date/Place of Incorporation	Effective Equity Interest (%)	Issued and Paid-up Share Capital (RM)	Principal Activities
XOX Com	16.09.2005 / Malaysia	100%	24,879,998	Provider of mobile telecommunications products and services
XOX Mobile	10.04.2008 / Malaysia	100%	50,000	Agent for the marketing, promotion, support services and managing the distribution channels of mobile telecommunications products and services
XOX Media	21.02.2007 / Malaysia	100%	100,000	Dormant
XOX Management Services	13.03.2009 / Malaysia	100%	40,000	Provision of management services

1.2 COMPETITIVE ADVANTAGES

Our Directors believe that we have the following significant competitive advantages over our competitors that ensure our Group's business sustainability and growth:-

- (a) Innovative products and services;
- (b) Up to date telecommunications system;
- (c) Support from host network provider;
- (d) Customer services; and
- (e) Flexible pricing mechanism.

Further details on our Group's competitive advantages are set out in Section 4.11 of this Prospectus.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1. INFORMATION SUMMARY (Cont'd)**1.3 PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND DIRECTORS OF OUR GROUP**

Our Group's Promoters and substantial shareholders are Dato' Seri Abdul Azim Bin Mohd Zabidi, Ng Kok Heng and Wong Yip Kee.

The Directors of our Company are as follows:-

Name	Designation
Dato' Seri Abdul Azim Bin Mohd Zabidi	Non-Independent Non-Executive Chairman
Ng Kok Heng	Managing Director and Chief Executive Officer
Wong Yip Kee	Executive Director
Soo Pow Min	Non-Independent Non-Executive Director
Phoon Sow Cheng	Independent Non-Executive Director
Lee Chong Hoe	Independent Non-Executive Director
Yeoh Chong Keat	Independent Non-Executive Director

Further details on the Promoters, substantial shareholders and Directors of our Company are set out in Section 5 of this Prospectus.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1. INFORMATION SUMMARY (Cont'd)

1.4 PROFORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME OF OUR GROUP

The proforma consolidated statements of comprehensive income have been prepared for illustrative purposes only to show the proforma Group for the four (4) FYEs from FYE2007 to FYE2010, assuming the proforma Group has been in existence throughout the financial years under review.

The proforma consolidated statements of comprehensive income should be read in conjunction with the accompanying notes and assumptions included in the Reporting Accountants' letter on the Proforma Financial Information set out in Section 9.1 of this Prospectus.

	Audited			
	FYE2007 RM'000	FYE2008 RM'000	FYE2009 RM'000	FYE2010 RM'000
Revenue	-	-	6,597	20,074
Cost of sales	-	-	(4,413)	(17,825)
Gross profit	-	-	2,184	2,249
Other income	-	40	71	387
Selling and distribution expenses	(11)	(379)	(10,918)	(10,319)
Administrative expenses	(228)	(861)	(4,065)	(4,985)
Other expenses	^	(16)	(120)	(1,147)
Finance Cost	-	-	(275)	(2,164)
Loss Before Tax	(239)	(1,216)	(13,123)	(15,979)
Income tax expense	-	-	(3)	(2)
Loss after tax / Total comprehensive expenses	(239)	(1,216)	(13,126)	(15,981)
Attributable to:				
- Equity holders of XOX	(239)	(1,216)	(13,126)	(15,981)
- Minority interests	-	-	-	-
	(239)	(1,216)	(13,126)	(15,981)
LBITDA	(239)	(1,207)	(12,764)	(13,504)
Number of Shares*	250,200	250,200	250,200	250,200
Gross profit margin (%)	-	-	33	11
Loss Before Tax margin (%)	-	-	(199)	(80)
Loss After Tax margin (%)	-	-	(199)	(80)
Gross loss per share (sen) ⁽¹⁾	(0.1)	(0.5)	(5.2)	(6.4)
Net loss per share (sen) ⁽²⁾	(0.1)	(0.5)	(5.2)	(6.4)
Basic loss per share (sen) ⁽²⁾	(0.1)	(0.5)	(5.2)	(6.4)
Diluted loss per share (sen) ⁽³⁾	-	-	-	-

Notes:-

^ Negligible

Assumed number of Shares in issue after the Bonus Issue in XOX Com, Acquisitions and Share Split but before the Special Issue and Public Issue.

(1) Gross LPS was computed based on LBT for the relevant financial period and divided by the assumed number of Shares after the Bonus Issue in XOX Com, Acquisitions and Share Split, but before the Special Issue and Public Issue.

(2) Net / Basic LPS was computed based on LAT for the relevant financial period and divided by the assumed number of Shares after the Bonus Issue in XOX Com, Acquisitions and Share Split, but before the Special Issue and Public Issue.

(3) The Group has no convertible securities to convert into Shares as at the end of the respective reporting period and therefore, diluted LPS has not been presented.

Further details on the financial information of our Group are set out in Section 9 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)**1.5 PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP**

The proforma consolidated statements of financial position of our Group as at 31 December 2010 set out below had been prepared solely for illustrative purposes, to show the effects of the Listing Scheme had the Listing Scheme been implemented and completed on 31 December 2010. The proforma consolidated statements of financial position should be read in conjunction with the accompanying notes and assumptions included in the Reporting Accountants' letter on the Proforma Consolidated Financial Information set out in Section 9.1 of this Prospectus.

	As at 31 December 2010				
	Proforma I ⁽¹⁾ RM'000	Proforma II ⁽²⁾ RM'000	Proforma III ⁽³⁾ RM'000	Proforma IV ⁽⁴⁾ RM'000	Proforma V ⁽⁵⁾ RM'000
ASSETS					
NON-CURRENT ASSETS					
Equipment	-	12,951	12,951	12,951	19,151
Goodwill	-	43	43	43	43
<i>Total Non - Current Assets</i>	-	12,994	12,994	12,994	19,194
CURRENT ASSETS					
Inventories	-	218	218	218	218
Trade receivables	-	1,679	1,679	1,679	1,679
Other receivables and deposits	163	2,151	2,151	2,151	2,151
Short-term investment	-	2,300	2,300	2,300	2,300
Cash and bank balances	#	3,177	4,977	42,417	28,217
<i>Total current assets</i>	163	9,525	11,325	48,765	34,565
<i>Total Assets</i>	163	22,519	24,319	61,759	53,759
EQUITY AND LIABILITY					
Share capital	#	25,020	25,520	30,200	30,200
Capital reserve	-	-	2,200	2,200	2,200
Share premium	-	200	1,500	34,260	32,732
Accumulated losses	(851)	(30,530)	(32,730)	(32,730)	(33,366)
<i>Total Equity</i>	(851)	(5,310)	(3,510)	33,930	31,766

1. INFORMATION SUMMARY (Cont'd)

	As at 31 December 2010				
	Proforma I ⁽¹⁾ RM'000	Proforma II ⁽²⁾ RM'000	Proforma III ⁽³⁾ RM'000	Proforma IV ⁽⁴⁾ RM'000	Proforma V ⁽⁵⁾ RM'000
CURRENT LIABILITIES					
Trade payable	-	122	122	122	122
Other payables and accruals	1,014	27,706	27,706	27,706	21,870
Tax payable	-	1	1	1	1
Short-term bank borrowings	-	-	-	-	-
Total Liability	1,014	27,829	27,829	27,829	21,993
Total Equity and Liability	163	22,519	24,319	61,759	53,759
Number of ordinary shares in issue ('000')					
- ordinary shares of RM1.00 each	#	25,020	-	-	-
- ordinary shares of RM0.10 each	-	-	250,200	302,000	302,000
NA [^]	(851)	(5,310)	(3,510)	33,930	31,766
NA per share (sen)	(42,550,000)	(21.22)	(1.38)	11.24	10.52

Notes:-

[^] Excluding M1

Less than 1,000

(1) Incorporates the effects of the Acquisitions and subsequent events after the end of the reporting financial year, i.e. 31 December 2010 of the respective subsidiaries:-

(a) Issuance of 940,000 new ordinary shares of RM1.00 each by XOX Com for a total cash consideration of RM5,000,000 on 4 April 2011; and

(b) Repayment of revolving credit facility of approximately RM2.8 million.

(2) Incorporates the effects of Proforma I and Share Split

(3) Incorporates the effects of Proforma II and Special Issue

(4) Incorporates the effects of Proforma III and Public Issue

(5) Incorporates the effects of Proforma IV and utilisation of proceeds as set out in Section 2.6 of this prospectus.

1. INFORMATION SUMMARY (Cont'd)**1.6 CONSOLIDATED PROFIT FORECAST**

	Forecast FYE 2011 (RM'000)
Revenue	249,466
Consolidated PBT	21,833
Income tax expenses	(2,067)
Consolidated PAT / Total comprehensive income	19,766
MI	-
Consolidated PAT after MI	19,766
Enlarged issued share capital ('000)	302,000
Gross EPS (sen) ⁽¹⁾	7.2
Net EPS (sen) ⁽¹⁾	6.5

Note: -

(1) Based on enlarged issued and paid up share capital of 302,000,000 Shares.

Further details on the consolidated profit forecast are set out in Section 9.5 of this Prospectus.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1. INFORMATION SUMMARY (Cont'd)**1.7 PRINCIPAL STATISTICS RELATING TO THE IPO**

	Number of Shares	Share Capital (RM)
Authorised Share Capital	1,000,000,000	100,000,000
Existing Issued and Fully Paid-Up Share Capital	255,200,000	25,520,000
New Shares to be issued pursuant to Public Issue	46,800,000	4,680,000
Enlarged Share Capital	302,000,000	30,200,000
IPO PRICE PER SHARE (RM)		0.80
PROFORMA CONSOLIDATED NA		
<ul style="list-style-type: none"> • Proforma consolidated NA as at 31 December 2010 (after the IPO and deducting the estimated listing expenses of RM3 million) (RM'000) 		31,766
<ul style="list-style-type: none"> • Proforma consolidated NA per Share (based on the enlarged issued and paid-up share capital of 302,000,000 Shares) (RM) 		0.11
MARKET CAPITALISATION OF OUR COMPANY (Based on the IPO Price and enlarged issued and paid up share capital of 302,000,000 Shares) (RM)		241,600,000

Further details of the Listing Scheme are set out in Sections 2.3 and 4.7 of this Prospectus, respectively.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1. INFORMATION SUMMARY (Cont'd)**1.8 UTILISATION OF PROCEEDS**

The gross proceeds of RM37.4 million which shall accrue to us from the IPO, are proposed to be utilised in the following manner:-

	Timeframe for utilisation	Total proceeds raised RM' million	%	
(i)	Payment to creditor	Within 3 months after listing	5.0	13.4
(ii)	Capital expenditure [^]	Within 12 months after listing	6.2	16.6
(iii)	Working capital	Within 12 months after listing	23.2	62.0
(iv)	Estimated listing expenses*	Immediate	3.0	8.0
Total proceeds		37.4	100.0	

Notes:-

- * If the actual listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual listing expenses are lower than budgeted, the excess will be utilised for working capital purposes.
- [^] Should the Group resort to financing for item (ii) above prior to Listing, the Public Issue proceeds shall be used to repay the said financing. The balance of any unutilised proceeds will be utilised for working capital purposes.

Further details on the utilisation of proceeds are set out in Section 2.6 of this Prospectus

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1. INFORMATION SUMMARY (Cont'd)

1.9 RISK FACTORS

Prospective investors should carefully consider the following risk factors (which are not exhaustive) in addition to the other information contained elsewhere in this Prospectus before subscribing for any of the IPO Shares:-

Risks Relating to the Business

- (a) We have a limited operating track record;
- (b) We are highly dependent on Celcom's core network infrastructure;
- (c) We may not be able to successfully extend and/or launch existing or new products and services into the markets;
- (d) We depend significantly on our network of traditional dealers and distributors for sales of our products and services;
- (e) Dependence on directors and key personnel;
- (f) We may be unable to adequately protect our intellectual property or may face intellectual property claims that may be costly to resolve or may limit our ability to use our intellectual property in the future; and
- (g) Breach of customer data protection could materially affect our Group's reputation and business and subject our Group to liability.

Risks Relating to the Industry

- (a) Our Group is exposed to competition in the Malaysian mobile telecommunications industry;
- (b) The mobile telecommunications industry is subject to rapid technological changes;
- (c) Our Group's business is subject to extensive regulation;
- (d) Our Group may be liable for our distributors' actions;
- (e) Our Group is exposed to risks relating to content downloaded or uploaded by its subscribers; and
- (f) Concerns about alleged mobile telecommunications health risk.

Risks Relating to Investment in Our Shares

- (a) No prior trading market for our Shares and a market for our Shares may not develop;
- (b) Capital market risk;
- (c) We may require additional funding for our future growth;
- (d) We may not be able to pay dividends to shareholders;
- (e) Forward looking statements and achievability of our Group's Forecast; and
- (f) There may be a delay in our listing or our listing may be aborted.

Further details of the risk factors are set out in Section 3 of this Prospectus.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

2. PARTICULARS OF THE IPO

This Prospectus is dated 24 May 2011. The IPO is subject to the terms and conditions of this Prospectus.

A copy of this Prospectus has been registered with the SC and lodged with the Registrar of Companies who takes no responsibility for its contents.

The approval-in-principal for the registration of this Prospectus, as set out in Section 6.1, was obtained via its letter dated 29 November 2010 and shall not be taken to indicate that the SC recommends the IPO and that investors should rely on their own evaluation to assess the merits and risks of the IPO.

An application has been made to Bursa Securities in relation to our admission to the Official List of the ACE Market of Bursa Securities and for the listing of and quotation for our entire enlarged issued and paid-up share capital on the ACE Market of Bursa Securities. Listing of and quotation for these Shares will commence after, amongst others, receipt of confirmation from Bursa Depository of the receipt of allotment information for the crediting of the Shares, and receipt of an undertaking that all notices of allotment will be issued and despatched to all successful applicants prior to the date of listing of and quotation for the Shares, failing which any allotment and allocation made on an application to subscribe for and/or purchase of our Shares pursuant to this Prospectus is required under Malaysian law to be void.

Acceptance of Application for the IPO Shares will be conditional upon permission being granted by Bursa Securities for the quotation of the entire enlarged issued and fully paid up share capital of our Company on the ACE Market of Bursa Securities. Accordingly, monies paid in respect of any Application accepted from the IPO will be returned without interest if the aforesaid permission is not granted within six (6) weeks from the date of issue of this Prospectus (or such longer period as may be specified by the SC) provided that our Company is notified by or on behalf of Bursa Securities within the aforesaid time frame. If any such monies are not repaid within fourteen (14) days after we become liable to repay it, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

Pursuant to Section 14(1) of the Central Depositories Act, Bursa Securities has prescribed our Shares as a Prescribed Security. In consequence thereof, the Shares offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the aforesaid Act and the Rules of Bursa Depository.

Persons submitting applications by way of Application Forms or by way of Electronic Share Application or Internet Share Application must have a CDS Account. If you do not have a CDS account, you may open one (1) by contacting any of the ADAs listed in Section 14.11 of this Prospectus. In the case of an application by way of Application Form, an application should state his/her CDS Account number in the space provided in the Application Form. In the case of an application by way of Electronic Share Application or Internet Share Application, only an applicant who is an individual and has a CDS Account can make an Electronic Share Application or Internet Share Application. A corporation or institution cannot apply for the IPO Shares by way of Electronic Share Application or Internet Share Application.

Pursuant to the Listing Requirements, our Company must have at least 25% of the total number of Shares for which listing is sought in the hands of a minimum of 200 public shareholders holding not less than 100 Shares each at the point of listing. In the event that the above requirement is not met pursuant to the Listing Scheme, our Company may not be allowed to proceed with our Listing on the ACE Market of Bursa Securities. In the event thereof, monies paid in respect of all Applications will be returned if the said permission is not granted.

2. PARTICULARS OF THE IPO (Cont'd)

The SC and Bursa Securities assume no responsibility for the correctness of any statements made or opinions or report expressed in this Prospectus. Admission to the Official List of the ACE Market of Bursa Securities is not to be taken as an indication of the merits of our Company or of our Shares.

No person is authorised to give any information or to make any representation not contained herein in connection with the IPO and if given or made, such information or representation must not be relied upon as having been authorised by our Company. Neither the delivery of this Prospectus nor any IPO made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of our Company since the date hereof. Nonetheless, should our Company become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of issue of this Prospectus up to the date of the Listing, our Company shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238 of the CMSA.

The distribution of this and the making of the IPO in certain other jurisdictions outside Malaysia may be restricted by law. The distribution of this Prospectus and the sale of any part of the IPO Shares are subject to Malaysian laws and our Company takes no responsibility for the distribution of this Prospectus and the offer of any part of the IPO Shares outside Malaysia, which may be restricted by law in certain other jurisdictions. Persons who may come into possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an invitation to subscribe for the IPO Shares in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

If you are in doubt of any information contained in this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant, or other professional advisers.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

2. PARTICULARS OF THE IPO (Cont'd)**2.1 SHARE CAPITAL**

	Number of Shares	Share Capital (RM)
Authorised Share Capital	1,000,000,000	100,000,000
Existing Issued and Fully Paid-Up Share Capital	255,200,000	25,520,000
New Shares to be issued pursuant to Public Issue	46,800,000	4,680,000
Enlarged Share Capital	302,000,000	30,200,000
IPO PRICE PER SHARE (RM)		0.80
PROFORMA CONSOLIDATED NA		
<ul style="list-style-type: none"> • Proforma consolidated NA as at 31 December 2010 (after the IPO and deducting the estimated listing expenses of RM 3 million) (RM' 000) 		31,766
<ul style="list-style-type: none"> • Proforma consolidated NA per Share (based on the enlarged issued and paid-up share capital of 302,000,000 Shares) (RM) 		0.11
MARKET CAPITALISATION OF OUR COMPANY (Based on the IPO Price and enlarged issued and paid up share capital of 302,000,000 Shares) (RM)		241,600,000

Please refer to Sections 2.3 and 4.7 of this Prospectus for further details of the Listing Scheme.

The IPO Price is payable in full upon Application, subject to the terms and conditions of this Prospectus. The board lot size for our enlarged issued and paid-up share capital upon Listing will be standardised at 100 units per board lot.

We only have one (1) class of shares, namely, ordinary shares of RM0.10 each, all of which rank pari passu with one another. The IPO Shares will rank pari passu in all respects with our existing Shares, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment thereof.

Subject to any special rights attaching any Shares which our Company may issue in the future, the holders of Shares in our Company shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by our Company as dividends and other distributions and in respect of any surplus in the event of the liquidation, in accordance with our Articles of Association.

At every general meeting, each shareholder shall be entitled to vote in person or by proxy or by attorney, and on a show of hands, every person present who is a shareholder or representative or proxy or attorney to a shareholder and entitled to vote shall be entitled to one (1) vote and on a poll, every shareholder present in person or by proxy or by attorney or by representative shall have one (1) vote for each ordinary share held. A proxy may but need not be a member of the Company. If the proxy is not a member, he need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies.

There is no limitation on the right to own securities in our Company, including the right of non-resident or foreign shareholders to hold or exercise voting rights on the securities imposed by law or by constituent documents of our Company.

2. PARTICULARS OF THE IPO (Cont'd)

2.2 PURPOSES OF THE IPO

The purposes of the IPO are as follows:-

- (i) To provide additional funds to meet the working capital requirements of our Group;
- (ii) To provide additional funds for investment in expansion of our Group's business and markets, such as increasing the overall capability of our Group. This would enhance our Group's operating capability and business capacity as well as widening our scope of products and services offered and support for our expanding subscriber base;
- (iii) To enable our Group to gain recognition and enhance our profile through listing status and further augment our Group's corporate reputation and assist our Group in expanding our subscriber base locally;
- (iv) To enable our Group to gain access to the capital market in future to raise funds for future expansion and continued growth of our existing divisions;
- (v) To provide the opportunity for the eligible Directors, employees and business associates of our Group and the Malaysian investing public and institutions to participate in the equity and continuing growth of our Group; and
- (vi) To facilitate the listing of and quotation for the entire enlarged issued and paid-up share capital of our Company on Bursa Securities.

2.3 DETAILS OF THE IPO

Public Issue

The Public Issue of 46,800,000 new Shares at the IPO Price is payable in full on application upon such terms and conditions as set out in this Prospectus and will be allocated in the following manner:-

(i) Malaysian Public

7,500,000 Public Issue Shares, representing approximately 2.5% of the enlarged issued and paid-up share capital of our Company to be allotted by way of balloting, will be made available for application by the Malaysian Public whereby 50.0% of these 7,500,000 Public Issue Shares will be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions.

(ii) Eligible Directors, Employees and Business Associates of our Group

9,500,000 Public Issue Shares, representing approximately 3.1% of the enlarged issued and paid-up share capital of our Company will be made available for application by eligible Directors, employees and business associates of our Group.

The Pink Form Shares Allocation will be allocated as follows:-

2. PARTICULARS OF THE IPO (Cont'd)

Category	No of persons	No. of Shares
Eligible Directors	3	600,000
Eligible employees	16	700,000
Eligible business associates		
- Area Sales Distributors	17	2,000,000
- Dealers	1,000	3,800,000
- Suppliers	20	2,400,000
Total	1,056	9,500,000

The Pink Form Shares Allocation will be allocated to the eligible directors and employees of our Group based on the following criteria as approved by our Company's Board of Directors:-

- (a) At least eighteen (18) years of age;
- (b) Job position; and
- (c) Length of service.

The Pink Form Shares Allocation will be allocated to the business associates of our Group after taking into consideration their length of business relationship with our Group and their contribution to the success of our Group.

Save for the eligible directors of our Company as set out below, none of the directors of our Company are entitled for the Pink Form Shares Allocation:-

Name of Directors	Designation	No. of Shares
Phoon Sow Cheng	Independent Non-Executive Director	200,000
Yeoh Chong Keat	Independent Non-Executive Director	200,000
Lee Chong Hoe	Independent Non-Executive Director	200,000
Total		600,000

The above Pink Form Shares Allocation is subject to the eligible Directors, employees and business associates subscribing to their respective allocations.

2. PARTICULARS OF THE IPO (Cont'd)**(iii) Selected Investors via Placement**

29,800,000 Shares, representing approximately 9.9% of the enlarged issued and paid up share capital of our Company by way of private placement to selected investors.

In summary, IPO Shares will be allocated in the following manner:-

	Public Issue	
	No. of Shares	%
Malaysian Public (via balloting)	7,500,000	16.0
Eligible directors, employees and business associates of our Group	9,500,000	20.3
Selected Investors	29,800,000	63.7
Total	46,800,000	100.0

The Public Issue will increase our issued and paid up share capital from 255,200,000 Shares to 302,000,000 Shares.

All the IPO Shares available for the application by the Malaysian Public and our eligible directors, employees and business associates of our Group have been fully underwritten.

The IPO Shares available for application by identified investors are not underwritten as irrevocable undertakings have been obtained from the identified investors to take up the IPO Shares available under private placement.

In the event of an under-subscription of the IPO Shares by the Malaysian Public, the unsubscribed IPO Shares will be made available to identified investors. Any IPO Shares which are not taken up by eligible directors, employees and business associates of our Group will be reoffered to our Group's eligible directors, employees and/or business associates. Subsequently, any IPO Shares reoffered which are not taken up will be made available for application by the Malaysian Public in a fair and equitable manner and/or identified investors via the private placement. Any further IPO Shares not subscribed for will be subscribed by the Underwriters based on the terms of the Underwriting Agreement.

There is no minimum subscription to be raised from the IPO. All the IPO Shares are either fully underwritten by the Underwriters and/or subscribed by the identified investors pursuant to their irrevocable undertakings.

2.4 BASIS OF ARRIVING AT THE IPO PRICE

The IPO price was determined and agreed upon by our Company and AmInvestment Bank as our Adviser and Sponsor after taking into consideration, amongst others, the following factors:-

- (i) The business growth potential, future plans, strategies and prospects of our Group as set out in Section 4.23 of this Prospectus such as our Group's Mobile Wallet, Social Network Portal and extending the usage of our Group's convergence subscription plan nationwide;
- (ii) Our forecasted PE Multiple for the FYE2011 of 12.3 times which is based on the forecasted net EPS of 6.5 sen and enlarged issued and paid-up share capital of 302,000,000 Shares upon Listing;

2. PARTICULARS OF THE IPO (Cont'd)

- (iii) Favourable outlook of the MVNO industry set out in Section 11 of this Prospectus, such as the rising demand for wireless data services, continuing growth of the telecommunications industry and an expanding youth consumer segment (*Source: Independent Market Research Report of The Mobile Virtual Network Operator Industry In Malaysia prepared by Dun & Bradstreet (D&B) Malaysia Sdn Bhd*); and
- (iv) Competitive advantages as listed in Section 4.11 of this Prospectus such as our Group's innovative products and services, up to date telecommunications and support from host network provider.

The Directors of our Company and AmInvestment Bank are of the opinion that the IPO Price is fair and reasonable after careful consideration of the abovementioned factors.

However, you should note that the market price of our Shares upon listing on Bursa Securities is subject to the vagaries of market forces and other uncertainties, which may affect the price of our Shares being traded.

You should bear in mind the risk factors as set out in Section 3 of this Prospectus and form your own views of the valuation of the IPO Shares and the reasonableness of your bases used before deciding to invest in our Shares.

2.5 MARKET CAPITALISATION

Our Company's market capitalisation upon Listing, based on the IPO Price and the enlarged issued and paid-up share capital of 302,000,000 Shares amounts to RM241,600,000.

2.6 UTILISATION OF PROCEEDS

The gross proceeds of RM37.4 million which shall accrue to us from the IPO, are intended to be utilised in the following manner:-

		Timeframe for utilisation	Total proceeds raised RM' million	%
(i)	Payment to creditor	Within 3 months after listing	5.0	13.4
(ii)	Capital expenditure [^]	Within 12 months after listing	6.2	16.6
(iii)	Working capital	Within 12 months after listing	23.2	62.0
(iv)	Estimated listing expenses*	Immediate	3.0	8.0
	Total proceeds		37.4	100.0

Notes:-

* If the actual listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual listing expenses are lower than budgeted, the excess will be utilised for working capital purposes.

[^] Should the Group resort to financing for item (ii) above prior to Listing, the Public Issue proceeds shall be used to repay the said financing. The balance of any unutilised proceeds will be utilised for working capital purposes.

The proceeds will be deposited in a licensed financial institution pending eventual utilisation.

2. PARTICULARS OF THE IPO (Cont'd)

Brief details on the utilisation of proceeds are as follows:-

(i) Payment to creditor

Approximately 13.4% of our IPO proceeds will be utilised to repay our Group's creditor, i.e. 180 Degree Strategic Communications Sdn Bhd which was appointed by our Group on November 2007 as our Group's advertising and promotion agency. 180 Degree Strategic Communications Sdn Bhd is not related to our Group's promoters, substantial shareholders, Directors and key management. 180 Degree Strategic Communications Sdn Bhd shares a common director and shareholder with 181 Degree Holding Sdn Bhd. Nevertheless, the provision of advertising and promotion activities is not a related party transaction as defined under the Listing Requirements.

As at LPD, the total amount payable to 180 Degree Strategic Communications Sdn Bhd amounted to approximately RM5.5 million, of which approximately RM4.7 million have been outstanding for more than six (6) months, is non-trade in nature, unsecured, interest free and payable on demand.

(ii) Capital expenditure

Approximately 16.6% of our IPO proceeds will be utilised to partially finance our Group's telecommunications systems which is continuously being developed and/or upgraded, which is shown below:-

Nature	RM' million
Convergence Charging System	4.7
SOA System	0.9
Social Network Portal	0.6
Total	6.2

Please refer to Sections 8.4, 9.4.8(f) and 9.4.8(h) of this Prospectus for further details on the capital expenditures.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

2. PARTICULARS OF THE IPO (Cont'd)**(iii) Working capital**

Our Group's working capital requirement will increase in tandem with our expected expansion and business growth. As such we expect to utilise approximately RM23.2 representing approximately 62.0% of the IPO proceeds as additional working capital to finance our Group's operations.

Our Group will require the additional working capital to meet operational obligations such as payment of rental, utilities and salaries. Our Group will also need sufficient working capital to expand our subscriber base. The breakdown of proposed utilisation of proceeds for working capital is as follows:-

Nature	RM' million
Branding, marketing and promotion expenses ⁽¹⁾	13.0
Subscriber retention programmes ⁽²⁾	3.3
Other working capital requirements ⁽³⁾	6.9
Total	23.2

Notes:-

- (1) **Branding, marketing and promotion expenses**
Our Group intends to increase our branding, marketing and promotion activities in line with increasing / cultivating awareness of XOX's products and services. We expect to utilise approximately RM13.0 million for our branding, marketing and promotion activities such as sponsorship of events, media and billboard advertisements. The branding, marketing and promotion activities will be conducted by our Group's appointed advertising and promotion agencies.
- (2) **Subscriber retention programmes**
Our Group intends to utilise approximately RM3.3 million to implement subscriber retention programmes such as loyalty and bonus programmes to entice subscribers to increase their usage and stay with XOX as well as acquiring new subscribers.
- (3) **Other working capital requirements**
In tandem with our Group's business growth, we plan to utilise approximately RM6.9 million as working capital to support our Group. Approximately RM4.7 million of the total amount of approximately RM6.9 million will be utilised as payment for dealer incentives and commissions. The balance will be utilised for various expenses such as payment of rental, payment of staff salaries as well as maintenance of telecommunications equipment and related costs.

(iv) Estimated listing expenses

The estimated listing expenses for the Listing are as follows:-

Estimated listing expenses	Amount (RM' million)
Fees to authorities	0.1
Professional fees ⁽¹⁾	1.1
Underwriting and brokerage fees	1.1
Printing and advertising fees	0.2
Miscellaneous expenses ⁽²⁾	0.5
	3.0

Notes:-

- (1) Include fees for the Adviser, Placement Agent, Reporting Accountants, Solicitors, Independent Market Researcher and other professional advisers as well as Issuing House.
- (2) Travelling expenses, other incidental or related expenses and contingencies in connection with the IPO. Any unutilised amount shall be used for our Group's working capital purposes.

Our Company will bear all expenses and fees incidental to the Listing which includes underwriting commissions, placement fees, brokerage, professional fees, fees to authorities, advertising and other fees the aggregate of which is estimated to be RM3.0 million.

2. PARTICULARS OF THE IPO (Cont'd)

2.7 FINANCIAL IMPACT FROM UTILISATION OF PROCEEDS

Our utilisation of the proceeds from the Public Issue is expected to have the following financial impact on our Group:-

(i) Enhancement of working capital

We will utilise approximately RM23.2 million of the Listing proceeds for our working capital requirements, which include payment of branding, marketing, promotion, rental, salaries and dealer incentives. Please refer to Section 2.6(iii) for further details on our Group's working capital needs.

This will further enhance our Group's revenue and cash flow position by providing business growth prospects via increased awareness of our Group's products and services. This would enable us to internally fund our daily operational activities without being overly dependent on external funding while strengthening the liquidity and cash flow position of our Group.

2.8 COMMISSIONS AND BROKERAGE

Brokerage is payable by our Company in respect of the Public Issue under Section 2.3(a)(i) at the rate of 1.0% of the IPO price in respect of successful applications which bear the stamp of member companies of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or MIH.

The Sole Placement Agent has agreed to place the IPO Shares set out in Section 2.3(a)(iii) of this Prospectus, which are reserved for selected investors. Accordingly, our Company will pay a placement fee to the Sole Placement Agent at the rate of 2.0% of the value of the IPO Shares under Sections 2.3(a)(iii) herein respectively (being the number of IPO Shares reserved for placement multiplied by the IPO Price).

Our Company will pay the Underwriters an underwriting commission at the rate of 2.5% of the value of the underwritten IPO Shares under Sections 2.3(a)(i) and 2.3(a)(ii) herein (being the number of the underwritten IPO Shares multiplied by the IPO Price).

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

2. PARTICULARS OF THE IPO (Cont'd)

2.9 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

The salient terms of the Underwriting Agreement dated 26 April 2011 entered into between our Company and the Underwriters ("**Underwriting Agreement**") are as set out below.

Salient Terms of the Underwriting Agreement

The following salient terms are reproduced from the Underwriting Agreement. The capitalised terms and numbering references used in this section shall have the respective meanings and numbering references as ascribed thereto in the Underwriting Agreement:-

Clause 4 – Conditions Precedent For Underwriting

4.1 Conditions Precedent: The several obligations of the Underwriters under this Agreement shall further be conditional upon:-

- (a) **Bursa Securities, SC & CCM:** the acceptance of the listing proposal from Bursa Securities, the clearance of registrable prospectus from SC and the lodgement of registrable prospectus with the CCM respectively together with copies of all documents required under Section 42 of the Companies Act prior to the issuance of the Prospectus to the public;
- (b) **Issuance of Prospectus:** the issuance of the Prospectus (including summary advertisement of the Prospectus and all other procedures, requirements, letters and documents) required under Section 42 of the Companies Act to the public within six (6) months from the date hereof or such extension as consented by the Underwriters;
- (c) **Material Adverse Condition:** there having been, as at any time hereafter up to and including the Closing Date, no material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise of the Company and its subsidiaries (which in the reasonable opinion of the Underwriters is or will be material in the context of the issue of the Public Issue Shares) from that set forth in the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering inaccurate, untrue or incorrect to an extent which is or will be material in any of the representations, warranties and undertakings contained in **Clauses 3.1 and 3.2** if they are repeated on and as of the Closing Date;

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

2. PARTICULARS OF THE IPO (Cont'd)

- (d) **No Prohibition:** the issue, offering and subscription of the Public Issue Shares in accordance with the provisions hereof and the Prospectus not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);
- (e) **Approvals:** all necessary approvals and consents required in relation to the Public Issue including but not limited to governmental approvals having been obtained and are in full force and effect;
- (f) **Payment of Expenses:** the Underwriters having been satisfied that arrangements have been made by the Company to ensure payment of the expenses referred to in **Clause 13**;
- (g) **Resolutions:** the delivery to the Underwriters prior to the date of registration of the Prospectus of (i) a copy certified as a true copy by an authorised officer of the Company of all the resolutions of the Directors of the Company and the shareholders in general meeting approving this Agreement, the Prospectus, the Public Issue and authorising the execution of this Agreement and the issuance of the Prospectus; (ii) a certificate dated the date of the Prospectus signed by duly authorised officers of the Company stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in Clause 4.1(c);
- (h) **Report & Confirmation:** the delivery to the Underwriters on the Closing Date of such reports and confirmations dated the Closing Date from the Board of Directors of the Company as the Underwriters may reasonably require to ascertain that there is no material change subsequent to the date of this Agreement that will adversely affect the performance or financial position of the Company or its subsidiaries nor the occurrence of any event rendering, untrue or incorrect, to a material extent any representations and/or warranties contained in Clause 3 as though they have been given and/or made on such date; and
- (i) **Special Issue:** completion of the Special Issue prior to the issuance of the Prospectus; and
- (j) **Listing & Quotation:** the Underwriters being satisfied that the Company will, following completion of the Public Issue be admitted to the official list and its issued and paid-up share capital listed and quoted on the ACE Market of Bursa Securities without undue delay.
- 4.2 Non-Fulfilment of Conditions Precedent:** In the event any of the conditions set forth in **Clause 4.1** are not satisfied by the Closing Date, the Underwriters shall thereupon be entitled but not bound to terminate this Agreement by notice given to the Company not later than three (3) market days after the Closing Date and upon such termination the Company and the Underwriters shall be released and discharged from their obligations save for the Company's obligations pursuant to **Clause 3.3 and 13** and none of the parties shall have a claim against the other save for antecedent breaches by the Company and claims arising therefrom. Each party shall in such event return any and all moneys paid to the other under this Agreement within seventy-two (72) hours of the receipt of such notice (except for monies paid by the Company for the payment of the expenses as provided in **Clause 13**). The Underwriters reserves the right to waive or modify any of the conditions aforesaid and such waiver or modification shall not prejudice the Underwriter's rights under this Agreement.

2. PARTICULARS OF THE IPO (Cont'd)

Clause 14 – Termination, Lapse of Agreement or Force Majeure

14.1 Events of Termination: Notwithstanding anything herein contained, the Underwriters may by notice in writing to the Company given at any time on or before the allotment and issuance of the Public Issue Shares, terminate and cancel and withdraw its commitment to underwrite the Underwritten Shares if:-

- (a) **Breaches in Representations, Warranties or Undertakings:** there is any breach by the Company of any of the representations, warranties or undertakings, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company, or by the Closing Date, whichever is earlier, or withholding of information of a material nature from the Underwriters, which is required to be disclosed pursuant to this Agreement which, in the opinion of the Underwriters, would have or can reasonably be expected to have, a material adverse effect on the business, financial or operations of the Company's Group, the success of the Public Issue, or the distribution of the Public Issue Shares; or
- (b) **Information Withheld:** there is withholding of information of a material nature from the Underwriters, which, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company, which, in the opinion of the Underwriters, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Company's group and the success of the Public Issue, or the distribution of the Public Issue Shares; or
- (c) **Material and/or Adverse Changes:** there shall have occurred, happened or come into effect in the opinion of the Underwriters any material and/or adverse change to the business or financial condition of the Company or any of its subsidiaries; or
- (d) **Force Majeure:** there shall have occurred, happened or come into effect any of the following circumstances:-
 - (i) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
 - (ii) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Company and/or the Underwriters (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents); which, (in the reasonable opinion of the Underwriters), would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of the Company or any of its subsidiaries and the success of the Public Issue, or the distribution of the Public Issue Shares, or which has or is likely to have the effect of making any material part of this Agreement incapable of performance in accordance with its terms;

2. PARTICULARS OF THE IPO (Cont'd)

- (iii) if in the reasonable opinion of the Underwriters that the success of the Public Issue is seriously and/or materially jeopardised by the FTSE Bursa Securities Kuala Lumpur Composite Index falling below 10% or more for three (3) consecutive Market Days at any time between the date of this Agreement and up to and including the Closing Date; or
 - (iv) in the event of national disorder, outbreak of war or the declaration of a state of national emergency:-
- (e) **Failure to Perform Obligations:** there is failure on the part of the Company to perform any of their respective obligations herein contained.
 - (f) **Material Omission:** any matter which arose immediately before the date of the prospectus would have constituted a material and adverse omission in the context of the Public Issue; or
 - (g) **Adverse Effect:** any event, act or omission which gives or is likely to give rise to any liability which will have a material and adverse effect on the company pursuant to the indemnities contained under this agreement; or
 - (h) **Withdrawal or Non-Procurement of Approval for Listing By Bursa Securities:** the approval-in-principle of Bursa Securities for the admission of the Company to the Official List or for the listing of and quotation for the entire issued and paid-up capital of the Company on the ACE Market of Bursa Securities is withdrawn or not procured within six (6) weeks from the date of issue of Prospectus or such other period as may be specified by SC.
- 14.2 Underwriters Obligations Discharged:** Upon such notice(s) being given under Clause 14.1, the Underwriters shall be released and discharged of its obligations without prejudice to its rights whereby this Agreement shall be of no further force or effect and no Party shall be under any liability to any other in respect of this Agreement, except that the Company shall remain liable in respect of its obligations and liabilities for the payment of the costs and expenses already incurred prior to or in connection with such termination, for the payment of any taxes, duties or levies or such outstanding fees pursuant to **Clause 11.3** hereof, and for any antecedent breach, and its undertaking to indemnify the Underwriters pursuant to the provisions of Clause 3.3.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

2. PARTICULARS OF THE IPO (Cont'd)**2.10 DILUTION**

Dilution is the amount of which the NA per Share immediately after the implementation of the Listing Scheme is less than the IPO Price. The dilutive effect will be based on the NA per Share immediately after the implementation of the Listing Scheme less the theoretical ex-IPO price. Our audited NA per Share as at 31 December 2010 based on our enlarged issued and paid up share capital of 302,000,000 Shares, after taking into account the adjustments for the Listing Scheme was RM0.10 per Share.

The following table illustrates such a dilution on a per Share basis:-

	RM
IPO Price	0.80
NA per Share as at 31 December 2010, before adjusting for the IPO ⁽¹⁾	(0.01)
NA per Share as at 31 December 2010, after adjusting for the IPO ⁽²⁾	0.11
Increase in NA per Share contributed by new investors	0.12
Dilution in NA per Share to new investors	0.70
Dilution in NA per Share to new investors as a percentage of the IPO price	87.5%

Notes:-

- (1) *Taking into account the effects of the Acquisitions, Share Split and Special Issue but excluding the IPO and the utilisation of proceeds.*
- (2) *Taking into account the effects of Acquisitions, Share Split, Special Issue, IPO and the utilisation of proceeds.*

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

2. PARTICULARS OF THE IPO (Cont'd)

Save as disclosed in the table below indicating the total number of Shares acquired by our directors, senior management, substantial shareholders or person connected to them as well as other shareholders, the purchase consideration paid by them and the average effective cash cost per Share and to the new public investors who subscribe for the IPO Shares pursuant to the IPO, there has been no other equity transaction and/or right to acquire during the past three (3) years prior to the date of this Prospectus.

