

All abbreviations and defined terms contained in this Abridged Prospectus are defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

No securities will be allotted or issued based on this Abridged Prospectus after 6 months from the date of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY. All enquiries concerning the Rights Issue of ICPS with Warrants, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan, Malaysia (Tel: +603 – 6201 1120).

This Abridged Prospectus, together with the NPA and RSF (collectively, the "Documents"), will be despatched only to our Entitled Shareholders whose names appear on our Record of Depositors as at 5.00 p.m. on 12 February 2020 at their registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia in writing by 5.00 p.m. on 12 February 2020. The Documents are not intended to (and will not be made to) comply with the laws of any country or jurisdiction other than Malaysia and are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue of ICPS with Warrants complies with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal adviser and other professional advisers as to whether the acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue of ICPS with Warrants, application for Excess ICPS with Warrants B, or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue of ICPS with Warrants would result in the contravention of any law of such countries or jurisdictions. We, Mercury Securities and/or the advisers named herein shall not accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of entitlements, application for Excess ICPS with Warrants or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue of ICPS with Warrants made by any Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) are residents.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue of ICPS with Warrants or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. The SC has not, in any way, considered the merits of this Rights Issue of ICPS with Warrants. A copy of this Abridged Prospectus, together with the NPA and RSF, has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

Approval for the Rights Issue of ICPS with Warrants has been obtained from our shareholders at our EGM convened on 31 July 2019. Approval has been obtained from Bursa Securities via its letter dated 24 June 2019 for the admission of the ICPS and Warrants to the Official List as well as the listing and quotation of the ICPS, Warrants and the new Shares to be issued upon conversion of the ICPS and exercise of the Warrants on the ACE Market of Bursa Securities (subject to the conditions specified in the said letter), which will commence after, among others, receipt of confirmation from Bursa Depository that all the CDS Accounts of successful Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) have been duly credited with the ICPS and Warrants allotted to them and notices of allotment have been despatched to them. However, such admission, listing and quotation are not to be taken as an indication of the merits of the Rights Issue of ICPS with Warrants.

The SC is not liable for any non-disclosure on the part of the Company and takes no responsibility for the contents of this Abridged 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 Abridged Prospectus.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN SECTION 6 OF THIS ABRIDGED PROSPECTUS.



MOBILE

XOX BHD

[Registration No. 201001016682 (900384-X)]

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 2,651,255,354 NEW IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES IN XOX ("ICPS") AT AN ISSUE PRICE OF RM0.025 PER ICPS TOGETHER WITH UP TO 662,813,838 FREE DETACHABLE WARRANTS IN XOX ("WARRANTS B") ON THE BASIS OF 4 ICPS TOGETHER WITH 1 FREE WARRANT B FOR EVERY 2 EXISTING ORDINARY SHARES IN XOX HELD BY THE ENTITLED SHAREHOLDERS OF THE COMPANY AT 5.00 P.M. ON 12 FEBRUARY 2020

Principal Adviser



MERCURY SECURITIES SDN BHD

[Registration No. 198401000672 (113193-W)]

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date.....: Wednesday, 12 February 2020 at 5.00 p.m.

Last date and time for:

Sale of Provisional Allotments.....: Wednesday, 19 February 2020 at 5.00 p.m.

Transfer of Provisional Allotments.....: Friday, 21 February 2020 at 4.30 p.m.

Acceptance and payment.....: Thursday, 27 February 2020 at 5.00 p.m.

Excess ICPS with Warrants B Application and payment.....: Thursday, 27 February 2020 at 5.00 p.m.

This Abridged Prospectus is dated 12 February 2020

ALL ABBREVIATIONS AND DEFINED TERMS CONTAINED IN THIS ABRIDGED PROSPECTUS ARE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.

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

MERCURY SECURITIES, BEING THE PRINCIPAL ADVISER FOR THE RIGHTS ISSUE OF ICPS WITH WARRANTS, ACKNOWLEDGES THAT BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THIS RIGHTS ISSUE OF ICPS WITH WARRANTS.

SHAREHOLDERS / INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

INVESTORS SHOULD NOTE THAT THEY MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THE ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THE ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO THE COMPANY.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE OF ICPS WITH WARRANTS, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

THE DISTRIBUTION OF THE ABRIDGED PROSPECTUS, TOGETHER WITH THE NPA AND RSF (COLLECTIVELY, THE "DOCUMENTS") IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE OF ICPS WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:-

Abridged Prospectus	- This abridged prospectus dated 12 February 2020 in relation to the Rights Issue of ICPS with Warrants
Act	- Companies Act, 2016 of Malaysia, as amended from time to time and any re-enactment thereof
Base Case Scenario	- Assuming that:- <ul style="list-style-type: none"> (i) none of the existing SIS Options are granted and/or exercised into new XOX Shares prior to the Entitlement Date; (ii) all Entitled Shareholders fully subscribe to their entitlements under the Rights Issue of ICPS with Warrants; (iii) all the ICPS issued are fully converted into new Shares based on the Conversion Price and the conversion mode of surrendering 2 ICPS for 1 new Share without additional cash payment; and (iv) all the Warrants B issued are fully exercised into new Shares based on the Exercise Price.
Bloomberg	- Bloomberg Finance Singapore L.P. and its affiliates
BNM	- Bank Negara Malaysia
Board	- Board of Directors of XOX
Bursa Depository	- Bursa Malaysia Depository Sdn Bhd [198701006854 (165570-W)]
Bursa Securities	- Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
By-Laws	- The by-laws governing the SIS
By-Laws Amendments	- Amendments to the By-Laws of the Company, which was completed on 8 October 2019
CAGR	- Compound annual growth rate
CDS	- Central Depository System
CDS Accounts	- Securities accounts established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor
Closing Date	- 27 February 2020 at 5.00 p.m., being the last date and time for the acceptance of and payment for the ICPS with Warrants
CMSA	- Capital Markets and Services Act, 2007, as amended from time to time and any re-enactment thereof
Code	- Malaysian Code on Take-Overs and Mergers, 2016, as amended from time to time and any re-enactment thereof

DEFINITIONS (CONT'D)

Constitution	- Constitution of the Company
Constitution Amendments	- Amendments to the Constitution to facilitate the creation and issuance of the ICPS pursuant to the Rights Issue of ICPS with Warrants, which was approved during the EGM on 31 July 2019
Conversion Period	- The period commencing on and including the issue date of the ICPS and up to and including the Market Day immediately preceding the date which is the 10th anniversary from the issue date of the ICPS where the ICPS may be converted into new Shares
Conversion Price	- RM0.05, being the amount to be satisfied in order for an ICPS holder to convert his / her / its ICPS into 1 new Share
Corporate Exercises	- Collectively, the Rights Issue of ICPS with Warrants, the Constitution Amendments and the By-Laws Amendments
Deed Poll B	- Deed poll dated 23 January 2020 constituting the Warrants B
Directors	- The directors of the Company which has the meaning given in section 2(1) of the CMSA
EGM	- Extraordinary general meeting of the Company
Entitled Shareholders	- Shareholders whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date
Entitlement Date	- 12 February 2020 at 5.00 p.m., being the date on which the names of Shareholders must appear in the Record of Depositors of the Company in order to be entitled to participate in the Rights Issue of ICPS with Warrants
EPS	- Earnings per share
Excess ICPS with Warrants B	- ICPS with Warrants B which are not taken up or not validly taken up by the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) prior to the Closing Date
Excess ICPS with Warrants B Applications	- Applications for additional ICPS with Warrants B in excess of the Provisional Allotments
Exercise Period	- Any time within a period of 3 years commencing from and including the date of issue of the Warrants B to the close of business at 5.00 p.m. on the Market Day immediately preceding the date which is the 3 rd anniversary from the date of issue of the Warrants B. Any Warrant B not exercised during the Exercise Period will thereafter lapse and cease to be valid
Exercise Price	- RM0.06, being the price at which 1 Warrant B is exercisable into 1 new Share, subject to adjustments in accordance with the provisions of the Deed Poll B
Foreign-Addressed Shareholders	- Shareholders who have not provided to the Company a registered address in Malaysia or an address in Malaysia for the service of documents which will be issued in connection with the Rights Issue of ICPS with Warrants by the Entitlement Date
FPE	- Financial period ended / ending, as the case may be

DEFINITIONS (CONT'D)

FYE	- Financial year ended / ending, as the case may be
GDP	- Gross domestic product
GP	- Gross profit
ICPS	- Irredeemable convertible preference shares in the Company to be allotted and issued pursuant to the Rights Issue of ICPS with Warrants
IMR Report	- The independent market research report dated 20 January 2020 prepared by Protégé Associates
LAT	- Loss after taxation
LBT	- Loss before taxation
Listing Requirements	- ACE Market Listing Requirements of Bursa Securities, including any amendments made thereto from time to time
LPD	- 20 January 2020, being the latest practicable date prior to the printing of this Abridged Prospectus
LPS	- Loss per share
LTD	- 22 January 2020, being the last trading day prior to the date of fixing the issue price of the ICPS
Market Day	- Any day on which Bursa Securities is open for trading in securities
Maximum Scenario	- Assuming that:- <ul style="list-style-type: none"> (i) all the SIS Options are granted and/or exercised into new XOX Shares prior to the Entitlement Date; (ii) all Entitled Shareholders fully subscribe to their entitlements under the Rights Issue of ICPS with Warrants; (iii) all the ICPS issued are fully converted into new Shares based on the conversion mode of surrendering 1 ICPS with additional cash payment of RM0.025 to arrive at the Conversion Price for 1 new Share; and (iv) all the Warrants B issued are fully exercised into new Shares based on the Exercise Price.
Mercury Securities or the Principal Adviser	- Mercury Securities Sdn Bhd [198401000672 (113193-W)]
MFRS	- Malaysian Financial Reporting Standards
Minimum Scenario	- Assuming that:- <ul style="list-style-type: none"> (i) none of the SIS Options are granted and/or exercised into new XOX Shares prior to the Entitlement Date; (ii) the Rights Issue of ICPS with Warrants is undertaken on the Minimum Subscription Level;

DEFINITIONS (CONT'D)