	Total number of Shares immediately before listing (No. of Shares)*	Purchase consideration (RM)	Average effective cash cost per Share (RM)
<u>Directors and Substantial Shareholders</u>			
Dato' Seri Abdul Azim Bin Mohd Zabidi	43,161,160	4,316,116	0.10
Ng Kok Heng	47,464,060	4,746,406	0.10
Wong Yip Kee	48,951,100	4,895,110	0.10
<u>Other Directors</u>			
Phoon Sow Cheng	200,000	160,000	0.80
Lee Chong Hoe	200,000	160,000	0.80
Yeoh Chong Keat	200,000	160,000	0.80
Soo Pow Min	-	-	-
<u>Other Substantial Shareholders</u>			
Mara Incorporated Sdn Bhd	17,466,890	1,746,689	0.10
Peh Poh Choo	15,784,590	1,578,459	0.10
<u>Key Management</u>			
Sim Chin Yee	10,902,700	1,324,270	0.12
Chew Kah Eng	400,000	144,000	0.36
Azril Bin Aliuddin	400,000	144,000	0.36
Wong Chew Yeh	250,000	90,000	0.36
Tan Tai Liang	880,000	316,800	0.36
Liew Chun Kiat	340,000	122,400	0.36
Eng Kheng Yap	340,000	122,400	0.36
<u>Other Shareholders</u>			
Datin Seri Raihanah Begum	5,733,600	573,360	0.10
Binti Abdul Rahman			
Chang Siew Yee	5,322,510	532,251	0.10
Soo Pow Yoke	9,882,890	988,289	0.10
Cindy Lau May Ih ^	5,541,990	2,000,000	0.36
Faidzan Bin Hassan ^	3,000,000	880,672	0.29
Peh Poh Chye ^	3,812,980	1,119,328	0.29
Chan Chee Hong ^	1,765,320	1,026,531	0.58
	Total number of Shares held before listing No. of Shares	Total consideration (RM)	Average effective cash cost per Share (RM)
New Investor pursuant to the IPO	46,200,000	36,960,000	0.80
Special Issue Investor	990,000	356,400	0.36

Notes:-

* The shareholdings are based on their respective shareholdings immediately prior to the Listing. The above assumes full subscription of their respective entitlements for the Pink Form Share Allocation.

^ These were in relation to the issuance of 940,000 XOX Com shares of RM1.00 each for a total consideration of RM5,000,000 prior to the Bonus Issuance in XOX Com.

3. RISK FACTORS

Prospective applicants should carefully consider the following risk factors (which are not exhaustive) in addition to the other information contained elsewhere in this Prospectus before applying for the IPO Shares:-

RISKS RELATING TO THE BUSINESS

(a) We have a limited operating track record

We have a limited operating and financial history upon which you may evaluate us. Our Group commenced operations in January 2009 and has only generated revenue since then. As a result, your evaluation of us and our prospects will be based on a limited operating and financial history. In addition, most of our products and services have been sold for only a relatively short time, which is since 2009, as elaborated in Section 9.4 of this Prospectus. Therefore, it is difficult to accurately forecast our future revenue and budget our operating expenses. Investors may take into consideration our Group's profit and cash flow forecast, as set out in Sections 9.5 and 9.6 of the Prospectus, as well as the risk factor on the "Forward looking statements and achievability of our Group's Forecast" in making an investment decision.

There can be no assurance that our business model or any specific products or services will be profitable or competitive in the long term against larger, facilities-based mobile telecommunications operators or other MVNOs.

We may experience significant fluctuations in our revenues and cash flows. We have experienced, and may continue to experience, operating losses. In the event that we do become profitable, we can provide no assurances that such profitability can or will be sustained in the future.

(b) We are highly dependent on Celcom's core network infrastructure

As an MVNO, we do not own or operate our own physical network. Our Group provides mobile telecommunications services over network infrastructure that relies entirely on Celcom's core network infrastructure. Our Group does not have control over the service provision and is completely dependent on coverage, quality, reliability, service upgrades and network capacity supplied by our host network provider. Therefore, the provision of our services may be adversely affected by: -

- (i) damage or interruptions to Celcom's Digital Network;
- (ii) system and network management, modification or maintenance by Celcom; or
- (iii) failure or obsolescence of Celcom's network infrastructure and/or related systems.

Notwithstanding the above, our host network provider will provide prior notice to our Group of any service interruption. To date, our Group has not experience any material disruptions. There is also a service level agreement within the MVNO services agreement which provides assurance that service quality to our Group's subscribers will be the same as that provided by Celcom to its own subscribers.

Celcom, in entering into the MVNO services agreement, intended for our Group to assist in capturing its loss markets and we are bound by the MVNO services agreement not to directly compete with Celcom for its existing subscribers. However, subscribers' behaviour is beyond our control and some existing Celcom subscribers may inadvertently prefer our services over Celcom's. Hence it is not only important that we adhere to the terms and conditions of the MVNO services agreement, such as the minimum commitment level as disclosed in Section 4.18(c) of this Prospectus, to avoid legal, operational and/or financial repercussions but imperative for us to work closely with Celcom to forge and maintain a sound relationship in light of a strategic long term partnership. The minimum commitment level is effective from FYE2010 onwards. If there is a shortfall, the difference shall be a cost payable to Celcom.

3. RISK FACTORS (Cont'd)

(c) We may not be able to successfully extend and/or launch existing or new products and services into the market

As part of our strategy, our Group intends to introduce, and to continue to develop, a number of products, services and service experiences for its subscribers, particularly services such as convergence subscription plans, Mobile Wallet, social portal applications and other similar services. Although our Group has, in the past, pioneered and launched innovative mobile services into the market which were well received by our targeted subscriber segments, there is no assurance that our Group will be able to successfully extend and/or launch existing or new products and services into the market, due to rapid technological changes, shifts in market expectations as well as competitive pressures.

There is a risk that our Group may not identify consumer trends correctly. Any new product or services we launch may not be provided on a cost-effective or price-competitive basis due to a misreading of consumer demand or trends. Such misjudgment may adversely affect the operational and financial results of our Group.

(d) We depend significantly on our network of traditional dealers and distributors for sales of our products and services

Our mobile services are principally sold through a network of traditional dealers and distributors. Any dispute with them may disrupt sales and have an adverse effect on our Group's operational and financial results. In FYE 2010, our Group has 17 area sales distributors. However our Group is not dependent on these area sales distributors as the appointment of area sales distributors are the sole prerogative of XOX. As at LPD, save as disclosed in Section 13.6 of this Prospectus, our Group does not have any dispute with our traditional dealers and distributors.

Notwithstanding the above, in the near future, our Group plans to diversify to other non-physical dealership channels such as Internet Banking, ATMs and also our Group's own social network portal where subscribers can purchase starter packs, recharge vouchers and perform payment of bills.

(e) Dependence on directors and key personnel

The technology industry is a growing and fast changing sector, and the management and operation of the business requires the employment of highly skilled knowledge workers, whether in technology or non-technology related fields. The Directors of our Group recognise and believe that the Group's continuing success depends to a significant extent on the abilities and continuing efforts of its existing Managing and Executive Directors and key personnel, as disclosed in Sections 5.2 and 5.5 of this Prospectus, and the ability of the Group to attract new personnel and retain its existing skilled personnel. The labour market for skilled personnel in this field is highly competitive.

The Group seeks to mitigate this risk by offering its employees competitive salary/remuneration, benefit packages and also to offer internships to undergraduates pursuing tertiary education in the telecommunications field for possible future employment with our Group.

If one or more of these personnel are unable or unwilling to continue in their present positions, or if they join a competitor or form a competing company, our Group may not be able to replace them easily. Our Group's business may be significantly disrupted and its financial condition and results of operations may be materially and adversely affected.

3. RISK FACTORS (Cont'd)

- (f) **We may be unable to adequately protect our intellectual property or may face intellectual property claims that may be costly to resolve or may limit our ability to use our intellectual property in the future**

The popularity of our Group's products and services is dependent on the goodwill associated with the XOX, XinXun and Short Call brand names and logos. In the case of trademarks and service marks applied and/or registered with the Intellectual Property Corporation of Malaysia, our Group has a perpetual, royalty-free licence to use such trademarks and service marks in Malaysia.

Our Group relies on a combination of trademarks, service marks and domain name registrations, common law copyright protection and contractual restrictions to establish and protect their intellectual property. Any third party may challenge our Group's intellectual property. Our Group may incur substantial costs in defending any claims relating to its intellectual property rights. As at LPD, our Group is not aware of any claims on our Group's intellectual property.

- (g) **Breach of customer data protection could materially affect our Group's reputation and business and subject our Group to liability**

Our Group has a large database on our subscribers' information stored in various business systems and used in many business processes. Our Group is required under our licences to take all reasonable steps to ensure that parties who have access to our subscribers' information in the ordinary course of business do not disclose such information without the prior consent of the subscriber. Under the Malaysian General Consumer Code ("GCC"), any service provider that collects consumer information has a responsibility to adopt and implement a policy that protects the privacy of identifiable information, and should take steps that foster the adoption and implementation of an effective policy on the protection of consumer information by the service providers which they interact, for example, by sharing best practices with business partners. A breach in the Malaysian GCC could expose our Group and our officers to violations under the Malaysian GCC (which carries a fine not exceeding RM100,000, imprisonment not exceeding two (2) years or both), possible liability suits from subscribers, damage to reputation and business loss. As at LPD, our Group is not aware of any violations under the Malaysian GCC by our Group.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

3. RISK FACTORS (Cont'd)**RISK RELATING TO THE INDUSTRY****(a) Our Group is exposed to competition in the Malaysian mobile telecommunications industry**

The market for mobile telecommunications services in Malaysia is highly competitive. Increasing competition in the Malaysian mobile telecommunications industry has had, and is expected to continue to have, a significant impact on our Group's financial condition and results of operations. Our Group directly competes with the incumbent MNOs as well as three (3) main other MVNOs in the market. Mobile telecommunications service providers compete for subscribers in a number of different areas including the services and features offered customer service and price. In addition, the mobile telecommunications industry in Malaysia may experience technological changes, evolving industry standards, liberalisation and changes in subscribers' preferences. Competition in the mobile telecommunications industry in Malaysia may increase as a result of industry consolidation, the entry of new competitors, regulations, foreign investment in existing competitors, and the development of new technologies, products and services.

Malaysia recorded a mobile penetration rate of 116.6% in the fourth quarter of 2010. This penetration rate in Malaysia is not viewed as saturated yet, as Singapore and Hong Kong Special Administrative Region have achieved penetration rates of 143.6% in December 2010, and 180.1% in May 2010, respectively. *(Source: Independent Market Research Report of The Mobile Virtual Network Operator Industry In Malaysia prepared by Dun & Bradstreet (D&B) Malaysia Sdn Bhd)*. Nevertheless as consumers become more affluent and also due to the decline in costs of cellular phones, the adoption of multiple SIMs per individual has become more common.

Under the current telecommunications laws in Malaysia, mobile operators are obliged to provide their subscribers with number portability, which allows subscribers of mobile services to retain their existing number when changing from one operator to the other. Number portability decreases the hurdles for mobile subscribers to switch to another operator and could lead to increased churn rates and increased subscriber acquisition costs.

In view of the above, our Group relies on our competitive strengths, as disclosed in Section 4.11 of this Prospectus, to compete effectively in the Malaysian mobile telecommunications industry. As an MVNO, our Group relies on our host network provider's network infrastructure and thus does not need to incur significant amount of capital expenditure to set up network infrastructure. This in turn translates into lower breakeven for our Group's costs. In view of lower capital expenditure, our Group is able to focus our financial resources towards penetrating new market segments faster. Our Group also has flexibility in pricing and thus is able to respond to changing market demands fast without the need to obtain approvals from our host network provider.

Our Group's Convergence Charging System also presents a unique selling point which is able to gain fast subscriber acceptance based on our Group's product and services such as our convergence subscription plan. Please refer to Section 4.8.2(i)(b) of this Prospectus for details on our Group's Convergence subscription plan. The MNOs may have time lag in implementing such technology and this gives our Group an edge in implementation and capturing market share.

Being a new MVNO, the MNP feature may actually help our Group to acquire relatively more subscribers than other incumbent mobile telecommunications operators as it presents to mobile users a whole new mobile experience and innovation, on top of attractive pricing. Being a niche market player, our Group is able to direct all our strengths to our Group's target market segment intensively and aggressively.

3. RISK FACTORS (Cont'd)

Nevertheless, there can be no assurance however that these or other strategies will prove effective in avoiding any material adverse effects on our Group's future growth and profitability, and there can be no assurance that the level of existing and future competition will not adversely affect the results of operations and financial condition of our Group.

(b) The mobile telecommunications industry is subject to rapid technological changes

The mobile telecommunications industry is subject to rapid, ongoing technological changes and has experienced significant changes in recent years, which we expect to continue.

Emerging and future technological changes may adversely affect the viability or competitiveness of our Group. Our Group continuously evaluates and analyses new and/or suitable technologies to be adopted or assimilated into our business as we strive to keep abreast with the ever changing market trends and demand, increase competitiveness and avoid technological obsolescence timely and cost effectively.

However, as an MVNO, we rely on our host network provider's telecommunications network infrastructure, i.e. Celcom Digital Network. This frees us from investing in related heavy capital expenditures, maintenance and upgrading of network infrastructure due to technological changes.

(c) Our Group's business is subject to extensive regulation

The provision of telecommunications services in Malaysia are subject to extensive regulation and supervision by the MCMC under the ambit of the Ministry of Energy, Green Technology and Water (*formerly known as Ministry of Energy, Water and Communications Malaysia*). We are further governed by the Malaysian Communications and Multimedia Act, 1998 ("**CMA**") pursuant to which our Group's NSP-I was granted. While we strongly believe that our NSP-I licence and approvals are in good standing and expect to be able to continue to fulfill our Group's licence and approval terms to the satisfaction of the MCMC, there is no assurance that renewals will be on the same terms as the existing licences.

Any inability to obtain new licences, or delay in the renewal of existing licences, could impede our Group's provision of services and could therefore have a material adverse effect on our Group's business and results of operations. Our Group's operational and financial results could also be adversely affected if adverse fee charges, such as the establishment of regulated pricing, are introduced by the MCMC.

Changes in laws, regulations or MCMC policy affecting our Group's business activities and those of its competitors could adversely affect our Group's financial condition or results of operations. In particular, decisions by the MCMC in the areas of the grant, amendment or renewal of licences to our Group or third parties, if unfavourable to our Group, could adversely affect our Group's financial condition and results of operations. There can be no assurance that the Minister will not issue new or additional telecommunications licences to new or existing mobile operators whose services will compete with those offered by our Group.

3. RISK FACTORS (Cont'd)

(d) Our Group may be liable for our distributors' actions

As our Group's distributors are third parties, we have no control over their operations but we may be held accountable for their actions as they are deemed to be agents or representatives of our Group.

Currently, liability for agent actions is limited to prepaid registration which is governed by MCMC's Guidelines on Registration of End-Users of Prepaid Public Cellular Services (No.1 and No.2) and the Guidelines on Prepaid Registration (collectively "**Prepaid Guidelines**"). There is no guarantee that liabilities for agent actions will not be extended to other areas since the Minister has the power to impose additional conditions.

However, all our distributors and their dealers are required to follow strictly to the Group's standard operating procedures for prepaid registration to minimise non-compliance and possible fines by MCMC. As at LPD, our Group is not aware of any actions committed by our Group's distributors which our Group may be held accountable.

(e) Our Group is exposed to risks relating to content downloaded or uploaded by its subscribers

Mobile communications providers may be subject to third party allegations of intellectual property rights infringement with regards to content downloaded or uploaded by its subscribers. There can be no assurance that our Group's subscribers do not and will not infringe the intellectual property rights of others.

In some instances, these third party allegations may have progressed to lawsuits alleging infringement of patent and other rights. Any such allegations, whether or not meritorious, could result in costly litigation and divert the efforts of our personnel. While we continuously seek appropriate assurances and indemnification from vendors, if it is ultimately determined that a third party has enforceable intellectual property rights with respect to our products and services, it may adversely affect our results of operations or prevent us from offering our services.

If we are found liable for infringement, we may be required to enter into licensing agreements (if available on acceptable terms or at all) or pay damages and cease selling certain products and services. In addition, we may need to redesign some of our product and service offerings to avoid future infringement liabilities.

As at the LPD, we are not presently involved in any material litigation and arbitration, whether as plaintiff or defendant or as a third party, which has a material effect on our position or business, and we are not aware of any proceedings, pending or threatened, or of any fact likely to give rise to any proceedings which might materially affect our position or business.

(f) Concerns about alleged mobile telecommunications health risk

Certain reports, albeit not conclusive, indicate that radio frequency emissions from mobile handsets and other mobile equipment may have an adverse effect on the health of mobile telephone users and others. The issuances of such reports in the future could adversely affect the market price of the shares of mobile telecommunications service providers, including that of our Group, and the actual or perceived risk of mobile telecommunications devices could adversely affect mobile operators such as our Group through reduced subscriber growth, reduction in subscribers or reduced usage per subscriber.

3. RISK FACTORS (Cont'd)**RISK RELATING TO INVESTMENT IN OUR SHARES****(a) No prior trading market for our Shares and a market for our Shares may not develop**

Prior to this invitation, there has been no public market for our Shares. Although we have made an application to list our Shares on the ACE Market of Bursa Securities, there is no assurance as to the liquidity of any market that may develop for our Shares, or even if a market develops, will be sustained. There is no assurance of the ability of the holders or the prices at which the holders would be able to sell their Shares. The market prices of our Shares are subject to the vagaries of market forces and many other factors, such as prevailing economic, political and financial conditions in Malaysia, our operating results and the markets for similar securities. Hence, there is no assurance that the market price may not decline below the issue price.

(b) Capital market risk

The performance of the local bourse is very much dependent on external factors such as the performance of regional and world bourses and the flows of foreign funds. Sentiments are also largely driven by internal factors including political and economic conditions of the country as well as growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risk to the market price, which may already fluctuate significantly and rapidly as a result, inter alia, of the following factors:-

- differences between our actual financial and operating results and those expected by investors and analysts;
- announcements by us or our competitors of significant contracts, acquisitions, strategic alliances, joint ventures or capital commitments;
- fluctuations in stock market prices and volume;
- changes in our operating results;
- changes in securities analysts' estimates of our financial performance and recommendations;
- changes in market valuation of similar companies;
- our involvement in litigation, arbitration or other forms of dispute resolution;
- additions or departures of key personnel; and
- changes in general economic and stock market conditions.

(c) We may require additional funding for our future growth

Although we have identified our future plans as set out in the Section 4.23 of this Prospectus as avenues to pursue growth in our business, the proceeds from the IPO may not be sufficient to fully cover the estimated costs of implementing these future plans.

We may also find opportunities to grow through acquisitions that cannot be predicted at this juncture. Under such circumstances, secondary issue(s) of securities after the IPO may be necessary to raise the required capital to develop these growth opportunities.

If we then fail to utilise the new equity to generate a commensurate increase in earnings, our EPS will be diluted, and this could lead to a decline in our share price. Any additional debt financing may, apart from increasing interest expense and gearing, contain restrictive covenants with respect to dividends, future fund-raising exercises and other financial and operational matters in any such events, our growth or financial performance will be adversely affected.

3. RISK FACTORS (Cont'd)

(d) We may not be able to pay dividends to shareholders

Our ability to pay dividends or make other distributions to our shareholders may be subject to, amongst others:-

- (i) the availability of adequate distributable reserves and cash flows of the Company;
- (ii) our operating cash flow requirements and financing commitments;
- (iii) our anticipated future operating conditions, as well as future expansion, capital expenditure and investment plans; and
- (iv) any material impact of tax laws or other regulatory requirements.

Our shareholders' claims will generally rank junior to all other creditors and claimants against our Group. In the event of liquidation, there may not be sufficient assets for us pay out dividends.

(e) Forward looking statements and achievability of our Group's Forecast

Certain information in this Prospectus is based on the historical experience of the Group and may not be reflective of future results. Whilst the interpretation of this information may be forward-looking, the contingencies and inherent uncertainties underlying these information, which is based on a number of best estimate and/or assumptions regarding the future events and actions which the Directors expect to take place, should be carefully considered by investors and should not be regarded as a representation by the Group and its advisers that the objectives and the future plans of the Group will be achieved. Any differences in the expectation of the Group from its actual performance, such as not being able to achieve the forecasted subscribers growth rate, may result in the Group's financial and business performances and plans to be materially different from those anticipated. A summary of our Group's profit and cash flow forecast is disclosed in Section 9.5 of this Prospectus. For FYE 2010, our Group's total registered subscribers is approximately 315,000 subscribers, representing approximately 0.9% of the total subscribers in Malaysia.

(f) There may be a delay in our listing or our listing may be aborted

The occurrence of any one or more of the following events, which may not be exhaustive, may cause a delay in our listing or our listing to be aborted:-

- the identified investors under the Public Issue fail to subscribe for the portion of our Shares allocated to them although they have furnished their irrevocable undertaking letters to subscribe for such Shares;
- the underwriters exercising its rights pursuant to the Underwriting Agreement to discharge itself from its obligations thereunder; or
- we are unable to meet the public spread requirement as determined by Bursa Securities, including at least 25% of our total issued and paid-up share capital being in the hands of a minimum of 200 public shareholders holding not less than 100 Shares each at the point of Listing.

3. RISK FACTORS (Cont'd)

Our Directors will endeavour to ensure compliance by our Company of the Listing Requirements, including inter-alia, the public spread requirements imposed by the SC and Bursa Securities for the successful listing. In the event the listing is aborted, we will return in full without interest, all monies paid in respect of any Applications accepted. Nevertheless, our Directors will endeavour to ensure compliance with the various requirements for our successful Listing.

(g) Delay between Admission and Trading of the IPO Shares

Delays in the Admission and the commencement of trading in shares on Bursa Securities have occurred in the past. In respect of the Public Issue Shares comprised in the IPO Shares, following their allotment and issue to investors, a return of monies to such investors may be effected by way of either a repurchase by the Company of those shares at the IPO Price, or by way of a reduction of our share capital. A capital reduction would require the approval by special resolution of our shareholders and approval of the courts.

Further, such capital reduction shall not be affected if on the date the reduction is to be effected, there are reasonable grounds for believing that we are, or after the reduction would be, unable to pay our liabilities as they become due.

There can be no assurance that monies can be recovered within a short period of time. If Bursa Securities does not admit our Shares for Listing, the market for our Shares will be illiquid and it may not be possible to trade our Shares. This may also have a materially adverse effect on the value of our Shares.

(h) Ownership and control by our existing shareholders

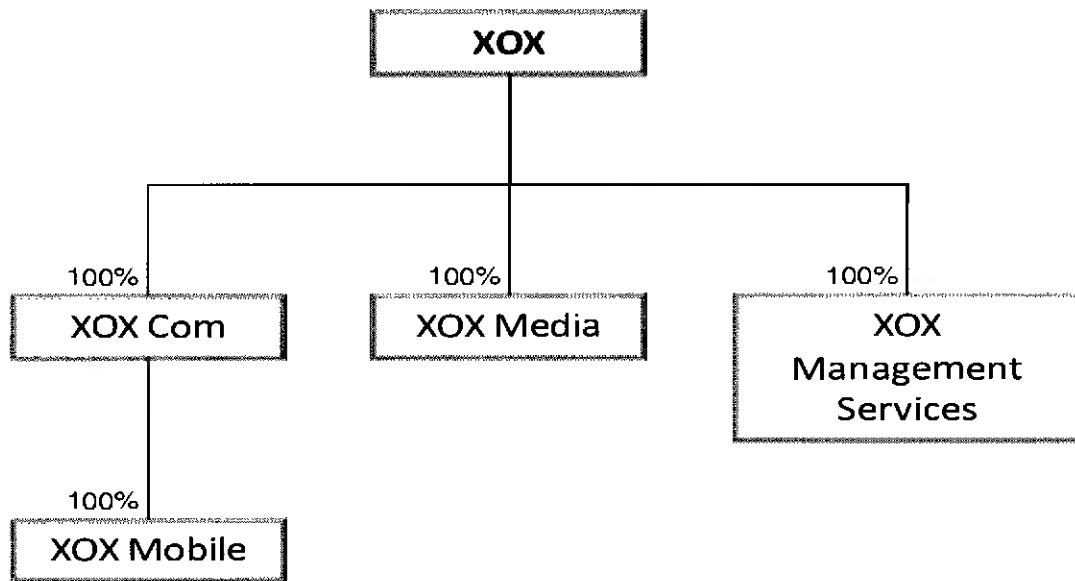
After the IPO, our Promoters as set out in Section 5.1 of this Prospectus will collectively directly control 45.9% of our Group's enlarged issued and paid up share capital. Therefore, our Promoters will be able to exercise some influence over the direction and matters governing our Group requiring the vote of our Group's shareholders unless they are required to abstain from voting by law, covenants, and/or by relevant authorities.

Nevertheless, our Group has appointed independent directors to ensure that any future transaction involving related parties are entered into on an arms-length terms which are not detrimental to our Group, so as to facilitate good corporate governance whilst promoting greater corporate transparency.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

4. INFORMATION ON OUR GROUP

4.1 GROUP STRUCTURE



The summary details of our subsidiary companies are as follows:-

Corporation	Date/Place of Incorporation	Effective Equity Interest (%)	Issued and Paid-up Share Capital (RM)	Principal Activities
XOX Com	16.09.2005 / Malaysia	100.0	24,879,998	Provider of mobile telecommunications products and services
XOX Mobile	10.04.2008 / Malaysia	100.0	50,000	Agent for the marketing, promotion, support services and managing the distribution channels of mobile telecommunications products and services
XOX Media	21.02.2007 / Malaysia	100.0	100,000	Dormant
XOX Management Services	13.03.2009 / Malaysia	100.0	40,000	Provision of management services

As at LPD, we do not have any other subsidiary or associated companies. Please refer to Section 4.6 of this Prospectus for further details of our Group's subsidiary companies.

4. INFORMATION ON OUR GROUP (Cont'd)

4.2 OUR HISTORY AND BUSINESS

XOX Group is a new and upcoming mobile telecommunications service provider in Malaysia. We believe that the key factors which distinguish us from our competitors are our innovative services plans and competitive rates, such as our Group's convergence subscription plan and Short Call feature, which offer our subscribers outstanding value.

Our Group's history can be traced back to the incorporation of XOX Com in 2005. In 2007, we obtained the NSP-I license from the Ministry of Energy, Green Technology and Water (formerly known as *Ministry of Energy, Water and Communications Malaysia*). The NSP-I licence allows our Group to operate a mobile telecommunications service business in Malaysia.

In 2008, we had entered into an agreement with Celcom, allowing our Group to utilise Celcom's Digital Network. Our Group obtained the ASP licence from MCMC in the same year which allows our Group to provide contents/services such as festival greetings SMS to our Group's subscribers and the sale of recharge vouchers. Our Group was also awarded 1.5 million service numbers with a prefix "010-3000000 to 010-3499999", "010-8300000 to 010-8799999" and also "011-13000000 to 011-13499999" by MCMC.

As an MVNO, we do not own or operate a physical network, which frees us from investing in related heavy capital expenditures to build and maintain network infrastructures. This allows us to focus our resources on acquiring and servicing our subscribers and compete effectively against the existing incumbent network operators in the industry. We commenced operations in 2009 and have since introduced innovative service plans and features such as XinXun, Short Call, XOX-RT Super 88 and Hybrid to improve our competitiveness in the market. Please refer to Section 4.8.2(i) for further details on these service plans and features.

XOX was incorporated in Malaysia under the Act as a public company on 10 May 2010 as the listing vehicle for XOX Group.

As at LPD, our Group has a subscriber base of approximately 395,000 subscribers.

4.3 LOCATION OF BUSINESS

Principal Place of Business

Our Group's head office is located at 31-3, Block C, Jaya One, 72A, Jalan Universiti, 46200 Petaling Jaya, Selangor.

Details of the other locations of business where our Group operates from are set out below:-

No.	Existing Use	Owned / Rented	Built up area (sq feet)	Address
1.	Head Office	Rented	3,795	31-3, Block C, Jaya One, 72A, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan
2.	Operations and Support Office	Rented	2,021	23-5, Block B, Jaya One, 72A, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan
			2,021	25-5, Block B, Jaya One, 72A, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan

Please refer to Section 8.1 for more information on the above properties.

4. INFORMATION ON OUR GROUP (Cont'd)**4.4 KEY ACHIEVEMENTS AND MILESTONES**

The table below sets out our Group's key development and achievement milestones over the years:-

Year	Milestones
2005	XOX Com was incorporated on 16 September 2005.
2007	XOX Com obtained the NSP-I licence on 19 November 2007 from the Ministry of Energy, Green Technology and Water (<i>formerly known as Ministry of Energy, Water and Communications Malaysia</i>).
2008	MCMC awarded service number with prefix from 010-3000000 to 010-3499999 to XOX Com on 21 April 2008. XOX Media had been approved as a MSC Status Company on 9 July 2008. XOX Com signed MVNO services agreement with Celcom on 15 September 2008. XOX Com obtained approval from Bank Negara Malaysia to operate 'electronic wallet service' on 26 September 2008.
2009	XOX Com launched the 'HopOn Subscription Plan' on 16 January 2009. XOX Com launched the '010 Prepaid Subscription Plan' on 13 March 2009. XOX Com successfully implemented the Convergence Charging System platform on 6 November 2009. XOX Com launched the XinXun Subscription plan and the Short Call feature on 24 November 2009.
2010	MCMC awarded service number with prefix from 010-8300000 to 010-8799999 to XOX Com on 15 January 2010. MCMC awarded service number with prefix from 011-13000000 to 011-13499999 to XOX Com on 20 April 2010. XOX Com launched XOX-RT Super 88 convergence plan in 11 June 2010. XOX Com launched Hybrid convergence plan in 28 October 2010.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

4. INFORMATION ON OUR GROUP (Cont'd)

4.5 SHARE CAPITAL AND CHANGES IN SHARE CAPITAL

As at the date of incorporation, the authorised share capital of our Company was RM100,000 comprising 100,000 ordinary shares of RM1.00 each. On 4 April 2011 the authorised share capital of our Company was increased to RM100,000,000, comprising 100,000,000 ordinary shares of RM1.00 each. On 4 April 2011 pursuant to the Share Split, our Company's authorised share capital of RM100,000,000 comprising 1,000,000,000 ordinary shares of RM0.10 each.

As at LPD, the existing issued and paid-up share capital of our Company is RM25,520,000 comprising 255,200,000 ordinary shares of RM1.00 each. The changes in the issued and paid-up share capital of our Company for the last three (3) years are as follows:-

Date of Allotment / Subdivision	Number of Shares Allotted	Par Value (RM)	Consideration	Cumulative Issued and Paid-up Share Capital (RM)
10.05.2010	2	1.00	Cash ⁽¹⁾	2
04.04.2011	25,019,998	1.00	Acquisition	25,020,000
04.04.2011	-	0.10	Share split	25,020,000
04.04.2011	5,000,000	0.10	Special Issue	25,520,000

Note:-

(1) There were no discounts, special terms or instalment payment terms provided in relation to this transaction.

4.6 SUBSIDIARY COMPANIES

4.6.1 XOX Com

(a) Background and History

XOX Com was incorporated under the Act on 16 September 2005 in Malaysia as a private limited company under its present name. XOX Com commenced business operations in 2009.

(b) Principal Activities and Products/ Services

XOX Com is principally engaged as a provider of mobile telecommunications products and services for our Group.

(c) Substantial Shareholders

XOX Com is a wholly owned subsidiary of our Company.

(d) Share Capital

The present authorised share capital is RM25,000,000 comprising 25,000,000 ordinary shares of RM1.00 each, while the issued and paid-up share capital is RM24,879,998 comprising 24,879,998 ordinary shares of RM1.00 each. The changes in the issued and paid-up share capital of XOX Com for the last three (3) years are as follows:-

4. INFORMATION ON OUR GROUP (Cont'd)

Date of Allotment	No. of shares allotted	Par Value (RM)	Consideration	Cumulative issued and paid-up share capital (RM)
10.09.2007	12,000	1.00	Cash ⁽¹⁾	512,000
07.12.2007	20,000	1.00	Cash ⁽¹⁾	532,000
15.05.2008	120,000	1.00	Cash ⁽¹⁾	652,000
09.06.2008	168,000	1.00	Cash ⁽¹⁾	820,000
26.06.2008	5,600	1.00	Cash ⁽¹⁾	825,600
13.08.2008	674,400	1.00	Bonus issue	1,500,000
29.10.2008	19,000	1.00	Cash ⁽¹⁾	1,519,000
03.11.2008	8,700	1.00	Cash ⁽¹⁾	1,527,700
21.11.2008	1,472,300	1.00	Bonus issue	3,000,000
10.12.2008	60,000	1.00	Cash ⁽¹⁾	3,060,000
13.02.2009	312,000	1.00	Cash ⁽¹⁾	3,372,000
27.02.2009	8,628,000	1.00	Bonus issue	12,000,000
18.11.2009	2,000,000	1.00	Cash ⁽¹⁾	14,000,000
16.12.2009	1,000,000	1.00	Cash ⁽¹⁾	15,000,000
10.06.2010	940,000	1.00	Cash ⁽¹⁾	15,940,000
04.04.2011	940,000	1.00	Cash ⁽¹⁾	16,880,000
04.04.2011	7,999,998	1.00	Bonus issue	24,879,998

Note:-

(1) There were no discounts, special terms or instalment payment terms provided in relation to this transaction.

As at LPD, XOX Com does not have any outstanding warrants, options, convertible securities or uncalled capital.

(e) Subsidiary or Associated Company

As at LPD, the subsidiary of XOX Com is XOX Mobile.

4.6.2 XOX Mobile**(a) Background and History**

XOX Mobile was incorporated under the Act on 10 April 2008 in Malaysia as a private limited company under its present name. XOX Mobile commenced business operations in 2009.

(b) Principal Activities and Products/ Services

XOX Mobile is principally acting as an agent for the marketing, promotion, support services and managing the distribution channels of mobile telecommunications products and services.

(c) Substantial Shareholders

XOX Mobile is a wholly owned subsidiary of XOX Com, which in turn is a wholly owned subsidiary of our Company.

(d) Share Capital

The present authorised share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each, while it's issued and paid-up share capital is RM50,000 comprising 50,000 ordinary shares of RM1.00 each. The changes in the issued and paid-up share capital of XOX Mobile for the last three (3) years are as follows:-

4. INFORMATION ON OUR GROUP (Cont'd)

Date of Allotment	No. of shares allotted	Par Value (RM)	Consideration	Cumulative issued and paid-up share capital (RM)
10.04.2008	2	1.00	Cash ⁽¹⁾	2
27.05.2008	1,998	1.00	Cash ⁽¹⁾	2,000
16.03.2010	48,000	1.00	Cash ⁽¹⁾	50,000

Note:-

(1) There were no discounts, special terms or instalment payment terms provided in relation to these transactions.

As at LPD, XOX Mobile does not have any outstanding warrants, options, convertible securities or uncalled capital.

(e) Subsidiary or Associated Company

As at LPD, XOX Mobile does not have any subsidiary or associated companies.

4.6.3 XOX Media**(a) Background and History**

XOX Media was incorporated under the Act on 21 February 2007 in Malaysia as a private limited company under its present name.

(b) Principal Activities and Products/ Services

XOX Media is currently dormant.

(c) Substantial Shareholders

XOX Media is a wholly owned subsidiary of our Company.

(d) Share Capital

The present authorised share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each, while it's issued and paid-up share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The changes in the issued and paid-up share capital of XOX Media for the last three (3) years are as follows:-

Date of Allotment	No. of sharea allotted	Par Value (RM)	Consideration	Cumulative issued and paid-up share capital (RM)
21.02.2007	2	1.00	Cash ⁽¹⁾	2
10.07.2007	1,998	1.00	Cash ⁽¹⁾	2,000
13.08.2008	18,000	1.00	Cash ⁽¹⁾	20,000
14.10.2009	15,500	1.00	Cash ⁽¹⁾	35,500
18.05.2010	9,500	1.00	Cash ⁽¹⁾	45,000
08.06.2010	40,000	1.00	Cash ⁽¹⁾	85,000
06.07.2010	15,000	1.00	Cash ⁽¹⁾	100,000

Note:-

(1) There were no discounts, special terms or instalment payment terms provided in relation to these transactions.

4. INFORMATION ON OUR GROUP (Cont'd)

As at LPD, XOX Media does not have any outstanding warrants, options, convertible securities or uncalled capital.

(e) Subsidiary or Associated Company

As at LPD, XOX Media does not have any subsidiary or associated companies.

4.6.4 XOX Management Services**(a) Background and History**

XOX Management Services was incorporated under the Act on 13 March 2009 in Malaysia as a private limited company under its present name. XOX Management Services commenced business operations in 2009.

(b) Principal Activities and Products/ Services

XOX Management Services is principally engaged in the provision of management services. Currently it manages the human resource function for our Group which includes recruitment, preparation of payroll and assignment of employees to the various functions within our Group.

(c) Substantial Shareholders

XOX Management Services is a wholly owned subsidiary of our Company.

(d) Share Capital

The present authorised share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each, while the issued and paid-up share capital is RM40,000 comprising 40,000 ordinary shares of RM1.00 each. The changes in the issued and paid-up share capital of XOX Management Services for the last three (3) years are as follows:-

Date of Allotment	No. of shares allotted	Par Value (RM)	Consideration	Cumulative issued and paid-up share capital (RM)
13.03.2009	2	1.00	Cash ⁽¹⁾	2
27.05.2010	14,998	1.00	Cash ⁽¹⁾	15,000
06.07.2010	25,000	1.00	Cash ⁽¹⁾	40,000

Note:-

(1) There were no discounts, special terms or instalment payment terms provided in relation to this transaction.

As at LPD, XOX Management Services does not have any outstanding warrants, options, convertible securities or uncalled capital.

(e) Subsidiary or Associated Company

As at LPD, XOX Management Services does not have any subsidiary or associated companies.

4. INFORMATION ON OUR GROUP (Cont'd)

4.7 LISTING SCHEME

In conjunction with, and as an integral part of our listing and quotation for our entire issued and paid-up share capital on the ACE Market of Bursa Securities, the listing scheme is set out as follows:-

- (i) Bonus Issue in XOX Com
- (ii) Acquisitions;
- (iii) Share split;
- (iv) Special Issue;
- (v) IPO; and
- (vi) Listing of XOX Shares.

The above are inter-conditional and are viewed as one exercise undertaken to facilitate the Listing of our Company.

4.7.1 Bonus Issue in XOX Com

As part of the Listing Scheme, XOX Com undertook a bonus issue of 7,999,998 new ordinary shares of RM1.00 each in XOX Com to all existing XOX Com shareholders on the basis of approximately one (1) new ordinary share of RM1.00 each for every two (2) existing ordinary shares of RM1.00 each held, to be credited as fully paid-up ordinary shares to the entitled shareholders.

The Bonus Issue in XOX Com resulted in an increase in XOX Com's issued and paid up share capital from RM16,880,000 comprising 16,880,000 ordinary shares of RM1.00 each to RM24,879,998 comprising 24,879,998 ordinary shares of RM1.00 each.

The Bonus Issue in XOX Com was completed on 4 April 2011.

4.7.2 Acquisitions

XOX entered into the following conditional SPA for shares with following vendors for the following acquisitions:-

Companies	Vendors	% acquired	No. of shares at RM1.00 each	Purchase consideration (RM)	No. of XOX shares at RM1.00 each issued as consideration
XOX Com	Note (i)	100.0	24,879,998	24,879,998	24,879,998
XOX Management Services	Ng Kok Heng and Wong Yip Kee	100.0	40,000	40,000	40,000
XOX Media	Dato' Seri Abdul Azim Bin Mohd Zabidi, Ng Kok Heng and Wong Yip Kee	100.0	100,000	100,000	100,000
Total				25,0199,998	25,0199,998

4. INFORMATION ON OUR GROUP (Cont'd)

Notes:-

- (i) *The vendors for XOX Com are Dato' Seri Abdul Azim Bin Mohd Zabidi, Datin Seri Raihanah Begum Binti Abdul Rahman, Ng Kok Heng, Wong Yip Kee, Mara Incorporated Sdn Bhd, Peh Poh Choo, Sim Chin Yee, Soo Pow Yoke, Cheong Wai Loong, Chang Siew Yee, Wong Sau Lan, Gan Chin Sam, Chia Min Huan, Chay Yoke Tuck, Kwan Low Ang, 181 Degree Holding Sdn Bhd, Chan Chee Hong, Chung Shan Kwang, Rosli Bin Yaakub, Rosdin Bin Hanafiah, Khalek Bin Awang, Yahaya Bin Bujang, Darus Aman Bin Awang Deris, Wong See Khieng, Mohd Mahyuddin Bin Yahya, Safri Bin Che Kub, Lawrence Yeo Chua Poh, Nirakusukma Sandari Binti Ahmad, Cindy Lau May Ih, Faizdan Bin Hassan and Peh Poh Chye .*

The SPA for XOX Com was entered into on 15 July 2010 and it was subsequently substituted with a restated SPA on 4 April 2011.

The respective purchase considerations for the above transactions were arrived at on a willing-buyer willing-seller basis after taking into consideration the issued and paid-up share capital of the respective companies.

The above Acquisitions were completed on 4 April 2011 which resulted in XOX Com, XOX Media and XOX Management Services becoming wholly owned subsidiaries of XOX.

Upon completion of the Acquisitions, our issued and paid up share capital increased from two (2) ordinary shares of RM1.00 each to 25,020,000 ordinary shares of RM1.00 each.

4.7.3 Share Split

On 4 April 2011, we undertook a share split involving the subdivision of every one (1) existing ordinary share of RM1.00 each in XOX into ten (10) Shares.

Upon completion of the Share Split, our issued and paid up share capital changed from RM25,020,000 comprising 25,020,000 ordinary shares of RM1.00 each to RM25,020,000 comprising 250,200,000 Shares.

4.7.4 Special Issue

Upon completion of the Share Split, we undertook a special issue of 5,000,000 new Shares to Eligible Persons at an issue price of RM0.36 per Share, to reward them for their contributions towards the success of XOX as well as allowing them to directly participate in our Group's future growth. The proceeds from the Special Issue will be used for working capital purposes.

The Special Issue will create a sense of ownership in XOX amongst these Eligible Persons, whose services are vital to the operations and continued growth of XOX Group. These Eligible Persons are not eligible for the Pink Form Share Allocation as disclosed in Section 2.3(ii) of this Prospectus. The Special Issue will be allocated to the Eligible Persons based on, amongst others:-

- (i) Staff loyalty and integrity;
- (ii) Job position; and
- (iii) Contribution / work performances.

4. INFORMATION ON OUR GROUP (Cont'd)

The Eligible Persons entitled to the Special Issue are set out below:-

Name	Name	Name
Azlinda Binti Mohamad	Loh Yet Sern	Tee Wei Chung
Azril Bin Aliuddin	Loo May Kuan	Teng Wei Min
Chew Kah Eng	Low Chung Ming	Wang Khong Nie
Chua Kah Seng	Scott Mackenzie	Wong Chew Yeh
Eng Kheng Yap	Sharosmi Bin Sumirin	Zairulyani Binti Abu Zarim
Leon Chew Tuck Wai	Sim Chin Yee	
Liew Chun Kiat	Tan Tai Liang	
Ling Cheng	Tan Jay Onn	

Upon completion of the Special Issue on 4 April 2011, our issued and paid up share capital increased from RM25,020,000 comprising 250,200,000 Shares to RM25,520,000 comprising 255,200,000 Shares.

4.7.5 IPO

Our Company is undertaking an IPO and details of the Public Issue are as set out in Section 2.3 of this Prospectus.

4.7.6 Listing of and Quotation for our Shares

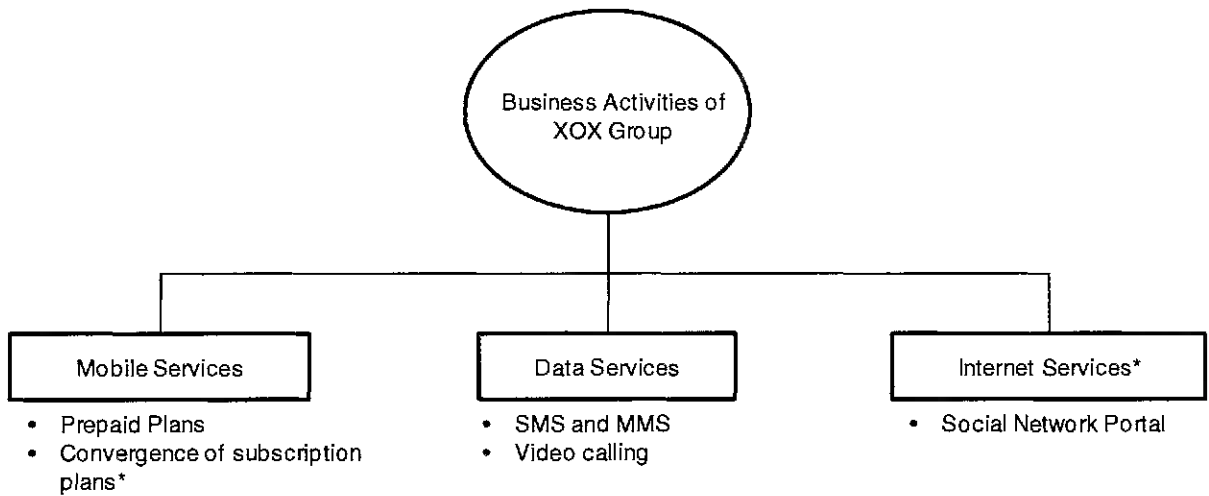
Upon completion of the abovementioned IPO, our Company will seek the listing of and quotation for our entire enlarged issued and paid up share capital of 302,000,000 Shares on the ACE Market of Bursa Securities.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

4. INFORMATION ON OUR GROUP (Cont'd)

4.8 BUSINESS OVERVIEW OF OUR GROUP

4.8.1 Principal Business Activities



Note:-

* This are part of XOX's future plans. Please refer to Section 4.23 of this Prospectus for further details of our Group's future plans.

XOX operates its mobile telecommunications services using the MVNO business model. Our Group has been awarded service numbers with the prefix "010-3000000 to 010-3499999", "010-8300000 to 010-8799999" and also "011-13000000 to 011-13499999" for our Group's mobile subscription plans from the MCMC. As at LPD, approximately 368,000 service numbers representing approximately 24.5% of the total 1.5 million service numbers awarded to our Group has been registered. These service numbers will be recycled and made available for new registration should a subscriber ceases to be an XOX subscriber. Our Group will apply to MCMC for additional service numbers as and when required.

An MVNO business model is a model allowed by the MCMC where the MVNO does not need to have its own licensed frequency allocation of radio spectrum, nor does it necessarily have to build the radio network infrastructures required to provide mobile telephone services. A company that does have frequency allocation(s) and the required radio network infrastructures to run an independent mobile network is known simply as an MNO.

The MCMC defines an MVNO into four (4) prevalent business models for the MVNO industry and the characteristics of each are as follows:-

- (a) **Full MVNO**, one that owns or provides network facilities and network services such as towers, mobile switching centres, HLR and cellular mobile services. A key feature that distinguishes a full MVNO from other MVNO business models is its ability to operate independently of the MNO. Full MVNOs are able to secure their own numbering ranges, offer its own SIM card and have full flexibility on the design of the services and tariff structures;

The main difference between a full MVNO and a MNO is that the former cannot sign international roaming agreements with the other MNOs in the overseas countries, as they are not recognised as a proper telecommunications company.

4. INFORMATION ON OUR GROUP (Cont'd)

- (b) **Enhanced Service Providers**, are those who do not own or provide network facilities but have the ability to secure its own numbering range, operate its own HLR and offer its own SIM cards with its own mobile network code. They are dependent on MNOs for network facilities, as well as access to radio network. These service providers are still able to maintain some form of independence from MNOs as they are able to differentiate their products;
- (c) **Enhanced Reseller**, are primarily distributors who resell services provided by MNOs. As with Enhanced Service Providers, Enhanced Resellers rely on MNOs for access to the radio network and network facilities. The key feature that distinguishes Enhanced Resellers from Enhanced Service Providers is that Enhanced Resellers do not have their own SIM cards. While they may still be able to offer their own branded packages, they will not be able to distinguish their services from their MNOs. Enhanced resellers are likely to carry out customer care and billing in house; and
- (d) **Resellers**, merely resell subscription to end users. In most cases, Resellers are completely dependent on MNOs for every aspect of service provision, billing and customer care. However, end users will not be able to make a distinction between resellers, other forms of MVNOs and MNOs.

(Source: Independent Market Research Report of The Mobile Virtual Network Operator Industry In Malaysia prepared by Dun & Bradstreet (D&B) Malaysia Sdn Bhd)

XOX Group operates as an Enhanced Service Provider, where we control all aspects of our subscriber relationships, including brand name, pricing, content, advertising and marketing, customer care and information technology platform. We also distribute our own SIM cards and have our own billing system, SMS Centre and network elements.

Since we do not own nor operate our own physical network, we have substantially lower capital expenditures compared to mobile telecommunications operators with their own networks. This allows our Group to dedicate our resources to acquiring and servicing subscribers rather than acquiring radio spectrum licences or building and maintaining capital intensive radio network infrastructures. As a result, since the commencement of our operations in 2009, we have managed to secure a subscriber base of approximately 395,000 subscribers as at LPD.

Using our Group's Convergence Charging System in the Malaysian telecommunications industry, we are able to merge separated subscription plans of both prepaid and postpaid into one (1) single account, which is known as a convergence subscription.

The concept of a convergence subscription is based on the premise of merging multiple accounts into one single subscription. Therefore, a convergence mobile subscription can have both prepaid and postpaid capabilities and also offers a technological platform for the introduction of innovative products such as mobile wallet account, SMS account and loyalty account. A convergence subscription can potentially offer an unlimited type and number of accounts with individual charging capabilities which offers the following benefits:-

- (i) **Single billing for all subscriptions**
The convergence subscription plan generates a single billing for the subscribers which may include other friends and/or family member's service numbers.
- (ii) **Cross utilisation of services**
A subscriber can access multiple accounts and cross utilise the available credits in prepaid, postpaid, loyalty and mobile wallet accounts.

4. INFORMATION ON OUR GROUP (Cont'd)

(iii) **Single loyalty programme**

All loyalty points earned from all other accounts, such as postpaid mobile account and prepaid mobile account, which are accumulated through various activities will be aggregated into a single loyalty programme, allowing our Group's subscribers to maximise their total loyalty points earned.

(iv) **Single contact point for all subscription matters.**

A single convergence subscription plan owner for multiple service numbers and/or subscribers. For example, a parent can be the contact point for all his/her children's mobile number.

Our target market is mainly the prepaid market with a niche in the ethnic Chinese population in Malaysia. Nevertheless, we believe that the appeal of our products and services extends beyond our target market.

4.8.2 Products and Services

The core products and services offered by mobile telecommunications operators are relatively homogeneous, consisting mainly of voice services, SMS and data services.

(i) **Mobile Services**

There are currently two (2) main types of mobile subscription plans which are being offered by the local mobile telecommunications services providers, i.e. prepaid plans and postpaid plans.

Subscribers of both prepaid and postpaid plans would need to purchase and activate a SIM card from any mobile operator to be able to enjoy voice and data services.

The key difference between plans offered to postpaid subscribers and prepaid subscribers is that postpaid plans allow usage on "account" with subscribers paying monthly bills in arrears, while prepaid plans requires subscribers to pay in advance into their account ("top-up") to allow usage.

Usually, subscribers of postpaid plans subscribe to a fixed monthly commitment plan, whilst prepaid subscribers top-up their credit balance through the purchase of recharge vouchers as and when required.

We seek to differentiate ourselves from the traditional categorisation by providing an evolutionary service in merging both prepaid and postpaid plans into one (1) single convergent plan.

Such a plan would be straightforward and offer a good value proposition and services that are easy to understand, evaluate, buy and use. As at LPD, we have implemented our convergence subscription plan under the brand name of "XOX-RT Super 88" and "Hybrid".

Potential subscribers of our Group's prefix "010" number will need to purchase a starter pack from any of our authorised dealers. The starter pack consists of a SIM card with an initial credit amount that the subscribers can use for calling, SMS and/or data transmission upon activation of their SIM card. Any subsequent top-up of the credit balance will be through the purchase of recharge vouchers from our Group. For FYE2010, our Group's revenue was entirely derived from the sales of starter packs and recharge vouchers.

4. INFORMATION ON OUR GROUP (Cont'd)

Since the commencement of our business in 2009 up to the LPD, our Group has implemented the following services:-

(a) Prepaid mobile

In 2009 we have implemented our prepaid subscription plan under the brand name of XinXun. There are currently three (3) different tiers within our Group's prepaid plan services and the respective voice call rates are as follows:-

Tier plan		Classic*	Silver*	Gold*
Accumulated monthly recharge amount		< RM 30	RM30 ≤ X < RM50	≥RM50
Voice calls	Call Duration	sen	sen	sen
All Networks	First 15 seconds	8	8	8
	≤ 30 seconds	16	11	8
	≤ 1 minute	32	22	15

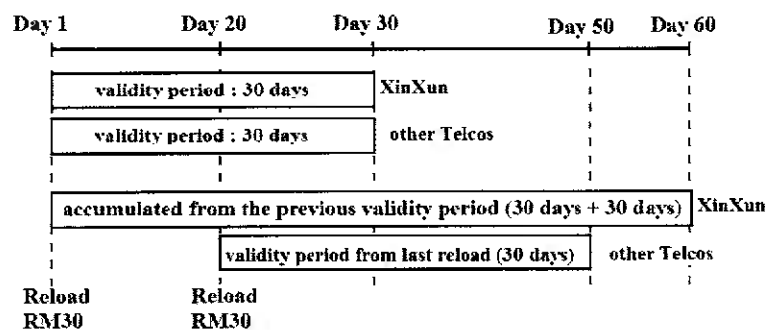
Note:-

* Rates are correct as at LPD.

All reload amounts made by the subscribers will be accumulated and once a certain prescribed accumulated amount has been reached, the subscribers will be re-categorised from one tier to another tier within the same month. This will allow the subscribers to enjoy lower call rates. These rates will also be carried forward to the following month.

Upon reloading, the subscribers validity period will also be accumulated i.e. the new validity period will only take effect when the validity period expires. The validity period can be accumulated up to 368 days. The current industry practice is to recompute the validity period from the reload date to the expiry of the validity period. Please refer to the diagram below:-

E.g. RM1 = Valid for 1 day



When a subscriber has utilised all of his prepaid balances and fails to make any recharge amount, XOX will suspend his ability to make outgoing calls and SMS except for calling emergency numbers and the XOX's customer care services. In the event the subscriber still has not made any recharge amount after 60 days of the expiry period, the subscriber's account will be terminated.

Our Group's prepaid plan also has a feature known as Short Call which allows subscribers of XOX to enjoy a low rate of RM0.08 for the first 15 seconds of a call to any other mobile network, irrespective of the reload amount.

4. INFORMATION ON OUR GROUP (Cont'd)

Subscribers of our Group's prepaid plan are also able to enjoy automatic roaming services in other countries, utilising the foreign telecommunications provider's infrastructure, under the arrangements of our host network provider. The roaming service is subject to subscribers having a minimum amount of available credit balance in their accounts.

(b) Convergence subscription plans

XOX's convergence subscription plan will be the main product of our Group. Since our Group's convergence subscription plan does not segregate prepaid and postpaid, we will introduce other convergence subscription plans from time to time. A convergence subscription plan will allow any subscribers to be offered a postpaid account with prepaid flexibility and convenience.

Our Group is currently implementing our new convergence subscription plan by gradually converting our current prepaid subscribers to the convergence subscription plan. Once the convergence product and services are in place, a typical convergence account will consist of:-

- (a) **Postpaid Mobile Account.** This account records all mobile usages of the subscriber that has chosen to charge their usage into the Postpaid Mobile Account.
- (b) **Prepaid Mobile Account.** This account records all mobile usages to be charged into the Prepaid Mobile Account. Subscribers need to ensure that this account has sufficient funds for mobile usages.
- (c) **Mobile Wallet Account.** Once implemented, this account will be utilised for various purposes such as paying for mobile usages and services, purchase of XOX's products and services from our Group's merchants and/or content providers and/or transfer of funds to another subscriber's account(s). Please refer to Section 4.23 for further information on our Mobile Wallet.
- (d) **Loyalty Account.** The loyalty account is used to accumulate XOX loyalty points earned by XOX subscribers through various activities. These loyalty points can be used to redeem free air time, free SMS, free Short Calls, product vouchers from participating business partners and co-branding business partners, and can transferred within family members on the "Family and Friends" package and "Closed User Group" package.
- (e) **SMS Account.** This account is use to store SMS purchased and/or awarded free to the subscriber.
- (f) **Minutes Account.** This account is used to store mobile minutes purchased and/or awarded free to the subscriber.

The values stored in these accounts are inter-transferable using our Group's Convergence Charging System.

Apart from the above accounts, a convergence mobile subscription may have many other accounts that may be created from time to time.

4. INFORMATION ON OUR GROUP (Cont'd)

In 2010 we have implemented our convergence subscription plan under the brand name of "XOX-RT Super 88" and "Hybrid".

Our Group launched its first convergence subscription plan, i.e. XOX-RT Super 88, on 11 June 2010. This plan is tied up with a local weekly newspaper. For further details please refer to Section 4.16.2(viii) of this Prospectus.

The XOX-RT Super 88 plan starts with a zero credit limit. Subscribers need to pay a commitment fee of RM20 on a monthly basis for a period of 12-months and will enjoy the three (3) different tiers of our Group's XinXun call rates depending on their monthly top-up. Subscribers of XOX-RT Super 88 also enjoy our Group's innovative Short Call service feature as well as the flexibility in making payment through the internet and/or recharge vouchers

Our Group launched our second convergence subscription plan, i.e. "Hybrid", on 28 October 2010. Under this subscription plan, a credit limit will be set. The subscriber will be charged at a postpaid tariff and will also be subjected to a minimum usage commitment fee per month. The respective voice call rates are as follows:-

Minimum monthly usage commitment fee		Call rates*		
		RM18	RM30	RM50
Voice calls	Call Duration	sen	sen	sen
All Networks	First 15 seconds	8	8	8
	More than 15 seconds and subsequent minutes	25	20	15
Monthly Credit Limit (RM)		36	60	100

Note:-

* Rates are correct as at LPD.

In the event the subscriber is unable to fully utilise the minimum usage commitment for any particular month, the subscriber will still need to pay in full the minimum usage commitment fee.

However, the subscriber can transfer the unused minimum usage commitment into his prepaid account. This balance could be utilised by the subscriber to make voice calls, SMS or other data services at prepaid tariff rates.

In the event that the subscriber for any reason fails to pay his postpaid bill on the respective due dates, he will not be able to make outgoing calls, i.e. the subscriber's line will be barred. The subscriber can at any point in time, prior to the termination of his account, purchase recharge vouchers of any value from our authorised dealers, e-Pay terminals, 7-Eleven convenience stores, "MOL point" service providers, internet banking or ATM to top-up his prepaid account and/or utilise the recharge vouchers to pay for the postpaid account.

4. INFORMATION ON OUR GROUP (Cont'd)

(ii) Data Services

Since the commencement of our business, our Group's subscribers are also able to enjoy the following features:-

- (a) SMS capability;
- (b) MMS capability; and
- (c) Video calling.

We expect such services to appeal to our target market, which are usually early adopters of new technologies and whose use of mobile data services is higher than those of the average mobile subscriber.

SMS. SMS is a mechanism for the delivery of short messages, which can comprise both alpha and numerical characters, over mobile networks. It is a store and forward way of transmitting messages to and from mobile devices. The message from the sending mobile is stored in a central short message service centre which then forwards it to the destined mobile devices.

MMS. MMS is similar to the traditional SMS except it can also convey messages in the form of pictures, videos and/or sounds within a certain size limit.

Video calling. Video calling is similar to the traditional voice calls, but allows the caller and receiver to view each other via a camera. This function allows video conferencing whereby the attendees do not need to be physically present in a specific location for the conference to take place.

During the commencement of our Group's operation in 2009, our Group introduced the HopOn Subscription Plan, which allows potential subscribers to switch from their existing mobile operators to XOX's services while maintaining the subscriber's current mobile number.

As at LPD, our Group has introduced our data services to our subscribers for connectivity to the internet. This will provide our Group's subscribers ease of obtaining information from the internet at "any time, anywhere" within the network coverage area.

We are currently still in the progress of introducing various new products and services to our subscribers for our data plan. Please refer to Section 4.23.2 of this Prospectus for further information on our Group's planned future product offerings.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

4. INFORMATION ON OUR GROUP (Cont'd)

4.8.3 Business Process Flow

(a) Starter Packs

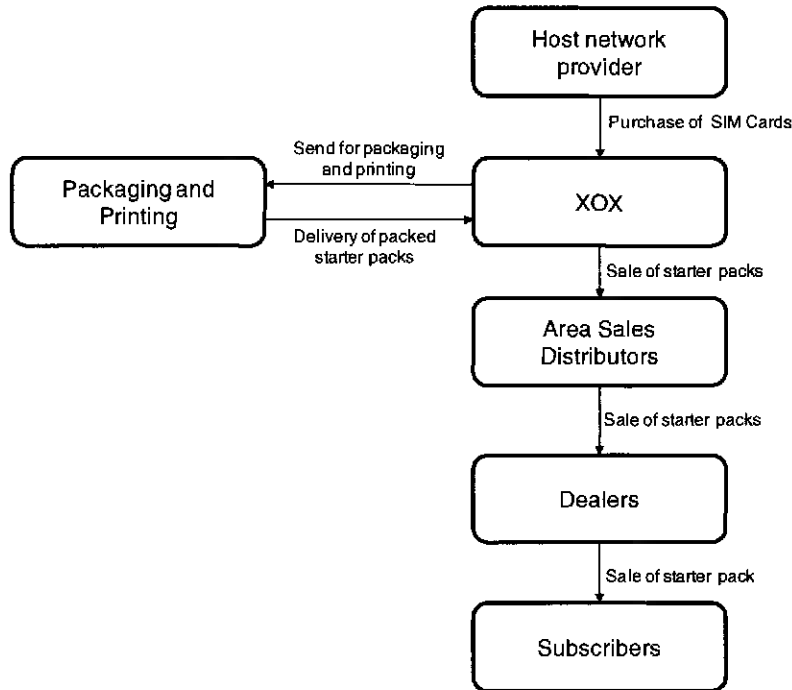


Diagram 1: Starter pack process flow

Our Group purchases our SIM cards from our host network provider before sending the SIM cards for packaging and printing. The printed and packed SIM cards ("**Starter Packs**") will then be sent back to our Group.

Our Group would then sell the Starter Packs to our Group's various distribution channels such as our Group's traditional trade channels and XOX service centres. Potential subscribers would be able to purchase our Starter Packs from the aforementioned dealers and/or service centres.

Please refer to Section 4.16.2(i) and Section 4.16.2(ii) of this Prospectus for further details on our Group's traditional trade channels and XOX service centres respectively.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

4. INFORMATION ON OUR GROUP (Cont'd)

(b) Recharge vouchers

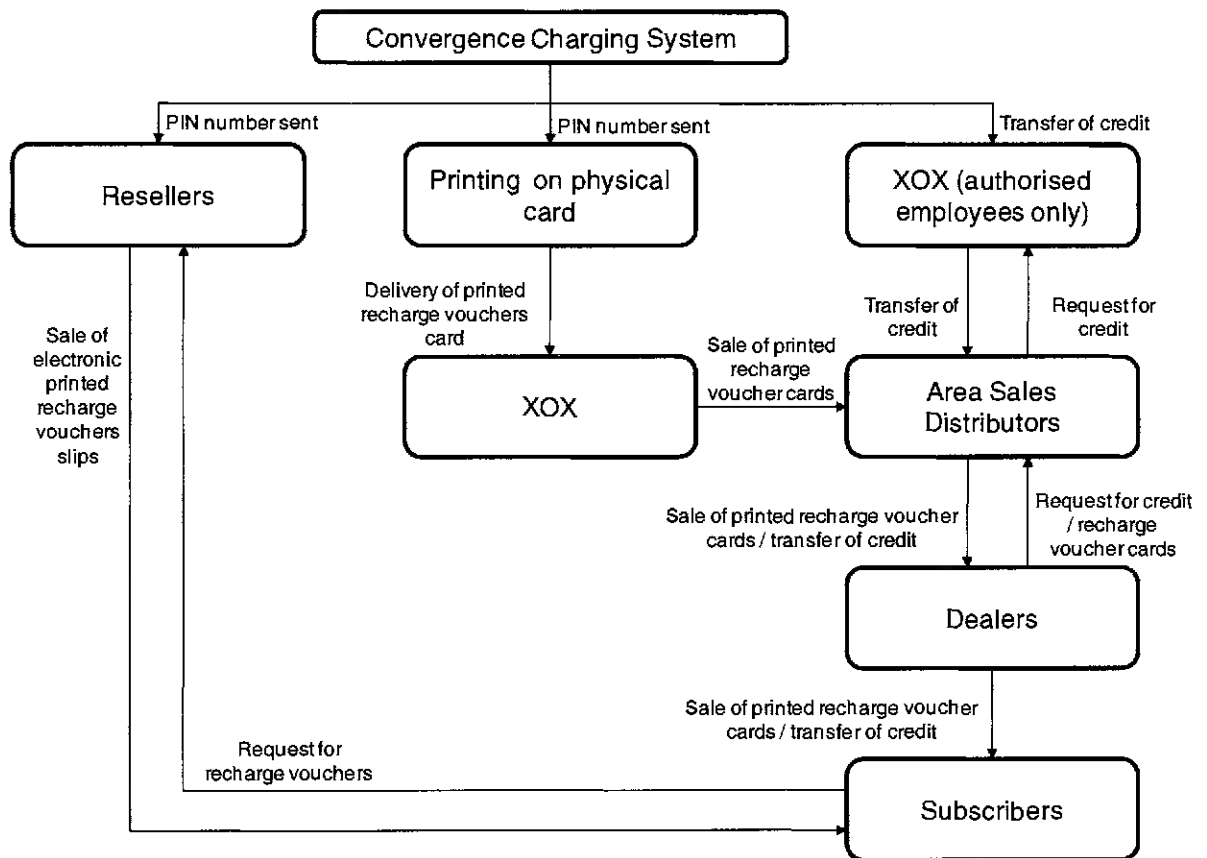


Diagram 2: Recharge vouchers process flow for traditional trade channels and resellers

Our Group's Convergence Charging System will generate a unique set of numbers for each recharge voucher ("PIN") and is able to also generate usage credits.

Our Group's subscribers can top-up their accounts through a printed recharge voucher slip. To do so, our Group's subscribers will need to purchase a recharge voucher slip through our Group's reseller, such as e-Pay (M) Sdn Bhd. The reseller will request for a recharge voucher PIN using the resellers respective designated terminal and the PIN will then be forwarded to the respective designated terminal. Top-up instructions will be printed on the printed recharge voucher slip. Our Group's subscribers will subsequently need to follow the instructions written on the printed recharge voucher slip and top-up their account accordingly.

The PIN generated (excluding those sent to the reseller designated terminal) will also be sent to our Group's printers for printing on a physical card. A layer of security film will be embossed over the PIN during the printing process. The completed recharge voucher cards are then delivered to our Group to be sold to our Group's appointed area sales distributors for sale to their respective dealers. These dealers subsequently sell these recharge voucher cards to our Group's subscribers who will use it to top-up their accounts.

4. INFORMATION ON OUR GROUP (Cont'd)

Our Group's subscribers can also top-up their accounts by requesting a transfer of credit from our Group's. The dealers would request for a credit transfer from the respective area sales distributors, which in turn would have to purchase these credits from our Group. The credits generated by our Group's Convergence Charging System will be forwarded to an authorised employee within our Group who would then forward the credits to the area sales distributors upon receiving payment from these area sales distributors and approval from our Group's Executive Directors. The area sales distributor will then sell the electronic recharge vouchers to our Group's dealer which in turn will sell it to our Group's subscribers.

4.9 PRINCIPAL MARKETS FOR PRODUCTS AND SERVICES

Malaysia is our principal market. For FYE 2010, the Federal Territory of Kuala Lumpur and the State of Selangor is our principal local market.

Our target market is mainly the prepaid market with a niche in the ethnic Chinese population in Malaysia. As such our Group's products and services also include certain features which attracts the ethnic Chinese population such as providing SMS alerts and messages in Mandarin and English, having call centre agents who can converse in Mandarin and other Chinese dialects such as Cantonese and programming the default interactive voice response, i.e. customer care hotline voice recording, to be in Mandarin. In the fourth quarter of 2010, the prepaid market accounted for approximately 79.8% of the total mobile phone subscribers in Malaysia (*Source: Independent Market Research Report of The Mobile Virtual Network Operator Industry In Malaysia prepared by Dun & Bradstreet (D&B) Malaysia Sdn Bhd*). Nevertheless we believe that the appeal of our products and services will extend beyond our target market.

4.10 SEASONALITY

Our Group does not experience significant fluctuations in its business due to seasonal factors, although usage tends to increase during major festive holiday periods such as New Year, Chinese New Year and Christmas celebrations.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

4. INFORMATION ON OUR GROUP (Cont'd)

4.11 COMPETITIVE ADVANTAGES

We have a number of competitive advantages and key strengths that provide us with a strong platform to compete against other business operators and also to facilitate business sustenance and growth.

(a) Innovative products and services

One of our Group's key strengths is our Group's innovative products and services such as convergence of both prepaid and postpaid mobile plans into one (1) single subscription. An attractive alternative to the traditional prepaid and postpaid plans, the convergence plan allows subscribers the flexibility of a prepaid plan, with attractive rates of a postpaid plan. We believe our subscribers will be able to appreciate our simple value proposition and service that is easy to understand, evaluate, buy and use. Further details of our convergence subscription plan are outlined in Section 4.8.2(i)(b) of the Prospectus.

(b) Up to date telecommunications system

Being a new entrant in the mobile telecommunications industry, we are not technologically restricted by legacy systems and are currently utilising various new telecommunications systems, such as our Convergence Charging System and SOA system.

In addition, being a relatively smaller entity and utilising our abovementioned systems, we are able to respond quickly and tailor our products and services to market demand and trends, in particular to the prepaid market, which is our target market. For example, an XOX prepaid subscriber who wishes to change to a postpaid plan would just need to call XOX's service centre and the change can be completed in minutes without the need to change a new SIM card. This will enable us to tailor our products and services to appeal to our target subscribers.

(c) Support from host network provider

We have entered into an MVNO services agreement with Celcom in 2008 which allows our Group to leverage on Celcom's strengths as an established mobile telecommunications service provider.

Riding on Celcom's Digital Network (including 3G services) and extensive international roaming coverage, we are able to reach a large number of subscribers with our products and services. Celcom, being our host network provider, has been providing us with the necessary information, technical and business knowledge, thus enabling us to accelerate our growth and allowing us to better position our Group in the mobile telecommunications industry.

(d) Efficient business model

As an MVNO, we have substantially lower capital expenditures compared to mobile telecommunications operators with their own networks. We pay our host network provider for the usage of "call" minutes, SMS and other services at a price that is based on the prevailing market retail price point over a three (3) month period less an agreed discount. The above pricing arrangement allows our Group to react to any major shift in pricing policy in the industry. For example, if the market rates for call minutes were to drop, the Group will be able to respond accordingly and yet retain the same percentage of discount from Celcom. This allows our Group to have more flexibility in the pricing of our Group's products. As a result, we have a highly variable cost structure, which allows us the flexibility to offer very competitive rates to our subscribers. Our low capital expenditure, variable cost structure and flexibility in pricing allow us to compete effectively against larger incumbents in the mobile telecommunications industry, thereby reaching profitability faster than if we were to maintain our own network.

4. INFORMATION ON OUR GROUP (Cont'd)

4.12 TYPES, SOURCES AND AVAILABILITY OF RESOURCES

Our Group outsources the production of our recharge vouchers, starter packs as well as product packaging. These are sourced locally and are common items in the mobile telecommunications industry in Malaysia. Our Group sources our SIM cards directly from our Group's host network provider. We also outsource the warehousing of our inventory and logistics support to our suppliers and business partners.

To date, we have not faced any shortages in the availability of inventory and materials.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

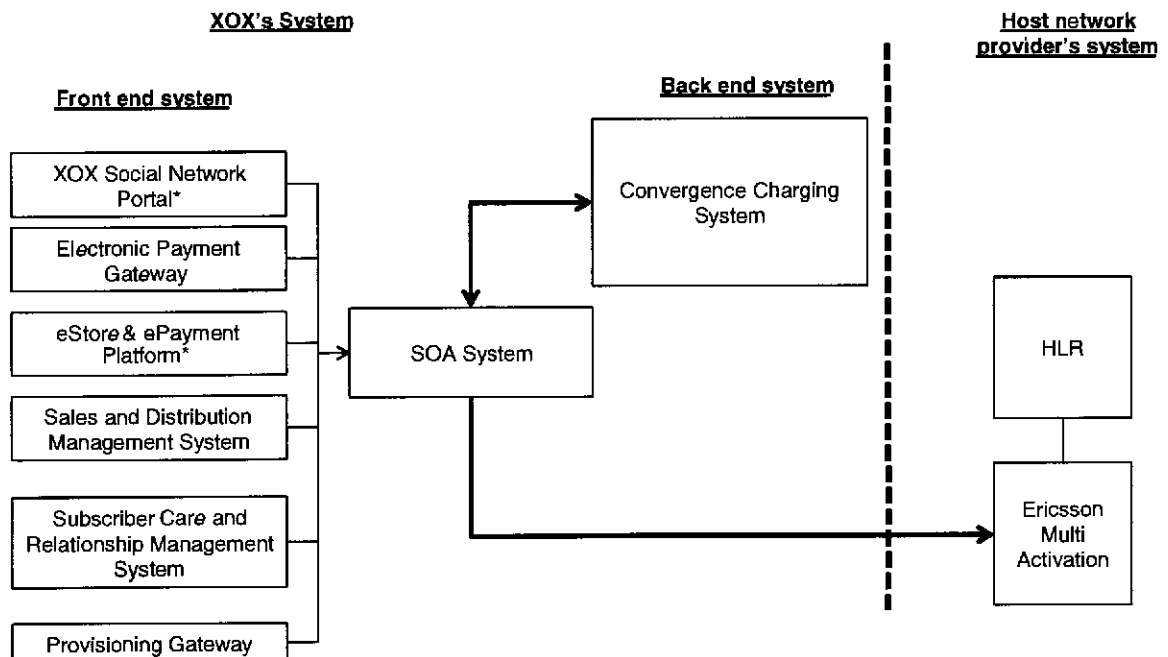
4. INFORMATION ON OUR GROUP (Cont'd)

4.13 TECHNOLOGY USED / TO BE USED

We have made substantial investments in telecommunications systems and infrastructure to ensure that our Group is competitive. Please refer to Section 9.4.8(h) of this Prospectus for further details on the amount invested in our Group's telecommunications systems and infrastructure. Our Group's main telecommunications systems are as follows:-

Convergence Charging System. This system allows us to implement our convergence subscription plans. The concept of a convergence subscription is based on the premise of merging multiple accounts into a single subscription. Therefore, a convergence mobile subscription can have both prepaid and postpaid capabilities. This also offers a technological platform for the introduction of our Group's products and services. As at LPD, the Convergence Charging System is still being developed, however it has the capabilities of allowing our Group to use certain sections/functions of the system, which enable us to introduce our products and services in stages, pending the full development of the Convergence Charging System.

SOA System. The SOA System is an approach of managing and integrating multiple systems using multiple protocol and standards. We are currently developing our SOA System to be able to integrate more systems which will enable our Group to further innovate our Group's product and services. The details of this system are as illustrated below:-



Note:-

* As at LPD, the Social Network Portal and eStore & ePayment Platform are being developed. Please refer to Section 8.4 of this Prospectus for further details.

Users of XOX's Social Network Portal will be able to change their subscriptions parameters, activate and/or deactivate value added services as well as view or make bill payments through the portal. As at LPD, the Social Network Portal is currently being developed. Please refer to Section 8.4 of this Prospectus for the estimated total capital expenditure required for this development.

The Electronic Payment Gateway is a system which will enable our Group's subscribers to make transactions through their banking facility such as payment for bills and recharge vouchers. As at LPD, the development of the Electronic Payment Gateway has not commenced.

4. INFORMATION ON OUR GROUP (Cont'd)

The Social Network Portal and Electronic Payment Gateway are supported by our eStore & ePayment Platform. The eStore & ePayment Platform will allow our subscribers to make purchases via the internet and pay for the products and/or services concurrently. Please refer to Section 8.4 of this Prospectus for the estimated total capital expenditure required for this development.

Sales and Distribution Management Services is a system used by XOX dealers to register new subscribers and manage their own dealership accounts, inventory (i.e. starter packs and recharge vouchers) and dealer incentives. With the integration through the SOA System, all subscriptions can be managed and handled end-to-end (Sales and Distribution Management Services to Convergence Charging System and the host network provider's middleware i.e. Ericsson Multi Activation) seamlessly without the need of human intervention. The host network provider's middleware is a bridge of communications from multiple systems to the HLR.

Subscriber Care and Relationship Management System is a system used by XOX's support personnel (XOX Call Center) to provide subscriber support. The system is integrated to the Convergence Charging System to enable full handling of subscribers' profiles and accounts such as profile updating, checking of airtime and bill amount and addition or deletion of value added services to the subscriber's respective convergence subscription plans.

Provisioning Gateway provides a bridge between XOX services and our host network provider's middleware system, known as Ericsson Multi Activation, via the SOA System. Provisioning Gateway is a front end system which was developed as it functions to provide a Graphical User Interface based system for XOX personnel to conduct provisioning related functions such as batch purging of terminated subscriber profiles.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

4. INFORMATION ON OUR GROUP (Cont'd)

4.14 APPROVALS, MAJOR LICENSES AND PERMITS OBTAINED

Details of the approvals obtained by our Company for the Listing from the MITI, SC and Bursa Securities together with the conditions imposed by these authorities and status of compliance are set out in Section 6.1 of this Prospectus. Other approvals, major licenses and permits obtained by our Group as at LPD are set out in the table below:-

Company	Authority	Date of Issuance	Date of Expiry	Description	Major Equity Conditions Imposed	Status of Compliance (Met/Not Met/Will Be Met)
XOX Com	Ministry of Energy, Green Technology and Water (formerly known as Ministry of Energy, Water and Communications Malaysia)	19 Nov 2007	18 Nov 2017	Communications and Multimedia Act 1998 and Communications and Multimedia (Licensing) Regulations 2000 Individual Licence Licence No.: NSP//2000/77	Requirement and shareholding:- i) The licensee shall notify the Minister, in writing, of any restructuring or rationalisation of the licensee's corporate structure. ii) The licensee shall ensure that the Bumiputera equity in the licensee is not less than 30% for so long as the licensee remains a private company or public company as defined under the Companies Act 1965 and is not listed on Bursa Malaysia. The licensee shall have 1 year from the date of this licence to ensure compliance with this condition.	Met
XOX Com	MCMC	14 Sep 2010	13 Sep 2011	ASP(C) Applications Service Provider Class Licence ref no: SKMM(S)07-LD/110/8/3/76911/ad	Nil	-

4. INFORMATION ON OUR GROUP (Cont'd)

Company	Authority	Date of Issuance	Date of Expiry	Description	Major Equity Conditions Imposed	Status of Compliance (Met/Not Met/Will Be Met)
XOX Com	Bank Negara Malaysia	26 Sep 2008	Nil	Approval for Issuing Designated Payment Instrument ref no: JDSP/POL/4200/SO/ZR/NO	Nil	-
XOX Com	MCMC	21 Apr 2008	Nil	Approval for number "Mobile Cellular for MVNO Services" ref no: SKMM(T)06-NPD/100.052/Jld. 01(004)	Nil	-
XOX Com	Royal Malaysia Customs	27 Mar 2009	Nil	Telecommunication Services Operator ref no: W10-CP-09000294/2009	Nil	-
XOX Media	Multimedia Development Corporation Sdn Bhd	09 Jul 2008	Nil	Multimedia Super Corridor Status ref no: CS/3/5246(11b)	To Inform Multimedia Development Corporation Sdn Bhd any change in the equity structure or shareholding structure of the Company or changes that may affect the director or operation of the Company.	Met
XOX Media	Bank Negara Malaysia	21 Jul 2008	Nil	General Permission under the Exchange Control Act 1953 ref no: KL.EC.150/6	Nil	-
XOX Com	MCMC	15 Jan 2010	Nil	Cellular Number Approval ref no: SKMM(T)06-NPD/100.052/Jld.01(16)	Nil	-

4. INFORMATION ON OUR GROUP (Cont'd)

Company	Authority	Date of Issuance	Date of Expiry	Description	Major Equity Conditions Imposed	Status of Compliance (Met/Not Met/ Will Be Met)
XOX Com	MCMC	20 April 2010	Nil	Cellular Number Approval ref no: SKMM(T)06- NPD/100.011/Jld.02(35)	Nil	-
XOX Media	MCMC	7 Jul 2010	Nil	ASP(C) License Applications Service Provider Class Licensee ref no: SKMM(S)07- LD/110/8/3/76951/fmm	Nil	-
XOX Mobile	Royal Malaysia Customs	18 Jan 2011	Nil	Telecommunication Services Operator license no: W10-CP- 11000081/2011	Nil	-

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK


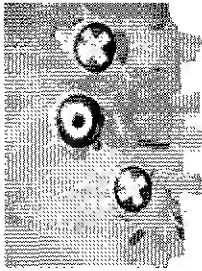
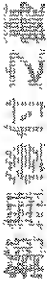
4. INFORMATION ON OUR GROUP (Cont'd)

4.15 BRAND NAMES, REGISTRATIONS, PATENTS, TRADE MARKS, LICENSES, TECHNICAL ASSISTANCE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS


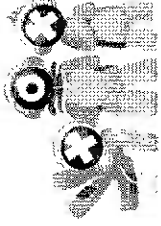



Save for the MVNO services agreement which was entered into with Celcom dated 15 September 2008 and as disclosed in Section 4.18(c), our Group does not have any other licenses, technical assistance agreements and other intellectual property rights.