	(iii)	all the ICPS issued are fully converted into new Shares based on the conversion mode of surrendering 2 ICPS without additional cash payment to arrive at the Conversion Price for 1 new Share; and
	(iv)	all the Warrants B issued are fully exercised into new Shares based on the Exercise Price.
Minimum Subscription Level	-	Minimum subscription level of 400,000,000 ICPS together with 100,000,000 Warrants B based on the issue price of RM0.025 per ICPS to arrive at RM10.0 million
N/A	-	Not applicable
NA	-	Net assets
NPA	-	Notice of provisional allotment in relation to the Rights Issue of ICPS with Warrants
Official List	-	A list specifying all securities which have been admitted for listing on the ACE Market of Bursa Securities and not removed
Protégé Associates or the Independent Market Researcher	-	Protégé Associates Sdn Bhd [200401037256 (675767-H)]
Provisional Allotments	-	The ICPS with Warrants B provisionally allotted to Entitled Shareholders
QR	-	Quick response
Record of Depositors	-	A record of securities holders provided by Bursa Depository under the Rules of Bursa Depository
Rights Issue of ICPS with Warrants	-	Renounceable rights issue of up to 2,651,255,354 new ICPS together with up to 662,813,838 free detachable Warrants B on the basis of 4 ICPS together with 1 free Warrant B for every 2 existing XOX Shares held by the Entitled Shareholders on the Entitlement Date
RM and sen	-	Ringgit Malaysia and sen respectively
RSF	-	Rights subscription form in relation to the Rights Issue of ICPS with Warrants
Rules of Bursa Depository	-	The rules of Bursa Depository as issued pursuant to the SICDA, as amended from time to time
Rules on Take-Overs, Mergers and Compulsory Acquisitions	-	Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC pursuant to Section 377 of the CMSA, as amended from time to time
SC	-	Securities Commission Malaysia
Share Registrar	-	ShareWorks Sdn Bhd [199101019611 (229948-U)]
Shareholders	-	Registered holders of the XOX Shares

DEFINITIONS (CONT'D)

SICDA	- Securities Industry (Central Depositories) Act, 1991, as amended from time to time and any re-enactment thereof
SIS	- Share issuance scheme of the Company which took effect on 14 March 2016 for a period of 5 years
SIS Options	- Options granted under the SIS pursuant to the By-Laws, where each option holder can subscribe for 1 new Share for every 1 option held
TEAP	- Theoretical ex-all price
Undertaking	- The written undertaking from the Undertaking Shareholder dated 4 June 2019 pursuant to which the Undertaking Shareholder has irrevocably and unconditionally undertaken, amongst others, to apply and subscribe in full for its entitlement of ICPS and additional ICPS not taken up by other Entitled Shareholders by way of excess applications, to the extent such that the aggregate subscription proceeds of ICPS received by XOX arising from the subscription by all the Entitled Shareholders and/or their renounee(s) amounts to not less than RM10.0 million, details of which are set out in Section 3 of this Abridged Prospectus
Undertaking Shareholder	- Key Alliance Group Berhad [200301007533 (609953-K)], a substantial shareholder of XOX who has provided the Undertaking
VWAP	- Volume-weighted average market price
Warrants A	- XOX warrants 2016 / 2019 issued by the Company, which has expired on 8 February 2019. Each Warrant A entitles its holder to subscribe for 1 new Share at the exercise price of RM0.20
Warrants B	- Up to 662,813,838 free detachable warrants in XOX to be allotted and issued pursuant to the Rights Issue of ICPS with Warrants
XOX or the Company	- XOX Bhd [201001016682 (900384-X)]
XOX Group or the Group	- Collectively, XOX and its subsidiaries
XOX Shares or Shares	- Ordinary shares in the Company

In this Abridged Prospectus, all references to "the Company" are to XOX and references to "we", "us", "our" and "ourselves" are to the Company and, where the context otherwise requires, our subsidiaries. All references to "you" in this Abridged Prospectus are to the Entitled Shareholders.

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

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

Any discrepancies in the tables included in this Abridged Prospectus between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise stated.

DEFINITIONS (CONT'D)

Certain statements in this Abridged Prospectus may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty that the Company's plans and objectives will be achieved.

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ADVISERS' DIRECTORY

- PRINCIPAL ADVISER** : Mercury Securities Sdn Bhd
L-7-2, No 2, Jalan Solaris
Solaris Mont' Kiara
50480 Kuala Lumpur
Wilayah Persekutuan
Tel : +603 - 6203 7227
- SOLICITORS FOR THE RIGHTS
ISSUE OF ICPS WITH
WARRANTS** : Mah-Kamariyah & Philip Koh
Advocates & Solicitors
3A07, Block B, Phileo Damansara II
15 Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 - 7956 8686
- SHARE REGISTRAR** : ShareWorks Sdn Bhd
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan
Tel : +603 - 6201 1120
- AUDITORS AND REPORTING
ACCOUNTANTS** : Messrs Moore Stephens Associates PLT
Unit 3.3A, 3rd Floor, Surian Tower
No. 1, Jalan PJU 7/3, Mutiara Damansara
47810 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 - 7728 1800
- INDEPENDENT MARKET
RESEARCHER** : Protégé Associates Sdn Bhd
Suite C-09-12, Plaza Mont' Kiara,
2 Jalan Kiara, Mont' Kiara,
50480 Kuala Lumpur
Wilayah Persekutuan
Tel : +603 - 6201 9301
- Managing Director: Seow Cheow Seng
(Master in Business Administration from the Charles Stuart
University, Australia)
- STOCK EXCHANGE LISTING** : ACE Market of Bursa Securities

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SUMMARY OF THE RIGHTS ISSUE OF ICPS WITH WARRANTS

This summary of the Rights Issue of ICPS with Warrants only highlights the key information from other parts of this Abridged Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Abridged Prospectus.

Key information	Summary												
(i) Number of ICPS to be issued and basis of allotment	<p>Basis: 4 ICPS together with 1 free Warrant B for every 2 existing Shares held by the Entitled Shareholders.</p> <table border="1"> <thead> <tr> <th></th> <th>Minimum Scenario</th> <th>Base Case Scenario</th> <th>Maximum Scenario</th> </tr> </thead> <tbody> <tr> <td>Number of ICPS to be issued</td> <td>400,000,000</td> <td>2,184,793,350</td> <td>2,651,255,354</td> </tr> <tr> <td>Number of Warrants B attached</td> <td>100,000,000</td> <td>546,198,337</td> <td>662,813,838</td> </tr> </tbody> </table> <p>The Rights Issue of ICPS with Warrants which are not taken up or not validly taken up by Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) prior to the Closing Date shall be made available for Excess ICPS with Warrants B Applications. It is the intention of the Board to allot the Excess ICPS with Warrants B, if any, in a fair and equitable manner in the following priority:-</p> <ol style="list-style-type: none"> (i) firstly, to minimise the incidence of odd lots of ICPS; (ii) secondly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess ICPS with Warrants B, taking into consideration their respective shareholdings in the Company as at the Entitlement Date; (iii) thirdly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess ICPS with Warrants B, taking into consideration the quantum of their respective excess application; and (iv) finally, on a pro-rata basis and in board lots, to the transferee(s) and/or renounee(s) who have applied for Excess ICPS with Warrants B, taking into consideration the quantum of their respective excess application. <p>The Excess ICPS with Warrants B will firstly be allocated to minimise the odd lots of ICPS (if any) held by each applicant of Excess ICPS with Warrants B. Thereafter, the allocation process will perform items (ii), (iii) and (iv) in succession. Any remaining balance of Excess ICPS with Warrants B will be allocated by performing the same sequence of allocation i.e. items (ii), (iii) and (iv) again in succession until all Excess ICPS with Warrants B are allotted.</p> <p>Please refer to Sections 2.1 & 10.6 of this Abridged Prospectus for further information.</p>		Minimum Scenario	Base Case Scenario	Maximum Scenario	Number of ICPS to be issued	400,000,000	2,184,793,350	2,651,255,354	Number of Warrants B attached	100,000,000	546,198,337	662,813,838
	Minimum Scenario	Base Case Scenario	Maximum Scenario										
Number of ICPS to be issued	400,000,000	2,184,793,350	2,651,255,354										
Number of Warrants B attached	100,000,000	546,198,337	662,813,838										
(ii) Price of the ICPS	<p>Issue price of the ICPS: RM0.025 per ICPS Exercise Price for the Warrants B: RM0.06 per Warrant B</p> <p>Please refer to Section 2.2 of this Abridged Prospectus for further information.</p>												
(iii) Shareholder's undertaking	<p>Undertaking Shareholder and : Key Alliance Group Berhad [200301007533 undertaking amount (609953-K)]: RM10.0 million</p> <p>Minimum ICPS to be subscribed for if : 400,000,000 ICPS (representing 18.31% of none of the other Entitled the total number of 2,184,793,350 ICPS Shareholders and/or their available for subscription under the Base transferee(s) and/or their Case Scenario, or 15.09% of the total renounee(s) subscribe for the ICPS number of 2,651,255,354 ICPS available for subscription under the Maximum Scenario)</p> <p>Please refer to Section 3 of this Abridged Prospectus for further information.</p>												

SUMMARY OF THE RIGHTS ISSUE OF ICPS WITH WARRANTS (CONT'D)

Key information	Summary																														
(iv) Utilisation of proceeds	<p>The gross proceeds to be raised from the Rights Issue of ICPS with Warrants will be utilised in the following manner:-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #cccccc;">Utilisation of proceeds</th> <th style="background-color: #cccccc;">Expected timeframe for utilisation from completion of the Rights Issue of ICPS with Warrants</th> <th style="background-color: #cccccc;">Minimum Scenario RM'000</th> <th style="background-color: #cccccc;">Base Case Scenario RM'000</th> <th style="background-color: #cccccc;">Maximum Scenario RM'000</th> </tr> </thead> <tbody> <tr> <td>(i) eSIM expansion plan</td> <td>Within 24 months</td> <td style="text-align: center;">9,000</td> <td style="text-align: center;">15,000</td> <td style="text-align: center;">15,000</td> </tr> <tr> <td>(ii) Expansion of XOX's e-wallet function</td> <td>Within 36 months</td> <td style="text-align: center;">-</td> <td style="text-align: center;">30,000</td> <td style="text-align: center;">35,000</td> </tr> <tr> <td>(iii) Working capital</td> <td>Within 24 months</td> <td style="text-align: center;">-</td> <td style="text-align: center;">8,620</td> <td style="text-align: center;">15,281</td> </tr> <tr> <td>(iv) Estimated expenses for the Corporate Exercises</td> <td>Immediate</td> <td style="text-align: center;">1,000</td> <td style="text-align: center;">1,000</td> <td style="text-align: center;">1,000</td> </tr> <tr> <td colspan="2">Total</td> <td style="text-align: center;">10,000</td> <td style="text-align: center;">54,620</td> <td style="text-align: center;">66,281</td> </tr> </tbody> </table> <p>Please refer to Section 5 of this Abridged Prospectus for further information.</p>	Utilisation of proceeds	Expected timeframe for utilisation from completion of the Rights Issue of ICPS with Warrants	Minimum Scenario RM'000	Base Case Scenario RM'000	Maximum Scenario RM'000	(i) eSIM expansion plan	Within 24 months	9,000	15,000	15,000	(ii) Expansion of XOX's e-wallet function	Within 36 months	-	30,000	35,000	(iii) Working capital	Within 24 months	-	8,620	15,281	(iv) Estimated expenses for the Corporate Exercises	Immediate	1,000	1,000	1,000	Total		10,000	54,620	66,281
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(v) Risk factors	<p>You should consider the following risk factors before subscribing for or investing in the Rights Issue of ICPS with Warrants:-</p> <p>(i) the Group's telecommunication business operates in a highly competitive environment whereby it faces competition from other similar service providers in terms of pricing, speed and quality of service and the Group's performance in the telecommunication business is dependent on its ability to continuously innovate and upgrade its systems, software and infrastructure; and</p> <p>(ii) the Group's telecommunication business is exposed to cyber security risk as they may be susceptible to data breaches, malware attack and phishing activities. The Group may be required to devote a significant amount of resources to recover from cyber-attacks and strengthen its security measures.</p> <p>Please refer to Section 6 of this Abridged Prospectus for further information.</p>																														
(vi) Procedures for acceptance and payment	<p>Acceptance of and payment for the Provisional Allotments allotted to you must be made on the RSF issued together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein. If you wish to accept all or part of your entitlement to the Provisional Allotments, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF with the relevant payment must be despatched by ORDINARY POST, COURIER or DELIVERED BY HAND (at your own risk) to the Share Registrar, ShareWorks Sdn Bhd so as to arrive not later than 5.00 p.m. on Thursday, 27 February 2020.</p> <p>If you wish to apply for additional ICPS with Warrants B in excess of your entitlement, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forwarding it with a separate remittance made in RM for the full amount payable for the Excess ICPS with Warrants B applied for, to our Share Registrar so as to arrive not later than 5.00 p.m. on Thursday, 27 February 2020.</p> <p>Please refer to Section 10 of this Abridged Prospectus for further information.</p>																														