Our Directors have confirmed that the XOX Group is not trading under any trademarks, other than the trademarks as disclosed below.



We have applied for the following trademarks to be registered in Malaysia, the details of which are as follows:-

No.	Trademark	Applicant	Application number	Place of application	Description of trademark
1.		XOX Com	08000900	Malaysia	Telecommunications, bearing the respective trade name, included under Class 38 of the Nice Classification
2.		XOX Com	08016726	Malaysia	Telecommunications, bearing the respective trade name, included under Class 38 of the Nice Classification
3.		XOX Com	07024022	Malaysia	Telecommunications, bearing the respective trade name, included under Class 38 of the Nice Classification

4. INFORMATION ON OUR GROUP (Cont'd)

No.	Trademark	Applicant	Application number	Place of application	Description of trademark
4.		XOX Com	07024023	Malaysia	Telecommunications, bearing the respective trade name, included under Class 38 of the Nice Classification
5.		XOX Com	07024024	Malaysia	Telecommunications, bearing the respective trade name, included under Class 38 of the Nice Classification
6.		XOX Com	07024025	Malaysia	Telecommunications, bearing the respective trade name, included under Class 38 of the Nice Classification
7.	给你满FUN 	XOX Com	07024026	Malaysia	Telecommunications, bearing the respective trade name, included under Class 38 of the Nice Classification
8.		XOX Com	07024027	Malaysia	Telecommunications, bearing the respective trade name, included under Class 38 of the Nice Classification

4. INFORMATION ON OUR GROUP (Cont'd)

No.	Trademark	Applicant	Application number	Place of application	Description of trademark
9.		XOX Com	2010000240	Malaysia	Telecommunications, bearing the respective trade name, included under Class 38 of the Nice Classification
10.		XOX Com	2010000241	Malaysia	Telecommunications, bearing the respective trade name, included under Class 38 of the Nice Classification

Note:-

Under Section 5 of the Trade Marks Regulations 1997, telecommunication services are classified as Class 38 as prescribed in the Third Schedule of the Regulation. The Nice Classification is based on the Nice Agreement, which was concluded in 1957, concerning the international classification of goods and services for the purposes of the registration of marks. It comprises class headings, which describes the nature of goods and services in each of the thirty four (34) classes of goods and eleven (11) classes of services.

4. INFORMATION ON OUR GROUP (Cont'd)

4.16 STRATEGIES AND MODES OF MARKETING**4.16.1 Business Strategy****(i) Focus on our target market**

As a new and upcoming mobile telecommunications service provider, our business focus is centred on the existing prepaid market. Prepaid subscribers pay in advance to their account to allow usage and have lower financial risk compared to postpaid subscribers who pay in arrears.

Prepaid subscribers accounted for approximately 79.8% of the total mobile phone subscribers in Malaysia in the fourth quarter of 2010 (*Source: Independent Market Research Report of The Mobile Virtual Network Operator Industry In Malaysia prepared by Dun & Bradstreet (D&B) Malaysia Sdn Bhd*). This represents a significant portion of the total mobile phone subscriber market which our Group can potentially market our products and services to.

In addition, the mobile penetration rate for Malaysia in the fourth quarter of 2010 stands at 116.6%. The mobile penetration rate in Malaysia is not yet viewed as saturated, as Singapore and Hong Kong Special Administrative Region have achieved mobile penetration rates of 143.6% in December 2010, and 180.1% in May 2010, respectively (*Source: Independent Market Research Report of The Mobile Virtual Network Operator Industry In Malaysia prepared by Dun & Bradstreet (D&B) Malaysia Sdn Bhd*).

Moving forward, we plan to continue to penetrate the prepaid market and also grow our market share by continuing to tailor our products and services to our target subscribers' requirements via our innovative mobile solutions and also by leveraging on our host network provider's strengths.

(ii) Product and service innovation

Since commencing business in 2009, we have constantly strived to innovate and adapt to our subscribers' needs. For example, we introduced the Short Call feature, which allows our subscribers to enjoy a rate of RM0.08 for the first 15 seconds of a call to all mobile networks, irrespective of the reload amount. We also launched our XOX-RT Super 88 plan on 11 June 2010 and Hybrid plan on 28 October 2010, which is a fully convergent subscription plan combining the flexibility of a prepaid plan with the benefits of a postpaid plan.

Moving forward, we plan to introduce a suite of new products and services which are designed to be attractive to our target market. We will launch our Mobile Wallet payment system in late 2011, which can, among other things, be used to facilitate retail transactions at participating outlets. Please refer to Section 4.23.1 of this Prospectus for further details on our Group's Mobile Wallet.

As part of our continuous products and services innovation, we intend to continue our efforts to address the evolving needs of our subscribers and offer innovative and popular products and services ahead of our competitors.

4. INFORMATION ON OUR GROUP (Cont'd)

(iii) Leverage on scale and infrastructure to drive profitable growth

As an MVNO, our business model is highly scalable. This allows us the ability to expand without being restricted by bottlenecks in terms of infrastructure and other capital commitments. Since the commencement of our business in 2009, we have managed to acquire a subscriber base of approximately 395,000 subscribers.

By leveraging on the advantages of our predominantly variable cost structure, and also the strengths of our host network provider, we expect our growing subscriber base to translate into improved cost economies without the need for substantial capital investment.

(iv) Brand awareness

As a new player in the mobile telecommunications services industry, we do not yet have a strong and recognisable brand image. As such, as part of our business strategy, our Group aims to create and maintain a strong brand image which distinguishes us from the incumbent mobile network providers and other MVNOs currently in the market. Our goal is to attract and retain subscribers through our innovative products and services offerings which are flexible, easy to understand and of good value.

Through aggressive advertising and also marketing efforts such as sponsorship of events and effective subscriber retention programmes, our Group aims to enhance and strengthen XOX's brand image and increase its brand awareness.

4.16.2 Modes of Marketing

We employ the following marketing initiatives to cultivate awareness of XOX's products and services, securing new subscribers as well as retaining XOX's subscribers:-

(i) Traditional trade channels

We distribute our products and services through our appointed area sales distributors throughout Malaysia, who will then distribute it to their respective dealers. These area sales distributors oversee an average of approximately 400 dealers in their respective areas, with a combined total of approximately 7,000 dealers throughout Malaysia. Products sold to the distributors/dealers are not returnable except for defective SIM cards and recharge vouchers.

As at LPD, our Group had entered into separate agreements with all of our 17 area sales distributors, which specify, amongst others, purchasing and payment terms and the areas in which the area sales distributors can operate in. These area sales distributors can only distribute XOX products.

Our Group had also entered into agreements directly with its dealers which specify, amongst others, dealers' incentives such as travel incentives trips, to encourage the dealers in achieving higher sales. The agreement would also specify, amongst others dealers' commission and payment terms which XOX would need to fulfill towards the respective dealer. However, our Group does not have direct dealings with the dealers except for the payment and computation of the dealers' incentives.

4. INFORMATION ON OUR GROUP (Cont'd)

We are not highly dependent on the abovementioned appointed area sales distributors as these distributors are easily replaceable with any of the 400 other dealers in the respective area. Our Group intends to continue to expand our distribution network of retail partners in line with our business growth.

To manage the relationship with the traditional trade channels, we have a dedicated sales team, comprising of five (5) persons, to service these area sales distributors. We provide our Group's sales representatives with in-depth product and sales training to allow them to explain our products and services in a simple and clear manner to the area sales distributors and dealers.

(ii) XOX service centres

We have established our own service centres operated by XOX as well as built exclusive partnerships with selected area sales distributors and key dealers to operate exclusive service centres that sell our mobile products and services. These service centres are operated independently by the area sales distributors or key dealers and there are no formalised arrangements between XOX and these service centres.

As at LPD there are eight (8) such service centres throughout Malaysia as follows:-

No.	State	Address
1.	Kuala Lumpur	No.33, Jalan Metro Perdana Timur 1 Taman Usahawan Kepong 52100 Kepong, Kuala Lumpur
2.	Kuala Lumpur	21, Lorong Thambi 2 Off Jalan Changkat Thambi Dollah Pudu, 55100 Kuala Lumpur
3.	Selangor	No.54-G, Jalan Puteri 1/4 Bandar Puteri 47100 Puchong, Selangor
4.	Kedah	Lot 1-11, Sentosa Plaza Jalan Putra 05100 Alor Setar, Kedah
5.	Terengganu	77-A Ground Floor Jalan Tok Lam 20100 Kuala Terengganu, Terengganu
6.	Perak	No AG-4 Great World Centre 197 & 199, Jalan Kampar 30250 Ipoh, Perak
7.	Kuala Lumpur	95-1, Jalan Mega Mendung, Old Klang Road, 58200, Kuala Lumpur
8.	Penang	112, Jalan Terengganu 10460, Georgetown Penang

These service centres have the capability to, amongst others, replace lost SIM cards, handle and process billing and payment transactions, change of subscription plans, change of subscription ownership and entertain enquiries.

4. INFORMATION ON OUR GROUP (Cont'd)

(iii) e-Pay terminals

Apart from the traditional trade channels, we have also appointed e-Pay to distribute and sell our recharge vouchers at all e-Pay's terminals within Malaysia. This allows our subscribers the convenience to purchase recharge vouchers throughout Malaysia as e-Pay is widely available at:-

- (i) Major petrol stations;
- (ii) Pharmacy chains;
- (iii) Convenient stores; and
- (iv) Other major retail outlets, such as Chinese medical halls, electrical, camera, sundry, optical and watch shops.

(iii) 7 – Eleven convenience stores

Our Group has also appointed 7-Eleven Malaysia Sdn Bhd to distribute and sell our recharge vouchers in more than 1,100 7- Eleven convenience stores in Malaysia.

(iv) MOL

Our Group has also appointed MOL AccessPortal Berhad which provides “MOL points” services at more than 1,300 outlets within Malaysia such as cyber cafes, “Popular Bookstore” outlet and “Singer” outlets to distribute and sell our recharge vouchers.

(v) Internet banking and ATM

As at LPD, we have also entered into contractual arrangements with three (3) major banks in Malaysia to offer our mobile subscribers the convenience in the purchase of recharge vouchers and payment of bill statements through Internet banking and their respective ATMs.

(vi) Direct sales teams

We have a dedicated direct sales team to target the business market segment. This team consists of selected sales staff of selected key dealers of our Group and are trained by our Group to promote our products and services. These teams actively identify and promote XOX's products and services directly to potential subscribers. This differs from the traditional trade dealers, where subscribers will walk in to buy XOX products.

(vii) Outsourced acquisition team

We have also engaged third parties who specialise in acquisition and registration of subscribers. These outsourced teams will employ promoters and road runners throughout Malaysia and send them to designated high traffic places to attract, promote and sell XOX mobile products and services to the public. Subscribers may purchase XOX starter packs, top-up their existing lines and/or airtime directly from the out-sourced promoters/road runners.

4. INFORMATION ON OUR GROUP (Cont'd)**(viii) Sponsorship**

As part of our marketing initiatives, we have conducted sponsorships for events to enhance our brand awareness throughout Malaysia. Such sponsorships could be in the form of print media or the setting up of a booth in the event area. Some of the major events which XOX had sponsored include:-

Events / Programmes	Type of Event	Period
ONE Chap Goh Mei Festival	Event in conjunction with Chap Goh Mei, Chinese New Year celebration	On 17.02.2011
Ai FM Ai Xin Nian Sponsorship 2011	Performance event in conjunction with Chinese New Year celebration	On 09.01.2011
988 KYAN	Evening Drivetime segment on a local radio station from 5p.m. to 8p.m.	From 07.11.2010 to 06.09.2011
988 K6 Gang Launch	Evening Drivetime segment on a local radio station from 5p.m. to 8p.m.	From 07.11.2009 to 06.11.2010
Ultimate Power Group	Live reality talent show	From 13.11.2008 to 06.06.2009
A Cup of Love television series	Mandarin television drama series	From 05.07.2009 to 18.10.2009
Celebrity Channel	Live outdoors Chinese entertainment concept	From 17.04.2009 to 10.05.2009
Spotlite Teen Idol Contest	Spotlite magazine's event - the Mr & Mrs Campus	From 01.06.2009 to 15.08.2009

(ix) Strategic partnership

Our Group has entered into strategic partnerships with our Group's co-branding business partners to promote the XOX brand name. As a means of leveraging on the strength of each business partner, XOX will offer its starter packs and/or recharge vouchers in conjunction with specific promotional packages of each respective business partner.

As at LPD, XOX Group has only one (1) strategic partnership, which is with "Red Tomato Economics and Lifestyle Weekly". There are currently no on-going negotiations for any new strategic partnerships.

For example, under the partnership with a local weekly lifestyle newspaper, subscribers of XOX-RT Super 88 plan would receive a one (1) year free membership and subscription to the local weekly lifestyle newspaper. Subscribers would also receive attractive cash, travel and discount vouchers from various lifestyle vendors.

Such strategic partnerships are designed to increase our appeal to the specific target markets of each business partner, and are expected to increase consumer awareness and sales of our products and services.

4. INFORMATION ON OUR GROUP (Cont'd)

(x) Customer Churn and Retention Program

Customer churn can be either voluntary or involuntary due to non-payment and/or prolonged expired period which resulted in a termination of accounts. Voluntary customer churn could be due to a range of factors which includes dissatisfactory network services, lower tariff rates by other mobile operators and products and/or services offered that are not in line with their respective needs. These factors provide our Group with an opportunity to acquire these subscribers.

We actively use subscriber lifecycle management initiatives to improve customer retention. Within 30 days of activation, we will monitor the subscriber's recharge behavior and introduce loyalty rewards, surprise rewards and bonus programmes as well as good customer service to ensure subscribers remain active. The loyalty rewards, surprise rewards and bonus programmes aim to reward XOX's subscribers for their loyalty and continuing support, enticing subscribers to increase usage and attracting subscribers to stay with XOX as well as subscriber acquisitions. Loyalty, surprise rewards and bonus programmes vary in terms of mechanism, rewards and durations.

Loyalty points are earned every time subscribers make a recharge. The accumulated loyalty points can be used to redeem free air time, free SMS, free Short Calls, product vouchers from participating business partners and co-branding business partners, and is transferable within family members on the "Family and Friends" package and "Closed User Group" package i.e. supplementary lines.

4.17 QUALITY CONTROL PROCEDURES OR QUALITY MANAGEMENT PROGRAMMES

Quality customer service is of paramount importance in the mobile telecommunications industry.

To ensure an outstanding customer service experience, we have outsourced our call centre service to a professional call centre ("**Call Centre**") which has the experience and capability in handling our subscribers' enquiries. The Call Centre employs professional call agents who not only have a thorough understanding of our Group's products and services but also able to articulate well in the preferred language of the subscriber. This level of customer services is known as First Level Service Support.

In emphasising our Group's commitment to our subscribers, we also provide our own internal personnel to support the Call Centre with regards to any technical issues encountered by the subscriber such as fraud cases, non-functionality of SIM cards, network inaccessibility and registration and activation problems. This level of customer service is known as Second Level Service Support.

In the event that we are still not able to fully resolve any technical and unusual problems, we will forward such incidences to our vendor partners and/or our host network provider for technical assistance. This is known as Third Level Service Support.

We seek to ensure a user-friendly and effective customer service experience through the abovementioned multi-level customer service support programme, which we believe will enable us to retain our subscribers and reduce churn rates.

4. INFORMATION ON OUR GROUP (Cont'd)

4.18 DEPENDENCY ON ANY CONTRACT, ARRANGEMENT, DOCUMENT OR OTHER MATTER

(a) Dependency on Registration, Patents and Intellectual Rights

Save for the registration, patents and intellectual rights disclosed in Section 4.15 of this Prospectus, our Group is not dependent on any other registration, patents and intellectual rights.

(b) Dependency on Major Licenses

Save for the major licenses disclosed in Section 4.14 of this Prospectus, our Group is not dependent on any other major licenses.

(c) Dependency on Industrial, Commercial and Financial Contracts

We are highly dependent on the contract entered into with Celcom dated 15 September 2008 in which Celcom agreed to supply or procure the supply of the network services to XOX Com, a proposed wholly owned subsidiary of our Group. XOX Com shall use the aforementioned network services to provide prepaid and postpaid mobile voice and data services ("**MVNO Services**") to MVNO Subscribers in Malaysia.

The salient terms of the agreement are as below. The terms used in this section shall have the respective meanings as ascribed thereto in the MVNO services agreement:-

Term

This Agreement shall be for a period of five (5) years, with an automatic extension of five (5) years and another automatic further extension of another five (5) years.

Covenants of XOX Com

XOX Com shall not make reference to Celcom's intellectual property rights ("**IPR**"), including Celcom's registered and unregistered trade marks, logos, indicia, get-up, trade name, business name, domain name, or any reproductions or representations thereof within the Celcom Group (where "**the Celcom Group**" means Celcom and its related corporations by virtue of Section 6 of the Companies Act, 1965] ("**the Celcom Trade Marks**"), when marketing the MVNO Services to MVNO Customers (where "**Customers**" refer to subscribers including companies), and that the advertising and marketing material used to promote the MVNO Services must be entirely in Chinese and English languages. XOX Com must not represent that it is Celcom or within the Celcom Group or misrepresent the manner in which or the extent to which it uses the Celcom Digital Network, or that it is authorised to act on behalf of Celcom or any entity within the Celcom Group.

The Parties further agree that XOX Com must only provide the MVNO Services to end-users and not to other Licensed Operators (where "**Licensed Operators**" refer to other mobile telecommunication operators licensed and approved by MCMC), and that XOX Com has the sole responsibility for customer service, billing and resolution of billing disputes. XOX Com shall also bear the entire credit risk of the MVNO Customer Database.

The Parties also agree that the MVNO Services must be provided only to MVNO Customers in Malaysia, apart from roaming services mutually agreed by the Parties, and that XOX Com must not solicit Customers for the MVNO Services outside Malaysia.

4. INFORMATION ON OUR GROUP (Cont'd)

XOX Com must not advertise, market, promote or otherwise make known to the MVNO Customers any services provided by Celcom but expressly excluded from this Agreement ("**Excluded Services**"), whereby in the event any MVNO Customer uses the Excluded Services in any manner whatsoever, MVNO shall pay Celcom an agreed amount for such usage.

XOX Com must not, whether by itself or any third party, offer for sale, sell, resell or conduct wholesale activities, i.e. selling of airtime, of the Celcom Services or the network owned or operated by any entity within the Celcom Group for the carriage of communications ("**the Celcom Digital Network**") (or any part of it) to any person in any form or manner whatsoever, and to rebrand the MVNO Services.

Minimum Commitment Level

XOX Com shall adhere to the minimum commitment levels as agreed by the Parties as per Schedule 4 of this Agreement which are as follows:-

Year (from Commencement Date[#])	Minimum Commitment for the year
1	RM17.3 million
2	RM61.5 million
3	RM109 million
4	RM155 million
5	RM199 million

Note:-

*The Commencement Date for the minimum commitment level is 1 January 2010 which is the date of the Commercial Launch (where "**Commercial Launch**" means the date agreed between XOX Com and Celcom when MVNO first provides, or offers to provide, prepaid mobile voice and data services or any part of those services to MVNO customers, other than to a controlled group of persons for test or trial purposes).*

Minimum Commitment refers to the total wholesale Charges ("**Charges**" mean the charges and amounts payable by XOX Com to Celcom pursuant to or under this Agreement and includes without limitation the charges and amounts payable pursuant to or in accordance with Clause 9 (*Charges & Revenue Share*) and Schedule 2 (*Charges & Revenue Share*) paid by XOX Com to Celcom for the Celcom Services (excluding taxes, if applicable).

XOX Com's achievement of the Minimum Commitment will be computed on a quarterly basis, based on a simple average of the Annual Commitment for the relevant year divided over 4 quarters ("**Quarterly Minimum Commitment**").

In the first quarter in a year,

- (a) if XOX Com has exceeded the Quarterly Minimum Commitment, the surplus can be credited to the next quarter's performance; and
- (b) if XOX Com has failed to achieve the Quarterly Minimum Commitment, it shall pay Celcom in cash a sum equal to the shortfall within 30 days.

In the second, third and fourth quarters in a year, the above provisions shall be repeated except that the figures shall be on a cumulative basis for the relevant year and any surplus at the end of that year cannot be credited to the next year's performance.

For the first only, XOX Com's performance will be computed in aggregate for that whole year at the end of the fourth (4th) quarter of that year, and no on a quarterly basis.

4. INFORMATION ON OUR GROUP (*Cont'd*)

Notwithstanding the above, if XOX Com has failed to achieve 3 consecutive Quarterly Minimum Commitment, such failure shall be deemed as an operational Breach and Celcom shall be entitled to exercised its right under Clause 7 (*Rectification Plan for Operational Breaches*).

Clause 7 (*Rectification Plan for Operational Breaches*)

7.1 Discretionary

If Celcom believes the MVNO has breached its obligations and such breach is capable of being remedied in Celcom's reasonable opinion without jeopardizing Celcom's compliance with Laws and its Licences ("**MVNO Breach**"), then Celcom may, but shall not be obliged to, afford MVNO with an opportunity to rectify the MVNO Breach without prejudice to any other rights and remedies which may be available to Celcom at law and equity.

This Clause 7 (*Rectification Plan*) is without prejudice to Celcom's other rights and remedies including the rights under Clause 21 (*Termination*) and any rights to seek injunctive or interim relief in respect of the MVNO Breach.

- a) Celcom must give written notice to MVNO of the alleged MVNO Breach ("**Breach Notice**") which must make specific reference to this Clause 7 (*Rectification Plan*) on the procedure for rectification and shall include:
 - i) the details of the breach according to the best of Celcom's knowledge; and
 - ii) the steps which Celcom considers should be taken by MVNO to make good the breach, to the extent reasonable given Celcom's knowledge of the breach.
- b) The Parties will meet within 2 calendar days, or such other period as may be mutually agreed by the Parties but no later than 7 calendar days, of MVNO receiving a Breach Notice from Celcom.
- c) At the meeting referred to in Clause 7.1(b), MVNO must either:
 - i) demonstrate to Celcom's satisfaction that the alleged MVNO Breach (or any part of it) has not occurred; or
 - ii) propose a plan of action, taking into account any steps proposed by Celcom pursuant to Clause 7.1(a) above, to be undertaken by MVNO (including as to timing) to correct the alleged MVNO Breach (or any part of it) and to prevent similar breaches in the future ("**MVNO Rectification Plan**").

By close of business on the day of the meeting or within such time as may be agreed mutually by the Parties from time to time, MVNO will serve on Celcom, in accordance with Clause 27.9 (*Notices*), a written copy of the MVNO Rectification Plan.

- d) If Celcom is not satisfied with the MVNO Rectification Plan (or any part of it) Celcom either:
 - i) reject the MVNO Rectification Plan (or any part thereof) within 7 calendar days of receiving it and elect to exercise its rights under any part of this Agreement allowing the exercise of rights in light of an MVNO breach (or any part thereof) including clause 21 (*Termination*) and 26 (*Resolution of Dispute*)

4. INFORMATION ON OUR GROUP (Cont'd)

- ii) propose amendments within 7 calendar days of receiving it, in which case, MVNO shall give the consideration to any amendments proposed by Celcom under this clause 7.1(d)(ii) and resubmit a revised MVNO Rectification Plan for Celcom's review within 7 calendars days of receiving Celcom's proposed amendments, and if the revised MVNO Rectification Plan is not satisfactory to Celcom, Celcom may reject it and exercise it's rights described in clause 7.1(d)(i).

Obligations of XOX Com

XOX Com shall also be responsible to obtain all necessary licences for the provision of the MVNO Services in Malaysia and the relevant blocks of Service Numbers for the MVNO Services ("**Service Numbers**" means any telephone, data or other service number which is capable of being used as an individual network address on a mobile digital network) from the Malaysian Communications and Multimedia Commission ("**MCMC**").

Celcom's Right to Sub-contract

Without prejudice to XOX Com's rights against Celcom, Celcom may perform any of its obligations under this Agreement by arranging for them to be performed by any third party, including a related corporation of Celcom.

Refusal to Provide Services or Suspension of Services

Celcom may refuse to provide Celcom Services, or require XOX Com to refuse to provide or suspend provision of MVNO Services, to any specified Service Number or group of Service Numbers, by giving prior notice to MVNO of such refusal or suspension, in the events of suspected fraud or illegal use, the performance of maintenance by Celcom, or the reduction or prevention of interference within the Celcom Digital Network or the operation or quality of Celcom Services, the Celcom Digital Network or any network whether located within or outside Malaysia that is owned, controlled or operated by a third party who is not a party to this Agreement ("**Third Party Network**"), any outage in the Celcom Digital Network or any failure in Celcom Service where Celcom has withdrawn access to such similar services by Celcom's customers; or to comply with, or avoid non-compliance with, any relevant laws relating to Service Numbers.

Assignment

Neither party may assign or attempt to assign any right or obligation under this Agreement without the written consent of the other party, which must not be unreasonably withheld.

XOX Com must not assign, novate nor transfer any of its rights or obligations under all terms and conditions for the MVNO Services ("**MVNO T&Cs**") to any person without the prior written consent of Celcom, except to the extent expressly provided in favour of an operator in replacement of XOX Com ("**Replacement Operator**"), whereby in the event the ownership in the MVNO Customer Details are assigned to Celcom pursuant to termination for cause by Celcom, Celcom may appoint a Replacement Operator of its own choice or may elect to undertake the role of the Replacement Operator itself.

4. INFORMATION ON OUR GROUP (Cont'd)

Limits on Quantum of XOX Com's Liability

MVNO's aggregate liability (other than a liability to pay the Charges) shall in no event exceed in the aggregate RM20,000,000 in any year; or RM20,000,000 after expiry or termination of this Agreement, save and except for breach or non-compliance of confidentiality of Confidential Information (hereinafter defined), and in the event Celcom or XOX Com is the subject of legal action, where the Celcom Group acquires, for itself or its designee, all information about MVNO Customers collected after the date of this Agreement in the course of the provision of or subscription for the MVNO Services ("**the MVNO Customer Details**") pursuant to termination by Celcom of this Agreement.

For the purpose of this Agreement "**Confidential Information**" shall mean any information and data, whether in printed or electronic format, including but not limited to any kind of business, commercial or technical information and data obtained from either party in connection with the Agreement which is marked "Confidential" and/or "proprietary" or which, in accordance with a reasonable man's judgment, is confidential, due to its nature or the circumstances under which it is disclosed and the disclosure of which could adversely affect the other party's business irrespective of the medium in which such information or data is embedded and including any copies or abstracts made thereof as well as modules, samples, prototypes or parts thereof.

Termination for Cause by Celcom

In addition to any other right of termination provided under this Agreement, Celcom may terminate this Agreement with immediate effect by giving written notice to XOX Com if:-

- (a) any competitor of Celcom ("**Celcom Competitor**") acquires a Material Stake (hereinafter defined) in XOX Com and Board Control (hereinafter defined); or
- (b) any person (including a Celcom Competitor) acquires a Material Stake in XOX Com and Board Control, either:-
 - (i) without Celcom being notified of such acquisition, or
 - (ii) where Celcom has been notified of such acquisition and Celcom views such acquisition as unacceptable to Celcom in its absolute discretion; or
- (c) XOX Com has breached the provisions in relation to Celcom Trade Marks and IPR; or
- (d) XOX Com ceases to be engaged or involved in the provision of part or all of the MVNO Services; or
- (e) XOX Com fails to pay any outstanding charges, amount(s) or invoice(s) due and owing by XOX Com to Celcom for a period of 14 calendar days following the date by or on which such amounts should have been paid; or
- (f) Celcom or XOX Com is the subject of legal action, including injunctive relief being awarded against Celcom or XOX Com (as the case may be), that may materially impact the ability of Celcom and/or XOX Com to continue fulfilling its obligations under this Agreement. In addition to the consequences of termination set forth under this Agreement XOX Com shall not be entitled to receive any compensation in respect of the termination of this Agreement pursuant to this sub-clause (f).

4. INFORMATION ON OUR GROUP (Cont'd)

For the purpose of the sub-clauses (a) and (b) above, "**Material Stake**" means an actual or beneficial interest after the date of this Agreement, whether directly or indirectly, in share or other instruments allowing the holder of the said shares or instrument to exercise 5% of more of the voting rights of shareholders or members of XOX Com and "**Board Control**" means the right or ability to control the composition of a majority of the board of directors of the XOX Com or a right or ability to control a majority of board of directors of XOX Com.

Termination for Cause by either Party

In addition to any other right of termination provided under this Agreement, either party may terminate this Agreement immediately by giving notice in writing to the other party, being a party in default pursuant to one or more of the sub-clauses in this clause, if:-

- (a) the party in default has committed a breach of this Agreement which is not fully remedied by the party in default within 30 calendar days of written notice by the other party specifying the breach and requiring its remedy or within the period specified in the proposed plan of action by Celcom in the event of any breach by XOX Com to be undertaken by XOX Com (including as to timing) to correct the alleged breach (or any part of it) and to prevent similar breaches in the future ("**Rectification Plan**") agreed.
- (b) any one or more of the following occurs ("**Termination Events**"):-
 - (i) any distress or execution is levied on the party in default's property; or
 - (ii) the party in default becomes insolvent or unable to pay its debts; or
 - (ii) a receiver and/or manager (court appointed or otherwise), administrator, administrative receiver and/or manager is appointed over the whole or any material part of the party in default's assets or undertakings; or
 - (iii) a liquidator (provisional or permanent) is appointed in the party in default; or
 - (iv) the party in default enters into or makes any composition, reconstruction, restructuring, compromise and/or any other arrangement for the benefit of its creditors and/or members; or
 - (v) any petition or resolution for the winding up of the party in default is presented or passed; or
 - (vii) the party in default shall suffer any proceedings analogous to those described in this sub-clause (b) and such events have a material adverse effect on the party in default's ability to perform its obligations in accordance with this Agreement;
- (c) an event due to any reason outside that party's reasonable control ("**Force Majeure Event**") continues for 60 calendar days or more; or
- (d) any licenses, approvals or assignments required by the party in default to fulfil its obligations under this Agreement are revoked, lost or suspended for a period of time that may materially impact the ability of a party to continue fulfilling its obligations under this Agreement.

4. INFORMATION ON OUR GROUP (Cont'd)

Each event of termination provided under this clause or elsewhere under this Agreement shall be construed as independent of one another and a party may rely on any one or more of the events of termination provided under this clause or elsewhere under this Agreement.

Acquisition of Intellectual Property Rights

Celcom may acquire all IPR, other rights, title and interest in the database residing on Celcom infrastructure and containing MVNO Customer Details for all MVNO Customers ("**MVNO Customer Database**") from XOX Com with effect from expiry of this Agreement, date of termination of this Agreement ("**Termination Date**") or the first day of the extended period during which this Agreement is to continue from the Termination Date ("**Transitional Period**"), whichever is earlier ("**Take-Over**"), where such acquisition may be at no cost to Celcom if:-

- (i) Celcom terminates this Agreement pursuant to termination for cause by Celcom, or where MVNO is the party in default and default is not fully remedied, or in the event of any Termination Events, or in the event any licenses, approvals or assignments required by the party in default to fulfil its obligations under this Agreement are revoked, lost or suspended for a period of time that may materially impact the ability of a party to continue fulfilling its obligations under this Agreement ("**Material Breach**"); or
- (ii) MVNO elects not to renew this Agreement for the extension period of 5 years from the expiry of the initial term of this Agreement ("**Extension Period**"); or
- (iii) pursuant to directions from MCMC, MVNO may not continue to be a party to this Agreement or MVNO must cease to provide the MVNO Services.

However, such acquisition shall be for a fee agreed between the Parties if:-

- (i) Celcom elects not to renew this Agreement for the Extension Period despite MVNO's desire to renew; or
- (ii) MVNO terminates this Agreement where Celcom is the party in default and default is not fully remedied, or in the event of any events for termination of this Agreement, or in the event any licenses, approvals or assignments required by the party in default to fulfil its obligations under this Agreement are revoked, lost or suspended for a period of time that may materially impact the ability of a party to continue fulfilling its obligations under this Agreement; or
- (iii) this Agreement terminates pursuant to Force Majeure; or
- (iv) this Agreement terminates pursuant to Regulatory Events (hereinafter defined) and Legislative Events (hereinafter defined) which will have a material impact on the subject matter of this Agreement or on the inability of one or both of the parties' ability to perform their obligations under this Agreement; or
- (v) this Agreement terminates for any reason other than those provided in this provision in relation to Take-Over.

For purposes of this Agreement, "**Regulatory Event**" occurring in relation to a party means either or both of the following:-

- (a) the declaration, addition, variation or removal of a condition applying to any one or more of that party's licences or approvals, authorisations or

4. INFORMATION ON OUR GROUP (Cont'd)

assignments under any relevant laws required to fulfil its obligations under this Agreement;

- (b) the giving of a direction to that party by the minister or MCMC or any other regulatory or governmental body;

and "**Legislative Event**" means:-

- (a) the enactment, amendment, replacement or repeal of the Communications and Multimedia Act or laws related to communications and multimedia; or
- (b) the making of a direction, notice, or determination by MCMC that all or any part of this Agreement contravenes any provision of any laws; or
- (c) the issue, registration, making, promulgation, amendment or replacement of any laws by MCMC or a court of law.

4.19 RESEARCH AND DEVELOPMENT

XOX does not currently have a dedicated research and development team. However XOX collaborates with its key telecommunications system vendors to continuously assess the suitability of XOX's products and services in meeting subscribers' demands as well as identifying areas to improve our Group's systems which will enable our Group to develop innovative mobile service products and services for the Malaysian market.

4.20 INTERRUPTIONS IN BUSINESS IN THE PAST TWELVE (12) MONTHS

There have been no interruptions to the business of our Group that significantly impaired our Group's business performance during the past twelve (12) months.

4.21 MAJOR CUSTOMERS

The table below lists our Group's customers that represented 10% or more of the total Group revenue for FYE2009 and FYE2010. There were no customers which contributed 10% or more of the total Group revenue for FYE2007 and FYE2008 as our Group only commenced business operations in 2009:-

No.	Name of customer	Contribution to total Group revenue (%)	Length of relationship	Products provided
1.	Chat Mobile (M) Sdn Bhd		2 years	Starter packs and recharge vouchers
	FYE2009	47.2		
	FYE2010	0.5		
2.	Sonicline Mobile Sdn Bhd		2 years	Starter packs and recharge vouchers
	FYE2009	35.0		
	FYE2010	4.8		

4. INFORMATION ON OUR GROUP (Cont'd)

No.	Name of customer	Contribution to total Group revenue (%)	Length of relationship	Products provided
3.	Trillion Communications Sdn Bhd		2 years	Starter packs and recharge vouchers
	FYE2009	10.1		
	FYE2010	1.4		
4.	E-Dymium Network Sdn Bhd		1 year	Starter packs and recharge vouchers
	FYE2009	-		
	FYE2010	28.8		
5.	Shao Lin Marketing Enterprise		1 year	Starter packs and recharge vouchers
	FYE2009	-		
	FYE2010	12.8		

Note:

* E-Dymium Network Sdn Bhd is our direct sales team starting from January 2010.

For the FYE2009, our Group had only appointed three (3) area sales distributors. However, the number of area sales distributors has subsequently increased to a total of 17 distributors as at LPD. Our Group is not dependent on any of the abovementioned area sales distributors as the appointment of area sales distributors are the sole prerogative of XOX.

E-Dymium Sdn Bhd is a direct sales company and sells XOX's products (i.e. starter packs and recharge vouchers) to its own members only. XOX is not dependent on E-Dymium Sdn Bhd as the members of E-Dymium Sdn Bhd, who may also be a XOX subscriber, can still purchase recharge vouchers from the traditional trade channel.

4.22 MAJOR SUPPLIERS

The table below lists our Group's suppliers that represented 10% or more of the total Group purchases for FYE2009 and FYE2010. There were no suppliers which contributed 10% or more of the total Group revenue for FYE2007 and FYE2008 as our Group only commenced business operations in 2009:-

FYE2009

No.	Name of supplier	Contribution to total Group purchases (%)	Length of relationship	Services rendered
1.	Celcom		2 years	SIM Cards and provision of Celcom's Digital Network
	FYE2009	86.6		
	FYE2010	91.2		
2.	Percetakan Tenaga Sdn Bhd		2 years	Printing of starter packs and recharge vouchers
	FYE2009	13.4		
	FYE2010	1.9		

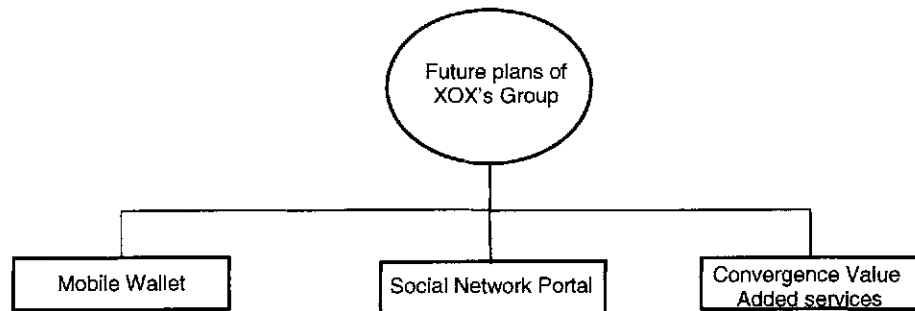
4. INFORMATION ON OUR GROUP (Cont'd)

For FYE 2009 and FYE2010, we purchased our Group's SIM cards from Celcom. To a certain extent, our Group is dependent on Celcom for the supply of SIM cards as these SIM cards need to be programmed to receive our Group's "010" mobile line signal. The purchase from Celcom does not include any profit element to Celcom and this allows our Group to operate with a lower cost base. Our Group is dependent on Celcom for the provision of Celcom's Digital Network for its network coverage as well as network accessibility by our Group's subscribers to access our products and services. Please refer to Section 4.8.2 for further details on our Group's product and services.

Although our Group's purchases from Percetakan Tenaga Sdn Bhd account for approximately 13.4% of our Group's total purchases in FYE2009, our Group is not dependent on the abovementioned printers for the printing of our Group's starter packs as well as recharge vouchers, as we generate our own recharge PIN and the printing can be done by other local printers. In FYE 2010, our Group's purchases from Percetakan Tenaga Sdn Bhd account for only 1.9% of our Group's total purchases in FYE 2010.

4.23 FUTURE PLANS, STRATEGIES AND PROSPECTS OF OUR GROUP

Our Group's future plans, strategies and prospects are as follows:-



4.23.1 Mobile Wallet

The advancement of technology has allowed mobile operators like XOX the means to provide consumers with a secure yet convenient mode of payment. We target to introduce our mobile wallet account in late 2011, by leveraging on our Group's Convergence Charging System. Our Group has on 26 September 2008, obtained approval from Bank Negara Malaysia to operate an 'electronic wallet service'. This approval allows our Group's subscribers to transact / transfer an amount of up to RM200 ("**Upper Limit**") at any point in time. The Upper Limit can be increased upon request and obtaining approval from Bank Negara Malaysia.

XOX's mobile wallet will be an account within the XOX convergence subscription and will be available when an XOX convergence subscription is created. However, unlike other accounts that are used for XOX's services, XOX's Mobile Wallet is designed to be used as a payment instrument for both XOX and non-XOX products and services. XOX's Mobile Wallet contains value in RM and is a micro payment system that operates like a debit card. Mobile wallet aims to provide the subscribers with an affordable and convenient way to manage their money and make payment through the mobile phone to any third party with a mobile wallet account, including friends, merchants and also to make online purchases in the internet.

Mobile wallet users are not required to undergo credit checks or possess a pre-existing bank account. In addition, subscribers can top-up their mobile wallet either using cash or the purchase of recharge vouchers. This makes it an alternative to other payment systems currently available.

4. INFORMATION ON OUR GROUP (Cont'd)

As at LPD, we do not have any participating merchants for our mobile wallet. Its use will be initially limited as a payment instrument for XOX's products and services such as the payment of postpaid bills, top-up of prepaid accounts, payment for mobile content and transfer of airtime credit to family and friends whom are subscribers of XOX.

The value in the XOX Mobile Wallet can be increased via top-up to the mobile wallet account using various top-up options make available to XOX's subscribers, including:-

- (i) **Mobile transfer** – Transfer of funds from one Mobile Wallet account to another Mobile Wallet account at a minimal cost.
- (ii) **XOX website** – Subscribers can also log onto XOX's website and top-up their own and/or friends' Mobile Wallet.
- (iii) **Recharge vouchers** – Subscribers can purchase recharge vouchers at any XOX authorised dealers and e-Pay outlets and use it to top-up the Mobile Wallet.
- (iv) **XOX Customer care consultant** – Subscribers may also contact XOX's customer care consultant and request for a top-up to be made. Such method would require the subscribers to provide certain payment information such as credit card number to facilitate the top-up.

Some of the proposed uses for XOX's Mobile Wallet are as follows:-

- Payment of subscribers' postpaid mobile account for mobile usages incurred. Upon receiving the monthly statement or when the mobile usages limit has been reached, subscribers' can pay for the outstanding amount using their Mobile Wallet account;
- Top-up of prepaid mobile account where subscribers can transfer funds from their Mobile Wallet account to be utilised for mobile usages;
- Purchases of mobile products and services such as SMS and mobile contents offered by XOX and other merchants, where subscribers may use their Mobile Wallet account to perform such purchases;
- Purchases of non-mobile products and services where participating merchants will accept purchases by transfer of funds from XOX subscribers' Mobile Wallet account to the participating merchants' Mobile Wallet account; and
- Fund transfers to another subscriber's Mobile Wallet account. Subscribers may transfer funds from their Mobile Wallet account to top-up another subscriber's prepaid mobile account or any other account(s) allowed by XOX.

4.23.2 Social Network Portal

Internet-mobile convergence enables mobile services to be accessible via Internet and vice versa. In line with this convergence, XOX will be launching the first phase of our Group's Social Network Portal in 2011, which is accessible via any mobile device, computer, laptop or device with Internet connectivity. As at LPD, our Group has incurred approximately RM1.4 million in developing our Group's Social Network Portal. Please refer to Section 9.4.8(h) for further details of the development cost incurred.

4. INFORMATION ON OUR GROUP (Cont'd)

Our Social Network Portal will have all the functionalities and features of a typical social network portal such as online photo album, blogs and forums. However, XOX's Social Network Portal would also incorporate mobile services capabilities such as sending SMS via the internet ("**WebSMS**") and Voice over Internet Protocol ("**VoIP**"), which will be subjected to a charge rate. As at LPD, our Group has not determined the charge rate and/or when such charge rate will be implemented.

WebSMS service enables XOX subscribers to send and receive SMS via the internet. Similar to the inbox and outbox of an email application, XOX subscribers will have both InSMS and OutSMS in their WebSMS applications. Subscribers will also be able to install the WebSMS Microsoft Outlook client application whereby they will be able to access WebSMS from the Microsoft Outlook application and to access the Microsoft Outlook Address Book to send SMS.

Such services have been previously offered by many mobile services providers, but the receiver of such SMS will not know the sender as the senders' mobile numbers have been masked. The uniqueness of our service is that in sending SMS via the XOX WebSMS, the recipient of XOX WebSMS will know the sender as the mobile number of the subscriber is presented to the recipient. The WebSMS is also stored on the Social Network Portal allowing subscribers to retrieve the messages like an electronic mail account.

XOX's Social Network Portal would also allow subscribers to include their friends and family contacts from other social websites. As such XOX could also penetrate the internet customer segment and increase the number of our Group's subscribers.

Other convergence services by XOX such as online albums, photos and videos captured by mobile devices can be automatically uploaded to the XOX Social Network Portal, to be shared with subscribers' online community, while a copy of the photos and videos is stored in the subscriber mobile device. The uploading is done in the background without interrupting the subscriber's mobile device usages.

4.23.3 Convergence Value Added Services

With the availability of Convergence Charging System, XOX can begin offering XOX valued added services. The valued added services offered will be for both mobile and Internet users and will consist, amongst others, of the following:-

- (i) The principal subscriber can define the credit limit for each supplementary line;
- (ii) The principal subscriber can nominate all voice and SMS usage from the supplementary subscriber to be charged to the principal subscriber's account;
- (iii) Corporate principal subscribers can impose conditions to have all calls made during office hours to its customers by its employees to be charged to the corporate subscription while all calls and/or usage made after office hours will be charged to the employees' respective accounts; and
- (iv) Corporate principal subscribers can also purchase bulk call minutes, SMS and data volume to be shared by its employees.

Our Group is also constantly seeking ways to converge different products and services with our convergence subscription plans to be offered to our Group's subscribers.

4. INFORMATION ON OUR GROUP (Cont'd)

The following table indicates the timing of implementation of our future plans:-

Business Activity	2Q 2011	3Q 2011	4Q 2011
Mobile wallet	-	-	✓
Social Network Portal	✓	-	-
Convergence Value Added Services	✓	✓	✓

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Particulars and Shareholdings

The details of the Promoters and substantial shareholders of our Company and their shareholdings in our Company before and after the IPO are as follows:-

Name	Country of incorporation / Nationality	No. of Shares Held Before the IPO ^a		No. of Shares Held After the IPO ^a					
		Direct	(%)	Direct	(%)	Indirect	(%)		
Promoters									
Dato' Seri Abdul Azim Bin Mohd Zabidi ⁽¹⁾	Malaysian	43,161,160	16.9	-	-	43,161,160	14.3	-	-
Ng Kok Heng	Malaysian	47,464,060	18.6	-	-	47,464,060	15.7	-	-
Wong Yip Kee ⁽²⁾	Malaysian	48,951,100	19.2	-	-	48,951,100	16.2	-	-
Substantial Shareholders									
Dato' Seri Abdul Azim Bin Mohd Zabidi ⁽¹⁾	Malaysian	43,161,160	16.9	-	-	43,161,160	14.3	-	-
Ng Kok Heng	Malaysian	47,464,060	18.6	-	-	47,464,060	15.7	-	-
Wong Yip Kee ⁽²⁾	Malaysian	48,951,100	19.2	-	-	48,951,100	16.2	-	-
Peh Poh Choo ⁽²⁾	Malaysian	15,784,590	6.2	-	-	15,784,590	5.2	-	-
Mara Incorporated Sdn Bhd	Malaysia	17,466,890	6.8	-	-	17,466,890	5.8	-	-

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

Notes:-

- ^ Based on the enlarged paid up share capital of 255,200,000 Shares pursuant to the Acquisitions, Share Split and Special Issue.
- # Based on the enlarged paid up shara capital of 302,000,000 Shares pursuant to the Acquisitions, Share Split, Special Issue and Public Issua.
- (1) Dato' Seri Abdul Azim Bin Mohd Zabidi's spouse, Datin Seri Raihanah Begum Binti Abdul Rahman is also a shareholder of XOX. This disclosure is in accordance with Section 134(12)(c) of the Act. They are not deemed to be persons influencing one another under Section 6A of the Act in relation to their shareholdings in XOX. Their shares in XOX are not jointly held and they do not have any interest in the other person's direct and indirect shareholding in XOX as declared by them in the Statutory Declaration dated 19 August 2010.
- (2) Wong Yip Kaa is the spouse of Peh Poh Choo and vice versa. This disclosure is in accordance with Section 134(12)(c) of the Act. They are not deemed to be persons influencing one another under Section 6A of the Act in relation to their shareholdings in XOX. Their shares in XOX are not jointly held and they do not have any interest in the other person's direct and indirect shareholding in XOX as declared by them in the Statutory Declaration dated 19 August 2010.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.1.2 Profiles of Promoters

The profiles of the promoters are as follows:-

(i) Dato' Seri Abdul Azim Bin Mohd Zabidi

Dato' Seri Abdul Azim Bin Mohd Zabidi, aged 52, is the Non Independent Non-Executive Chairman of our Company, having been 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 a Fellow of The Institute of Chartered Secretaries and Administrators.

As a Non Independent Non-Executive Chairman of our Company and co-founder of our Group, Dato' Seri Abdul Azim Bin Mohd Zabidi brings into the Group extensive banking and financial experience from holding various positions in companies. Over the years his established networks of business contacts will continue to be invaluable to our Group.

He started his career in 1984 as an Officer in Bank of Commerce (M) Berhad and was promoted to Assistant Branch Manager in 1986. In 1989, he was appointed as the Group Head of Corporate Banking Department, a position he held until 1990.

He joined Commerce Property Trust Managers Berhad (now known as Amanah Property Trust Managers Berhad) in 1990 as an Assistant General Manager and was promoted as General Manager in 1993. He was appointed as Group General Manager in 1995 for Commerce Property Trust Managers Berhad/Commerce Asset Fund Managers Sdn Bhd.

In 1999, Dato' Seri Abdul Azim Bin Mohd Zabidi was appointed as the Chairman of Bank Simpanan Nasional, a position he held until 2009. He was appointed Chairman of Sungei Wang Plaza Sdn Bhd in 2007, a position he holds to date.

(ii) Ng Kok Heng

Ng Kok Heng, aged 48, is the Managing Director and Chief Executive Officer of our Company, having been appointed to the Board on 30 June 2010. He graduated with a Bachelor of Computer Science (Honours) from the Universiti Sains Malaysia, Penang in 1987.

As an Executive Director of our Company and co-founder of our Group, Mr. Ng Kok Heng brings with him twenty (20) years of experience in the field of telecommunications services and is responsible for the overall management of our Group's mobile service line-up as well as studying and evaluating telecommunications technology solutions. Through his years of experience in the telecommunications industry, he has garnered extensive management skills and exposure in regulatory liaison as well as regulatory compliance which will continue to benefit the Company's overall business expansion.

He started his career in 1987 as a Sales Manager in Communications Technology Sdn Bhd and was in charge of sales and marketing. In 1992, he was appointed Executive Director for MTL Communications Sdn Bhd and was responsible for the marketing, sales and business development of the company.

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

Subsequently in 2000, he joined Wilco Systems Sdn Bhd as the Managing Director and was responsible for the performance as well as the day-to-day operations of the company.

He was also a consultant to Teligent AB, Sweden, a telecommunications provider and has worked with key players in various South East Asian countries such as Telekom Malaysia Berhad, Singapore Telecommunications Limited and Smart Communications Inc. He leads highly specialised teams of IT integrators and implementers to implement systems for telecommunications providers.

(iii) Wong Yip Kee

Wong Yip Kee, aged 56, is an Executive Director of the Company, having been appointed to the Board on 30 June 2010. He graduated from the Association of Chartered Certified Accountants in 1977 and obtained his Masters in Business Administration (MBA) from the University of Bath, United Kingdom in 1990. He is a member of the Malaysian Institute of Accountants.

As an Executive Director of our Company and co-founder of our Group, Mr. Wong Yip Kee brings with him twenty five (25) years of experience in the fields of corporate finance, strategic marketing and general management which will continue to benefit the Company in terms of strategic marketing, organisation management and overall business expansion.

He started his career in 1979 as an Auditor Senior in Messrs Ernst & Young. In 1980, he joined UMW Group as an Accountant and was responsible for the financial reporting, costing, budgeting and cost control. He joined Carrier Malaysia Group in 1981 as an Accountant. In 1982, he joined Hong Leong Group and was appointed Personal Assistant to Hong Leong Group's Managing Director.

In 1984, he joined Multi Purpose Group as a Senior Manager and in 1989 he joined KYM Industries Bhd as the Personal Assistant to the Managing Director of the company. In 1990, he founded Finmart Alliance Sdn Bhd, which is mainly involved in financial consultancy services and he is still the Director and shareholder of Finmart Alliance Sdn Bhd

He is also a regular contributor of finance and marketing related articles to the public and has also written several books on the finance and banking industry.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.1.3 Profile of Substantial Shareholders

Save for the profiles of Dato' Seri Abdul Azim Bin Mohd Zabidi, Ng Kok Heng and Wong Yip Kee, which are set out in Section 5.1.2, the profiles of the substantial shareholders of XOX are as follows:-

(i) Peh Poh Choo

Peh Poh Choo, aged 49, is a substantial shareholder of XOX. She obtained her Diploma in Supervisory Management and Diploma in Management from the Malaysian Institute of Management ("MIM") in Year 1992 and 1995 respectively. She is also the Associate member of MIM.

She started her career in 1984 with Bank Of Commerce Berhad as a Senior Clerk in the Operations Department until 1991. In 1992, she joined Southern Finance Company Berhad as a Bank Officer in the Marketing and Collection Department and left in 1994. She is currently a director and shareholder of Finmart Alliance Sdn Bhd. She is the spouse of Wong Yip Kee, the Executive Director of XOX.

(ii) Mara Incorporated Sdn Bhd

(a) Background and History

Mara Incorporated was incorporated in Malaysia under the Companies Act, 1965 on 6 July 1979 as a private company limited by shares under its present name.

The principal activity of Mara Incorporated is investment holding.

(b) Directors

The Directors of Mara Incorporated are Datuk Mohammad Lan Bin Allani, Dato' Ibrahim Bin Muhamad, and Datuk Mohd Fathil Bin Daud.

(c) Substantial Shareholders

Mara Incorporated is a wholly owned subsidiary of Majlis Amanah Rakyat.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)
(d) Share Capital
Authorised Share Capital

Types of Shares	No. Of Shares	Par value (RM)	Total (RM)
Ordinary Shares	5,000,000	1.00	5,000,000

Issued and Paid-up Share Capital

Types of Shares	No. Of Shares	Par value (RM)	Total (RM)
Ordinary Shares	1,200,002	1.00	1,200,002

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.2 DIRECTORS

5.2.1 Particulars and Shareholdings

The details of the Directors of our Company and their shareholdings in our Company before and after the IPO are as follows:-

Name	Designation	No. of Shares Held Before the IPO [^]		No. of Shares Held After the IPO [*]	
		Direct (%)	Indirect (%)	Direct (%)	Indirect (%)
Dato' Seri Abdul Azim Bin Mohd Zabidi ⁽¹⁾	Non-Independent Non-Executive Chairman	43,161,160 16.9	-	43,161,160 14.3	-
Ng Kok Heng	Managing Director and Chief Executive Officer	47,464,060 18.6	-	47,464,060 15.7	-
Wong Yip Kee ⁽²⁾	Executive Director	48,951,100 19.2	-	48,951,100 16.2	-
Soo Pow Min ⁽³⁾	Non-Independent Non-Executive Director	-	-	-	-
Phoon Cheng	Independent Non-Executive Director	-	-	200,000 0.1	-
Lee Chong Hoe	Independent Non-Executive Director	-	-	200,000 0.1	-
Yeoh Keat	Independent Non-Executive Director	-	-	200,000 0.1	-

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

Notes:-

- ^ Based on the enlarged paid up share capital of 255,200,000 Shares pursuant to the Acquisitions, Share Split and Special Issue.
- # Based on the enlarged paid up share capital of 302,000,000 Shares pursuant to the Acquisitions, Share Split, Special Issue and Public Issue assuming full subscription of their respective entitlements of the Pink Form Share Allocation.
- (1) Dato' Seri Abdul Azim Bin Mohd Zabidi's spouse, Datin Seri Raihanah Begum Binti Abdul Rahman is also a shareholder of XOX. This disclosure is in accordance with Section 134(12)(c) of the Act. They are not deemed to be persons influencing one another under Section 6A of the Act in relation to their shareholdings in XOX. Their shares in XOX are not jointly held and they do not have any interest in the other person's direct and indirect shareholding in XOX as declared by them in the Statutory Declaration dated 19 August 2010.
- (2) Wong Yip Kee's spouse, Peh Poh Choo is also a shareholder of XOX. This disclosure is in accordance with Section 134(12)(c) of the Act. They are not deemed to be persons influencing one another under Section 6A of the Act in relation to their shareholdings in XOX. Their shares in XOX are not jointly held and they do not have any interest in the other person's direct and indirect shareholding in XOX as declared by them in the Statutory Declaration dated 19 August 2010.
- (3) Soo Pow Min's spouse, Chang Siew Yee, is also a shareholder of XOX. This disclosure is in accordance with Section 134(12)(c) of the Act. They are not deemed to be persons influencing one another under Section 6A of the Act in relation to their shareholdings in XOX. Their shares in XOX are not jointly held and they do not have any interest in the other person's direct and indirect shareholding in XOX as declared by them in the Statutory Declaration dated 19 August 2010.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.2.2 Profiles of Directors

Save for the profiles of Dato' Seri Abdul Azim Bin Mohd Zabidi, Ng Kok Heng and Wong Yip Kee which are set out in Section 5.1.2 herein, the profiles of the other Directors are as follows:-

(i) Phoon Sow Cheng

Phoon Sow Cheng, aged 57, is an Independent Non-Executive Director, having been appointed to the Board on 30 June 2010. She is a graduate from the Malaysian Institute of Certified Public Accountants, a member of Malaysian Institute of Accountant and a member of Chartered Taxation Institute of Malaysia (CTIM).

As an Independent Non-Executive Director of our Company, She brings with her over 30 years of experience in the fields of taxation.

She started her career with KPMG (formerly known as Peat Marwick Mitchell & Co) as an auditor from 1975 to 1980 conducting external audit works. In 1980, she was appointed as a Tax Supervisor and was responsible for tax compliance and tax advisory works in the same firm. In 1984, she started her own tax practice under the company Taxpro Services Sdn Bhd until to-date specialising in advising her clients on tax related matters.

(ii) Lee Chong Hoe

Lee Chong Hoe, aged 47, was appointed as a Director on 10 May 2010 and is currently our Group's Independent Non-Executive Director. He graduated with a Bachelor of Economics (major in economics and accounting) in 1988 and graduated with a Bachelor of Laws in 1989 from the Monash University, Melbourne, Victoria, Australia.

As an Independent Non-Executive Director of our Company, he brings with him approximately 20 years of transactional legal experience to our Company. Mr. Lee Chong Hoe was also appointed as the Chairman of our Company's Nomination Committee in June 2010 and is also a member of our Company's Audit Committee and Remuneration Committee.

In 1989, he was admitted to practise as a barrister and solicitor in the Supreme Court of Victoria, Australia. He has worked as a tax consultant for KPMG Tax Services Sdn Bhd and as a lawyer in three other law firms before setting up his own legal practice.

In 2000, he founded Messrs Teh & Lee and is currently a partner in the said firm. He specialises in corporate and commercial law, securities law, mergers & acquisitions, corporate finance, due diligence practice, debt restructuring and private debts securities.

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

(iii) Yeoh Chong Keat

Yeoh Chong Keat, aged 53, was appointed as a Director on 10 May 2010 and is currently our Group's Independent Non-Executive Director. He is a Fellow of the Institute of Chartered Accountants in England and Wales ("ICAEW"), a Fellow of the Chartered Tax Institute of Malaysia, a Chartered Accountant of the Malaysian Institute of Accountants, and a member of the Malaysian Institute of Certified Public Accountants.

As an Independent Non-Executive Director of our Company, he brings with him extensive experience in the fields of audit, tax, financial and management consulting and corporate secretarial work.

He started his career in 1978 training with Deloitte Haskins & Sells, Birmingham, United Kingdom (now part of PricewaterhouseCoopers, U.K.). In 1983 he joined Kassim Chan & Co (now known as Messrs Deloitte KassimChan) as an Audit Supervisor and transferred to Kassim Chan Tax Services Sdn Bhd as a Tax Manager in 1984.

In 1988, he joined ERMS Sdn Bhd as the Finance Director. ERMS Sdn Bhd which developed Holiday Villa in Subang Jaya was part of the group listed under Econstates Berhad. In 1989, he was appointed as the Executive Director / Chief Executive Officer of PFA Corporate Services Sdn Bhd, a position which he held for over ten (10) years. PFA Corporate Services Sdn Bhd was a leading provider of corporate secretarial and corporate advisory services during his term there.

In 1999, he founded Archer Corporate Services Sdn. Bhd providing corporate secretarial and advisory services and has been the President/ Chief Executive Officer since then.

(iv) Soo Pow Min

Soo Pow Min, aged 46, is a Non-Independent Non-Executive Director of XOX, having been appointed to the Board on 30 June 2010. He graduated in 1990 with a Bachelor of Architecture in Structural Engineering from the University of Illinois at Chicago, United States of America.

As a Non-Independent Non-Executive Director of our Company, he brings with him approximately 20 years of working experience such as contract management, administration and contract tendering.

He started his career in 1990 with YTL Corporation Berhad as an Architect and was responsible for overseeing the architectural work of the company. In 1994, he founded Urban Builder as a sole proprietorship but subsequently ceased business in 1999 when he was appointed Director of Pembinaan Wincon Sdn Bhd, a position which he held to date. In 2009, he founded DP Land Sdn Bhd and has been the Director of DP Land Sdn Bhd since.

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.2.3 Directors' Remuneration and Benefits

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to the Directors of our Company for services rendered in all capacities to our Group for the FYE 31 December 2010 and 2011 are set out below in bands of RM50,000:-

Name	FYE 2010 Remuneration Band (RM)	Proposed for FYE 2011 Remuneration Band (RM)
Dato' Seri Abdul Azim Bin Mohd Zabidi	0 - 50,000	50,000 - 100,000
Ng Kok Heng	350,000 - 400,000	450,000 - 600,000
Wong Yip Kee	350,000 - 400,000	450,000 - 600,000
Soo Pow Min	-	50,000 - 100,000
Phoon Sow Cheng	-	50,000 - 100,000
Lee Chong Hoe	-	50,000 - 100,000
Yeoh Chong Keat	-	50,000 - 100,000

Other than amounts set aside or accrued in respect of the relevant laws, no amounts have been set aside or accrued by our Company or our subsidiaries to provide for pension, retirement or similar benefits for any of our Directors.

5.2.4 Benefits paid or intended to be paid or given to promoters, directors or substantial shareholder

Save as disclosed in Sections 2.3(a)(ii) and 5.2.3 of this Prospectus, no amounts or benefits were paid or intended to be paid or given to any promoter, director or substantial shareholder by our Company within the two (2) years preceding the date of this Prospectus.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.2.5 Principal business activities performed outside the XOX Group

Save as disclosed below, none of our Directors have any directorships and principal business activities performed outside the XOX Group in all other corporations as at LPD and in the last five (5) years:-

Name	Directorships	Involvement in business activities other than as a Director
Dato' Seri Abdul Azim Bin Mohd Zabidi	<u>Present directorships</u>	<ul style="list-style-type: none"> • Chairman of Sungei Wang Plaza Sdn Bhd • Chairman Hickham Capital Management Sdn • Chairman of Hickham Capital Partners Sdn Bhd • Chairman of Fiscalab Holdings Sdn Bhd • Chairman of Clearwater Capital Corporation Sdn Bhd • Chairman of Hickham Capital Sdn Bhd • Chairman of Pembinaan Wincon Sdn Bhd • Chairman of Solar Holdings Sdn Bhd • Chairman of Doxport Technologies (M) Sdn Bhd
	<ul style="list-style-type: none"> • Wijaya Baru Global Berhad • Kuala Dimensi Sdn Bhd • Progressive Gain Sdn Bhd • Capital Castle Sdn Bhd • Wijaya Baru Development Sdn Bhd • Usama Industries Sdn Bhd • Pembinaan Wincon Sdn Bhd • Doxport Technologies (M) Sdn Bhd • Kumpulan Europlus Berhad • OSK Ventures International Berhad • Hickham Capital Sdn Bhd • Hickham Capital Management Sdn Bhd • Hickham Capital Partners Sdn Bhd • Clearwater Capital Corporation Sdn Bhd • Fiscalab Holdings Sdn Bhd • International Rice Sdn Bhd (formerly known as Aristomark Capital Sdn Bhd) • Rannah Berhad • Timberwell Bhd • Innosabah Securities Berhad • Sungei Wang Plaza Sdn Bhd • Azim Bestari Sdn Bhd • Solar Holdings Sdn Bhd • Johannian Leadership Foundation • Zygox Bhd • Asian Finance Ltd • PT Malindo Feedmill Tbk 	

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Directorships	Involvement in business activities other than as a Director
<u>Previous directorships for the past five (5) years</u>		
• Kantan Jaya Marine Services (PG) Sdn Bhd		
• Hexawira Sdn Bhd		
• West Coast Expressway Sdn Bhd		
• Yayasan Pendidikan Tun Abdul Razak		
• Calinex Sdn Bhd		
• Panduan Emas Sdn Bhd		
• Permodalan BSN Berhad		
• Nucleus Era Sdn Bhd		
• Cergas Impresif Sdn Bhd		
• Transquay Ventures Sdn Bhd		
• Ara Rails Technology Sdn Bhd		
• Axis Reit Managers Berhad		
• Focus Dynamic Technologies Berhad		
• Chye Hup Heng Sdn Bhd		
• Pascal Builders Sdn Bhd		
• Emerge Energy Sdn Bhd		
• Janakuasa Sdn Bhd		
• Yayasan Amal Bukit Bintang		
• AndersenRich Partners Sdn Bhd		
• Wijaya International Medical Centre Sdn Bhd		
• M3energy Berhad		
• Trenergy Infrastructure Sdn Bhd		
• Konsortium LPB Sdn Bhd		
• Metropolitan Safe Deposits Sdn Bhd (formerly known as Al-Murabahah Capital Sdn Bhd)		
• Maveric Ltd		
Ng Kok Heng	<u>Present directorships</u>	None
• Teligent Sdn Bhd		
• Digltronic Sales & Services Sdn Bhd		
• MTL Multi Trade Sdn Bhd		
• MTL Communications Sdn Bhd		
• Comsysnet Sdn Bhd		
• Proficio Group Malaysia Sdn Bhd		
• Neutechdist Sdn Bhd*		

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Directorships	Involvement in business activities other than as a Director
<u>Previous directorships for the past five (5) years</u>		
•	Wilco Scandinavia Sdn Bhd*	
<u>Present directorship</u>		
•	Finmart Alliance Sdn Bhd	None
•	Finmart Capital Sdn Bhd	
•	Andersenrich Partners Sdn Bhd	
•	Creative Marketing Solutions Sdn Bhd	
<u>Previous directorships for the past five (5) years</u>		
•	Performance Ranking Services Sdn Bhd	

Phoon Sow Cheng	<p><u>Present directorships</u></p> <ul style="list-style-type: none"> • Taxpro Services Sdn Bhd • Ethix Technology Sdn Bhd • Elite Organic Sdn Bhd • Total Advisor Sdn Bhd • Asset Makers Sdn Bhd • Symantec Corporation (Malaysia) Sdn Bhd • DS Chemport (Malaysia) Sdn Bhd • Meliwa Holdings Sdn Bhd • First Excelstior (M) Sdn Bhd • Thor Specialities Sdn Bhd • Minetech Resources Berhad • Orangeroshan Sdn Bhd • Agensi Pekerjaan Pro Ca Sdn Bhd • Little Touch (M) Sdn Bhd* 	<p>She is also a Company Secretary for several private companies.</p>
-----------------	---	---

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Involvement in business activities other than as a Director
<u>Previous directorships for the past five (5) years</u>	
•	Cosmetical Asia Sdn Bhd
•	JT Restaurant Sdn Bhd
•	MK Tax Consults Sdn Bhd
•	JT Thai Silk Company Sdn Bhd
•	Sapient Resource Sdn Bhd [#]
•	M.K. Consult Group (K.L.) Sdn Bhd
•	Cosmos Global Export (Malaysia) Sdn Bhd
•	Mustapha Khoo K-Platform Sdn Bhd
•	Secfin Management (K.L.) Sdn Bhd
•	JB Lau & Khoo Tax Services Sdn Bhd
•	Glowm Lite Sdn Bhd [#]
•	Hanspec (M) Sdn Bhd
•	Zhejiang Honglei Group (Malaysia) Sdn Bhd [#]
•	Expert Telecommunication Solutions Sdn Bhd [#]
<u>Present directorships</u>	
•	Total Risk Control Sdn Bhd
•	Mission Miller Sdn Bhd
•	Precious Harmony Sdn Bhd
<u>Previous directorships for the past five (5) years</u>	
•	Ho Hup Construction Company Berhad
•	Gefung Holdings Berhad
•	Asia Bioenergy Berhad

Lee Chong Hoe

- Partner of Messrs. Teh & Lee Advocates & Solicitors

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Directorships	Involvement in business activities other than as a Director
Soo Pow Min	<p><u>Present directorships</u></p> <ul style="list-style-type: none"> • Pembinaan Wincon Sdn. Bhd • DP Land Sdn Bhd • Solar Holding Sdn Bhd • Fancy Feats Sdn Bhd • Submarine Sandwiches Sdn Bhd • AE Electronics Industries Sdn Bhd • Zygox Bhd <p><u>Previous directorships for the past five (5) years</u></p> <ul style="list-style-type: none"> • Polo Development Sdn Bhd • Pier One Impert (M) Sdn Bhd* • Pier One F&B (M) Sdn Bhd# 	None
Yeoh Chong Keat	<p><u>Present directorship</u></p> <ul style="list-style-type: none"> • Lien Hoe Corporation Berhad • Cheetah Holdings Berhad • Sherwood Hathaway Sdn Bhd • Archer Corporate Services Sdn Bhd • Archer Consulting Group Sdn Bhd • World Web Services (M) Sdn Bhd • Nagamas International Berhad • Tambun Indah Land Berhad • KRTP Sdn Bhd <p><u>Previous directorships for the past five (5) years</u></p> <ul style="list-style-type: none"> • Hiap Teck Venture Berhad • Perduren (M) Berhad • Key West Global Telecommunications Berhad • Yeoh, Goon & Son Sdn Bhd# 	<ul style="list-style-type: none"> • President/CEO of Archer Corporate Services Sdn Bhd <p>He is also a Company Secretary for several private companies and public listed companies.</p>

Notes:-

* As at LPD, an application has been made under Section 308 of the Act to strike off the company's name from the register of the Companies Commission of Malaysia.

As at LPD, the Companies Commission of Malaysia has approved the striking-off of the company's name from its register pursuant to Section 308(1) of the Act.

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.3 COMMITTEES

5.3.1 Audit Committee

The Audit Committee of the Company consists of following members who are appointed by the Board.

Name	Designation	Directorship
Phoon Sow Cheng	Chairman	Independent Non-Executive Director
Lee Chong Hoe	Member	Independent Non-Executive Director
Yeoh Chong Keat	Member	Independent Non-Executive Director

Our Audit Committee will assist our Board in discharging its oversight responsibilities. Our Audit Committee objectives are, among others, providing an additional assurance to the Board by giving objective and independent review of financial, operational and administrative controls and procedures, establishing and maintaining internal controls and reinforce the independence of the company's external auditors, ensure that the auditors have free reign in the audit process. Our Audit Committee performs, among others, the following functions:-

- (a) to review with the external and/or internal auditors their audit plans, reports and evaluation of the system of internal controls;
- (b) to review the adequacy and effectiveness of internal control systems as well as the administrative, operating and accounting policies;
- (c) to review the assistance given by the officers of our Group to the external auditors;
- (d) to review any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (e) to review the external auditor's management letter and management's response; and
- (f) to review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.3.2 Remuneration Committee

The Remuneration Committee is principally responsible for assessing and reviewing the remuneration packages of the Executive Directors including their fees and subsequently furnishes recommendations to the Board on specific adjustments in remuneration to commensurate with the respective contributions of the Directors.

The Remuneration Committee comprises the following members:-

Name	Designation	Directorship
Yeoh Chong Keat	Chairman	Independent Non-Executive Director
Wong Yip Kee	Member	Executive Director
Lee Chong Hoe	Member	Independent Non-Executive Director

Our Remuneration Committee performs, among others, the following functions:-

- (a) To recommend to the Board the appropriate remuneration packages for the Executive Directors;
- (b) To formulate policies, guidelines and set criteria for remuneration packages for the Executive Directors;
- (c) To ensure that the Executive Directors are fairly and appropriately remunerated according to the general market sentiments or conditions;
- (d) To ensure that all necessary action are taken expediently by the Board to offer appropriate rewards, benefits, compensation and remuneration to ensure that the Company attracts and retains the individual Directors needed to run the Company successfully; and
- (e) To ensure that all remuneration packages and benefits given to the Directors are in compliance with all laws, rules, requirements, regulations and guidelines set by the relevant authorities and the Board from time to time.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.3.3 Nomination Committee

The Nomination Committee considers and recommends technically competent persons with integrity and a strong sense of professionalism to be appointed to the Board of Directors of the Company. The Nomination Committee comprises the following members:-

Name	Designation	Directorship
Lee Chong Hoe	Chairman	Independent Non-Executive Director
Phoon Sow Cheng	Member	Independent Non-Executive Director
Ng Kok Heng	Member	Managing Director and Chief Executive Officer

Our Nomination Committee performs, among others, the following functions:-

- (a) To recommend to the Board the nominated Directors to fill the seats on the Board Committees;
- (b) To appraise each individual Director, including Independent Non-Executive Directors, as well as the Chief Executive Officer in terms of his experience, knowledge, credibility and credential and assess their effectiveness and contribution in carrying out their obligations and duties as a Board member of the Company;
- (c) To examine the ability of each Director to contribute to the effective decision making process of the Board and ensure that the Board of the Company are functioning actively, efficiently and effectively in all its decision making; and
- (d) To assess the effectiveness of the Board as a whole and the committees of the Board.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.4 BOARD PRACTICES

As at the date of this Prospectus, the respective Director's terms of office are as shown below:-

Directors	Designation	Expiration of current term in office	No. of years in office
Dato' Seri Abdul Azim Bin Mohd Zabidi	Non-Independent Non-Executive Chairman	Note ⁽¹⁾	< 1 year
Ng Kok Heng	Managing Director and Chief Executive Officer	Note ⁽¹⁾	< 1 year
Wong Yip Kee	Executive Director	Note ⁽²⁾	< 1 year
Soo Pow Min	Non-Independent Non-Executive Director	Note ⁽²⁾	< 1 year
Phoon Sow Cheng	Independent Non-Executive Director	Note ⁽³⁾	< 1 year
Lee Chong Hoe	Independent Non-Executive Director	Note ⁽³⁾	> 1 year
Yeoh Chong Keat	Independent Non-Executive Director	Note ⁽³⁾	> 1 year

Notes:-

- (1) Subject to Article 84 of the Articles of Association of the Company, the Directors will retire from office at the annual general meeting in year 2012.
- (2) Subject to Article 84 of the Articles of Association of the Company, the Directors will retire from office at the annual general meeting in year 2013.
- (3) Subject to Article 84 of the Articles of Association of the Company, the Directors will retire from office at the annual general meeting in year 2014.

At the first annual general meeting of the Company, all the Directors shall retire from office, and at the annual general meeting in every subsequent year, an election of Directors shall take place and one-third (1/3) of the Directors (including the Managing Director) for the time being, or, if their number is not three (3), or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election provided always that all Directors including a Managing Director shall retire from office once at least in every three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.5 KEY MANAGEMENT

5.5.1 Particulars and Shareholdings of the Key Management

The details of the key management of our Group and their shareholdings in our Group before and after the IPO are as follows:-

Name	Designation	No. of Shares Held Before the IPO [^]		No. of Shares Held After the IPO [#]	
		Direct (%)	Indirect (%)	Direct (%)	Indirect (%)
Chew Kah Eng	Vice President, Operations and support	400,000	0.2	400,000	0.1
Azril Bin Aliuddin	Assistant Vice President Technical and Project Management	400,000	0.2	400,000	0.1
Wong Chew Yeh	Senior Manager, Finance and Admin	250,000	0.1	250,000	0.1
Tan Tai Liang	General Manager, Sales and Business Development	880,000	0.3	880,000	0.3
Sim Chin Yee	Senior Manager, Network & Infrastructure	10,902,700	4.3	10,902,700	3.8
Liew Chun Kiat	Manager, Operations and support	340,000	0.1	340,000	0.1
Eng Kheng Yap	Project Manager, Social Network Portal	340,000	0.1	340,000	0.1

Notes:-

[^] Based on the enlarged paid up share capital of 255,200,000 Shares pursuant to the Acquisitions, Share Split and Special Issue.

[#] Based on the enlarged paid up share capital of 302,000,000 Shares pursuant to the Acquisitions, Share Split, Special Issue and Public Issue assuming full subscription of their respective entitlements for the Pink Form Share Allocation.

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)**5.5.2 Profiles of the Key Management**

The profiles of the key management are as follows:-

(i) Chew Kah Eng

Chew Kah Eng, aged 48, is the Vice President, Operations and Support of our Group. He oversees the operations and support functions of our Group, including the registration and activation of subscribers, subscribers and dealers channel support, call centre service, MNP service, provisioning of mobile numbers and products management. He graduated in 1984 with a Diploma in Business Computing from Stamford College.

He has over 20 years of experience in the Information Communication Technology industry and has accomplished many projects such as Malaysia's Online Stock Information of Bursa Securities (formerly known as Kuala Lumpur Stock Exchange) and Malaysia's Stock Information to mobile via Wireless Application Protocol.

He started his career in 1984 as a Computer Personnel in Syarikat PJ Electronics Trading. In 1986, he joined Syarikat Dragon Computer Sdn Bhd as a Programmer and System Support and was part of the software development team. He subsequently joined RVS Software Sdn Bhd in 1988 as a Senior Programmer heading a software development team and in 1991, he joined IJM Corporation Bhd (Industries Division) as a Senior Programmer in charge of software development.

In 1996, he joined IJM Corporation Berhad as an Electronic Data Processing Executive and was responsible for the planning and project management of IT systems. In 1997, he joined Virtual Application Sdn Bhd as a Senior Manager and was responsible for the overall operation of the company. Subsequently in 1998, he joined Virtual Commerce Holdings Sdn Bhd as the Senior Manager, Strategic Planning and Business Development and assisted in formulating and reviewing strategic business plans for the company. In 1999, he joined Virtual Integrated Services Sdn Bhd and was responsible for the company's operations.

In 1999, he joined VADS Sdn Bhd as a Senior Manager in charge of developing new internet business and enhancing existing internet business. In 2000, he founded e-go.com Sdn Bhd and was the Chief Executive Officer for Asia Pacific. In the same year, he also joined Focus One Media Malaysia Sdn Bhd (now ceased operations) as its Chief Technology Officer and was the Vice President of Technowledge Asia Sdn Bhd.

In 2001, he joined iKilp Sdn Bhd as the Business and Technology Consultant and in 2004, he was appointed as a Director of IT and Infrastructure and Director of Sales and Marketing of PIN Center Sdn Bhd. He joined XOX Group in 2009 and is currently our Group's Vice President, Operations and Support.

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (*Cont'd*)

(ii) **Azril Bin Aliuddin**

Azril Bin Aliuddin, aged 33, is the Assistant Vice President, Technical and Project Management of our Group. He oversees the technical and project management functions of our Group, including the testing, monitoring and implementation of the Convergence Charging System, customisation of systems and designing of internal reports. He graduated in 2000 with a Bachelor in Science (Honours) in Information Studies majoring in Information Systems Management from the Universiti Teknologi Mara.

He carries with him over nine (9) years of various experiences in the Information Technology and Telecommunications industry and extensive experience in business process reengineering, project management and business development.

He started his career in 2001 as an Analyst Consultant with Accenture Malaysia. In 2003, he joined Konsortium Logistik Berhad as a Business Process Executive and in 2004 he joined Object Transactions Sdn Bhd as the Business Development Manager. In 2005, he joined Intelligent Edge Solutions Sdn Bhd as a Project Manager. In 2005, he was also appointed as an Executive Director of Magniyield Sdn Bhd, a position he has held since. He joined XOX Group in 2009 and is currently our Group's Assistant Vice President, Technical and Project Management.

(iii) **Wong Chew Yeh**

Wong Chew Yeh, aged 34, is the Senior Manager, Finance and Administration of our Group. She oversees the accounting, finance, administration and human resource functions of our Group. She graduated in 1998 with a Bachelor of Commerce from the University of Adelaide. She is currently a member of the Malaysian Institute of Accountants and a member of the Certified Practising Accountant ("CPA"), Australia.