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XOX BHD

[Registration No. 201001016682 (900384-X)]

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

Registered Office

22-09, Menara 1MK
No. 1 Jalan Kiara, Mont Kiara
50480 Kuala Lumpur
Wilayah Persekutuan

12 February 2020

Board of Directors:-

Dato' Seri Abdul Azim bin Mohd Zabidi (Non-Independent Non-Executive Chairman)
Ng Kok Heng (Executive Director / Chief Executive Officer)
Tan Sik Eek (Executive Director)
Soo Pow Min (Senior Independent Non-Executive Director)
Hew Tze Kok (Independent Non-Executive Director)
Edwin Chin Vin Foong (Independent Non-Executive Director)
Roy Ho Yew Kee (Non-Independent Non-Executive Director)

To: Entitled Shareholders

Dear Sir / Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 2,651,255,354 ICPS AT AN ISSUE PRICE OF RM0.025 PER ICPS TOGETHER WITH UP TO 662,813,838 FREE DETACHABLE WARRANTS B ON THE BASIS OF 4 ICPS TOGETHER WITH 1 FREE WARRANT B FOR EVERY 2 EXISTING SHARES HELD BY THE ENTITLED SHAREHOLDERS AT 5.00 P.M. ON 12 FEBRUARY 2020

1. INTRODUCTION

On 10 June 2019, Mercury Securities had, on behalf of the Board, announced that the Company proposes to undertake the Corporate Exercises.

On 24 June 2019, Mercury Securities had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 24 June 2019 granted its approval for the following:-

- (i) admission to the Official List and the initial listing and quotation of the ICPS and Warrants B;
- (ii) listing and quotation of the new Shares to be issued pursuant to the conversion of the ICPS; and
- (iii) listing and quotation of the new Shares to be issued pursuant to the exercise of the Warrants B.

The approval of Bursa Securities for the above is subject to the following conditions:-

Condition	Status of compliance
(i) XOX and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue of ICPS with Warrants;	To be met
(ii) XOX and Mercury Securities to inform Bursa Securities upon the completion of the Rights Issue of ICPS with Warrants;	To be met
(iii) XOX to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue of ICPS with Warrants is completed; and	To be met
(iv) XOX to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of the ICPS and exercise of the Warrants B respectively as at the end of each quarter together with a detailed computation of listing fees payable.	To be met

The Board is pleased to inform that the Shareholders had, during the EGM held on 31 July 2019, approved the Corporate Exercises.

On 3 December 2019, Mercury Securities on behalf of the Board, announced that Bursa Securities had vide its letter dated 2 December 2019 granted its approval for an extension of time of 6 months from 24 December 2019 up to 23 June 2020 to implement and complete the Corporate Exercises.

On 23 January 2020, Mercury Securities had, on behalf of the Board, announced that the Board had on even date resolved to fix the issue price of the ICPS at RM0.025 per ICPS and the Exercise Price at RM0.06 per Warrant B.

On 24 January 2020, Mercury Securities had, on behalf of the Board, announced that the Entitlement Date for the Rights Issue of ICPS with Warrants has been fixed at 5.00 p.m. on 12 February 2020.

No person is authorised to give any information or make any representation not contained in this Abridged Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by Mercury Securities or the Company in connection with the Rights Issue of ICPS with Warrants.

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS WHICH SETS OUT THE DETAILS AND RISK FACTORS ASSOCIATED WITH THE RIGHTS ISSUE OF ICPS WITH WARRANTS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

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2. PARTICULARS OF THE RIGHTS ISSUE OF ICPS WITH WARRANTS

2.1 Details of the Rights Issue of ICPS with Warrants

The Rights Issue of ICPS with Warrants entails a provisional allotment of up to 2,651,255,354 ICPS together with up to 662,813,838 free detachable Warrants B on a renounceable basis of 4 ICPS together with 1 free Warrant B for every 2 existing Shares held by the Entitled Shareholders on the Entitlement Date, at an issue price of RM0.025 per ICPS.

The actual number of ICPS and Warrants B to be issued will depend on the total number of issued Shares on the Entitlement Date after taking into consideration any new Shares that may be issued pursuant to the granting and/or exercise of any outstanding SIS Options as well as the eventual subscription level of the ICPS by the Entitled Shareholders and/or their transferee(s) and/or their renounee(s).

As at the LPD, the Company has:-

- (i) 1,092,396,675 issued Shares; and
- (ii) 49,374,500 granted SIS Options which have not been exercised; and
- (iii) up to 183,856,502 SIS Options which may be granted pursuant to the maximum allowable amount under the SIS.

As the ICPS and Warrants B are prescribed securities, the respective CDS Accounts of the Entitled Shareholders will be duly credited with the number of Provisional Allotments they are entitled to subscribe for in full or in part under the terms of the Rights Issue of ICPS with Warrants. The Entitled Shareholders will find the NPA as enclosed in this Abridged Prospectus notifying the Entitled Shareholders of the crediting of such securities into their respective CDS Accounts and the RSF as enclosed in this Abridged Prospectus to enable the Entitled Shareholders to subscribe for the Provisional Allotments as well as to apply for the Excess ICPS with Warrants B if the Entitled Shareholders so choose to. However, only the Entitled Shareholders who have an address in Malaysia as stated in our Record of Depositors or who have provided our Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus, together with the NPA and RSF.

The Warrants B are attached to the ICPS without any cost and will be issued only to the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) who subscribe for the ICPS. The Warrants B are exercisable into new Shares and each Warrant B will entitle its holder to subscribe for 1 new Share at the Exercise Price. The Warrants B will be immediately detached from the ICPS upon issuance and traded separately. The Warrants B will be issued in registered form and constituted by the Deed Poll B. The salient terms of the Warrants B are set out in Section 2.6 of this Abridged Prospectus.

Any dealings in the Company's securities will be subject to, amongst others, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the ICPS, Warrants B and new Shares to be issued and allotted upon the conversion of the ICPS and exercise of the Warrants B will be credited directly into the respective CDS Accounts of successful applicants and holders of ICPS who convert their ICPS and holders of Warrants B who exercise their Warrants B (as the case may be). No physical certificates will be issued to the successful applicants of the ICPS with Warrants B, nor will any physical share certificates be issued for the new Shares to be issued arising from the conversion of the ICPS and exercise of the Warrants B.

The Rights Issue of ICPS with Warrants is renounceable in full or in part. Accordingly, the Entitled Shareholders may fully or partially renounce their entitlements under the Rights Issue of ICPS with Warrants. However, the ICPS and Warrants B cannot be renounced separately. As such, the Entitled Shareholders who renounce all of their ICPS entitlements will not be entitled to the Warrants B. If the Entitled Shareholders accept only part of their ICPS entitlements, they shall be entitled to the Warrants B in proportion to their acceptance of the ICPS entitlements.

The ICPS with Warrants B that are not taken up or not validly taken up by the Entitled Shareholders and/or their transferee(s) and/or their renounee(s), if applicable, shall be made available for the Excess ICPS with Warrants B Applications.

Fractional entitlements arising from the Rights Issue of ICPS with Warrants, if any, will be disregarded and dealt with by the Board in such manner and on such terms and conditions as the Board in its absolute discretion deems fit or expedient and in the best interests of the Company.

Notices of allotment will be despatched to the successful applicants of the ICPS with Warrants B within 8 Market Days from the last date for acceptance and payment of the ICPS with Warrants B or such other period as may be prescribed by Bursa Securities.

The ICPS and Warrants B will be admitted to the Official List and the listing and quotation of these securities will commence 2 Market Days upon the receipt by Bursa Securities of an application for quotation for these securities as specified under the Listing Requirements, which will include amongst others, confirmation that all notices of allotment have been despatched to the successful applicants, and after receipt of confirmation from Bursa Depository that all CDS Accounts of successful applicants have been duly credited with the ICPS and Warrants B.

2.2 Basis of determining the issue price of the ICPS and the Exercise Price

(i) Issue price of the ICPS

The Board had fixed the issue price of the ICPS at RM0.025 per ICPS after taking into consideration, amongst others, the following:-

- (i) the funding requirements of the Group as set out in Section 5 of this Abridged Prospectus;
- (ii) the TEAP⁽¹⁾ of XOX Shares based on the 5-day VWAP of XOX Shares up to and including the LTD; and
- (iii) the rationale for the Rights Issue of ICPS with Warrants as set out in Section 4 of this Abridged Prospectus.

Based on the issue price of RM0.025 per ICPS and the conversion ratio of 2 ICPS for every 1 new Share, the Conversion Price of RM0.05 represents a premium of approximately 10.99% to the TEAP of XOX Shares of RM0.045, calculated based on the 5-day VWAP of XOX Shares up to and including the LTD of RM0.0401.

Note:-

(1) TEAP is computed as follows:-

$$\text{TEAP} = \frac{(A \times X) + (B \times Y) + (C \times Z)}{(A / D) + B + C}$$

where:-

A = Number of ICPS

B = Number of Warrants B

C = Number of existing Shares

D = Conversion ratio

X = Issue price of the ICPS

Y = Exercise Price

Z = 5-day VWAP of XOX Shares up to and including the LTD

and the ratio of A:B:C is 4:1:2, in accordance with the entitlement basis of 4 ICPS together with 1 free Warrant B for every 2 existing Shares held.