She has more than ten (10) years of experience in the field of accounting and finance. She started her career in 1999 as an Audit Assistant in S.Y Choong & Co. In 2000, she joined MH Cheong & Associates as a Senior Audit Assistant. In 2001, she joined Liang Huat Aluminium Limited as an Accountant and is responsible for the financial reporting of the company. Subsequently in 2004, she joined Amteck Holdings Berhad as an Accountant and was responsible for the financial reporting, credit control and treasury functions of the company.

In 2006, she joined Flexitech Sdn Bhd as an Accountant. In 2007, she joined GuocoLand (M) Berhad as the Corporate Accountant and in 2008 she joined Magna Prima Berhad as the Corporate Accountant responsible for the financial reporting and treasury functions of the company. She joined XOX Group in 2009 and is currently our Group's Senior Manager, Finance and Administration.

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

(iv) Tan Tai Liang

Tan Tai Liang, aged 45, is the General Manager, Sales & Business Development of our Group. He oversees the sales and business development functions of our Group, including liaising with distributors and sales channel management on sales activities and new product introductions. He graduated in 1988 with a Certificate of Marketing from Stamford College, Malaysia.

He has more than twenty (20) years of sales experience in the telecommunications industry and started his career in 1989 as a Sales Executive when he joined Communication Technology Sdn Bhd. He joined Multiline Sales and Services Sdn Bhd as an Assistant Marketing Manager in 1992. In 1993, he joined MTL Communications Sdn Bhd as the Marketing Manager and was responsible in leading sales team. Subsequently in 1999, he joined Digitronics Sales & Services Sdn Bhd as a Sales Manager.

In 2001, he joined Wilco Scandinacia Sdn Bhd as the Sales Manager responsible for marketing Voice Over Internet Protocol devices. In 2002, he was appointed as a Sales Manager for Wilco Systems Sdn Bhd and in 2007, he joined Neutechdist Sdn Bhd as the Sales Manager responsible in distributing IT network security products to South East Asia countries and India. He joined XOX Group in 2009 and is currently our Group's General Manager, Sales & Business Development.

(v) Sim Chin Yee

Sim Chin Yee, aged 33, is the Senior Manager for Network and Infrastructure of our Group. He oversees the network and infrastructure of our Group, including implementation of data network infrastructure, maintenance, data and network management. He graduated in 2000 with a Bachelor of Science in Computing from the University of Portsmouth.

He has more than eight (8) years of experience in the telecommunications industry. He started his career in 2000 as a Programmer for Powercomp Sdn Bhd and was responsible for the requirement study, design, maintenance and customisation of the Point of Sales system. In 2001, he joined KL Mutual Fund Berhad as a Programmer and was responsible for the maintenance and customisation of financial tools for the financial agents. Subsequently in the same year, he also joined atCom Sdn Bhd as a Programmer and was responsible for the maintenance and customisation of the human resource system and payroll system.

In 2002, he joined Wilco Systems Sdn Bhd as the Senior Support Engineer and was responsible for all networks and system support for local telecommunications companies as well as involved in projects with government linked company. He joined XOX Group in 2009 and is currently our Group's Senior Manager for Network and Infrastructure.

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

(vi) Liew Chun Kiat

Liew Chun Kiat, aged 33, is the Manager of Operations and Support of our Group. He assists the Vice President, Operations and Support in the management, control and movement of SIM packs and recharge vouchers. He graduated in 2000 with a Bachelor of Science in Computing from the University of Portsmouth.

He has about seven (7) years experience in operating and supporting system that being used in telecommunications industry. He started his career in 2000 as an Application Developer for KL Mutual Fund Berhad and was responsible for developing programs and systems to facilitate the daily works of other departments and sales agents based on their needs. In 2001, he joined X Dot Sdn Bhd as a Programmer. Subsequently in 2002, he joined Wilco Systems Sdn Bhd as a System Engineer and was in charge of the configuration and maintenance of IT systems. He joined XOX Group in 2009 and is currently our Group's Manager of Operations and Support.

(vii) Eng Kheng Yap

Eng Kheng Yap, aged 33, is the Project Manager, Social Network Portal of our Group. He oversees the development of the Social Network Portal and any other specialised projects. He graduated in 2000 with a Bachelor of Science in Computing from the University of Portsmouth.

He started his career in 2000 as a System Analyst for United Chemical Industries Berhad and was responsible in designing and implementing a new IT system to automate the manual production system. In 2002, he joined Wilco Systems Sdn Bhd as a Network Engineer and was responsible in planning, deploying and maintaining a government linked company's telecommunications system. Subsequently, he joined our Group in 2009 and is currently our Group's Project Manager, Social Network Portal.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)
5.6 INVOLVEMENT OF EXECUTIVE DIRECTORS/KEY MANAGEMENT IN OTHER BUSINESS ACTIVITIES

As at LPD and save as disclosed below, none of the Executive Directors and/or key management of our Group are involved in other businesses or corporations.

(a) Ng Kok Heng

	Name of Company/ Business	Position (Director / Shareholder)	Principal Activities of Company/ Nature of Business
1.	Teligent Sdn Bhd	Non-Executive Director	Telecom vendor
2.	Digitronic Sales & Services Sdn Bhd	Non-Executive Director	Dormant
3.	MTL Multi Trade Sdn Bhd	Non-Executive Director	Dormant
4.	MTL Communications Sdn Bhd	Non-Executive Director	Dormant
5.	Comsysnet Sdn Bhd	Non-Executive Director	Dormant
6.	Proficio Group Malaysia Sdn Bhd	Non-Executive Director/Shareholder	Dormant
7.	Neutechdist Sdn Bhd	Non-Executive Director/Shareholder	Import, distribute, consult, install and maintain enterprise information technology solutions

Ng Kok Heng's involvement in the above businesses and corporations does not require him to be involved in the day-to-day activities and operations of these companies as they are managed by well qualified and experienced managers. In addition, most of these companies are either dormant or inactive. As such, he allocates a substantial portion of his time to the affairs of our Group.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)
(b) Wong Yip Kee

	Name of Company/ Business	Position (Director / Shareholder)	Principal Activities of Company/ Nature of Business
1.	Finmart Alliance Sdn Bhd	Executive Director/Shareholder	Financial consultancy
2.	Finmart Capital Sdn Bhd	Non-Executive Director/Shareholder	Financial brokers
3.	Andersenrich Partners Sdn Bhd	Non-Executive Director/Shareholder	Tax consultancy and risk management
4.	Creative Marketing Solutions Sdn Bhd	Non-Executive Director/Shareholder	Marketing of financial products

Wong Yip Kee's involvement in the above businesses and corporations does not require him to be involved in the day-to-day activities and operations of these companies as they are managed by well qualified and experienced managers. As such, he allocates a substantial portion of his time to the affairs of our Group.

(c) Azril Bin Aliuddin

	Name of Company/ Business	Position (Director / Shareholder)	Principal Activities of Company/ Nature of Business
1.	Magniyield Sdn Bhd	Director/Shareholder	IT System Integrator
2.	Selnet Broadband Sdn Bhd	Director	Dormant

Azril Bin Aliuddin's involvement in the above businesses and corporations does not require him to be involved in the day-to-day activities and operations of these companies as they are managed by well qualified and experienced managers. As such, he allocates a substantial portion of his time to the affairs of our Group.

(d) Eng Kheng Yap

	Name of Company/ Business	Position (Director / Shareholder)	Principal Activities of Company/ Nature of Business
1.	Magni Style Sdn Bhd	Director/Shareholder	Investment Holding
2.	Hongkew Holdings (Malaysia) Sdn Bhd	Shareholder	Construction
3.	Sungei Wang Plantation (Sabah) Sdn Bhd	Shareholder	Investment (oil palm estate)
4.	Sungei Wang Properties Sdn Bhd	Shareholder	Investment

Eng Kheng Yap's involvement in the above businesses and corporations does not require him to be involved in the day-to-day activities and operations of these companies as they are managed by well qualified and experienced managers. As such, he allocates a substantial portion of his time to the affairs of our Group.

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)
(e) Liew Chun Kiat

	Name of Company/ Business	Position (Director / Shareholder)	Principal Activities of Company/ Nature of Business
1.	Magni Style Sdn Bhd	Director/Shareholder	Investment Holding

Liew Chun Kiat's involvement in the above business and corporation does not require him to be involved in the day-to-day activities and operations of the company as the company is managed by well qualified and experienced managers. As such, he allocates a substantial portion of his time to the affairs of our Group.

(f) Tan Tai Liang

	Name of Company/ Business	Position (Director / Shareholder)	Principal Activities of Company/ Nature of Business
1.	MTL Communications Sdn Bhd	Director/Shareholder	Dormant
2.	Comsysnet Sdn Bhd	Director	Dormant
3.	Proficio Group Malaysia Sdn Bhd	Director/Shareholder	Dormant

Tan Tai Liang's involvement in the above businesses and corporations does not require him to be involved in the day-to-day activities and operations of these companies as they are dormant. As such, he allocates a substantial portion of his time to the affairs of our Group.

(g) Chew Kah Eng

	Name of Company/ Business	Position (Director / Shareholder)	Principal Activities of Company/ Nature of Business
1.	Medilina Services Sdn Bhd	Director/Shareholder	General trading

Chew Kah Eng's involvement in the above business and corporation does not require him to be involved in the day-to-day activities and operations of the company as the company is managed by well qualified and experienced managers. As such, he allocates a substantial portion of his time to the affairs of our Group.

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

(h) Sim Chin Yee

	Name of Company/ Business	Position (Director / Shareholder)	Principal Activities of Company/ Nature of Business
1.	Magni Style Sdn Bhd	Director/Shareholder	Investment Holding
2.	Wonderful Creation Sdn Bhd	Shareholder	Business as designers, die cutting & embossing
3.	Salam Oriental Greeting Sdn Bhd	Shareholder	Dealing in greeting cards & gift items

Sim Chin Yee's involvement in the above businesses and corporations does not require him to be involved in the day-to-day activities and operations of these companies as they are managed by well qualified and experienced managers. As such, he allocates a substantial portion of his time to the affairs of our Group.

(i) Wong Chew Yeh

	Name of Company/ Business	Position (Director / Shareholder)	Principal Activities of Company/ Nature of Business
1.	Prosperity Autoparts Sdn Bhd	Director/Shareholder	Trading of autoparts

Wong Chew Yeh's involvement in the above business and corporation does not require her to be involved in the day-to-day activities and operations of the company as the company is managed by well qualified and experienced managers. As such, she allocates a substantial portion of her time to the affairs of our Group.

5.7 DECLARATION OF PROMOTERS, DIRECTORS AND KEY MANAGEMENT

Save as disclosed below, none of our Promoters, Directors and key management is or has been involved in any of the following events:-

- (a) A petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (b) Disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (c) Charged and / or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (d) Any judgement was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (e) The subject of any order, judgement or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

Dato' Seri Abdul Azim Bin Mohd Zabidi

On 4 January 2007, a petition for winding up order was issued in the High Court in Kuala Lumpur against Atlasone Sdn Bhd in which Dato' Seri Abdul Azim Bin Mohd Zabidi was a director. Dato' Seri Abdul Azim Bin Mohd Zabidi had resigned from the post of director prior to the date of petition.

On 7 February 2007, a petition for winding up order was issued in the High Court in Kuala Lumpur against Pembinaan Wincon Sdn Bhd in which Dato' Seri Abdul Azim Bin Mohd Zabidi was a director. On 21 January 2008, the winding up order dated 30 August 2007 was suspended.

On 10 April 2007, a petition for winding up order was issued in the High Court in Shah Alam against Atlasone Sdn Bhd in which Dato' Seri Abdul Azim Bin Mohd Zabidi was a director. Dato' Seri Abdul Azim Bin Mohd Zabidi has resigned from the post of director prior to the date of petition.

Ng Kok Heng

On 21 November 2005, a creditor's petition was issued in the High Court in Kuala Lumpur against Ng Kok Heng. The action was withdrawn on 14 April 2008.

On 19 April 2006, a bankruptcy notice was issued in the High Court in Kuala Lumpur against Ng Kok Heng. The account was fully settled on 26 January 2008.

Soo Pow Min

On 7 February 2007, a petition for winding up order was issued in the High Court in Kuala Lumpur against Pembinaan Wincon Sdn Bhd in which Soo Pow Min was a director. On 21 January 2008, the winding up order dated 30 August 2007 was suspended.

Tan Tai Liang

On 21 November 2005, a creditor's petition was issued in the High Court in Kuala Lumpur against Tan Tai Liang. The action was withdrawn on 7 March 2008.

5.8 RELATIONSHIP AND ASSOCIATIONS

Save as disclosed below, there are no family relationships (as defined in Section 122A of the Act) and associations between the Company's Directors, key management, substantial shareholders and promoters:-

- (a) Wong Yip Kee is the spouse of Peh Poh Choo;
- (b) Dato' Seri Abdul Azim Bin Mohd Zabidi is the spouse of Datin Seri Raihanah Begum Binti Abdul Rahman;
- (c) Soo Pow Min is the spouse of Chang Siew Yee; and
- (d) Soo Pow Min is the brother of Soo Pow Yoke.

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)**5.9 EXISTING OR PROPOSED SERVICE AGREEMENTS**

As at LPD, there are no existing or proposed service agreements between our Group and our Directors and key management, except as those disclosed herein:-

- (i) XOX Com has a service agreement with Ng Kok Heng which governs the terms of his employment with XOX. It is a 5-year fixed term agreement commencing 1st January 2009. His employment by XOX Com is subject to mutual early termination provisions by giving three months' prior notice. If XOX Com terminates the employment contract without cause prior to the expiry of the term, Ng Kok Heng is entitled to receive an agreed compensation equivalent to the balance of the total remuneration on all the unexpired months of the contract.
- (ii) XOX Com has a service agreement with Wong Yip Kee which governs the terms of his employment with XOX. It is a 5-year fixed term agreement commencing 1st January 2009. His employment by XOX Com is subject to mutual early termination provisions by giving three months' prior notice. If XOX Com terminates the employment contract without cause prior to the expiry of the term, Wong Yip Kee is entitled to receive an agreed compensation equivalent to the balance of the total remuneration on all the unexpired months of the contract.
- (iii) The Company had on 15 July 2010 entered into an Indemnity Agreement with Dato' Seri Abdul Azim Bin Mohd Zabidi. The agreement was entered into for the purpose of attracting and retaining highly experienced and capable person to serve as the non-independent director for the Company. The Company agreed to assure the non-independent director to be adequately protected through insurance and indemnification against risk of penalties, fines, claims and actions against him arising out of his service to and activities on behalf of the Company. In the event the non-independent director makes a request for payment of indemnifiable amounts as specified in the agreement, the non-independent director shall submit a written request and furnish such documentation and information as are available to the non-independent director. The Company shall pay such indemnifiable amounts within 30 days of receipt of all required documents.
- (iv) The Company had on 15 July 2010 entered into an Indemnity Agreement with Ng Kok Heng. The agreement was entered into for the purpose of attracting and retaining highly experienced and capable person to serve as the director for the Company. The Company agreed to assure the director to be adequately protected through insurance and indemnification against risk of penalties, fines, claims and actions against him arising out of his service to and activities on behalf of the Company. In the event the director makes a request for payment of indemnifiable amounts as specified in the agreement, the director shall submit a written request and furnish such documentation and information as are available to the director. The Company shall pay such indemnifiable amounts within 30 days of receipt of all required documents.
- (v) The Company had on 15 July 2010 entered into an Indemnity Agreement with Wong Yip Kee. The agreement was entered into for the purpose of attracting and retaining highly experienced and capable person to serve as the director for the Company. The Company agreed to assure the director to be adequately protected through insurance and indemnification against risk of penalties, fines, claims and actions against him arising out of his service to and activities on behalf of the Company. In the event the director makes a request for payment of indemnifiable amounts as specified in the agreement, the director shall submit a written request and furnish such documentation and information as are available to the director. The Company shall pay such indemnifiable amounts within 30 days of receipt of all required documents.

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

- (vi) The Company had on 15 July 2010 entered into an Indemnity Agreement with Soo Pow Min. The agreement was entered into for the purpose of attaching and retaining highly experienced and capable person to serve as the non-independent director for the Company. The Company agreed to assure the non-independent director to be adequately protected through insurance and indemnification against risk of penalties, fines, claims and actions against him arising out of his service to and activities on behalf of the Company. In the event the non-independent director makes a request for payment of indemnifiable amounts as specified in the agreement, the non-independent director shall submit a written request and furnish such documentation and information as are available to the non-independent director. The Company shall pay such indemnifiable amounts within 30 days of receipt of all required documents.
- (vii) The Company had on 15 July 2010 entered into an Indemnity Agreement with Phoon Sow Cheng. The agreement was entered into for the purpose of attaching and retaining highly experienced and capable person to serve as the independent director for the Company. The Company agreed to assure the independent director to be adequately protected through insurance and indemnification against risk of penalties, fines, claims and actions against her arising out of her service to and activities on behalf of the Company. In the event the independent director makes a request for payment of indemnifiable amounts as specified in the agreement, the independent director shall submit a written request and furnish such documentation and information as are available to the independent director. The Company shall pay such indemnifiable amounts within 30 days of receipt of all required documents.
- (viii) The Company had on 15 July 2010 entered into an Indemnity Agreement with Lee Chong Hoe. The agreement was entered into for the purpose of attaching and retaining highly experienced and capable person to serve as the independent director for the Company. The Company agreed to assure the independent director to be adequately protected through insurance and indemnification against risk of penalties, fines, claims and actions against him arising out of his service to and activities on behalf of the Company. In the event the independent director makes a request for payment of indemnifiable amounts as specified in the agreement, the independent director shall submit a written request and furnish such documentation and information as are available to the independent director. The Company shall pay such indemnifiable amounts within 30 days of receipt of all required documents.
- (ix) The Company had on 15 July 2010 entered into an Indemnity Agreement with Yeoh Chong Keat. The agreement was entered into for the purpose of attaching and retaining highly experienced and capable person to serve as the independent director for the Company. The Company agreed to assure the independent director to be adequately protected through insurance and indemnification against risk of penalties, fines, claims and actions against him arising out of his service to and activities on behalf of the Company. In the event the independent director makes a request for payment of indemnifiable amounts as specified in the agreement, the independent director shall submit a written request and furnish such documentation and information as are available to the independent director. The Company shall pay such indemnifiable amounts within 30 days of receipt of all required documents.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.10 CHANGES IN SHAREHOLDINGS IN OUR COMPANY FOR THE PAST THREE (3) YEARS

There are no changes in the Promoters and/or substantial shareholders' shareholdings in our Company for the past three (3) years save as follows:-

Promoters/ Substantial Shareholders	Date	No. of Units		Transfer / Disposal	Balance Held			Reason for Change
		Allotment / Acquisition	No. of Units		Direct No. Of Shares	%	Indirect No. Of Shares	
Lee Chong Hoe	10.05.2010	1	-	-	1	50.0	-	Subscriber's share
	29.06.2010	-	-	1	-	-	-	Disposal of Subscriber's share
	04.04.2011	-	-	-	-	*	-	Share Split
Yeoh Chong Keat	10.05.2010	1	-	-	1	50.0	-	Subscriber's share
	29.06.2010	-	-	1	-	-	-	Disposal of Subscriber's share
	04.04.2011	-	-	-	-	*	-	Share Split
Mohd Najib Bin Abd Rahman	29.06.2010	1	-	-	1	50.0	-	Acquisition of share
	04.04.2011	-	-	-	10	*	-	Share Split
Suhaimi Bin Huzai	29.06.2010	1	-	-	1	50.0	-	Acquisition of share
	04.04.2011	-	-	-	10	*	-	Share Split
Dato' Seri Abdul Azim Bin Mohd Zabidi ⁽¹⁾	04.04.2011	4,316,116	-	-	4,316,116	17.3	-	Acquisition [^]
	04.04.2011	-	-	-	43,161,160	17.3	-	Share Split ^{**}
	04.04.2011	-	-	-	43,161,160	16.9	-	Special Issue [@]
Wong Yip Kee ⁽²⁾	04.04.2011	4,895,110	-	-	4,895,110	19.6	-	Acquisition [^]
	04.04.2011	-	-	-	48,951,100	19.6	-	Share Split ^{**}
	04.04.2011	-	-	-	48,951,100	19.2	-	Special Issue [@]
Ng Kok Heng	04.04.2011	4,746,406	-	-	4,746,406	19.0	-	Acquisition [^]
	04.04.2011	-	-	-	47,464,060	19.0	-	Share Split ^{**}
	04.04.2011	-	-	-	47,464,060	18.6	-	Special Issue [@]
Mara Incorporated	04.04.2011	1,746,689	-	-	1,746,689	7.0	-	Acquisition [^]
	04.04.2011	-	-	-	17,466,890	7.0	-	Share Split ^{**}
	04.04.2011	-	-	-	17,466,890	6.8	-	Special Issue [@]

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

Promoters/ Substantial Shareholders	Date	No. of Units		Balance Held		Reason for Change	
		Allotment / Acquisition	Transfer / Disposal	Direct No. Of Shares	Indirect No. Of Shares		%
Peh Poh Choo ⁽²⁾	04.04.2011	1,578,459	-	1,578,459	-	6.3	Acquisition [^] Share Split [#] Special Issue [@]
	04.04.2011	-	-	15,784,590	-	6.3	
	04.04.2011	-	-	15,784,590	-	6.2	

Notes:-

[^] Based on the enlarged paid up share capital of 25,020,000 ordinary shares of RM1.00 each pursuant to the Acquisitions

[#] Based on the enlarged paid up share capital of 250,200,000 Shares pursuant to the Acquisitions and Share Split.

[@] Based on the enlarged paid up share capital of 255,200,000 Shares pursuant to the Acquisitions, Share Split, Special Issue.

⁽¹⁾ Dato' Seri Abdul Azim Bin Mohd Zabidi's spouse, Datin Seri Raihanah Begum Binti Abdul Rahman is also a shareholder of XOX. This disclosure is in accordance with Section 134(12)(c) of the Act.

⁽²⁾ Wong Yip Kee is the spouse of Peh Poh Choo and vice versa. This disclosure is in accordance with Section 134(12)(c) of the Act.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.11 EMPLOYEES

As at LPD, our Group has 56 permanent employees and three (3) contract staff who have been employed by our Company and carried out their roles and responsibilities in Malaysia. Prior to FYE2009, i.e. the year in which our Group's business commenced operations, our Group's pioneer management team has engaged in pre-operation preparations and was remunerated via allowances only.

Categories of Employees	As at 31 December			As at LPD
	2008	2009	2010	
Managerial and Professional	-	8	9	10
Technical and supervisory	-	24	36	39
Clerical and related occupations	-	-	-	-
General workers	-	2	2	7
Factory worker	-	-	-	-
Total	-	34	47	56

As at LPD, none of our employees are members of any labour union and our Group does not have any industrial disputes with any labour union.

Training and Development

Our Group recognises the need to provide the highest quality of service to our customers through the services of well-trained employees. As such, our Group believes that employees are key assets and play a vital role in our Group's continuous growth. We believe that a well-trained, well motivated and well-managed workforce is essential for efficient operations, and the success of our business.

As such, our Group places strong emphasis on human resource development. We believe training and development is a continuing process and encourages our employees to upgrade their skills and knowledge in order to perform their duties more effectively and efficiently through hands-on training. New recruits will undergo orientation programs to familiarise themselves with the new working environment, products, operations and policies. At the same time, new recruits will undergo on-the-job training with the help of their immediate superiors.

Management Succession Plans

Our Group places high priority on continuity of our management team in order to ensure our competitiveness in the industry. We believe that the continuing success and growth of our Group depends heavily on the ability to retain our management team. As such, we have made efforts to remunerate and promote them accordingly.

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS AND KEY MANAGEMENT (Cont'd)

We seek to ensure continuity in our management team, in order to ensure continuity and maintain our competitiveness. It is our policy to groom outstanding low-level employees for increased job responsibilities and supervisory roles, and groom exceptional middle-management staff to gradually assume the responsibilities of senior management. As such, there is no over reliance on the Executive Directors to be involved in all the details and aspects of the operational and functional areas, which allows them to focus on strategic matters and on further developing the business for growth and success.

Although our Group Managing Director, together with the Executive Director and key management are involved in most of the major business decisions, our middle management are constantly exposed to various aspects of our business activities in order to ensure that they have a full understanding of the responsibilities and the decision making process and are equipped with the knowledge necessary for them to succeed to senior management positions.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

6. APPROVALS AND CONDITIONS

6.1 APPROVALS AND CONDITIONS

Our Listing Scheme is an exempt transaction under Section 213 of the CMSA and is therefore not subject to the approval of the SC.

The SC had, via SC's letter dated 28 July 2010, approved an exemption sought by us from having to comply with certain requirements under the Prospectus Guidelines – Equity and Debt ("**Prospectus Guidelines**") issued by the SC. The details of the approved exemptions and the accompanying conditions imposed by the SC are as follows:-

	Relevant Paragraph Under the Prospectus Guidelines for Which Waiver Was Sought	Details of the Waiver Granted
1.	<p>Paragraph 8.02(m) and 18.01(c)</p> <p>Waiver from disclosing certain sensitive and confidential information such as the cost structure in the prospectus and to exclude such information in the copy of the agreement to be made available for inspection purposes by the investing public.</p> <p>The proposed information to be excluded is in relation to the following:-</p> <ul style="list-style-type: none"> (i) Fee involved in the termination of the agreement; (ii) Charges and revenue share; (iii) MVNO services descriptions and scope; and (iv) Incentive to grow the subscriber base. 	<p>The approvals are given on the basis that the proposed information to be excluded is not essential for investor knowledge based on the information provided to date. However, if, in light of the full prospectus, it is viewed as necessary for investor information, then the SC may insist on such information being disclosed.</p>
2.	<p>Certain paragraphs of Chapters 8,11,12 and 13, in relation to the use of XOX's interim unaudited financial statements to be incorporated in the registrable prospectus for the purposes of the submission of XOX's prospectus.</p>	<p>Waiver from fully complying with certain paragraphs in Chapter 8, 11, 12 and 13 is approved, based on the following terms:-</p> <ul style="list-style-type: none"> (a) Submission of the registrable prospectus should be made based on the most recent completed financial year for which audited financial statements have been prepared, for the purpose of the prospectus exposure. In any event, the submission date should not exceed 9 months from the date of such statement. (b) A copy of the interim unaudited financial statements as well as the Management's Discussion and Analysis on the said statements should be provided at the submission separately for SC's internal review purposes only. (c) The interim audited financial statements and the updated prospectus based on the said statements should be submitted two weeks prior to the confirmation of registration of the prospectus. <p>Material deviations, if any, between the interim unaudited financial statements and the interim audited financial statements are highlighted and clarified to SC.</p>

6. APPROVALS AND CONDITIONS (Cont'd)

The SC, vide its letters dated 13 October 2010 and 29 November 2010, had no objection to XOX's resulting equity structure pursuant to the IPO as well as approved-in-principle the listing prospectus of XOX for issuance and registration respectively, subject to the following conditions:-

No.	Conditions Imposed by the SC	Status of Compliance
(i)	<u>SC letter dated 13 October 2010</u> XOX is to allocate 12.5% of its enlarged issued and paid-up share capital to Bumiputera public investors to be recognized by MITI, within one year after achieving the profit track record requirement for companies seeking for listing on the Main market, or five years after being listed on ACE Market of Bursa Securities, whichever is earlier; and	To be complied.
(ii)	XOX is to submit to the SC its proposal to comply with the Bumiputera equity condition within six months from the date the company achieves the profit track record requirement for companies seeking listing on the Main Market of Bursa Securities	To be complied.
(i)	<u>SC letter dated 29 November 2010</u> AmInvestment Bank / XOX should included in its listing prospectus a separate section providing analysis of the following: <ul style="list-style-type: none"> • The existing position of XOX vis-à-vis the industry (i.e. market share, percentage of active subscribers, etc) and its estimated/forecasted positions for FYE 2010 and FYE 2011; • The key assumptions used to arrive at the estimated/forecasted positions and the bases for these assumptions; • The plans to realise the estimate/forecast; and • The opinions of the auditors and sponsors in respect of these assumptions. 	Complied. Please refer to Section 9.5.1.
(iii)	AmInvestment Bank should provide a letter detailing the steps taken by AmInvestment Bank to satisfy themselves of and confirming the reasonableness of the assumptions used to arrive at the profit estimate and forecast of XOX.	Complied. AmInvestment Bank had on 5 May 2011 furnished a letter to the SC detailing the steps taken by AmInvestment Bank to satisfy themselves of and confirming the reasonableness of the assumptions used to arrive at the profit estimate and forecast of XOX.

Bursa Securities had vide its letter dated 10 December 2010, approved XOX's admission to the Official List and the listing and quotation of the entire enlarged issued and paid-up share capital of XOX of RM30,200,000 comprising 302,000,000 Shares on the ACE Market of Bursa Securities. The conditions imposed by Bursa Securities and the status of the compliance with the conditions are as follows:-

No.	Conditions Imposed by the Bursa Securities	Status of Compliance
1.	Submission of the following information in respect of the moratorium on the shareholding of promoters to the Bursa Malaysia Depository Sdn Bhd; <ul style="list-style-type: none"> (i) Name of shareholders; (ii) Number of shares; and (iii) Date of expiry of the moratorium for each block of shares. 	Will be complied
2.	Approvals from other relevant authorities have been obtained for implementation of the listing proposal;	Complied
3.	Make the relevant announcement pursuant to rules 8.1 and 8.2 of GN 15 of the Listing Requirements;	Will be complied

6. APPROVALS AND CONDITIONS (Cont'd)

No.	Conditions Imposed by the Bursa Securities	Status of Compliance
4.	Furnish Bursa Securities a copy of the schedule of distribution showing compliance to the share spread requirement based on the entire issued and paid up share capital of XOX on the first day of listing; and	Will be complied
5.	Any directors of the Company that have not attended the Mandatory Accreditation Programme, must do so prior to listing of the Company.	Complied

Bursa Securities had vide its letter dated 12 May 2011, granted XOX an extension of time until 31 July 2011 to comply with Rule 6.60(1) of the ACE Market Listing Requirements to complete the implementation of the Listing.

6.2 MORATORIUM ON SHARES

In compliance with Rule 3.19 of ACE Market Listing Requirements, moratorium will be imposed on the sale, transfer or assignment of shares held by our promoters as follows:-

- (a) The moratorium applies to our Promoters' entire shareholdings for a period of six (6) months from the date of admission to ACE market of Bursa Securities;
- (b) Upon expiry of six (6) months period stated above, our Promoters shall hold under moratorium of at least 45% of the nominal issued and paid-up ordinary share capital of our Company for another period of six (6) months; and
- (c) Thereafter, our Promoters may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight-line basis) of the Shares held under moratorium.

Promoters	Shares held under moratorium for the first six (6) months upon Listing *		Shares held under moratorium for the subsequent six (6) months	
	No of Shares held	% held	No of Shares held	% held
Dato' Seri Abdul Azim Bin Mohd Zabidi	43,161,160	14.3	42,064,286	13.9
Ng Kok Heng	47,464,060	15.7	46,182,468	15.3
Wong Yip Kee	48,951,100	16.2	47,653,246	15.8
	139,576,320	46.2	135,900,000	45.0

Note:-

* Based on our Company's enlarged issued and paid-up capital pursuant to the Acquisitions, Share Split, Special Issue and Public Issue.

The moratorium, which has been fully acknowledged by our Promoters, is specifically endorsed on our share certificates representing their shareholdings which are under moratorium to ensure that our Share Registrars do not register any transfer that is not in compliance with the moratorium restrictions.

7. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST

7.1 EXISTING AND PROPOSED RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

Our Group does not have any existing and/or proposed material related party transactions or other subsisting contracts of arrangement entered into by our Group which involved the interest, direct or indirect, of the Directors, substantial shareholders of our Company and/or key management and/or persons connected to them as defined under the Listing Requirements of Bursa Securities for the past three (3) FYEs 31 December 2008 to 2010.

7.2 TRANSACTIONS UNUSUAL IN THEIR NATURE OR CONDITIONS

Our Group does not have any transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Company or subsidiaries was a party in respect of the past three (3) FYEs 31 December 2008 to 2010.

7.3 OUTSTANDING LOANS MADE BY CORPORATION OR ANY OF ITS PARENT OR SUBSIDIARIES TO/FOR THE BENEFIT OF RELATED PARTIES

The Directors of our Company have confirmed that to the best of their knowledge and belief, there are no outstanding loans (including guarantees of any kind) made by us or any of subsidiaries to or for the benefit of our related parties in respect of the past three (3) FYEs 31 December 2008 to 2010.

Other loans, including guarantees between our Group and our related parties

As at the LPD, there are no loans and/or guarantees between our Group and our related parties.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

7. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)**7.4 CONFLICTS OF INTERESTS****7.4.1 INTEREST IN SIMILAR BUSINESSES**

As at LPD, none of the Directors or substantial shareholders of our Company are interested, directly or indirectly in any business carrying on a similar or competing trade with our Group.

7.4.2 INTEREST IN OTHER BUSINESSES OR CORPORATIONS WHICH ARE CUSTOMERS OR SUPPLIERS OF OUR GROUP

Name of Company / Business	Nature of Business	Affected Person	Position (Director / Shareholder)	Direct [@]		Indirect [@]		Notes
				No. of shares	%	No. of shares	%	
Messrs. Teh & Lee Advocates & Solicitors	Legal practices	Lee Chong Hoe	Independent Non-executive Director	200,000	0.1	-	-	Note (1)
Archer Corporate Services Sdn Bhd	Secretarial practices	Yeoh Chong Keat	Independent Non-executive Director	200,000	0.1	-	-	Note (2)

Notes:-

[@] Based on the enlarged paid up share capital of 302,000,000 Shares pursuant to the Acquisitions, Share Split, Special Issue, Public Issue and assuming full subscription of their respective Pink Form Share Allocation.

(1) Messrs. Teh & Lee Advocates & Solicitors is the solicitors for our Company's Listing exercise. Lee Chong Hoe is a partner of Messrs. Teh & Lee Advocates & Solicitors and is an Independent Director in XOX. He specialises in corporate and commercial law, securities law, merger & acquisition, corporate finance, due diligence practice, debt restructuring and private debt securities. In view of his professional expertise and qualifications, he is in a good position to strengthen the corporate governance as well as the legal and financial risk management of the Group. However, he is not involved in the legal due diligence process of XOX for the Listing exercise.

(2) Archer Corporate Services Sdn Bhd provides corporate secretarial services to XOX and certain of its subsidiaries. Yeoh Chong Keat is a President/CEO in Archer Corporate Services Sdn Bhd ("Archer") and is an independent Director in XOX. He is a Chartered Accountant and has been the company secretary of public listed companies advising and guiding the Boards of Directors and Board Committees, dealing with corporate announcements, queries by Bursa Securities, filling of returns with Bursa Securities, Securities Commission and the Companies Commission of Malaysia. With his experience, he will be able to guide and contribute to the effectiveness of the Board and Board Committees of the Group. He is not the Company Secretary of XOX or its Group of companies.

Rebecca Leong Siaw Kwan, our Company Secretary, is attached to Archer, the external secretarial agents of XOX and certain of its subsidiaries. She is professionally qualified and is a member of Malaysian Institute of Chartered Secretaries and Administrators which has its own set of ethical guidelines which she must abide by in the course of her daily professional work.

The Directors of our Company are of the opinion that all business transactions between our Group and the Directors and substantial shareholders of our Company and/or persons connected to them are on arm's length basis and on terms not more favourable to the related parties than those generally available public.

7. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)

7.5 CONTRACTS OR ARRANGEMENTS IN WHICH THE DIRECTORS OR SUBSTANTIAL SHAREHOLDERS ARE INTERESTED AND WHICH IS SIGNIFICANT IN RELATION TO THE BUSINESS OF OUR GROUP

Save as disclosed in Section 7.1 of this Prospectus, none of our Directors and/or substantial shareholders of our Company have interests in any contracts or arrangements, which are significant in relation to the business of our Group.

7.6 RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Pursuant to Rule 10.09 of the Listing Requirements, a listed issuer may seek a shareholder mandate in respect of related party transactions involving recurrent transactions of revenue or trading in nature subject to the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholder mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholder mandate during the financial year where the aggregate value is equal to or exceeds the applicable prescribed threshold under Rule 10.09(1) of the Listing Requirements; and
- (c) in a meeting to obtain shareholder mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

Our Group may, in the ordinary course of our business, enter into transactions with persons which are considered "related party" as defined in Chapter 10 of the Listing Requirements. It is likely that such transactions will occur with some degree of frequency and could arise at any time and from time to time.

Due to the time-sensitive nature of commercial transactions, the shareholder mandate will enable our Company, in our normal course of business, to enter into the categories of related party transactions, provided such interested person transactions are made at arm's length and on normal commercial terms.

An application will be made to Bursa Securities to obtain a waiver to allow our Company to ratify any Recurrent Related Party Transactions entered into by our Company or any of its subsidiary companies with the directors or substantial shareholders of our Company or persons connected with such directors or substantial shareholders at the extraordinary general meeting or annual general meeting of our Company, whichever is earlier, commencing after listing date of our Company.

7. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)

7.7 DECLARATION BY ADVISERS

AmInvestment Bank hereby confirms that as at the date of this Prospectus there is no existing or potential conflict of interest with respect of their capacity as the Adviser to our Group for the IPO.

Messrs. Teh & Lee hereby confirms that as at the date of this Prospectus there is no existing or potential conflict of interest with respect of their capacity as the Solicitors to our Group for the IPO after taking into consideration the following:-

Mr. Lee Chong Hoe, an Independent Non-Executive Director of XOX is a partner in Messrs. Teh & Lee. Notwithstanding the aforesaid, Messrs Teh & Lee is of the opinion that there is no conflict of interest arising from Mr. Lee Chong Hoe's position as an Independent Non-Executive Director of XOX as his directorship are of a non-executive capacity and as such, does not deal with the day-to-day management and operations of XOX. He is also not part of the team of solicitors in Messrs Teh & Lee involved in this exercise. Instead, another Partner in Messrs. Teh & Lee has been directly involved in this exercise. Mr. Lee Chong Hoe will not participate in the deliberation and discussion between the solicitors involved in this exercise. Mr. Lee Chong Hoe will declare his interest in XOX and Messrs. Teh & Lee and will abstain from any board deliberations and voting on matters pertaining to this exercise.

Archer Corporate Service Sdn Bhd hereby confirms that as at the date of this Prospectus there is no existing or potential conflict of interest with respect of their capacity in providing corporate secretary services to our Group for the IPO after taking into consideration the following:-

Mr. Yeoh Chong Keat, an Independent Non-Executive Director of XOX is the President/CEO of Archer Corporate Services Sdn Bhd. Notwithstanding the aforesaid, Archer Corporate Services Sdn Bhd is of the opinion that there is no conflict of interest arising from Mr Yeoh Chong Keat's position as an Independent Non-Executive Director of XOX as his directorship is of a non-executive capacity and as such, does not deal with the day-to-day management and operations of XOX. He is also not part of the team of companies secretaries in Archer Corporate Services Sdn Bhd involved in this exercise. Instead, another company secretary in Archer Corporate Services Sdn Bhd has been directly involved in this exercise. Mr. Yeoh Chong Keat has not been participating and will not participate in the deliberation and discussion with the company secretary involved in this exercise. Mr. Yeoh Chong Keat has declared his interest in XOX and Archer Corporate Services Sdn Bhd and has abstained and will continue to abstain from any board deliberations and voting on matters in connections with the pension of corporate secretarial services by Archer Corporate Services Sdn Bhd pertaining to this exercise.

Messrs. Crowe Horwath hereby confirms that there is no existing or potential conflict of interest with respect of their capacities as Auditors and Reporting Accountants to our Company for the IPO.

Dun & Bradstreet (D&B) Malaysia Sdn Bhd hereby confirms that as at the date of this Prospectus there is no existing or potential conflict of interest with respect of their capacity as the Independent Market Research Consultants to our Group for the IPO.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

8. PROPERTY, PLANT AND EQUIPMENT**8.1 LAND AND BUILDINGS**

Our Group does not own any land and buildings. As at the LPD, we are occupying the following tenanted properties, which are material for the purpose of our business operations:-

No.	Address	Owner / Tenant	Description / Existing Use	Built up area (sq ft)	Period of Tenancy / Rental p.a.
1.	31-3, Block C, Jaya One, 72A, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan	Wong Chee Kooi dan Anak-Anak Sdn Bhd / XOX Com	Office lot of a 7 storey office building / Head Office	3,795	1 May 2010 to 30 April 2012 / RM167,587.20
2.	23-5, Block B, Jaya One, 72A, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan	Cheah Soo Wei & Fung Irene / XOX Com	Office lot of a 7 storey office building / Operations and Support Office	2,021	15 June 2009 to 14 June 2011 / RM54,000
3.	25-5, Block B, Jaya One, 72A, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan	Toh Lee-Ann / XOX Com	Office lot of a 7 storey office building / Operations and Support Office	2,021	15 June 2009 to 14 June 2011 / RM54,000
4.	112 Jalan Terengganu, 10460 Georgetown, Pulau Pinang*	Auvit Venture Sdn Bhd / XOX Mobile	Semi-detached residential house / Own operated service centre	7,127	1 April 2011 to 30 April 2013 / RM78,000

Note:

* The owner had submitted an application dated 28 March 2011 for the conversion of land use to commercial use. The application is pending approval by the Municipal Council of Penang Island. In the event the aforementioned application is not approved within 12 months from the application date, the service centre will be relocated.