(ii) Exercise Price

The Board had fixed the Exercise Price at RM0.06 per Warrant B after taking into consideration, amongst others, the TEAP of XOX Shares based on the 5-day VWAP of XOX Shares up to and including the LTD.

The Exercise Price represents a premium of approximately 33.19% to the TEAP of XOX Shares of RM0.045, calculated based on the 5-day VWAP of XOX Shares up to and including the LTD of RM0.0401.

2.3 Ranking of the new Shares to be issued arising from the conversion of the ICPS and/or exercise of the Warrants B

(i) New Shares to be issued arising from conversion of the ICPS

The new Shares to be issued pursuant to the conversion of the ICPS shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares.

(ii) New Shares to be issued arising from exercise of the Warrants B

The new Shares to be issued pursuant to the exercise of the Warrants B shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares.

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2.4 Last date and time for acceptance and payment

The Closing Date is 5.00 p.m. on **27 February 2020**.

2.5 Salient terms of the ICPS

The salient terms of the ICPS are set out below:-

Issuer	: XOX
Issue size	: Up to 2,651,255,354 ICPS
Issue price	: RM0.025 per ICPS
Form and denomination	: The ICPS will be constituted by the Constitution and will be issued in registered form.
Dividend	: The Company has full discretion over the declaration of dividends, if any. Dividends declared and payable annually in arrears are non-cumulative and shall be paid in priority over the XOX Shares.
Board lot	: For the purpose of trading on Bursa Securities, a board lot of the ICPS shall be 100 units of the ICPS, or such other number of units as may be prescribed by Bursa Securities from time to time.
Tenure	: 10 years commencing from and inclusive of the issue date of the ICPS.
Maturity Date	: The Market Day immediately preceding the date which is the 10 th anniversary from the date of issue of the ICPS.
Conversion Period	: The ICPS may be converted into new Shares on any Market Day commencing on and including the issue date of the ICPS up to and including the Maturity Date. Any remaining ICPS that are not converted by the Maturity Date shall be mandatorily converted into new Shares at the conversion ratio of 2 ICPS for every 1 new Share.
Redemption	: Not redeemable for cash.
Conversion Price	: The Conversion Price of the ICPS to be converted into 1 new XOX Share is RM0.05.
Conversion Mode	: The ICPS may be converted into new Shares at the Conversion Price in the following manner:- <ul style="list-style-type: none"> (i) by surrendering for cancellation the ICPS with an aggregate issue price of the ICPS equivalent to the Conversion Price, subject to a minimum of 1 ICPS and a maximum of 2 ICPS for every 1 new Share; or (ii) by paying the difference between the aggregate issue price of ICPS surrendered and the Conversion Price, if any, in cash, for every 1 new Share.

Conversion Mode (cont'd) : Based on the above, the 2 conversion modes are illustrated below:-

No. of ICPS to surrender for cancellation	Total issue price of ICPS surrendered RM	Additional cash payment RM	Conversion price RM
1	0.025	0.025	0.05
2	0.05	-	0.05

- Conversion Mechanism :
- (i) The conversion of the ICPS into new Shares shall be exercised by the ICPS holders by delivering a duly completed and signed conversion notice ("**Conversion Notice**") and the payment by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia for the Conversion Price, if any, to the office of the Share Registrar of the Company during its business hours on any Market Day during the Conversion Period. The Conversion Notice is irrevocable upon receipt by the Company at the Share Registrar's office. A holder of the ICPS who has issued a Conversion Notice ("**Converting ICPS Holder**") shall further furnish to the Company such supporting documents or information as may be prescribed by the Company or as may be required under any applicable laws or regulations from time to time. The conversion shall be carried out in accordance with such procedures as may be prescribed by any applicable laws and regulations.
 - (ii) All the ICPS that remain outstanding on the Market Day immediately after the Maturity Date will be automatically converted into new Shares.
 - (iii) Subject to all applicable laws, rules and regulations, within 8 Market Days from the date of receipt by the Company of a Conversion Notice or such other period as may be prescribed or allowed by Bursa Securities or under any applicable laws and regulations, the Company shall:-
 - (a) issue and/or allot to the relevant Converting ICPS Holders, such number of Shares to which such holders are entitled to receive by virtue of the exercise of the Conversion Rights (as defined below), credited as fully paid-up ("**Conversion Shares**"), and shall cause the securities account of the said holders to be credited with such number of Conversion Shares; and
 - (b) dispatch a notice of allotment to the relevant Converting ICPS Holders in respect of the Conversion Shares.
 - (iv) Once converted, the ICPS shall not be capable of reissuance.

Conversion rights	:	(i) Each ICPS carries the entitlement to convert into new Shares at the Conversion Price through the surrender of the ICPS in the manner of the Conversion Mode; and (ii) If the conversion results in a fractional entitlement to XOX Shares, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of the ICPS, cash or otherwise, shall be given in respect of the disregarded fractional entitlement.
Adjustments to Conversion Price and/or Conversion Mode	:	The Conversion Price and/or Conversion Mode may be adjusted at the determination of the Board, in all or any of the following events:- (i) a bonus issue of Shares by the Company; or (ii) a capital distribution to the Shareholders made by the Company whether on a reduction of capital or otherwise, but excluding any cancellation of capital which is lost or unrepresented by assets; or (iii) a rights issue of Shares or convertible securities by the Company; or (iv) a consolidation of shares, subdivision of shares or reduction of capital; or (v) any other circumstances deemed necessary by the Board, provided that any adjustment to the Conversion Price will be rounded down to the nearest 1 sen (RM0.01). The adjustments shall be adjusted, calculated or determined by the Board in consultation with and certified by an approved adviser or external auditor appointed by the Company, as the case may be.
Ranking of the ICPS and liquidation preference	:	The ICPS are unsecured and shall upon allotment and issue rank <i>pari passu</i> amongst themselves and shall rank in priority to any other class of shares in the capital of the Company, except that:- (i) they will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared by the Company in respect of the ordinary shares; and (ii) they carry no right to vote at any general meeting of the Company save for the voting rights as set out under the "Rights of the holders of ICPS" section.

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<p>Ranking of the ICPS and liquidation preference (cont'd)</p>	<p>: In the event of liquidation or winding-up of the Company:-</p> <ul style="list-style-type: none"> (i) the assets of the Company shall be distributed to the holders of ICPS in full of the amount which is equal to the issue price for each ICPS in preference over the holders of the Shares, provided that there shall be no further right for the holders of ICPS to participate in any surplus capital or surplus profits of the Company; and (ii) in the event that the Company has insufficient assets to permit payment of the full issue price to the holders of ICPS, the assets of the Company shall be distributed pro rata on an equal priority to the holders of ICPS in proportion to the amount that each holder of ICPS would otherwise be entitled to receive.
<p>Ranking of new Shares to be issued pursuant to the conversion of the ICPS</p>	<p>: The new Shares to be issued pursuant to the conversion of the ICPS shall, upon allotment and issue, rank <i>pari passu</i> in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of such new Shares arising from the conversion of the ICPS.</p>
<p>Rights of the holders of ICPS</p>	<p>: The ICPS holders shall not have the right to vote at any general meeting of the Company except with regard to:-</p> <ul style="list-style-type: none"> (a) on a proposal considering the reduction of the share capital of the Company (excluding any cancellation of capital which is lost or unrepresented by assets); (b) on a proposal for the sale of the whole of the Company's property, business and undertaking; (c) on a proposal that directly affects the rights and privileges attached to the ICPS; (d) on a proposal to wind-up the Company; and (e) during the winding-up of the Company, <p>in which case, the ICPS holders shall be entitled to vote at any general meeting whereby every 2 ICPS shall, on a poll, carry 1 vote for each XOX Share into which the ICPS may be converted into, based on the conversion ratio of 2 ICPS for every 1 new Share.</p> <p>The ICPS holders shall be entitled to receive notice of meetings, report and accounts, and attend meetings and vote at any class meeting of the holders of the ICPS in relation to any proposal by the Company to vary or abrogate the rights of the ICPS as stated in the Constitution.</p>

Listing	: The ICPS will be listed and traded on the ACE Market of Bursa Securities. The listing and quotation of the ICPS on the ACE Market of Bursa Securities is subject to a minimum of 100 holders of ICPS.
Transferability	: As the ICPS will be listed and quoted on the ACE Market of Bursa Securities, they will be deposited with the CDS of Bursa Securities and will be subject to the Rules of Bursa Depository. The ICPS shall be transferable in the manner provided under the SICDA and the Rules of Bursa Depository.
Modification of rights	: The Company may from time to time with the consent or sanction of all the holders of the ICPS make modifications to the terms of the ICPS. Any variation, modification or abrogation of the rights and privileges attached to the ICPS shall require the sanction of a special resolution of the ICPS holders holding or representing not less than 75% of the outstanding ICPS.
Governing laws	: The laws of Malaysia.

2.6 Salient terms of the Warrants B

The salient terms of the Warrants B are set out below:-

Issuer	: XOX
Issue size	: Up to 662,813,838 Warrants B to be issued pursuant to the Rights Issue of ICPS with Warrants.
Form and detachability	: The Warrants B will be issued in registered form and constituted by the Deed Poll B. The Warrants B which are to be issued with the ICPS will immediately be detached from the ICPS upon allotment and issuance and will be traded separately on Bursa Securities.
Board lot	: For the purpose of trading on Bursa Securities, a board lot of Warrants B shall be 100 units of Warrants B, or such other number of units as may be prescribed by Bursa Securities.
Tenure	: 3 years from the date of issuance of the Warrants B.
Exercise period	: The Warrants B may be exercised at any time within a period of 3 years commencing from and including the date of issuance of the Warrants B to the close of business at 5.00 p.m. on the Market Day immediately preceding the date which is the 3rd anniversary from the date of issuance of the Warrants B (" Exercise Period "). Any Warrants B not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.