Save as disclosed above and to the best of our Directors' knowledge and belief, the properties above:-

- (i) have not breached any of the land-use conditions/permissible land use; and
- (ii) there has not been any material non-compliance with the relevant land use and building regulations.

8. PROPERTY, PLANT AND EQUIPMENT (Cont'd)**8.2 MATERIAL PLANT AND EQUIPMENT**

As at LPD, save as disclosed below, our Group does not have any material plant and equipment. Please refer to Section 8.4 of this Prospectus for further details on the material capital expenditures currently in progress.

Details	Audited Net Book Value as at 31 December 2010 (RM'000)
Security and firewall system	314
Data Centre System	278
Call centre system	105
Dealer Support System	143*
Customer Services System	164*
Total	1,004

Note:-

* A portion of the assets has been reclassified as "telecommunication network and equipment" as at 31 December 2010 as the related portion is being utilised by our Group and respective dealers. However our Group is also in the midst of enhancing the respective systems, the details are as disclosed in Section 8.4 of this Prospectus.

There is no valuation undertaken on XOX's plant and equipment in respect of the listing exercise.

8.3 REGULATORY REQUIREMENT AND ENVIRONMENTAL ISSUE

Our Group believes that it is in compliance in respect to all material regulatory requirements and environmental issues which may materially affect our Group's operations and/or utilisation of assets. As at LPD, our Group is not aware of any environmental proceedings or investigations to which it is or might become a party to.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

8. PROPERTY, PLANT AND EQUIPMENT (Cont'd)**8.4 MATERIAL PLANS TO CONSTRUCT, EXPAND OR IMPROVE FACILITIES**

Save as disclosed below and Section 4.23 of this Prospectus, we have no immediate plans to construct, expand or improve on existing facilities. The telecommunications systems below will enable our Group to facilitate the implementation of our Group's future plan as disclosed in Section 4.23 of this Prospectus as well as improve our Group's day-to-day operational management.

Nature	Location	Estimate start date / Estimate completion date	Estimated Total Expenditure (RM'000)	Audited Net Book Value* (RM'000)	Amount already paid [^] (RM'000)	Percentage of completion* (%)	Method of Financing
Convergence Charging System	Malaysia	August 2008 / June 2011	19,598	8,533	8,902	45	IPO Proceeds, Internal generated funds and/or borrowings, if necessary
SOA System	Malaysia	November 2008 / August 2011	1,729	774	866	50	IPO Proceeds, Internal generated funds and/or borrowings, if necessary
Social Network Portal	Malaysia	April 2008 / October 2011	1,968	1,292	1,329	68	IPO Proceeds, Internal generated funds and/or borrowings, if necessary
eStore & ePayment Platform	Malaysia	May 2008 / October 2011	800	100	100	13	Internal generated funds and/or borrowings, if necessary
Network Management System	Malaysia	May 2008 / August 2011	398	173	303	76	IPO Proceeds, Internal generated funds and/or borrowings, if necessary
Dealer Support System	Malaysia	November 2008 / May 2011	150	51	51	34	Internal generated funds and/or borrowings, if necessary
Customer Services System	Malaysia	December 2008 / May 2011	25	5	5	20	Internal generated funds and/or borrowings, if necessary

Notes:-

* As at 31 December 2010

[^] As at LPD.

Based on the respective total amount paid as at LPD over the respective estimated total expenditure.

9. FINANCIAL INFORMATION

9.1 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION



13 April 2011

The Board of Directors
XOX Bhd
Suite 11.1A, Level 11,
Menara Weld,
76, Jalan Raja Chulan,
50200 Kuala Lumpur.

Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

Kuala Lumpur Office
Level 16 Tower C, Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur, Malaysia
Main +6 03 2166 0000
Fax +6 03 2166 1000
www.crowehorwath.com.my
info@crowehorwath.com.my

Dear Sirs

XOX BHD ("XOX" OR "THE COMPANY") PROFORMA CONSOLIDATED FINANCIAL INFORMATION

We have reviewed the proforma consolidated financial information of XOX and its proposed subsidiaries ("XOX Group" or "the Group") for the financial years ended ("FYE") 31 December 2007 to 2010, together with the accompanying sections thereto, for which the Directors are solely responsible, as set out in the accompanying statements (initialled by us for the purpose of identification only) prepared for the purpose of inclusion in the prospectus of XOX to be dated 24 May 2011.

It is our responsibility to form an opinion on the proforma consolidated financial information as required by the Prospectus Guidelines issued by the Securities Commission and to report our opinion to you.

Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the audited financial statements, considering the evidence supporting the adjustments, and discussing the proforma consolidated financial information with the Directors of the Group.

As the proforma consolidated financial information has been prepared for illustrative purposes only, such information may not, because of its nature, reflect the actual financial position, results and cash flows of the Group. Further, such information does not purport to predict the future financial position, results and cash flows of the Group.

In our opinion,


- (a) the proforma consolidated financial information has been properly prepared on the bases set out in the accompanying notes to the proforma consolidated financial information and such bases are consistent with the accounting policies of the XOX Group unless otherwise stated;
- (b) the financial statements used in the preparation of the proforma consolidated financial information were prepared in accordance with applicable approved Financial Reporting Standards in Malaysia; and
- (c) each material adjustment made to the information used in the preparation of the proforma consolidated financial information is appropriate for the purposes of preparing such proforma consolidated financial information.

9. FINANCIAL INFORMATION (Cont'd)

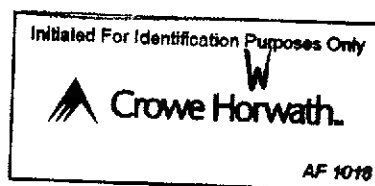


We understand that this letter will be used solely for the purpose stated above. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully


Crowe Horwath
Firm No : AF 1018
Chartered Accountants


Lee Kok Wai
Approval No : 2760/06/12 (J)
Chartered Accountant

9. FINANCIAL INFORMATION (Cont'd)**XOX BHD AND ITS SUBSIDIARIES ("XOX GROUP" OR "THE GROUP")****PROFORMA CONSOLIDATED FINANCIAL INFORMATION****1. PROFORMA GROUP AND BASIS OF PREPARATION****1.1 Proforma Group**

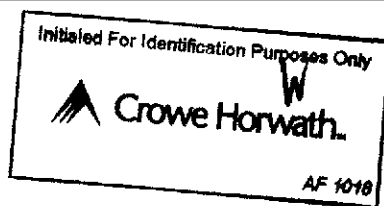
The proforma consolidated financial information of XOX Bhd ("XOX") and its proposed subsidiaries ("XOX Group" or "the Group"), for the financial years ended 31 December ("FYE") 2007, 2008, 2009 and 2010, comprising the financial information of the following companies, are presented for the purpose of illustration only:-

- (a) XOX
- (b) XOX Com Sdn Bhd ("XOX Com")
- (c) XOX Mobile Sdn Bhd ("XOX Mobile")
- (d) XOX Management Services Sdn Bhd ("XOX Management Services")
- (e) XOX Media Sdn Bhd ("XOX Media")

The relevant financial period for the purpose of this report ("Relevant Financial Period") is as follows:-

Company	Relevant Financial Period
XOX	Financial period from 10 May 2010 (date of incorporation) to 31 December 2010 ("FPE 2010").
XOX Com	Financial years ended 31 December ("FYE") 2007 to FYE 2010.
XOX Media	Financial period from 21 February 2007 (date of incorporation) to 31 December 2007, FYE 2008, FYE 2009 and FYE 2010.
XOX Mobile	Financial period from 10 April 2008 (date of incorporation) to 31 December 2008, FYE 2009 and FYE 2010.
XOX Management Services	Financial period from 13 March 2009 (date of incorporation) to 31 December 2009 and FYE 2010.

XOX Bhd (900384-X)
 31-3, Block C, Jaya One,
 No.72A, Jalan Universiti,
 46200 Petaling Jaya, Selangor,
 Malaysia.
 T: 603 7955 1388 F: 603 7955 1288
www.xox.com.my

9. FINANCIAL INFORMATION (Cont'd)**XOX BHD AND ITS SUBSIDIARIES (“XOX GROUP” OR “THE GROUP”)****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT' D)****1. PROFORMA GROUP AND BASIS OF PREPARATION (CONT'D)****1.1 Proforma Group (Cont'd)**

The proforma consolidated financial information of the XOX Group is prepared on the assumption that the XOX Group had been in existence throughout the FYE 2007 to 2010. The proforma consolidated financial information comprises the following:-

- Section 2 - Proforma Consolidated Statements of Comprehensive Income for the Relevant Financial Period;
- Section 3 - Proforma Consolidated Statements of Financial Position as at 31 December 2010; and
- Section 4 - Proforma Consolidated Statements of Cash Flow for the financial year ended 31 December 2010.

1.2 Basis of Preparation

The proforma consolidated financial information is prepared based on the audited financial statements of XOX, XOX Com, XOX Media, XOX Mobile and XOX Management Service for the Relevant Financial Period.

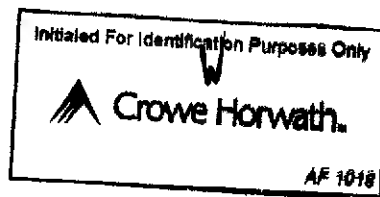
Upon the completion of the Bonus Issue by XOX Com and the Acquisition of Subsidiaries as detailed in Section 1.2(i) and Section 1.2(ii) of this Report, XOX and its subsidiaries are hereinafter collectively referred to as “XOX Group”. The Bonus Issue by XOX Com and Acquisition of Subsidiaries were completed on 4 April 2011.

The proforma consolidated financial information of XOX for the FYE 2007, FYE 2008, FYE 2009 and FYE 2010 is prepared based on the assumption that the XOX Group had been in existence throughout the FYE 2007, FYE 2008, FYE 2009 and FYE 2010.

The proforma consolidated financial information has been prepared by aggregating the audited financial statements of XOX Group for the relevant FYEs.

The proforma consolidated financial information has been prepared in accordance with Financial Reporting Standards in Malaysia consistent with those previously adopted in the preparation of the audited financial statements of XOX Com for the financial year ended 31 December 2010, and after incorporating adjustments that are appropriate for the preparation of the proforma consolidated financial information.

XOX Bhd (900384-X)
31-3, Block C, Jaya One,
No.72A, Jalan Universiti,
46200 Petaling Jaya, Selangor,
Malaysia.
T: 603 7955 1388 F: 603 7955 1288
www.xox.com.my

9. FINANCIAL INFORMATION (Cont'd)**XOX GROUP****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****1. PROFORMA GROUP AND BASIS OF PREPARATION (CONT'D)****1.2 Basis of Preparation (Cont'd)**

The proforma consolidated statements of financial position together with the accompanying Sections thereto, have been prepared solely for illustrative purposes, to show the effects of the following scheme had the scheme been implemented and completed on 31 December 2010:-

Listing Scheme

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of XOX on the ACE Market of Bursa Securities, the Company will implement the following:-

(i) Bonus Issue by XOX Com

Bonus Issue of 7,999,998 new ordinary shares of RM1.00 each in XOX Com to all existing shareholders of XOX Com on the basis of approximately one (1) new ordinary share of RM1.00 each for every two (2) existing ordinary shares of RM1.00 each in XOX Com. The Bonus Issue by XOX Com is to be completed prior to the Acquisition of Subsidiaries by XOX as detailed in Section (ii) of this report ("Bonus Issue by XOX Com").

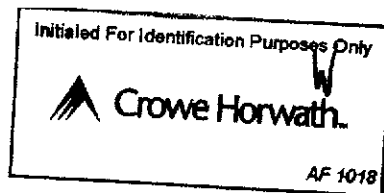
(ii) Acquisition of Subsidiaries

- (a) Acquisition by XOX of the entire issued and paid-up share capital of XOX Com amounting to RM24,879,998 comprising 24,879,998 ordinary shares of RM1.00 each in XOX Com for a purchase consideration of RM24,879,998 wholly satisfied by the issuance of 24,879,998 new ordinary shares of RM1.00 each in XOX at an issue price of RM1.00 per ordinary share;
- (b) Acquisition by XOX of the entire issued and paid-up share capital of XOX Media amounting to RM100,000 comprising 100,000 ordinary shares of RM1.00 each in XOX Media for a purchase consideration of RM100,000 wholly satisfied by the issuance of 100,000 new ordinary shares of RM1.00 each in XOX at an issue price of RM1.00 per ordinary share; and
- (c) Acquisition by XOX of the entire issued and paid-up share capital of XOX Management Services amounting to RM40,000 comprising 40,000 ordinary shares of RM1.00 each in XOX Management Services for a purchase consideration of RM40,000 wholly satisfied by the issuance of 40,000 new ordinary shares of RM1.00 each in XOX at an issue price of RM1.00 per ordinary share.

XOX Bhd (900384-X)
31-3, Block C, Jaya One,
No.72A, Jalan Universiti,
46200 Petaling Jaya, Selangor,
Malaysia.
T: 603 7955 1388 F: 603 7955 1288
www.xox.com.my

9. FINANCIAL INFORMATION (Cont'd)

XOX GROUP



PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

1. PROFORMA GROUP AND BASIS OF PREPARATION (CONT'D)

1.2 Basis of Preparation (Cont'd)

Listing Scheme (Cont'd)

(iii) Share Split

The Share Split involving the sub-division of every one (1) existing ordinary share of RM1.00 each in XOX into ten (10) ordinary shares of RM0.10 each ("Share Split").

(iv) Special Issue

The Special Issue of 5,000,000 new ordinary shares of RM0.10 each ("XOX Share") to the selected pioneer management team of XOX Group at an issue price of RM0.36 per XOX Share ("Special Issue").

(v) Public Issue

The Public Issue of 46,800,000 new XOX Shares ("Public Issue Shares") at an indicative Public Issue price of RM0.80 per XOX Share, payable in full on application.

The Public Issue is to be allocated and allotted in the following manner:-

- (i) Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia ("Malaysian Public")

7,500,000 Public Issue Shares, to be allocated via balloting, will be made available for application by the Malaysian Public.

- (ii) Eligible Directors, Employees and Business Associates of XOX Group

9,500,000 Public Issue Shares will be made available for application by eligible Directors, employees and business associates of XOX Group.

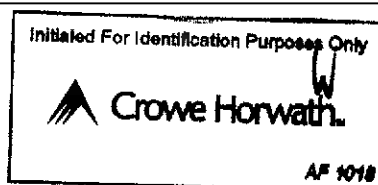
- (iii) Selected Investors via placement

29,800,000 Public Issue Shares will be made available to selected investors by way of private placement.

(vi) Listing

Upon completion of the Public Issue, the Company shall list its entire enlarged issued and paid-up share capital on the ACE Market of Bursa Securities.

XOX Bhd (900384-X)
31-3, Block C, Jaya One,
No.72A, Jalan Universiti,
46200 Petaling Jaya, Selangor,
Malaysia.
T: 603 7955 1388 F: 603 7955 1288
www.xox.com.my

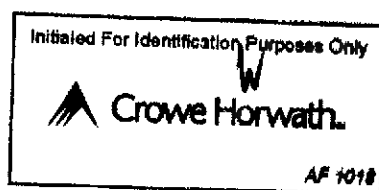
9. FINANCIAL INFORMATION (Cont'd)**XOX GROUP****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****2. PROFORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME OF XOX GROUP**

The Proforma Consolidated Statements of Comprehensive Income of XOX Group have been prepared based on the assumption that the Group has operated as a single economic entity throughout the financial years ended 31 December 2007, 2008, 2009 and 2010.

	FYE 2007 RM '000	FYE 2008 RM '000	FYE 2009 RM '000	FYE 2010 RM '000
Revenue	-	-	6,597	20,074
Cost of sales	-	-	(4,413)	(17,825)
Gross profit ("GP")	-	-	2,184	2,249
Other income	-	40	71	387
	-	40	2,255	2,636
Selling and distribution expenses	(11)	(379)	(10,918)	(10,319)
Administrative expenses	(228)	(861)	(4,065)	(4,985)
Other expenses	^	(16)	(120)	(1,147)
Loss from operations	(239)	(1,216)	(12,848)	(13,815)
Finance costs	-	-	(275)	(2,164)
	(239)	(1,216)	(13,123)	(15,979)
Depreciation	^	16	120	311
Interest expense	-	-	275	2,164
Interest income	-	(7)	(36)	^
Loss before interest, depreciation and taxation	(239)	(1,207)	(12,764)	(13,504)
Depreciation	^	(16)	(120)	(311)
Interest expense	-	-	(275)	(2,164)
Interest income	-	7	36	^
Loss before taxation ("LBT")	(239)	(1,216)	(13,123)	(15,979)
Income tax expense	-	-	(3)	(2)
Loss after taxation ("LAT") / Total comprehensive expenses	(239)	(1,216)	(13,126)	(15,981)
Loss after taxation ("LAT") / Total comprehensive expenses for the financial year attributable to:- Owners of the Company	(239)	(1,216)	(13,126)	(15,981)

XOX Bhd (900384-X)
31-3, Block C, Jaya One,
No.72A, Jalan Universiti,
46200 Petaling Jaya, Selangor,
Malaysia.
T: 603 7955 1388 F: 603 7955 1288
www.xox.com.my

9. FINANCIAL INFORMATION (Cont'd)



XOX GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

2. PROFORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME OF XOX GROUP (CONT'D)

	FYE 2007	FYE 2008	FYE 2009	FYE 2010
GP margin (%)	N/A	N/A	33	11
LBT margin (%)	N/A	N/A	(199)	(80)
LAT margin (%)	N/A	N/A	(199)	(80)
Effective tax rate (%)	N/A	N/A	N/A	N/A
Interest coverage ratio (times)	N/A	N/A	N/A	N/A
Inventory turnover period (days)	N/A	N/A	60	4
Trade Receivables turnover period (days)	N/A	N/A	3	31
Trade Payables turnover period (days)	N/A	N/A	12	2
Number of ordinary shares assumed in issue of RM0.10 each ('000) #	250,200	250,200	250,200	250,200
Loss per Share ("LPS")				
- Basic * (sen)	(0.1)	(0.5)	(5.2)	(6.4)
- Diluted ** (sen)	**	**	**	**
Gross LPS ** (sen)	(0.1)	(0.5)	(5.2)	(6.4)
Net LPS ** (sen)	(0.1)	(0.5)	(5.2)	(6.4)

Notes:-

^ - Amount less than RM1,000.

N/A - Not applicable.

- Assumed number of ordinary shares in issue after the Bonus Issue by XOX Com, Acquisitions of Subsidiaries and Share Split but before the Special Issue and the Public Issue.

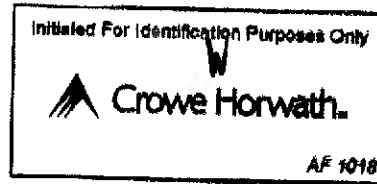
- The Gross LPS and Net LPS were computed by dividing the LBT and LAT respectively by the number of ordinary shares assumed in issue during the period.

* - Basic LPS amounts are calculated by dividing the LAT by the number of ordinary shares assumed in issue after the Bonus Issue by XOX Com, Acquisitions of Subsidiaries and Share Split, but before the Special Issue and the Public Issue.

** - The Group has no convertible securities to convert into ordinary shares as at the end of the respective reporting period and therefore; diluted LPS have not been presented.

XOX Bhd (900384-X)
31-3, Block C, Jaya One,
No. 72A, Jalan Universiti,
46200 Petaling Jaya, Selangor,
Malaysia.
T: 603 7955 1388 F: 603 7955 1288
www.xox.com.my

9. FINANCIAL INFORMATION (Cont'd)



XOX GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

	Note	As at 31 December 2010 RM '000	Acquisition of Subsidiaries ** RM '000	Proforma I After Acquisition of Subsidiaries RM '000	Proforma II After Proforma I and Share Split RM '000
ASSETS					
Non-Current Assets					
Equipment	3.6	-	12,951	12,951	12,951
Goodwill	3.7	-	43	43	43
		-	12,994	12,994	12,994
Current Assets					
Inventories		-	218	218	218
Trade receivables		-	1,679	1,679	1,679
Other receivables and deposits		163	1,988	2,151	2,151
Short-term investment		-	2,300	2,300	2,300
Cash and bank balances	3.8	^	3,177	3,177	3,177
		163	9,362	9,525	9,525
Total Assets		163	22,356	22,519	22,519
EQUITY AND LIABILITY					
Share Capital	3.9	^	25,020	25,020	25,020
Capital reserve	3.10	-	-	-	-
Share premium	3.11	-	200	200	200
Accumulated losses	3.12	(851)	(29,679)	(30,530)	(30,530)
Total Equity		(851)	(4,459)	(5,310)	(5,310)
Current Liabilities					
Trade payable		-	122	122	122
Other payables and accruals	3.13	1,014	26,692	27,706	27,706
Tax payable		-	1	1	1
Short-term bank borrowings		-	-	-	-
		1,014	26,815	27,829	27,829
Total Equity and Liability		163	22,356	22,519	22,519

No. of ordinary shares of
RM1.00 each in issue ('000)

#

25,020

25,020

N/A

No. of ordinary shares of
RM0.10 each in issue ('000)

N/A

N/A

N/A

250,200

Net assets ("NA") (RM'000)

(851)

(4,459)

(5,310)

(5,310)

NA per ordinary share (sen)

(42,550,000)

(17.82)

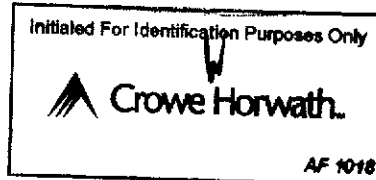
(21.22)

(2.12)

XOX Bhd (900384-X)
31-3, Block C, Jaya One,
No.72A, Jalan Universiti,
46200 Petaling Jaya, Selangor,
Malaysia.

T: 603 7955 1388 F: 603 7955 1288
www.xox.com.my

9. FINANCIAL INFORMATION (Cont'd)



XOX GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2010 (CONT'D)

	Note	Proforma II After Proforma I and Share Split	Adjustments for Proforma III	Proforma III After Proforma II and Special Issue	Adjustments for Proforma IV	Proforma IV After Proforma III and Public Issue	Adjustments for Proforma V	Proforma V After Proforma IV and Utilisation of Proceeds
		RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
ASSETS								
Non-Current Assets								
Equipment	3.6	12,951		12,951		12,951	6,200	19,151
Goodwill	3.7	43		43		43		43
		12,994		12,994		12,994		19,194
Current Assets								
Inventories		218		218		218		218
Trade receivables		1,679		1,679		1,679		1,679
Other receivables and deposits		2,151		2,151		2,151		2,151
Short-term investment		2,300		2,300		2,300		2,300
Cash and bank balances	3.8	3,177	1,800	4,977	37,440	42,417	(14,200)	28,217
		9,525		11,325		48,765		34,565
Total Assets		22,519		24,319		61,759		53,759
EQUITY AND LIABILITY								
Share Capital	3.9	25,020	500	25,520	4,680	30,200		30,200
Capital reserve	3.10	-	2,200	2,200		2,200		2,200
Share premium	3.11	200	1,300	1,500	32,760	34,260	(1,528)	32,732
Accumulated losses	3.12	(30,530)	(2,200)	(32,730)		(32,730)	(636)	(33,366)
Total Equity		(5,310)		(3,510)		33,930		31,766
Current Liabilities								
Trade payable		122		122		122		122
Other payables and accruals	3.13	27,706		27,706		27,706	(5,836)	21,870
Tax payable		1		1		1		1
Short-term bank borrowings		-		-		-		-
		27,829		27,829		27,829		21,993
Total Equity and Liability		22,519		24,319		61,759		53,759

No. of ordinary shares of
RM1.00 each in issue ('000)

N/A

N/A

N/A

N/A

No. of ordinary shares of
RM0.10 each in issue ('000)

250,200

255,200

302,000

302,000

Net assets ("NA") (RM'000)

(5,310)

(3,510)

33,930

31,766

NA per ordinary share (sen)

(2.12)

(1.38)

11.24

10.52

Notes:-

^ - RM2.

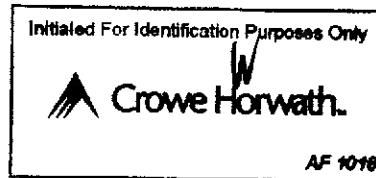
- 2 ordinary shares.

N/A - Not applicable.

** - Details of Adjustments are set out in Proforma E under Section 3.1 of this Report.

XOX Bhd (900384-X)
31-3, Block C, Jaya One,
No.72A, Jalan Universiti,
46200 Petaling Jaya, Selangor,
Malaysia.
T: 603 7955 1388 F: 603 7955 1288
www.xox.com.my

9. FINANCIAL INFORMATION (Cont'd)



XOX GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2010 (CONT'D)

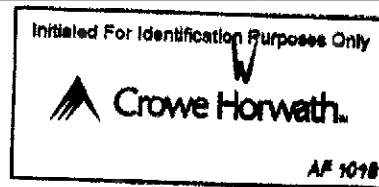
3.1 Proforma I

The details of Adjustments for the Acquisition of Subsidiaries are as follows:-

	← Adjustments for Acquisition of Subsidiaries →					
	XOX Com Group RM '000	XOX Management Services RM '000	XOX Media RM '000	Total RM '000	Adjustments for Inter-company Elimination RM '000	Proforma A Total RM '000
ASSETS						
Non-Current Assets						
Equipment	12,951	-	-	12,951		12,951
Goodwill	-	-	-	-		-
	<u>12,951</u>	<u>-</u>	<u>-</u>	<u>12,951</u>		<u>12,951</u>
Current Assets						
Inventories	218	-	-	218		218
Trade receivables	1,679	-	-	1,679		1,679
Other receivables, deposits and prepayments	2,977	3	1	2,981	(993)	1,988
Short-term investment	2,300	-	-	2,300		2,300
Cash and bank balances	850	46	60	956		956
	<u>8,024</u>	<u>49</u>	<u>61</u>	<u>8,134</u>		<u>7,141</u>
Total Assets	20,975	49	61	21,085		20,092
EQUITY AND LIABILITY						
Share capital	15,940	40	100	16,080		16,080
Capital reserve	-	-	-	-		-
Share premium	4,140	-	-	4,140		4,140
Accumulated losses	(29,684)	5	(43)	(29,722)		(29,722)
Total Equity	(9,604)	45	57	(9,502)		(9,502)
Current Liabilities						
Trade payable	122	-	-	122		122
Other payables and accruals	27,678	3	4	27,685	(993)	26,692
Tax payable	-	1	-	1		1
Short-term bank borrowings	2,779	-	-	2,779		2,779
	<u>30,579</u>	<u>4</u>	<u>4</u>	<u>30,587</u>		<u>29,594</u>
Total Equity and Liability	20,975	49	61	21,085		20,092

XOX Bhd (900384-X)
31-3, Block C, Jaya One,
No.72A, Jalan Universiti,
46200 Petaling Jaya, Selangor,
Malaysia.
T: 603 7955 1388 F: 603 7955 1288
www.xox.com.my

9. FINANCIAL INFORMATION (Cont'd)



XOX GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2010 (CONT'D)

3.1 Proforma I (Cont'd)

	Proforma A Total RM '000	Adjustments for Increase in Issued and Paid-up Share Capital RM '000	Proforma B After Proforma A and Adjustments for Increase in Paid-up Share Capital RM '000	Adjustments for Repayment of Term Loan RM '000	Proforma C After Proforma B and Adjustments for Repayment of Term Loan RM '000
ASSETS					
Non-Current Assets					
Equipment	12,951		12,951		12,951
Goodwill	-		-		-
	12,951		12,951		12,951
Current Assets					
Inventories	218		218		218
Trade receivables	1,679		1,679		1,679
Other receivables, deposits and prepayments	1,988		1,988		1,988
Short-term investment	2,300		2,300		2,300
Cash and bank balances	956	5,000	5,956	(2,779)	3,177
	7,141		12,141		9,362
Total Assets	20,092		25,092		22,313
EQUITY AND LIABILITY					
Share Capital	16,080	940	17,020		17,020
Capital reserve	-		-		-
Share premium	4,140	4,060	8,200		8,200
Accumulated losses	(29,722)		(29,722)		(29,722)
Total Equity	(9,502)		(4,502)		(4,502)
Current Liabilities					
Trade payable	122		122		122
Other payables and accruals	26,692		26,692		26,692
Tax payable	1		1		1
Short-term bank borrowings	2,779		2,779	(2,779)	-
	29,594		29,594		26,815
Total Equity and Liability	20,092		25,092		22,313

No. of ordinary shares of
RM1.00 each in issue ('000)

17,020

17,020

No. of ordinary shares of
RM0.10 each in issue ('000)

N/A

N/A

Net assets ("NA") (RM'000)

(4,502)

(4,502)

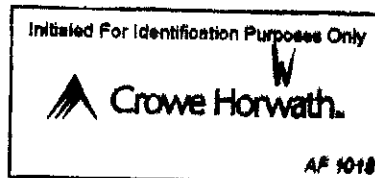
NA per ordinary share (sen)

(26.45)

(26.45)

XOX Bhd (900384-X)
31-3, Block C, Jaya One,
No.72A, Jalan Universiti,
46200 Petaling Jaya, Selangor,
Malaysia.
T: 603 7955 1388 F: 603 7955 1288
www.xox.com.my

9. FINANCIAL INFORMATION (Cont'd)



XOX GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

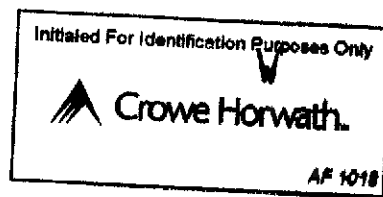
3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2010 (CONT'D)

3.1 Proforma I (Cont'd)

	← Adjustments for Acquisition of Subsidiaries (Cont'd) →				
	Proforma C After Proforma B and Adjustments for Repayment of Term Loan RM '000	Adjustments for Bonus Issue in XOX Com RM '000	Proforma D After Proforma C and Adjustments for Bonus Issue in XOX Com RM '000	Effects of Acquisition of Subsidiaries RM '000	Proforma E After Proforma D and Effects of Acquisition of Subsidiaries RM '000
ASSETS					
Non-Current Assets					
Equipment	12,951		12,951		12,951
Goodwill	-		-	43	43
	12,951		12,951		12,994
Current Assets					
Inventories	218		218		218
Trade receivables	1,679		1,679		1,679
Other receivables, deposits and prepayments	1,988		1,988		1,988
Short-term investment	2,300		2,300		2,300
Cash and bank balances	3,177		3,177		3,177
	9,362		9,362		9,362
Total Assets	22,313		22,313		22,356
EQUITY AND LIABILITY					
Share Capital	17,020	8,000	25,020		25,020
Capital reserve	-		-		-
Share premium	8,200	(8,000)	200		200
Accumulated losses	(29,722)		(29,722)	43	(29,679)
Total Equity	(4,502)		(4,502)		(4,459)
Current Liabilities					
Trade payable	122		122		122
Other payables and accruals	26,692		26,692		26,692
Tax payable	1		1		1
Short-term bank borrowings	-		-		-
	26,815		26,815		26,815
Total Equity and Liability	22,313		22,313		22,356
<i>No. of ordinary shares of RM1.00 each in issue ('000)</i>	17,020		25,020		25,020
<i>No. of ordinary shares of RM0.10 each in issue ('000)</i>	N/A		N/A		N/A
<i>Net assets ("NA") (RM'000)</i>	(4,502)		(4,502)		(4,459)
<i>NA per ordinary share (sen)</i>	(26.45)		(17.99)		(17.82)

XOX Bhd (900384-X)
31-3, Block C, Jaya One,
No.72A, Jalan Universiti,
46200 Petaling Jaya, Selangor,
Malaysia.

T: 603 7955 1388 F: 603 7955 1288
www.xox.com.my

9. FINANCIAL INFORMATION (Cont'd)**XOX GROUP****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2010 (CONT'D)****3.1 Proforma I (Cont'd)**

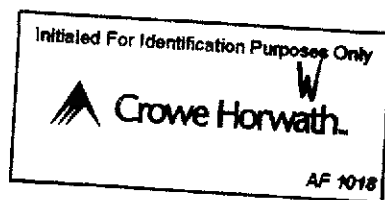
Proforma I incorporates the effects of the following, the adjustments of which are as set out in Proforma A to E.

- (i) the increase in the issued and paid-up share capital from RM15,940,000 to RM16,880,000 by the allotment of 940,000 new ordinary shares of RM1.00 each in XOX Com for a total cash consideration of RM5,000,000 which was completed on 4 April 2011.
- (ii) The repayment of the outstanding United States Dollar ("USD") denominated revolving credit facility as at 31 December 2010 of approximately USD900,615 (equivalent to approximately RM2,778,848 based on an exchange rate of RM3.086 : USD1).
- (iii) Bonus Issue of 7,999,998 ordinary shares of RM1.00 each in XOX Com to all existing shareholders of XOX Com on the basis of approximately one (1) new ordinary share of RM1.00 each for every two (2) existing ordinary shares of RM1.00 each in XOX Com. The Bonus Issue by XOX Com is to be completed prior to the acquisition of the subsidiaries.

The Bonus Issue in XOX Com will result in an increase in XOX Com's issued and paid up share capital from RM16,880,000 comprising 16,880,000 ordinary shares of RM1.00 each to RM24,879,998 comprising 24,879,998 ordinary shares of RM1.00 each.

- (iv) Acquisition of Subsidiaries
 - (a) Acquisition by XOX of the entire issued and paid-up share capital of XOX Com amounting to RM24,879,998 comprising 24,879,998 ordinary shares of RM1.00 each in XOX Com for a purchase consideration of RM24,879,998 wholly satisfied by the issuance of 24,879,998 new ordinary shares of RM1.00 each in XOX at an issue price of RM1.00 per ordinary share;

XOX Bhd (900384-X)
 31-3, Block C, Jaya One,
 No. 72A, Jalan Universiti,
 46200 Petaling Jaya, Selangor,
 Malaysia.
 T: 603 7955 1388 F: 603 7955 1288
 www.xox.com.my

9. FINANCIAL INFORMATION (Cont'd)**XOX GROUP****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF XOX GROUP (CONT'D)****3.1 Proforma I (Cont'd)****(iv) Acquisition of Subsidiaries (Cont'd)**

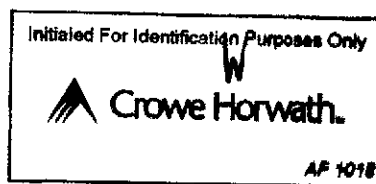
- (b) Acquisition by XOX of the entire issued and paid-up share capital of XOX Media amounting to RM100,000 comprising 100,000 ordinary shares of RM1.00 each in XOX Media for a purchase consideration of RM100,000 wholly satisfied by the issuance of 100,000 new ordinary shares of RM1.00 each in XOX at an issue price of RM1.00 per ordinary share; and
- (c) Acquisition by XOX of the entire issued and paid-up share capital of XOX Management Services amounting to RM40,000 comprising 40,000 ordinary shares of RM1.00 each in XOX Management Services for a purchase consideration of RM40,000 wholly satisfied by the issuance of 40,000 new ordinary shares of RM1.00 each in XOX at an issue price of RM1.00 per ordinary share.

The results of XOX Com were consolidated using the merger method. Under the merger method, the difference between the acquisition cost and the nominal value of the share capital of the subsidiary is accounted for as merger reserve or deficit. There was no merger reserve or merger deficit arising from the acquisition of XOX Com.

The results of XOX Media and XOX Management Services were consolidated using the purchase method. Under the purchase method, the results of XOX Media and XOX Management Services are included from the date of acquisition. At the date of acquisition, the fair values of XOX Media and XOX Management Services's net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by XOX in exchange for control of XOX Media and XOX Management Services, plus any costs directly attributable to the business combination.

XOX Bhd (900384-x)
31-3, Block C, Jaya One,
No.72A, Jalan Universiti,
46200 Petaling Jaya, Selangor,
Malaysia.

T: 603 7955 1388 F: 603 7955 1288
www.xox.com.my

9. FINANCIAL INFORMATION (Cont'd)**XOX GROUP****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF XOX GROUP (CONT'D)****3.1 Proforma I (Cont'd)**

The effects of consolidation are as follows:-

	XOX Management Services RM '000	XOX Media RM '000
Cost of Investment	40	100
Net assets at 31 December 2010	(45)	(57)
(Excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs arising from acquisition *) / Goodwill	(5)	43

Note:

* - This was credited to the Statement of Comprehensive Income on initial recognition.

3.2 Proforma II

Proforma II incorporates the effects of Proforma I, and the Share Split which involves the subdivision of every one (1) existing ordinary share of RM1.00 each in XOX into ten (10) XOX Shares.

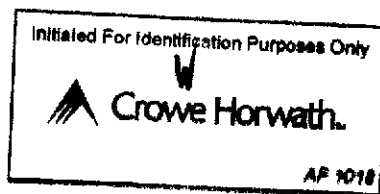
Upon completion of the Share Split, the issued and paid-up share capital of XOX will increase from RM25,020,000 comprising 25,020,000 ordinary shares of RM1.00 each to RM25,020,000 comprising 250,200,000 shares of RM0.10 each.

3.3 Proforma III

Proforma III incorporates the effects of Proforma II, and the Special Issue of 5,000,000 new XOX Shares to the selected pioneer management team of XOX Group at an issue price of RM0.36 per XOX Share.

The discount to the Public Issue Price of RM0.80 which amounted to RM2,200,000 has been charged to accumulated loss.

XOX Bhd (900384-X)
31-3, Block C, Jaya One,
No.72A, Jalan Universiti,
46200 Petaling Jaya, Selangor,
Malaysia.
T: 603 7955 1388 F: 603 7955 1288
www.xox.com.my

9. FINANCIAL INFORMATION (Cont'd)**XOX GROUP****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF XOX GROUP (CONT'D)****3.4 Proforma IV**

Proforma IV incorporates the effects of Proforma III, and the Public Issue of 46,800,000 new XOX Shares, at an indicative Public Issue price of RM0.80 per XOX Share, payable in full on application.

3.5 Proforma V

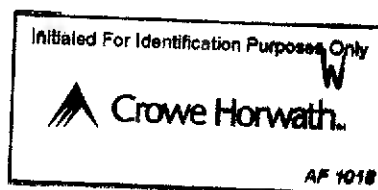
Proforma V incorporates the effects of Proforma IV and the Utilisation of Proceeds. The proceeds will be utilised as follows:-

	RM '000
Payments to creditor	5,000
Capital expenditure	6,200 ^
Working capital	23,200
Estimated listing expenses ^^	3,000 *
	37,400

Notes:-

- * - *If the actual listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual listing expenses are lower than budgeted, the excess will be utilised for working capital purposes.*
- ^ - *Should the Group resort to financing the abovementioned capital expenditure prior to the Listing, the Public Issue proceeds shall be used to repay the said financing. The balance of any unutilised proceeds will be utilised for working capital purposes.*
- ^^ - *The estimated listing expenses for the issue of the new XOX Shares of RM1,528,000 will be written off against the share premium account under Section 60 of the Companies Act, 1965. The balance of the estimated listing expenses of RM1,472,000 will be expensed off against the Statement of Comprehensive Income and this represents a one-off expenditure pursuant to the Public Issue. In FYE 2010, RM836,000 had been expensed off in the Statement of Comprehensive Income.*

XOX Bhd (900384-X)
31-3, Block C, Jaya One,
No.72A, Jalan Universiti,
46200 Petaling Jaya, Selangor,
Malaysia.
T: 603 7955 1388 F: 603 7955 1288
www.xox.com.my

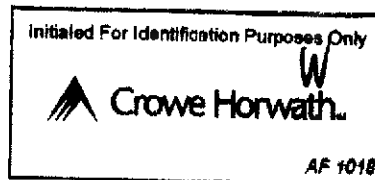
9. FINANCIAL INFORMATION (Cont'd)**XOX GROUP****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF XOX GROUP (CONT'D)****3.6 Equipment**

	Cost RM '000	Accumulated Depreciation RM '000	Net Book Value RM '000
As at 31 December 2010			
Office equipment	1,062	(259)	803
Furniture and fittings	120	(21)	99
Renovation	279	(56)	223
Capital work-in-progress	10,927	-	10,927
Telecommunication network and equipment	1,010	(111)	899
As per Proforma I / II / III / IV	13,398	(447)	12,951
Utilisation of Proceeds	6,200	-	6,200
As per Proforma V	19,598	(447)	19,151

3.7 Goodwill

	RM '000
As at 31 December 2010	-
Arising from the acquisition of equity interest in a subsidiary	43
As per Proforma I / II / III / IV / V	43

Goodwill represents the excess of the purchase price over the fair value of net assets acquired from subsidiaries.