Exercise Price	: RM0.06 per Warrant B. The Exercise Price and/or the number of Warrants B in issue during the Exercise Period shall however be subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll B.
Subscription rights	: Each Warrant B shall entitle its registered holder to subscribe for 1 new Share at any time during the Exercise Period at the Exercise Price, subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll B.
Mode of exercise	: The holders of Warrants B are required to lodge a subscription form with the Company's Share Registrar, duly completed, signed and stamped together with payment by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia for the aggregate of the Exercise Price payable when exercising their Warrants B to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.
Adjustments to the final Exercise Price and/or the number of the Warrants B	: Subject to the provisions of the Deed Poll B, the Exercise Price and/or the number of unexercised Warrants B in issue may be subject to adjustments by the Board in consultation with an approved adviser appointed by the Company or the auditors in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants B, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the provisions of the Deed Poll B. Any adjustment to the Exercise Price will be rounded up to the nearest 1 sen.
Rights of the Warrant B holders	: The Warrants B do not confer on their holders any voting rights or any right to participate in any form of distribution and/or offer of further securities in the Company until and unless such holders of Warrants B exercise their Warrants B for new Shares in accordance with the provisions of the Deed Poll B and such new Shares have been allotted and issued to such holders.
Ranking of the new Shares to be issued pursuant to the exercise of the Warrants B	: The new Shares to be issued pursuant to the exercise of the Warrants B in accordance with the provisions of the Deed Poll B shall, upon allotment, issuance and full payment of the Exercise Price of the Warrants B, rank <i>pari passu</i> in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares arising from the exercise of the Warrants B.

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<p>Rights of the Warrant B holders in the event of winding up, liquidation, compromise and/or arrangement</p>	<p>: (i) Where a resolution has been passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with 1 or more companies, then for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the holders of Warrants B (or some other persons designated by them for such purpose by special resolution) shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the holders of the Warrants B; and</p> <p>(ii) in any other cases, every Warrant B holder shall be entitled to exercise his / her Warrants B at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of the Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement, whereupon the Company shall allot the relevant new Shares to the Warrant B holder credited as fully paid subject to the prevailing laws, and such Warrant B holder shall be entitled to receive out of the assets of the Company which would be available in liquidation if he / she had on such date been the holder of the new Shares to which he / she would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all subscription rights of the Warrants B shall lapse and cease to be valid for any purpose.</p>
<p>Modification of rights of Warrant B holders</p>	<p>: Save as otherwise provided in the Deed Poll B, a special resolution of the Warrant B holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrant B holders.</p>
<p>Modification of the Deed Poll B</p>	<p>: Any modification to the terms and conditions of the Deed Poll B may be effected only by a further deed poll, executed by the Company and expressed to be supplemental to the Deed Poll B. Any of such modification shall however be subject to the approval of Bursa Securities (if so required).</p>
<p>No amendment or addition may be made to the provisions of the Deed Poll B without the sanction of a Special Resolution unless the amendments or additions are required to correct any typographical errors or relate purely to administrative matters or are required to comply with any provisions of the prevailing laws or regulations or Malaysia or in the opinion of the Company, will not be materially prejudicial to the interests of the Warrant B holders.</p>	

Listing	: The Warrants B will be listed and traded on the ACE Market of Bursa Securities. The listing and quotation of the Warrants B on the ACE Market of Bursa Securities is subject to a minimum of 100 holders of Warrants B.
Transferability	: The Warrants B shall be transferable in the manner provided under the SICDA and the Rules of Bursa Depository.
Deed poll	: The Warrants B shall be constituted by the Deed Poll B to be executed by the Company.
Governing Law	: The Warrants B and the Deed Poll B shall be governed by the laws and regulations of Malaysia.

2.7 Details of other corporate exercises

As at the date of this Abridged Prospectus, save for the Rights Issue of ICPS with Warrants, the Board confirmed that there are no other corporate exercises which have been approved by the regulatory authorities but are pending completion.

3. SHAREHOLDER'S UNDERTAKING

XOX intends to raise a minimum of RM10.0 million from the Rights Issue of ICPS with Warrants to meet the funding requirements of the Group, which will be channelled towards the proposed utilisation as set out in Section 5 of this Abridged Prospectus.

In view of the above, the Board has determined to undertake the Rights Issue of ICPS with Warrants on the Minimum Subscription Level. To meet the Minimum Subscription Level, the Company has procured the Undertaking from the Undertaking Shareholder. Details of the Undertaking are as follows:-

Undertaking Shareholder	Existing direct shareholdings as at the LPD		Minimum ICPS to be subscribed for pursuant to the Undertaking			Assuming none of the other Entitled Shareholders subscribe for their ICPS	
	No. of Shares	(1)%	Subscription based on entitlement	Subscription based on excess application	Total	No. of Shares held after ICPS conversion	(2)%
Key Alliance Group Berhad	99,300,000	9.09	198,600,000	201,400,000	(3)400,000,000	299,300,000	23.16

Notes:-

- (1) Based on the issued share capital of 1,092,396,675 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 1,292,396,675 Shares assuming full conversion of the ICPS by the Undertaking Shareholder at the conversion mode of surrendering 2 ICPS for 1 new Share without additional cash payment.
- (3) This represents 18.31% of the total number of 2,184,793,350 ICPS available for subscription under the Base Case Scenario, or 15.09% of the total number of 2,651,255,354 ICPS available for subscription under the Maximum Scenario.

Pursuant to the Undertaking, the Undertaking Shareholder has:-

- (i) irrevocably and unconditionally undertook that he shall not sell or in any other way dispose of or transfer his existing interest in the Company or any part thereof during the period commencing from the date of the Undertaking up to the Entitlement Date; and
- (ii) confirmed that he has sufficient financial means and resources to subscribe in full for his entitlement of ICPS under the Rights Issue of ICPS with Warrants and additional ICPS not taken up by other Entitled Shareholders by way of excess ICPS application to the extent such that the aggregate subscription proceeds of the ICPS received by XOX arising from the subscription by all Entitled Shareholders and/or their renounee(s) amount to not less than RM10.0 million.

Mercury Securities has verified the sufficiency of financial resources of the Undertaking Shareholder for the purpose of subscribing for the ICPS and excess ICPS pursuant to the Undertaking.

The Undertaking Shareholder has confirmed that his subscription for ICPS and excess ICPS pursuant to the Undertaking will not give rise to any mandatory take-over offer obligation under the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions immediately after the completion of the Rights Issue of ICPS with Warrants.

In the event that the Undertaking Shareholder triggers an obligation to undertake a mandatory take-over offer under the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions pursuant to the Undertaking, a separate announcement will be made. Nonetheless, the Undertaking Shareholder has confirmed that he will at all times observe and ensure compliance with the provisions of the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions and will seek from the SC the necessary exemptions from undertaking such mandatory take-over offer, if required.

As the Minimum Subscription Level will be fully satisfied via the Undertaking, the Company will not procure any underwriting arrangement for the remaining ICPS not subscribed for by other Entitled Shareholders.

The Undertaking is not expected to result in any breach in the public shareholding spread requirement by the Company under Rule 8.02(1) of the Listing Requirements, which stipulates that a listed corporation must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders. As at the LPD, the Company does not hold any treasury shares.

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The pro forma public shareholding spread under the Minimum Scenario is illustrated as follows:-

Particulars	As at the LPD		(I) After the Rights Issue of ICPS with Warrants		(II) After (I) and assuming full exercise of Warrants	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Issued share capital	1,092,396,675	100.00	1,292,396,675	100.00	1,392,396,675	100.00
<u>Less:</u> Directors, substantial shareholders and their associates	117,149,670	⁽¹⁾ 10.72	317,149,670	⁽²⁾ 24.54	416,988,415	⁽³⁾ 29.95
Public shareholding spread	975,247,005	⁽¹⁾89.28	975,247,005	⁽²⁾75.46	975,408,260	⁽³⁾70.05

Notes:-

- (1) Based on the issued share capital of 1,092,396,675 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 1,292,396,675 Shares pursuant to the Undertaking and after assuming full conversion of the ICPS by the Undertaking Shareholder.
- (3) Based on the enlarged issued share capital of 1,392,396,675 Shares assuming full exercise of Warrants B.

4. RATIONALE FOR THE RIGHTS ISSUE OF ICPS WITH WARRANTS

The Rights Issue of ICPS with Warrants will enable the Company to raise funds and channel them towards the proposed utilisation as set out in Section 5 of this Abridged Prospectus. As at the LPD, XOX Group's cash and bank balances stood at approximately RM6.5 million. It should be noted that the Group has been increasing its public exposure and brand awareness through intensive advertising and marketing activities.

The Group also launched attractive mobile subscription package such as ONEXOX BLACK to capture a larger customer base. In addition, the Group has also been opening up additional service outlets to increase the accessibility to its products and services.

After due consideration of the various options available, the Board is of the opinion that the Rights Issue of ICPS with Warrants is the most suitable means of fund raising for the Company for the following reasons:-

- (i) it will not have an immediate dilution effect on the Group's EPS as the ICPS are expected to be converted over the Conversion Period as opposed to a rights issue of ordinary shares, which will have an immediate upfront impact on the Group's EPS;
- (ii) it will not dilute the shareholdings of Entitled Shareholders, assuming that all Entitled Shareholders subscribe to their respective entitlement and fully convert their ICPS;
- (iii) it allows the Entitled Shareholders to increase their equity participation in the Company through the conversion of the ICPS into new Shares during the Conversion Period; and

- (iv) it enables the Company to raise the requisite funds without incurring additional interest expense from bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs.

The free Warrants B which are attached to the ICPS are intended to provide an added incentive to the Entitled Shareholders to subscribe for the ICPS. In addition, the free Warrants B will provide the Entitled Shareholders with an opportunity to increase their equity participation in the Company at a pre-determined exercise price during the tenure of the Warrants B and will allow the Entitled Shareholders to further participate in the future growth of the Company as and when the Warrants B are exercised.

The exercise of the Warrants B in the future will allow the Company to obtain additional funds without incurring additional interest expenses from borrowings. Furthermore, should the Company increase its borrowings in the future, the exercise of Warrants B will increase Shareholders' funds and lower the Company's gearing, thereby providing the Company with flexibility in terms of the options available to meet its funding requirements.

5. UTILISATION OF PROCEEDS

Based on the issue price of RM0.025 per ICPS, the gross proceeds to be raised from the Rights Issue of ICPS with Warrants are intended to be utilised in the following manner:-

Utilisation of proceeds	Expected timeframe for utilisation from completion of the Rights Issue of ICPS with Warrants	⁽¹⁾ Minimum Scenario		Base Case Scenario		Maximum Scenario	
		(RM'000)	%	(RM'000)	%	(RM'000)	%
(i) eSIM expansion plan	Within 24 months	9,000	90.0	15,000	27.5	15,000	22.6
(ii) Expansion of XOX's e-wallet function	Within 36 months	-	-	30,000	54.9	35,000	52.8
(iii) Working capital	Within 24 months	-	-	8,620	15.8	15,281	23.1
(iv) Estimated expenses for the Corporate Exercises	Immediate	⁽²⁾ 1,000	10.0	⁽²⁾ 1,000	1.8	⁽²⁾ 1,000	1.5
Total		10,000	100.0	54,620	100.0	⁽³⁾66,281	100.0

Notes:-

- (1) Any additional proceeds raised in excess of the RM10.0 million under the Minimum Scenario will be allocated up to its respective maximum allocation under the Base Case Scenario and Maximum Scenario in the following order:-
- (i) eSIM expansion plan;
 - (ii) expansion of XOX's e-wallet function; and
 - (iii) working capital.
- (2) If the actual expenses incurred are higher than the budgeted amount of RM1.0 million, the deficit will be funded from internally-generated funds (under the Minimum Scenario) or the portion allocated for working capital (under the Base Case Scenario and Maximum Scenario). Conversely, any surplus of funds following payment of expenses will be utilised to fund working capital.

- (3) The Board wishes to highlight that the illustrative amount of up to approximately RM66.3 million that would be raised under the Maximum Scenario is based on, amongst others, the following assumptions:-
- (i) all the SIS Options are granted and/or exercised into new XOX Shares prior to the Entitlement Date; and
 - (ii) all Entitled Shareholders fully subscribe to their entitlements under the Rights Issue of ICPS with Warrants.

The Board is of the view that the Maximum Scenario is an unlikely scenario as it is unlikely for all the granted SIS Options to be exercised into new Shares prior to the Entitlement Date in view of:-

- (i) the closing market price of XOX Shares as at the LPD of RM0.045; and
- (ii) the exercise price of the 2 batches of granted SIS Options of RM0.13 and RM 0.10 with remaining tenure of approximately 14 months from the LPD.

Pending the utilisation of the proceeds from the Rights Issue of ICPS with Warrants, such proceeds will be placed in interest-bearing bank deposits and / or money market financial instruments.

(i) eSIM expansion plan

In February 2019, XOX launched "XOX eSIM", its new mobile subscription plan based on eSIM technology in Malaysia. eSIM (short for embedded SIM card) is a virtual SIM card where data is stored in a small chip embedded into a smartphone that supports the eSIM technology. Currently, XOX eSIM enables its subscribers to make phone calls, answer phone calls and use mobile data service without having a physical SIM as all information is updated wirelessly.

eSIM is the alternative to physical SIM cards that are currently widely used. Previously, users who wish to subscribe for a new phone line or change to another telecommunication network operator will have to physically replace the existing SIM card with the SIM card provided by the new telecommunication network operator.

With eSIM, users can subscribe for a new phone line or change to another telecommunication network operator by simply applying for the new telecommunication network operator's subscription plan online. Once the application is approved, the telecommunication network operator will provide the user with a unique QR code to be scanned by the user's smartphone to activate the subscription plan.

With eSIM, a user will no longer need to visit a telecommunication network operator's physical store to obtain the physical new SIM card or wait for the physical new SIM card to be delivered to him or her. They can also switch easily between different telecommunication network operators and this is especially convenient for travellers who need to subscribe or switch to a local telecommunication network operator when they visit a foreign country.

Users will be able to make calls and send texts easily from either line without reconfiguring settings or physically swapping out the SIM cards. A user may also be able to make phone calls on 1 network while using the data from another network (with a more attractive data plan) to access the Internet.

The eSIM technology also allows users to utilise dual SIM features supported by certain smartphones. Some smartphones support the usage of both a physical SIM card and an eSIM at the same time, thus allowing users to utilise "Dual SIM Dual Standby" technology. This technology allows users to make and receive calls as well as send and receive texts using different phone numbers at the same time. If one number is on a call, incoming calls on the other number will go to voicemail.

The XOX eSIM plan is currently offered for iPhone XR, XS, XS Max, 11 Pro and 11 Pro Max and Google Pixel 3 and Pixel 3XL. As eSIM gains popularity and more mobile phones are being equipped with eSIM, XOX expects to gain access to more subscribers as it is easier for subscribers with eSIM-compatible devices to switch over to XOX.

Users can subscribe to an XOX eSIM plan online by signing up on XOX's website or offline by walk-in to a physical XOX store. Given that it is more convenient to subscribe to an XOX eSIM plan online, the Group expects online subscriptions to be the most preferred choice as compared to offline subscriptions. As such, the Group expects to save costs moving forward as it would need to stock up less physical SIM cards and reduce the resources for delivery of its services to users.

XOX's current platform for phone connectivity has limited features and capabilities, mainly catered for physical SIM technology. As such, in line with the Group's plan to gradually focus on the eSIM market, the Group intends to progressively upgrade its platform to enhance its features and capabilities so that it will be mainly catered for eSIM technology. The upgrading of its platform is expected to commence within 1 month after completion of the Rights Issue of ICPS with Warrants and complete within 15 months from commencement.

This upgrade is expected to increase the capacity of the platform from being able to support 3 million subscribers to 5 million subscribers. This will help to support the anticipated increase in the Group's subscriber base arising from XOX eSIM subscriptions. As at the LPD, XOX has approximately 2.5 million subscribers across its various products, and has more than 650 users for eSIM. The Group also intends to embark on marketing activities to promote the usage of XOX eSIM.

The Group estimates to incur approximately RM20.3 million to develop the eSIM business, which is expected to be incurred over a period of 36 months. The Group intends to utilise proceeds of up to RM15.0 million from the Rights Issue of ICPS with Warrants for its eSIM expansion plan. The indicative cost breakdown for this utilisation is as follows:-

	Purpose	Description	Minimum Scenario (RM'000)	Base Case Scenario (RM'000)	Maximum Scenario (RM'000)
(i)	Upgrading of hardware	Procurement of servers and ancillary network equipment including staging servers, production servers, server colocation and hosting rack	2,000	2,000	2,000
(ii)	Software costs	<ul style="list-style-type: none"> - Enhancement of current software infrastructure - Licensing fees for cloud hosting services - Upgrading of software / platform for eSIM connectivity across different systems, vendors and network 	5,000	7,000	7,000
(iii)	Marketing expenses	Promotion and advertising costs for XOX eSIM such as expenses for billboard advertisements, marketing campaigns and roadshows, printing of flyers and other promotional materials as well as digital marketing	2,000	6,000	6,000
			9,000	15,000	15,000

In the event of any shortfall between the total amount indicated above and the actual amount of proceeds raised from the Rights Issue of ICPS with Warrants, the shortfall shall be funded via bank borrowings. The actual funding breakdown cannot be determined at this juncture as it will depend on, amongst others, the actual amount of proceeds raised from the Rights Issue of ICPS with Warrants as well as the availability and suitability of other funding options at the relevant time.

The balance of RM5.3 million (the difference between RM20.3 and RM15.0 as detailed above) are mainly ongoing operating costs for the eSIM business post upgrade and comprises amongst others, maintenance costs, compliance costs, network and security costs and these are expected to be funded via internally-generated funds. It should be noted that these costs will depend on the level of business that is ultimately generated from the eSIM business.

(ii) Expansion of XOX's e-wallet function

With the growing affordability of smartphones and rising popularity of electronic payment methods, especially with the advent of electronic money or e-money, consumers are increasingly assimilating the use of e-wallets into their lives.

XOX obtained the approval of BNM to be an e-money issuer in September 2008. Currently, XOX's e-wallet is a module within its XOX Mobile application and has limited usage such as reloading a user's mobile prepaid credit.

As e-money and e-wallets are gaining popularity, XOX intends to expand its e-wallet functionality by developing a new mobile application specifically to cater for this function. The new mobile application will allow smartphone users to deposit money into a virtual money account i.e. the e-wallet. Apart from being able to reload mobile prepaid credits, the amount stored in the e-wallet can also be used in other ways as described below.

Each e-wallet account is tagged to an XOX mobile number. XOX mobile users are entitled to an e-wallet account, where they can deposit money through cash deposit, online banking or via debit or credit card.

E-wallets provide users with the convenience of travelling / commuting without having to carry a lot of cash or debit / credit cards. To make payments, e-wallet users only need to tap their mobile devices to the payment receptacle, or scan the relevant merchant's QR code. E-wallet also provides more security against theft as compared to carrying physical cash. This is because access to e-wallets are usually protected by existing security features available in mobile devices such as passwords, fingerprints and/or facial recognition.

E-wallet also removes the hassle of managing spare change for merchants. As e-wallet usage becomes more prevalent and widespread, cash transactions are expected to gradually become less common in the future. In this instance, merchants may no longer need to hold large amounts of physical cash in their stores, thus reducing potential incidences of theft or robbery. Merchants can also easily keep track of their daily closing cash balance via the e-wallet application on their mobile devices, thus eliminating the need for physical cash reconciliation. Further, businesses may reduce the need for cashiers because the purchasing process becomes as simple as a tap or scan of a mobile device. These will serve to reduce transaction costs for the business.

XOX plans to build a dedicated mobile application specifically to provide e-wallet services. This mobile application will be designed to handle the deposit and withdrawal of e-money (i.e. conversion of physical cash into e-money and vice versa), virtual payment card and all other functionalities related to e-wallet. XOX sees good opportunity in becoming a major player in the digital economy domain as it already has an existing pool of prospective users via its approximately 2.5 million mobile subscribers as at the LPD.

The XOX e-wallet mobile application is expected to provide the following features and benefits:-

(a) Micropayment

A micropayment is an e-commerce transaction involving a very small sum of money (such as less than RM10) in exchange for something made available online, such as an application download, a service or Web-based content. Examples of micropayments include purchases of applications or songs on Apple's App Store or Google's Play Store as well as purchases of game credits for use in online games. For micropayments, e-wallet is a more practical method of payment as compared to credit cards, given that the card processing fees may be even higher than the value of the micropayment transaction itself.

Micropayments can also be in the form of prepaid mobile credits, whereby XOX e-wallet users can top up their mobile credit in small amounts by deducting from their e-wallet account.

Further, XOX has partnered with Steam (a popular gaming distribution platform) to provide users with exclusive gaming content. The Steam gaming platform offers a wide range of computer and mobile games. Through this collaboration, users can purchase game credits from the Steam platform using credits stored in their XOX e-wallet. The game credits purchased can then be used to purchase online games from the Steam platform.

Moving forward, XOX plans to include other features into its e-wallet to expand the usage of its e-wallet. These include record of payment history, account management analysis and QR code scanning features. Besides, XOX also intends to collaborate with more merchants to expand the acceptance and adoption of its e-wallet.

(b) Issuance of Mastercard

In May 2019, Mastercard has approved XOX's application as card issuer of Mastercard. As at the LPD, Mastercard is processing the onboarding of XOX as their issuer in Mastercard Connect. Upon completion of the onboarding process, XOX will successfully become an approved card issuer of Mastercard. This will then allow the Company to be recognised in the Mastercard payment network as a card issuer, thus allowing the Company to issue its own Mastercard.

Upon successfully registered as card issuer of Mastercard Connect, both XOX and Mastercard teams will need to work together to integrate the system and to ensure the system is in compliant with the regulatory requirements. The whole process will take approximately 6 months following the grant of license from Mastercard to issue Mastercard branded prepaid payment instrument⁽¹⁾ before XOX can officially launch its own Mastercard.