9. FINANCIAL INFORMATION (Cont'd)**XOX GROUP****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF XOX GROUP (CONT'D)****3.8 Cash and Bank Balances**

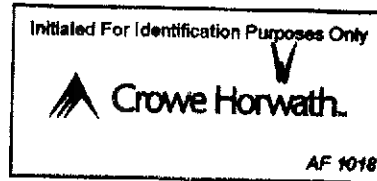
	RM '000
As at 31 December 2010	^
Acquisition of subsidiaries	3,177
As per Proforma I / II	3,177
Add: Proceeds from Special Issue	1,800
As per Proforma III	4,977
Add: Proceeds from Public Issue	37,440
As per Proforma IV	42,417
Less: Utilisation of proceeds	
- payments to creditor	(5,000)
- capital expenditure	(6,200)
- estimated listing expenses	(3,000)
As per Proforma V	28,217

Note:-

^ - RM2

XOX Bhd (900384-X)
 31-3, Block C, Jaya One,
 No.72A, Jalan Universiti,
 46200 Petaling Jaya, Selangor,
 Malaysia.

T: 603 7955 1388 F: 603 7955 1288
www.xox.com.my

9. FINANCIAL INFORMATION (Cont'd)**XOX GROUP****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF XOX GROUP (CONT'D)****3.9 Share Capital**

The movements in the issued and paid-up share capital of XOX are as follows:-

	Number of ordinary shares (^{'000})	Share capital (RM ^{'000})
Ordinary shares of RM1.00 each		
As at 31 December 2010	#	^
Ordinary shares pursuant to the acquisition of subsidiaries	25,020	25,020
As per Proforma I	25,020	25,020
Share Split	225,180	-
Ordinary shares of RM0.10 each		
As per Proforma II	250,200	25,020
Special Issue	5,000	500
As per Proforma III	255,200	25,520
Public Issue	46,800	4,680
As per Proforma IV/V	302,000	30,200

Notes:-

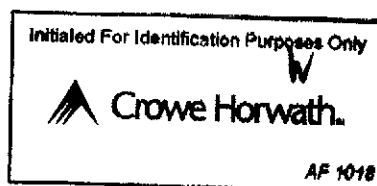
^ - RM2

- 2 ordinary shares

3.10 Capital Reserve

The capital reserve relates to the discount on the Special Issue of shares to the selected pioneer management team as detailed in Section 3.3 of this Report.

XOX Bhd (900384-X)
31-3, Block C, Jaya One,
No.72A, Jalan Universiti,
46200 Petaling Jaya, Selangor,
Malaysia.
T: 603 7955 1388 F: 603 7955 1288
www.xox.com.my

9. FINANCIAL INFORMATION (Cont'd)**XOX GROUP****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF XOX GROUP (CONT'D)****3.11 Share Premium**

The movements in the share premium account are as follows:-

	RM '000
As at 31 December 2010	-
Acquisition of subsidiaries	200
As per Proforma I / II	200
Special Issue	1,300
As per Proforma III	1,500
Public Issue	32,760
As per Proforma IV	34,260
Estimated listing expenses *	(1,528)
As per Proforma V	32,732

Note:

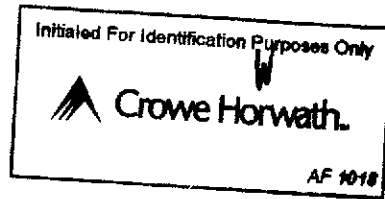
* - The estimated listing expenses for the issue of new XOX Shares of RM1,528,000 will be written off against the share premium account under Section 60 of the Companies Act, 1965. The balance of the estimated listing expenses of RM1,472,000 will be expensed off against the Statement of Comprehensive Income and this represents a one-off expenditure pursuant to the Public Issue. In FYE 2010, RM836,000 had been expensed off in the Statement of Comprehensive Income.

3.12 Accumulated Losses

	RM '000
As at 31 December 2010	(851)
Acquisition of subsidiaries	(29,679)
As per Proforma I / II	(30,530)
Special Issue	(2,200)
As per Proforma III / IV	(32,730)
Estimated listing expenses	(636)
As per Proforma V	(33,366)

XOX Bhd (900384-X)
 31-3, Block C, Jaya One,
 No.72A, Jalan Universiti,
 46200 Petaling Jaya, Selangor,
 Malaysia.

T: 603 7955 1388 F: 603 7955 1288
www.xox.com.my

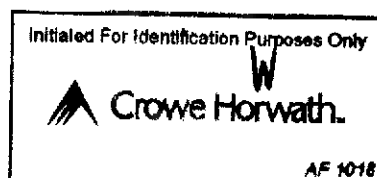
9. FINANCIAL INFORMATION (Cont'd)**XOX GROUP****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF XOX GROUP (CONT'D)****3.13 Other Payables and Accruals**

	RM '000
As at 31 December 2010	1,014
Acquisition of subsidiaries	26,692
	<hr/>
As per Proforma I / II / III / IV	27,706
Less: Payments to creditor	(5,836)
	<hr/>
As per Proforma V	<u>21,870</u>

3.14 Cash and cash equivalents

	Audited FYE 2010 RM '000
Short-term investment	2,300
Cash and bank balances	3,177
	<hr/>
	<u>5,477</u>

XOX Bhd (900384-X)
 31-3, Block C, Jaya One,
 No.72A, Jalan Universiti,
 46200 Petaling Jaya, Selangor,
 Malaysia.
 T: 603 7955 1388 F: 603 7955 1288
 www.xox.com.my

9. FINANCIAL INFORMATION (Cont'd)**XOX GROUP****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****4. PROFORMA CONSOLIDATED STATEMENTS OF CASH FLOW OF XOX GROUP FOR THE FYE 31 DECEMBER 2010**

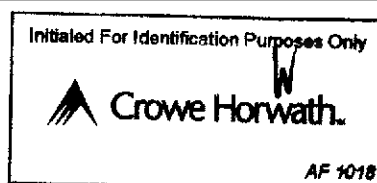
	NOTE	RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation		(15,979)
Adjustments for:-		
Depreciation of equipment		311
Interest expense		2,164
Interest income		(31)
Unrealised gain on foreign exchange		(304)
Operating loss before working capital changes		(13,839)
Decrease in inventories		508
Decrease in trade and other receivables		750
Increase in trade and other payables		18,371
CASH FROM OPERATIONS		5,790
Interest paid		(2,164)
Interest received		31
Tax paid		(5)
NET CASH FROM OPERATING ACTIVITIES		3,652
NET CASH FOR INVESTING ACTIVITIES		
Purchase of equipment		(1,988)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to directors		(511)
Repayment of short-term bank borrowings		(6,554)
Proceeds from issuance of shares		10,105
NET CASH FROM FINANCING ACTIVITIES		3,040
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,704
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		773
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	3.14	5,477

Note:-

The proforma consolidated statements of cash flow of XOX Group have been prepared before taking into account the Special Issue, Public Issue and Utilisation of Proceeds.

XOX Bhd (900384-X)
31-3, Block C, Jaya One,
No.72A, Jalan Universiti,
46200 Petaling Jaya, Selangor,
Malaysia.
T: 603 7955 1388 F: 603 7955 1288
www.xox.com.my

9. FINANCIAL INFORMATION (Cont'd)



XOX GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

5. RECLASSIFICATIONS

In the preparation of the Proforma Consolidated Financial Information, certain reclassifications were made to ensure consistency of presentation of information for comparison purposes. The details of the reclassifications made are set out as follows:-

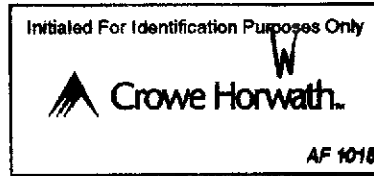
	Audited	Audited	Audited	Audited
	FYE 2007	FYE 2008	FYE 2009	FYE 2010
	RM '000	RM '000	RM '000	RM '000
Statements Of Comprehensive Income (Extract)				
<i>Selling and distribution expenses</i>				
As reported in the audited financial statements	-	-	-	(10,319)
Reclassified from administrative expenses #	(11)	(379)	(10,918)	-
	<u>(11)</u>	<u>(379)</u>	<u>(10,918)</u>	<u>(10,319)</u>
<i>Administrative expenses</i>				
As reported in the audited financial statements	(236)	(1,240)	(14,983)	(4,985)
Reclassified to selling and distribution expenses #	11	379	10,918	-
	<u>(225)</u>	<u>(861)</u>	<u>(4,065)</u>	<u>(4,985)</u>

Note:-

* - Being reclassification from administrative expenses to selling and distribution expenses.

XOX Bhd (900384-X)
31-3, Block C, Jaya One,
No.72A, Jalan Universiti,
46200 Petaling Jaya, Selangor,
Malaysia.
T: 603 7955 1388 F: 603 7955 1288
www.xox.com.my

9. FINANCIAL INFORMATION (Cont'd)



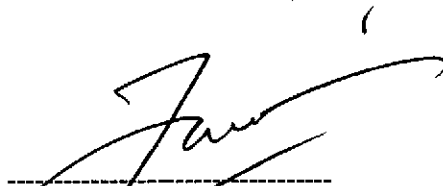
XOX GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated

On behalf of the Board,



Ng Kok Heng
Director

Wong Yip Kee
Director

XOX Bhd (900384-X)
31-3, Block C, Jaya One,
No.72A, Jalan Universiti,
46200 Petaling Jaya, Selangor,
Malaysia.
T: 603 7955 1388 F: 603 7955 1288
www.xox.com.my

9. FINANCIAL INFORMATION (Cont'd)**9.2 HISTORICAL FINANCIAL INFORMATION**

The Proforma Consolidated Statements of Comprehensive Income have been prepared for illustrative purposes only to show the Proforma Group for the four (4) FYE2007 to FYE2010 assuming the Proforma Group has been in existence throughout the financial years and financial periods under review.

It should be read in conjunction with the accompanying notes and assumptions included in the Reporting Accountants' letter on the proforma consolidated financial information set out in Section 9.1 of this Prospectus.

	← Audited →			
	FYE2007 RM'000	FYE2008 RM'000	FYE2009 RM'000	FYE2010 RM'000
Revenue	-	-	6,597	20,074
Cost of sales	-	-	(4,413)	(17,825)
Gross profit	-	-	2,184	2,249
Other income	-	40	71	387
Selling and distribution expenses	(11)	(379)	(10,918)	(10,319)
Administrative expenses	(228)	(861)	(4,065)	(4,985)
Other expenses	^	(16)	(120)	(1,147)
Finance Cost	-	-	(275)	(2,164)
Loss Before Tax	(239)	(1,216)	(13,123)	(15,979)
Income tax expense	-	-	(3)	(2)
Loss after tax / Total comprehensive expenses	(239)	(1,216)	(13,126)	(15,981)
Attributable to:				
- Equity holders of XOX	(239)	(1,216)	(13,126)	(15,981)
- Minority interests	-	-	-	-
	(239)	(1,216)	(13,126)	(15,981)
LBITDA	(239)	(1,207)	(12,764)	(13,504)
Number of Shares [#]	250,200	250,200	250,200	250,200
Gross profit margin (%)	-	-	33	11
Loss Before Tax margin (%)	-	-	(199)	(80)
Loss After Tax margin (%)	-	-	(199)	(80)
Gross loss per share (sen) ⁽¹⁾	(0.1)	(0.5)	(5.2)	(6.4)
Net loss per share (sen) ⁽²⁾	(0.1)	(0.5)	(5.2)	(6.4)
Basic loss per share (sen) ⁽²⁾	(0.1)	(0.5)	(5.2)	(6.4)
Diluted loss per share (sen) ⁽³⁾	-	-	-	-

Notes:-

^ Negligible

Assumed number of Shares in issue after the Bonus Issue in XOX Com, Acquisitions and Share Split but before the Special Issue and Public Issue.

(1) Gross LPS was computed based on LBT for the relevant financial period and divided by the assumed number of Shares after the Bonus Issue in XOX Com, Acquisitions and Share Split, but before the Special Issue and Public Issue.

(2) Net / Basic LPS was computed based on LAT for the relevant financial period and divided by the assumed number of Shares after the Bonus Issue in XOX Com, Acquisitions and Share Split, but before the Special Issue and Public Issue.

(3) The Group has no convertible securities to convert into Shares as at the end of the respective reporting period and therefore, there is no dilution to the Group's loss per share.

9. FINANCIAL INFORMATION (Cont'd)**9.3 CAPITALISATION AND INDEBTEDNESS**

The following table summarises our cash and cash equivalents, capitalisation and indebtedness as at 31 December 2010:-

As at 31 December	FYE2010 ⁽¹⁾ (RM'000)	Adjusted ⁽²⁾ (RM'000)
Cash and cash equivalents	5,477	30,517
Indebtedness (guaranteed and secured)		
<u>Short term borrowings (Due within 12 months)</u>		
<u>Secured</u>		
Foreign currency denominated revolving credit		
- USD	-	-
Total indebtedness	-	-
CAPITALISATION		
Total proforma shareholders' equity	(5,310)	31,766
Gearing ratio (times)	-	-

Notes:-

- (1) Based on the audited financial statements of the proforma XOX Group as at 31 December 2010 after the Bonus Issue in XOX Com, Acquisitions and Share Split. Prior to the Bonus Issue in XOX Com, our Group had a USD denominated borrowings as set out in Paragraph 3.1 of Section 9.1 of this Prospectus. Further details on the abovementioned foreign currency denominated revolving credit are as described below.
- (2) Based on the audited financial statements of the proforma XOX Group as at 31 December 2010 after the Bonus Issue in XOX Com, Acquisitions, Share Split, Special Issue, IPO and utilisation of proceeds.

As at LPD, our Group does not have any indebtedness.

Revolving credit denominated in USD

Prior to the Bonus Issue in XOX Com, our Group had a USD denominated borrowings which was drawn down in October 2009. The borrowings was initially a term loan facility with a total credit facility amounting to USD2 million (equivalent to approximately RM6.85 million based on an exchange rate of RM3.426 : USD1) with an interest of 2.0% per month but was subsequently converted into a revolving credit facility on January 2010 with a total credit facility amounting to USD1.34 million (equivalent to approximately RM4.57 million based on an exchange rate of RM3.411 : USD1), which bears an interest of 2.5% per month. The revolving credit is secured against our Group's Convergence Charging System and a joint and several guarantee of certain directors of our Group. As at LPD, this borrowing had been fully settled utilising the proceeds raised from issuance of XOX Com's shares of RM1.00 each.

Contingent Liabilities

As at LPD, save as disclosed below, the Directors of our Group are not aware of any material contingent liabilities incurred by our Company or our subsidiary companies, which upon becoming enforceable, may have a material effect on the financial position of our Company or our subsidiary companies.

9. FINANCIAL INFORMATION (Cont'd)

Under the MVNO service agreement, XOX has a minimum obligation amount which is payable to Celcom, i.e. minimum commitment level, which is effective from FYE2010 onwards. If there is a shortfall, the difference shall be a cost payable to the network operator. Please refer to Section 4.18(c) of this Prospectus for further details on the minimum commitment level.

9.4 Management's discussion and analysis of financial condition, results of operations and prospects

The following discussion on the results of our operations for the periods under review should be read in conjunction with the proforma consolidated financial information and the related notes included in Section 9.1 of this Prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those forecasted in the forward-looking statements. Factors that may cause future results to differ significantly from those forecasted in the forward-looking statements include, but are not limited to, those discussed below and the discussion on risk factors included in Section 3 of this Prospectus.

Our proforma consolidated financial statements have been prepared on the basis that our Group has been in existence throughout the financial years and financial periods under review.

9.4.1 Our Company's Financial Condition and Results of Operations**OVERVIEW**

Our Group commenced business operation in FYE2009, there were no revenues or cost of sales recognised in FYE2007 and FYE2008. These periods were our Group's pre-operating period whereby our Group incurred certain expenses such as marketing and advertising expenses as well as administrative expenses.

Revenue

The principal components of XOX's revenue for FYE2009 and FYE2010 were from XOX Group's mobile services which comprised of revenue derived from the sales of starter packs and recharge vouchers.

A starter pack comprises a SIM card with a preloaded credit, registration form and a user guide which is generally sold to new subscribers. Once the preloaded credit is used up and/or expired, the subscriber will need to purchase a recharge voucher.

Recharge vouchers are used mainly by existing prepaid plan subscribers to top-up their mobile credit regularly to avoid their credit from expiring and also to obtain additional credit for voice services and data usage. The revenue contribution from the sales of recharge vouchers forms the main bulk of our revenue. The sale of recharge vouchers are recurring in nature and is the main part of our Group's revenue as majority of our Group's subscriber base and target market segments are subscribers of prepaid plans.

Sales of prepaid starter packs accounted for approximately 30.7% and 9.0% of total revenue for FYE2009 and FYE2010 respectively whereas sales of recharge vouchers accounted for approximately 69.3% and 91.0% of total revenue for FYE2009 and FYE2010 respectively.

Cost of Sales

Our cost of sales mainly consist of costs payable to Celcom, which is based on an agreed formula as stated in the MVNO services agreement with Celcom, for the utilisation of Celcom's Digital Network.

9. FINANCIAL INFORMATION (Cont'd)

Our Group's costs of sales also includes "cost of starter packs" and "cost of recharge vouchers". "Cost of starter packs" consists of cost of SIM cards purchases, starter packs printing as well as packing. "Cost of recharge vouchers" consists of cost payable to Celcom, printing and packing cost of our Group's recharge vouchers.

For the FYE2009 and FYE2010, our Group's total costs payable to Celcom amounted to approximately 85.6% and 93.6% of the total cost of sales respectively.

Gross Profit

Our Group's gross profit is derived from our Group's revenue less cost of sales. Our Group's gross profit has been relatively constant from FYE2009 to FYE2010.

Other income

Although our Group commenced business operations in FYE2009, we had also derived other income in FYE2008 from rental, tax exempt dividends and sundry income such as income from dealer application / registration forms and sales of premium items, such as XOX dealers' T-Shirts, to distributors.

For the FYE2008, FYE2009 and FYE2010, rental income accounted for approximately 32.5%, 42.3% and 7.8% of all other income respectively. Our Group's rental income relates the sub-renting out of an office space located in Jaya One, 72A Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan.

Meanwhile, tax exempt dividend accounted for approximately 17.5%, 50.7% and 8.1% of all other income for the FYE2008, FYE2009 and FYE2010 respectively. The tax exempt dividend is derived from our Group's investment in a money market fund.

For the FYE2008, FYE2009 and FYE2010, sundry income accounted for approximately 50.0%, 7.0% and 84.1% of total other income respectively. Sales of premium items to distributors were part of our Group's pre-operating marketing strategies in creating brand awareness for our Group's up-coming launch in 2009. However this practise was discontinued in FYE2010. Sundry income for FYE2010 consists mainly of gain on foreign exchange.

Operating expenses

The three (3) main components of our Group's operating expenses comprises the following:-

(a) Selling and distribution

Selling and distribution expenses mainly comprises of sales commissions expenses, dealer incentives and marketing and advertising expenses.

Being a new entrant in the telecommunications industry, we need to advertise and create an awareness of our products and services. Hence, for FYE2007 and FYE2008, our Group's total selling and distribution expenses comprised wholly of marketing, promotion and advertising expenses. There were no sales commission incurred for FYE2007 and FYE2008.

9. FINANCIAL INFORMATION (Cont'd)

For FYE2009 and FYE2010 marketing and advertising expenses accounted for approximately 84.8%, and 46.3% of our Group's total selling and distribution expenses respectively. This comprises various marketing and advertising campaigns such as sponsorship events as disclosed in Section 4.16.2(vii) of the prospectus.

Meanwhile, sales commission and dealer incentives to our Group's distributors accounted for approximately 15.2% and 53.7% of our Group's total selling and distribution expenses for FYE2009 and FYE2010 respectively.

(b) Administration

Our Group's administration expenses mainly consist of office space rental, recruitment agency fees, staff salaries, loan processing fees as well as legal and professional fees.

Administrative costs accounts for approximately 61.6% and 24.8% in terms of our Group's revenue in FYE2009 and FYE2010 respectively.

(c) Other operating expenses

Other operating expenses relates to our Group's depreciation costs attributable to our Group's furniture and fittings, office equipments, renovation, telecommunications network and equipment as well as professional fees incurred pertaining to our listing exercise.

Finance Cost

This mainly relates to the interest expense on the indebtedness as described in Section 9.3 of this Prospectus. The indebtedness were utilised to partially finance of our Group's Convergence Charging System.

Income Tax Expense

The statutory tax rate for the holding company is currently at 25%.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

9. FINANCIAL INFORMATION (Cont'd)**9.4.2 REVIEW OF RESULTS OF OPERATIONS****(i) FYE2007 to FYE2008****(a) Revenue, cost of sales and gross profit**

No revenue, cost of sales and gross profit were recognised for FYE2007 and FYE2008.

(b) Other income

The increase in other income by approximately RM40,000 from FYE2007 to FYE2008 was due to income received from rental, tax-exempt dividend and sundry income amounting to approximately RM13,000, RM7,000 and RM20,000 respectively.

(c) Operating expenses

Operating expenses increased by approximately RM1.02 million from approximately RM239,000 in FYE2007 to approximately RM1.26 million in FYE2008. The increase was due to the following:-

(i) Selling and distribution expenses

Our Group's selling and distribution expenses increased by approximately RM368,000, from approximately RM11,000 in FYE2007 to approximately RM379,000 in FYE2008. This was mainly due to advertising and promotional activities such as cost for buntings, posters, leaflets and premium items.

(ii) Administrative expenses

Administrative expenses increased by approximately RM633,000, from approximately RM228,000 in FYE2007 to approximately RM861,000 in FYE2008.

The increase was mainly attributable to the increase in staff and director's allowance by approximately RM439,000 from approximately RM102,000 in FYE2007 to approximately RM541,000 in FYE2008. Our Group had also incurred a rental cost of approximately RM98,000 in FYE2008 which contributed to the overall increase in administrative expenses.

(iii) Other operating expenses

The increase in other operating expenses was mainly due to the depreciation charge on our Group's renovation, office equipment as well as furniture and fittings in FYE2008.

9. FINANCIAL INFORMATION (Cont'd)**(d) Finance cost**

There was no finance cost incurred in FYE2007 and FYE2008.

(e) Loss Before Tax

Loss before tax increased by approximately RM980,000 from approximately RM239,000 in FYE2007 to approximately RM1.22 million in FYE2008 due to higher operating expenses.

(f) Income tax expense

There were no income tax expenses for FYE2007 and FYE2008.

(g) Loss After Tax / Total Comprehensive Expense

Loss after tax / total comprehensive expense increased by approximately RM980,000 from approximately RM239,000 in FYE2007 to approximately RM1.22 million in FYE2008 due to higher operating expenses.

(ii) FYE2008 to FYE2009**(a) Revenue**

For FYE2009, our Group recorded a revenue of RM6.60 million as our Group has commenced business operations.

Sales of starter packs amounted to approximately RM2.03 million, representing approximately 30.7% of our Group's total revenue whereas sales of recharge vouchers amounted to approximately RM4.57 million, representing approximately 69.3% of our Group's total revenue. In FYE2009, our Group sold approximately 231,000 starter packs at an average selling price of approximately RM8.80 per starter pack.

Revenue from sales of recharge vouchers is higher than starter packs as sales of recharge vouchers are recurring in nature.

(b) Cost of Sales

Our Group registered a cost of sales of approximately RM4.41 million in FYE2009. Please refer to Section 9.4.1 for the nature of our Group's cost of sales.

(c) Gross Profit

Our Group recorded a gross profit of approximately RM2.18 million in FYE2009, representing a gross profit margin of approximately 33.1%.

(d) Other Income

Our Group's other income increased by approximately RM31,000 from approximately RM40,000 in FYE2008 to approximately RM71,000 in FYE2009.

9. FINANCIAL INFORMATION (Cont'd)

The increase was mainly due to the higher tax-exempt dividend received of approximately RM29,000 from approximately RM7,000 in FYE2008 to approximately RM36,000 in FYE2009, due to the increase in excess funds deposited in the money market fund for a 12-month period in FYE2009 compared to four (4) months in FYE2008.

The increase in other income was also due to an increase in rental of RM17,000 from approximately RM13,000 in FYE2008 to approximately RM30,000 in FYE2009. The increase in rental was because of a full year rental period in FYE2009 as compared to five (5) months rental period in FYE2008.

(e) Operating Expenses

Operating expenses increased by approximately RM13.84 million from approximately RM1.26 million in FYE2008 to approximately RM15.10 million in FYE2009. This was due to the following:-

(i) Selling and distribution expenses

Selling and distribution expenses increased from approximately RM379,000 in FYE2008 to approximately RM10.9 million. The increase was mainly due to our Group's sponsorship for the Ultimate Power Group which cost approximately RM2.1 million. The Ultimate Power Group was a weekly live reality talent show broadcasted on a local free to air television network for almost seven (7) months.

Another contribution to the increase in selling and distribution expenses is from our Group's sponsorship for programmes aired on local radio and free to air television networks costing approximately RM1.7 million and RM0.9 million respectively.

The increase was also due our Group's advertisement in local newspapers and magazines as well as free to air television networks, both costing approximately RM1.0 million and RM1.4 million respectively.

The increase was also due to our Group's customer care and services expenses which cost approximately RM0.5 million, our Group's subscriber's retention programme which cost approximately RM0.1 million, as well as costs of advertisement campaigns such as signages, mascots, buntings, leaflets, mobile phone fairs and roadshows which cost approximately RM2.8 million.

(ii) Administrative expenses

Administrative expenses increased from approximately RM861,000 in FYE2008 to approximately RM4.07 million in FYE2009. The increase was mainly attributable to the increase in staff cost of approximately RM541,000 in FYE2008 to approximately RM2.08 million in FYE2009. The increase in staff cost was due to the revision of staff remuneration packages as well as the increase in number of employees to 34 employees in FYE2009.

9. FINANCIAL INFORMATION (Cont'd)

The increase in administrative expenses was also due to the increase in rental expenses from approximately RM98,000 in FYE2008 to approximately RM197,000 in FYE2009 as a result of our Group's expansion of office space.

In FYE2009, our Group also drew down a term loan of USD2 million (equivalent to approximately RM6.9 million based on an exchange rate of RM3.426 : USD1). As such our Group incurred processing fees of approximately RM714,000 for this facility, which contributed to the overall increase in administrative expenses. Please refer to Section 9.3 of this Prospectus for further details on our Group's term loan facilities.

The increase in administrative expenses in FYE2009 was also due to maintenance cost of our Group's telecommunications systems which amounted to approximately RM213,000 as well as increase in utilities charges from approximately RM17,000 in FYE2008 to RM170,000 in FYE2009.

(iii) **Other expenses**

The increase in other expenses from approximately RM16,000 in FYE2008 to approximately RM120,000 in FYE2009 was mainly attributable to the increase in depreciation cost as a result of additional renovation, office equipment, furniture and fittings acquired in FYE2009.

(f) **Finance cost**

Our Group's finance cost for FYE2009 was approximately RM275,000. This was attributable to the indebtedness as disclosed in Section 9.3. The indebtedness, which was a term loan drawn down in October 2009, was utilised for the partial financing of our Convergence Charging System.

(g) **Loss Before Tax**

Loss before tax increased by approximately RM11.90 million from approximately RM1.22 million in FYE2008 to approximately RM13.12 million in FYE2009.

(h) **Income tax expense**

The income tax expense amount was mainly due to the tax charge on the chargeable income of our Company's subsidiaries.

(i) **Loss After Tax / Total Comprehensive Expense**

Loss after tax / total comprehensive expense increased by approximately RM11.91 million from approximately RM1.22 million in FYE2008 to approximately RM13.13 million in FYE2009.

9. FINANCIAL INFORMATION (Cont'd)**(iii) FYE2009 to FYE2010****(a) Revenue**

Our Group's revenue increased by approximately RM13.47 million from approximately RM6.60 million in FYE2009 to approximately RM20.07 million in FYE2010.

The increase in revenue was due mainly to the increase in our Group's sales of recharge vouchers from approximately RM4.57 million in FYE2009 to approximately RM18.26 million in FYE2010 as a result of the increase in our Group's subscribers from approximately 124,000 in FYE2009 to approximately 315,000 in FYE2010. This was partially offset by the decrease in sales of starter packs from approximately RM2.03 million in FYE2009, representing approximately 231,000 starter packs at an average selling price of approximately RM8.80 per starter pack, to approximately RM1.82 million in FYE2010, representing approximately 207,000 starter packs at an average selling price of approximately RM8.79 per starter pack. The decrease in starter packs sold was because our Group distributed the *HopOn* starter packs on a complimentary basis in FYE2010 to the dealers instead of selling these starter packs. This is to encourage potential existing non-XOX subscribers to subscribe to our Group's products and services.

(b) Cost of Sales

Our Group's cost of sales increased by approximately RM13.42 million from approximately RM4.41 million in FYE2009 to approximately RM17.83 million in FYE2010.

The increase in cost of sales was mainly attributable to the increase in costs payable to our Group's host network provider from approximately RM3.78 million in FYE2009 to approximately RM16.68 million in FYE2010. The cost of sales for FYE2010 is inclusive of approximately RM4.42 million, being the shortfall amount of the minimum commitment level as disclosed in Section 4.18(c) of this Prospectus. Other than that, the increase is in line with the increase in our Group's revenue as mentioned in Section 9.4.2(iii)(a).

(c) Gross Profit

Our Group's gross profit has increased by approximately RM0.07 million from approximately RM2.18 million in FYE2009 to RM2.25 million in FYE2010. This was due to the above mentioned reasons in Section 9.4.2(iii)(a) and Section 9.4.2(iii)(b) of this Prospectus.

(d) Other Income

Other income increased by approximately RM316,000 from approximately RM71,000 in FYE2009 to approximately RM387,000 in FYE2010.

The increase was mainly attributable to the gain on foreign exchange difference recognised in FYE2010 in respect of a US denominated revolving credit facility which has been fully repaid as at LPD.

9. FINANCIAL INFORMATION (Cont'd)**(e) Operating Expenses**

Operating expenses increased by approximately RM1.35 million from approximately RM15.10 million in FYE2009 to approximately RM16.45 million in FYE2010. This was due to the following:-

(i) Selling and distribution expenses

Selling and distribution expenses had decreased by approximately RM0.6 million from approximately RM10.9 million in FYE2009 to approximately RM10.3 million in FYE2010 mainly due to a reduction in the sponsorship of programmes and advertisements via local free to air television networks. Our Group had in FYE2010 realigned our advertising and marketing activities by marketing our Group's brand name via local radio networks.

(ii) Administrative expenses

Administrative expenses increased by approximately RM0.92 million from approximately RM4.07 million in FYE2009 to approximately RM4.99 million in FYE2010.

The increase was mainly attributable to the increase in directors' remuneration and staff cost by approximately RM1.14 million from approximately RM2.08 million in FYE2009 to approximately RM3.22 million in FYE2010. The increase in staff cost was due to the revision of directors' and staff remuneration packages as well as the increase in number of staff from 34 staff in FYE2009 to 46 staff in FYE2010.

The increase in administrative expenses in FYE2010 was also due to the increase in utilities charges from approximately RM0.17 million in FYE2009 to approximately RM0.42 million in FYE2010. This was to support our Group's operational activities via providing a secure and fast connection to our Group's database system in Cyberjaya, Selangor, our Group's call centres as well as our Group head office in Petaling Jaya, Selangor Darul Ehsan

The increase in directors' remuneration and staff cost and utilities charges was partially offset by the decrease in loan processing fees amounting to approximately RM0.71 million. There was no such cost incurred in FYE2010 as the loan processing fees was in relation to the term loan facility which was drawn down in October 2009 as disclosed in Section 9.3 of this Prospectus.

9. FINANCIAL INFORMATION (Cont'd)**(iii) Other expenses**

Other expenses increased by approximately RM1.03 million from approximately RM0.12 million in FYE2009 to approximately RM1.15 million in FYE2010. The increase was mainly attributable to the increase in our Group's depreciation expenses as a result of acquiring additional systems such as enhanced firewalls and new hardware such as personal computers for our Group's employees and the professional fee incurred in FYE2010 pertaining to this listing exercise of approximately RM0.84 million.

(f) Finance cost

Our Group's finance cost increased by approximately RM1.88 million from RM0.28 million in FYE2009 to approximately RM2.16 million in FYE2010. The increase was mainly due to full year interest cost incurred by XOX Group in FYE2010 compared against the 2 months interest cost incurred in FYE2009. The increase was also due to the changes in the interest rate charges from 2.0% in FYE2009 to 2.5% in FYE2010.

(g) Loss Before Tax

Loss before tax had increased by approximately RM2.86 million from approximately RM13.12 million in FYE2009 to approximately RM15.98 million in FYE2010 due to the above mentioned reasons in Section 9.4.2(iii)(c), Section 9.4.2(iii)(d), Section 9.4.2(iii)(e) and Section 9.4.2(iii)(f) of this Prospectus.

(h) Income tax expense

The income tax expenses for FYE2010 was in respect of a tax charge on the taxable income of two (2) of XOX's subsidiaries.

(i) Loss After Tax / Total Comprehensive Expense

Loss after tax / total comprehensive expense had increased by approximately RM2.85 million from approximately RM13.13 million in FYE2009 to approximately RM15.98 million in FYE2010 due to the above mentioned reasons in Section 9.4.2(iii)(c), Section 9.4.2(iii)(d), Section 9.4.2(iii)(e) and Section 9.4.2(iii)(f) of this Prospectus.

Factors and Trends Affecting Future Financial Condition and Results

We expect that our operational results for FYE2011 to be influenced by certain future factors such as:-

- Our ability to increase our subscriber base and ARPU;
- There will be no changes made to the MVNO services agreement which was entered into on 15 September 2008;
- There will be no interruption to our Group's host network provider's telecommunications infrastructures;
- There will be no significant changes in the principal activities and the group structure of XOX Group;
- Inflation will not fluctuate significantly;
- The successful expansion of our Group's distribution channels; and

9. FINANCIAL INFORMATION (Cont'd)

- There will be no significant changes in technology that will adversely affect the operations of XOX Group.

Taking into account the above factors, as well as the risk factors relating to our business and industry, and our ability to mitigate such risk factors as set out in Section 3 of this Prospectus, we are of the opinion that our future financial condition and results will remain favourable.

Our competitive strengths and advantages as set out in Section 4.11 of this Prospectus provides the foundation for the sustainability of our business and financial growth. Our future plans as set out in Section 4.23 of this Prospectus will further contribute to sustainable growth in our financial performance.

9.4.3 SEGMENTAL ANALYSIS

The following is the segmental analysis by corporations, principal activities and geographical segments of the proforma consolidated results of our Group for the past four (4) FYE2007 to FYE2010. The proforma consolidated results are provided for illustrative purposes only and on the assumption that the current structure of our Group had been in existence throughout the financial years and financial period under review.

(a) Analysis of Revenue by Corporations

	← Audited →							
	FYE2007		FYE2008		FYE2009		FYE2010	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
XOX	-	-	-	-	-	-	-	-
XOX Com	-	-	-	-	6,597	100.0	20,074	100.0
XOX Mobile	-	-	-	-	8	0.1	12	#
XOX Media	-	-	-	-	-	-	-	-
XOX Management Services	-	-	-	-	9	0.1	12	#
Less:	-	-	-	-	6,614	100.2	20,098	100.1
Consolidation Adjustment*	-	-	-	-	(17)	(0.2)	(24)	(0.1)
Revenue	-	-	-	-	6,597	100.0	20,074	100.0

Notes:-

* The consolidation adjustments are in relation to inter-company transactions for management services fees charged by XOX Mobile and XOX Management Services to XOX Com.

Less than 0.1.

Our Group's consolidated revenue are mainly derived from XOX Com which is our Group's mobile telecommunications products and services provider to our Group's subscribers.

9. FINANCIAL INFORMATION (Cont'd)

(b) Analysis of Gross Profit by Corporations

	← Audited →							
	FYE2007		FYE2008		FYE2009		FYE2010	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
XOX	-	-	-	-	-	-	-	-
XOX Com	-	-	-	-	2,184	100.0	2,249	100.0
XOX Mobile	-	-	-	-	8	0.4	12	0.5
XOX Media	-	-	-	-	-	-	-	-
XOX Management Services	-	-	-	-	9	0.4	12	0.5
					2,201	100.8	2,273	101.0
Less: Consolidation Adjustment*	-	-	-	-	(17)	(0.8)	(24)	(1.0)
Gross Profit	-	-	-	-	2,184	100.0	2,249	100.0

Note:-

* The consolidation adjustments are in relation to inter-company transactions for management services fees charged by XOX Mobile and XOX Management Services to XOX Com.

Our Group's consolidated gross profit are mainly derived from XOX Com which is our Group's mobile telecommunications products and services provider to our Group's subscribers.

(c) Analysis of (Loss) / Profit Before Tax by Corporations

	← Audited →							
	FYE2007		FYE2008		FYE2009		FYE2010	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
XOX	-	-	-	-	-	-	(851)	(5.3)
XOX Com	(236)	(98.7)	(1,184)	(97.4)	(13,130)	(100.0)	(15,126)	(94.7)
XOX Mobile	-	-	(3)	(0.2)	5	#	3	#
XOX Media	(3)	(1.3)	(29)	(2.4)	(2)	#	(9)	#
XOX Management Services	-	-	-	-	4	#	4	#
	(239)	(100.0)	(1,216)	(100.0)	(13,123)	(100.0)	(15,979)	(100.0)
Less: Consolidation Adjustment*	-	-	-	-	-	-	-	-
Profit / (Loss) before tax	(239)	(100.0)	(1,216)	(100.0)	(13,123)	(100.0)	(15,979)	(100.0)

Notes:-

* The consolidation adjustments are in relation to inter-company transactions for management services fees charged by XOX Mobile and XOX Management Services to XOX Com.

Less than 0.1.

For the past four (4) FYE2007 to FYE2010, our Group's losses were mainly attributed to XOX Com as it is our Group's mobile telecommunications products and services provider to our Group's subscribers. As such most of the costs are attributable to XOX Com.

9. FINANCIAL INFORMATION (Cont'd)**(d) Analysis of Revenue by Geographic Markets**

Geographical Area	Audited							
	FYE2007		FYE2008		FYE2009		FYE2010	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Kuala Lumpur	-	-	-	-	5,642	85.5	12,332	61.4
Selangor	-	-	-	-	955	14.5	1,838	9.2
Rest of Malaysia*	-	-	-	-	-	-	5,904	29.4
Revenue	-	-	-	-	6,597	100.0	20,074	100.0

Note:-

* These consist of the State of Perak, Johor, Sarawak, Penang, Kedah, Terengganu and Sabah.

Our Group's consolidated revenues are mainly derived from the Federal Territories of Kuala Lumpur and the State of Selangor for FYE2009, and FYE2010 as our Group's distributors and subscriber base were mainly in the abovementioned geographical areas.

(e) Analysis of revenue by business activities

	Audited							
	FYE2007		FYE2008		FYE2009		FYE2010	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Recharge vouchers	-	-	-	-	4,569	69.3	18,258	91.0
Starter packs	-	-	-	-	2,028	30.7	1,816	9.0
Revenue	-	-	-	-	6,597	100.0	20,074	100.0

Our Group's revenue is derived from the sales of starter packs and recharge vouchers. The revenue contribution from the sales of recharge vouchers forms the main bulk of our revenue. Recharge vouchers are used mainly by prepaid plans subscribers to top-up their mobile credit regularly to avoid their credit from expiring and also to obtain additional credit for voice and data usage. The sale of recharge vouchers are recurring in nature and will be the main part of our Group's revenue as majority of XOX's subscriber base and target market segments are subscribers of prepaid subscribers.

The following table sets out the information of our Group's number of subscribers and ARPU for FYE2009 and FYE2010:-

	Unaudited	
	FYE2009	FYE2010
Number of subscribers of our Group		
Prepaid Plans	124,024*	314,568*
ARPU (RM)		
Prepaid Plans	7.55	17.26^