Note:-

(1) Prepaid payment instruments are those which facilitate purchase of goods and services against the value stored on such instruments. The value stored on such instruments represents the value paid for by the holder, either by cash or other forms of payment.

By being a Mastercard issuer, XOX will enable its subscribers to gain access to the Mastercard global payment network and access to more than 1 million points of sale in Malaysia. Collaboration with Mastercard will enable XOX subscribers to reload their XOX Mastercard debit card and this can be used to make purchases with Mastercard partner merchants, both in-store and online. The debit card becomes handy for users in places where e-wallet payment is not currently acceptable. As the debit card and e-wallet account are linked, all purchases made via the debit card will be automatically tracked and categorised within the e-wallet mobile application.

The collaboration with Mastercard will also allow XOX subscribers to enjoy promotional activities offered by Mastercard partner merchants. XOX may also jointly develop promotional activities with Mastercard specifically for XOX subscribers.

(c) P2P transfers

P2P transfers allow the transfer of funds between 2 parties using money stored in their e-wallet accounts. With this feature, XOX subscribers will be able to transfer e-money to their friends and families through the e-wallet application on their mobile devices by simply scanning the recipient's QR code or entering the recipient's phone number, without the hassle of exchanging bank account details and logging in to their online banking accounts to perform fund transfer. This will be a strong complementary feature to the existing XOX Mobile application which currently only supports the transfer of prepaid airtime between XOX subscribers.

To launch its new e-wallet application, XOX intends to first offer its use to existing XOX dealers and subscribers in Malaysia. Some of the ways that will be employed to encourage the use of its e-wallet amongst its subscribers would be through a loyalty points and rewards programme. Dealers will also be encouraged to use the XOX e-wallet as their incentives will be paid in the form of e-money credited into their XOX e-wallet.

As the usage of XOX e-wallet gains traction, XOX intends to expand its e-wallet services to Indonesia. On 21 June 2018, XOX Media Sdn Bhd (a wholly-owned subsidiary of XOX) entered into a joint venture agreement with EH Integrated Systems Sdn Bhd, Yayasan Nahdatul Ulama and PT Nusantara Digital Telekomunikasi for the purpose of establishing a joint venture company called PT Nusantara Mobile Telecommunication to provide e-wallet services in Indonesia. PT Nusantara Mobile Telecommunication was incorporated in September 2018 and is expected to commence preliminary e-wallet operations beginning third quarter of 2020.

XOX has identified Indonesia as a target overseas market for its e-wallet expansion plan as it has a population of more than 260 million people and is geographically and culturally similar to Malaysia.

The XOX e-wallet will initially be extended to existing XOX subscribers and new users for free to foster the initial growth of its user base. Subsequently, revenue from the XOX e-wallet is expected to be derived from commission in the form of interchange fees payable by merchants for every transaction effected using XOX e-wallet.

The expansion of the e-wallet function is expected to commence immediately after completion of the Rights Issue of ICPS with Warrants and complete within 24 months from commencement. The Company will continuously engage in marketing activities to promote the use of the e-wallet and the proceeds earmarked for this initiative is expected to be incurred over a period of 36 months.

In view of the foregoing, the Group intends to utilise proceeds of up to RM35.0 million from the Rights Issue of ICPS with Warrants to fund the initial development and gradual enhancement of the XOX e-wallet mobile application. In order to do so, XOX will be required to upgrade its hardware and incur software costs to accommodate the provision of e-wallet services. In addition, XOX will need to engage in marketing activities to promote the usage of its e-wallet application. The proceeds are intended to be utilised as follows:-

	Purpose	Description	Base Case Scenario	Maximum Scenario
			(RM'000)	(RM'000)
(i)	Upgrading of hardware	Procurement of servers and ancillary network equipment including development servers, staging servers, production servers, server colocation and hosting rack	6,000	6,000
(ii)	Software costs	<ul style="list-style-type: none"> - Licensing fees for central or e-wallet user database and management system and maintenance fees - Licensing fees for cloud hosting services - Enhancement for current software infrastructure - Software for card management system 	15,500	20,500
(iii)	Marketing expenses	Promotion and advertising costs for the e-wallet mobile application such as expenses for billboard advertisements, marketing campaigns and roadshows, printing of flyers and other promotional materials as well as digital marketing	8,500	8,500
			30,000	35,000

In the event of any shortfall between the total cost indicated above and the actual amount of proceeds raised from the Rights Issue of ICPS with Warrants, the shortfall shall be funded via bank borrowings. The actual funding breakdown cannot be determined at this juncture as it will depend on, amongst others, the actual amount of proceeds raised from the Rights Issue of ICPS with Warrants as well as the availability and suitability of other funding options at the relevant time.

(iii) Working capital

The Group intends to utilise the balance proceeds from the Rights Issue of ICPS with Warrants to fund its working capital in the following manner:-

Working capital	Percentage allocation	Base Case Scenario	Maximum Scenario
		(RM'000)	(RM'000)
Maintenance cost of mobile and digital network infrastructure	15.0	1,293	2,292
Operating and administrative expenses such as staff cost, utilities, rental costs, transportation costs and upkeep of office	85.0	7,327	12,989
Total	100.0	8,620	15,281

(iv) Estimated expenses for the Corporate Exercises

The breakdown of the estimated expenses is illustrated below:-

Estimated expenses	RM'000
Professional fees ⁽¹⁾	800
Fees to relevant authorities	100
Printing, despatch and advertising expenses	100
Total	1,000

Note:-

- (1) Comprises estimated professional fees payable to the Principal Adviser, Company Secretary, Share Registrar, Solicitors, Independent Market Researcher and Reporting Accountants for the Corporate Exercises.

The actual gross proceeds to be raised from the Rights Issue of ICPS with Warrants will depend on the actual number of ICPS that will be eventually issued.

The exact quantum of proceeds that may be raised by the Company from the conversion of the ICPS and/or exercise of the Warrants B would depend on the actual number of ICPS converted during the Conversion Period and/or the actual number of Warrants B exercised during the Exercise Period. The proceeds from the conversion of the ICPS and/or exercise of the Warrants B will be received on an "as and when basis" over the Conversion Period and/or the Exercise Period.

It is unlikely for the Company to receive significant additional proceeds from the conversion of the ICPS as the ICPS are expected to be converted mainly based on the conversion mode of surrendering 2 ICPS without additional cash payment instead of the conversion mode of surrendering 1 ICPS with additional cash payment of RM0.025 (to arrive at the Conversion Price of RM0.05 for 1 new Share).

Nevertheless, any proceeds arising from the conversion of ICPS (via the conversion mode of surrendering 1 ICPS with additional cash payment of RM0.025) during the Conversion Period will be used to finance the Group's working capital requirements such as staff salaries, rental, utilities, maintenance costs, audit fees and secretarial fees. The exact breakdown of such utilisation cannot be determined at this juncture and would be dependent on the actual requirements at the relevant time. Strictly for illustrative purposes, assuming all the ICPS are converted based on the conversion mode of surrendering 1 ICPS with additional cash payment of RM0.025, the Company will raise gross proceeds of approximately RM66.3 million upon full conversion of the ICPS under the Maximum Scenario.

Strictly for illustrative purposes, based on the Exercise Price of RM0.06 per Warrant B, the Company will raise gross proceeds of up to RM39.8 million upon full exercise of the Warrants B under the Maximum Scenario. Any proceeds arising from the exercise of the Warrants B in the future will be used to finance the Group's working capital requirements such as those described above. The exact breakdown cannot be determined at this juncture and would be dependent on the actual requirements at the relevant time.

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6. RISK FACTORS

You should carefully consider, in addition to the other information contained in this Abridged Prospectus, the following risk factors before subscribing for or investing in the Rights Issue of ICPS with Warrants:-

6.1 Risks relating to the Group

6.1.1 We face competition from other similar service providers

Our Group's telecommunication business via mobile payment application as well as mobile subscription segment operates in a highly competitive environment that is characterised by rapid changes in technology and diverse consumer preferences. In particular, our Group's mobile subscription plan based on eSIM technology and e-wallet function faces competition from other similar service providers in terms of pricing, speed and quality of service, amongst others.

In this context, our Group's performance in the telecommunication business is dependent on our ability to continuously innovate and upgrade our systems, software and infrastructure to ensure that our services remain relevant in the current technological landscape. This would then allow us to compete effectively against other service providers moving forward.

While our Group intends to upgrade our eSIM and e-wallet function, there is no assurance that these upgrades will allow us to remain relevant in future technological landscapes given the potential for rapid technological advancements.

If our Group's competitors have more advanced technology which allows them to consistently deliver better pricing, speed and quality of service, amongst others, we may suffer substantial loss of clients as they switch to these competitors. In this event, our business and financial performance would be adversely affected.

6.1.2 We are exposed to cyber security risk

Our mobile payment platforms are exposed to cyber security risk as they may be susceptible to data breaches, malware attack and phishing activities, amongst others.

Cyberthreats can have cascading impact across our internal networks and systems as well as those of our partners and customers. The impact on security breach compromises the confidentiality, integrity or availability of confidential information. A security breach could disrupt our systems and business applications, impair our ability to provide services to our customers and protect the privacy of their data.

Although the Group has put in place security measures to protect against cyber attacks, there is no assurance that these measures are sufficient to prevent the occurrence of any cyber-attacks on our various platforms in the future which would compromise the security of our users' data.

The occurrence of such incidences may, amongst others, hinder the Group's ability to attract and retain customers, materially damage the Group's reputation and potentially expose the Group to litigation. Consequently, we may be required to devote a significant amount of resources to recover from cyber-attacks and strengthen our security measures which may then have an adverse effect to our business and financial performance.

6.2 Risks relating to the Rights Issue of ICPS with Warrants

6.2.1 Failure or delay in the completion of the Rights Issue of ICPS with Warrants

The Rights Issue of ICPS with Warrants may be terminated or delayed in the event of a material adverse change of events or circumstances (such as force majeure events including without limitation, acts of government, natural disasters including without limitation the occurrence of a tsunami and/or earthquakes, acts of terrorism, strikes, national disorder, declaration of a state of war or accidents, or any change in law, regulation, policy or ruling), which is beyond the control of the Group and the Principal Adviser, arising prior to the completion of the Rights Issue of ICPS with Warrants.

The Company has procured the Undertaking from the Undertaking Shareholder to subscribe in full for his entitlement and to apply and subscribe for additional ICPS not taken up by other Entitled Shareholders, in order to meet the Company's minimum funding requirement. The successful implementation of the Rights Issue of ICPS with Warrants is dependent on the fulfilment by the Undertaking Shareholder of his obligations under the Undertaking.

There can be no assurance that the abovementioned factors or events will not cause a failure or delay in the completion of the Rights Issue of ICPS with Warrants. In the event the ICPS have been allotted to the successful Entitled Shareholders and/or their renounee(s) and/or their transferee(s), if applicable, and the Rights Issue of ICPS with Warrants is subsequently cancelled or terminated other than due to a stop order issued by the SC pursuant to Section 245 of the CMSA, a return of monies to the successful applicants can only be achieved by way of cancellation of share capital under the Act. Such cancellation may require the approval of the shareholders by way of a special resolution in a general meeting, consent of the Company's creditors (where applicable) and either the confirmation of the High Court of Malaya or a solvency statement by the Board. There can be no assurance that such monies can be returned within a short period of time under such circumstances.

In the event the Rights Issue of ICPS with Warrants cannot be implemented or completed for any reason, the Company will undertake the necessary procedures to ensure the refund of monies is made in full without interest in respect of any application for the subscription of the ICPS with Warrants B including the Excess ICPS with Warrants B within 14 days after the Company becomes liable to do so, in accordance with the relevant provisions of the CMSA. If such monies are not repaid within 14 days after the Company becomes liable to do so, the Company will repay such monies in accordance with Section 245(7) of the CMSA.

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6.2.2 Capital market risk

The market price of the new securities arising from the Rights Issue of ICPS with Warrants, like all listed securities traded on Bursa Securities, is subject to fluctuation. The respective price of the Company's securities is influenced by, amongst others, the prevailing market sentiments, the volatility of the stock market, movements in interest rates and the outlook of the industry in which the Company operates in.

In view of the foregoing, there can be no assurance that the Shares (together with the ICPS and any new Shares issued pursuant to the exercise of the Warrants B) will trade at or above the TEAP disclosed in Section 2.2 of this Abridged Prospectus after the completion of the Rights Issue of ICPS with Warrants.

The Warrants B are new instruments issued by the Company. Therefore, there can be no assurance that an active market for the Warrants B will develop upon listing on Bursa Securities, or if developed, will be sustainable. In addition, there is no assurance that the Warrants B will be "in-the-money" during the Exercise Period.

Accordingly, there is no assurance that the market price of the Warrants B will be at a level that meets the specific investment objectives or targets of any subscriber of the Warrants B.

6.2.3 Forward-looking statements and other information

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of future results and others are forward-looking in nature, which are subject to uncertainties and contingencies. All statements, other than statements of historical data, included in this Abridged Prospectus, including without limitation, those regarding the financial position, risk factors, prospects and future plans of the Group are forward-looking statements.

Such forward-looking statements are based on the estimates and assumptions made by the Company, unless stated otherwise, and although the Board believes these forward-looking statements to be reasonable at this point in time given the prevailing circumstances, they are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied in such forward-looking statements.

In light of these uncertainties, the inclusion of such forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by the Company, the Principal Adviser and / or other advisers in relation to the Rights Issue of ICPS with Warrants that the plans and objectives of the Group will be achieved.

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7. INDUSTRY OVERVIEW AND PROSPECTS

7.1 Malaysian economy

The Malaysian economy grew by 4.4% in the third quarter of 2019. Growth in the Malaysian economy moderated to 4.4% in the third quarter of 2019 (2Q 2019: 4.9%), primarily attributed to lower growth in key sectors and a decline in the mining and construction activities. On the demand side, most domestic demand components and net exports registered slower growth momentum. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 0.9% (2Q 2019: 1.0%).

Domestic demand growth moderated to 3.5% (2Q 2019: 4.6%), with private sector expenditure remaining the key contributor to growth.

Private consumption grew by 7.0% (2Q 2019: 7.8%), as household spending normalised towards its long-term trend. This partly reflected strong base effects from the tax holiday spending last year. Nevertheless, spending remained supported by continued income and employment growth, as well as selected Government measures.

The services sector grew by 5.9% in the third quarter of 2019 (2Q 2019: 6.1%). Most key subsectors moderated. In the wholesale and retail subsector, the stronger expansion in wholesale was offset by lower growth in the retail and motor vehicles segments. Growth in the transport and storage subsector was also lower amid weaker trade activity, while the finance and insurance subsector was weighed down by slower financing activity despite higher fee-based income. Meanwhile, the information and communication subsector grew at a moderate pace, reflecting slower demand for data communication services.

(Source: Economic and Financial Developments in Malaysia in the Third Quarter of 2019, BNM)

The prospect of the Malaysian economy remains robust amid increasing uncertainties in the external environment. Real GDP is expected to grow by 4.7% in 2019 and 4.8% in 2020. The growth is underpinned by resilient domestic demand, particularly household spending following stable labour market and low inflation. Meanwhile, private investment is expected to grow at a slower pace in 2019 and gain traction in 2020 following the resumption of infrastructure projects coupled with ongoing capital spending in the services and manufacturing sectors. Favourable private sector expenditure activity will offset the impact of lower public expenditure in 2019. However, economic growth is expected to rebound in 2020 with improvement in public corporations' capital outlays.

(Source: Economic Outlook 2020, Ministry of Finance Malaysia)

7.2 Overview and outlook of the e-payment industry in Malaysia

The payment industry in Malaysia consists of cash in circulation ("CIC"), cheques and electronic payments or e-payments. Common forms of e-payments include ATMs, credit cards, charge cards, debit cards, Internet banking, mobile payment and e-money. In 2018, the total CIC in Malaysia stood at RM94.31 billion as compared to RM92.39 billion in 2017. Despite the increase in CIC, the use of e-payment methods has continued to gain traction in Malaysia. Total e-payment (transaction volume per capita) increased from 110.6 units in 2017 to 124.6 units in 2018.

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As part of the key priorities in its Financial Sector Blueprint 2011-2020, BNM is driving the nation to adopt cashless transactions. BNM aims to increase the e-payment transaction per capita to 200 transactions by end of 2020. In terms of e-payment transactions in Malaysia, there were an estimated 4.72 billion transactions made in 2019, representing an increase of 16.8% from 4.04 billion of transactions recorded in 2018. The growth was mainly driven by the increase in payment card transactions, e-money and mobile banking transactions. The following table shows the transaction volume by the types of e-payment in 2019.

	Transaction volume (million)	Share of e-payment (%)
E-money	2,070.0	43.9
Internet banking	851.6	18.0
EFT using IBG, instant transfer and direct debit	374.1	7.9
Credit card	502.7	10.7
Debit card	359.7	7.6
Mobile banking	475.3	10.1
RENTAS and Intrabank Direct Debit and Standing Instruction	5.0	0.1
ATM	75.2	1.6
Charge card	6.3	0.1

(Source: BNM)

E-payment transaction volume in Malaysia is projected to expand from 4.72 billion in 2019 to 11.64 billion transactions in 2024, representing a CAGR of 19.8% throughout the forecast period of 2020 to 2024. Growth will be mainly driven by changing consumer payment behaviours that increases the demand for quick, secure, cashless and convenient forms of e-payment services. Other factors driving growth within the industry will come from the availability of more innovative payment channels, improvements in payment security employed by e-payment systems to protect user payment data and personal data and high demand for mobile payment services due to the growing mobile phone and broadband penetration in Malaysia.

Mobile payments are increasingly displacing cash in-day-to-day purchase transactions. The total mobile payments made for purchase transactions increased by approximately 20 times from 1.2 million transactions in 2017 to 23.7 million transactions in 2018. Non-bank e-money issuers have played a key role in driving this trend through intensifying merchant acquisition and marketing initiatives to attract users. As at the end of 2018, there were more than 65,000 registrations recorded among merchants for the acceptance of mobile payment. Financial transaction made via the mobile channel continued to gain traction, leveraging on the high mobile phone penetration among the Malaysian population. In 2019, financial transactions conducted via the mobile banking channel stood at an estimated 475.3 million transactions, which is approximately 2.5 times that of 191.2 million transactions registered in 2018. This was supported by a continued increase in subscription to mobile banking services at 16.9 million subscribers as of November 2019 when compared to 14.4 million subscribers in 2018.

The expected growth in the Malaysian e-commerce market is also anticipated to drive the usage of various e-payment products and solutions. The Malaysian e-commerce market has witnessed the expansion of various local and foreign e-commerce marketplaces such as Lelong.my, Superbuy.my, Lazada and Taobao. The e-commerce market is further catalysed by the adoption of marketing strategies such as special sales events during festive season such as Cybersales and Single's Day (or Double 11). The convenience of buying items through the Internet translates to more sales on the e-commerce market and thus increases the volume of e-payment transactions.

The Malaysian e-payment industry continues to receive strong government support to promote the usage of e-payment services. The Malaysian Government is actively endorsing and encouraging the creation of an integrated payment infrastructure to improve the quality and services of the e-payment industry. Promising progress has been made since 2015 to expand the network e-payment acceptance points among retail merchants. Under the Budget 2020, the Malaysian Government implemented the one-off e-Tunai Rakyat initiative amounting to RM450 million to accelerate the use and adoption of e-wallets and digital payments among Malaysian consumers and SMEs. In addition, the continuously enhanced payment security features provided by financial institutions are also likely to drive the expansion of the e-payment industry through wide coverage of e-payment services.

(Source: Protégé Associates)

7.3 Overview and outlook of the e-payment industry in Indonesia

The majority of payments conducted in Indonesia at present are cash based, especially among the rural population as cash is viewed as a convenient form of payment. The low awareness of e-payments and limited access to banking services also contributed to a high usage of cash transactions. As of December 2018, there are about Indonesian Rupiah (“IDR”) 749.2 trillion worth of cash in circulation compared to IDR 622.3 trillion in January 2018. Even though the usage of cash is high, a lot of initiatives have taken place to develop the non-cash payment ecosystem in Indonesia.

The payment instruments in Indonesia are made up of cash and non-cash payment instruments. Non-cash payment instruments consist of cards, cheques, “Bilyet Giro” (a form of written transfer instruction), debit notes and electronic instruments issued by commercial banks and third-party payment service providers.

Payment cards in Indonesia consist of ATM cards, prepaid cards, debit cards and credit cards. As at November 2019, there were about 201.2 million payment cards in circulation, which consisted of 9.5 million ATM cards, 174.3 million debit cards and 17.4 million credit cards. Debit cards are the preferred payment cards among consumers as 86.6% of total payment cards in Indonesia are debit cards. Prepaid cards are regulated separately in accordance to the Bank Indonesia Regulation Number 11/12/PBI/2009 on Electronic Money, and hence detached from card-based payment instrument regulation. As of November 2019, there are 277.9 million e-money payment instruments including prepaid cards in circulation.

In terms of e-payment transactions in Indonesia, there were an estimated 12.69 billion transactions made in 2019, representing an increase of 30.8% from 9.70 billion of transactions recorded in 2018. The growth was mainly driven by the steep increase in e-money transactions and domestic non-bank fund transfers. ATM and debit card transactions made up the largest share of payment transactions at 55.1%, followed by e-money at 40.5%, credit card at 2.7% and domestic non-bank funds transfer at 1.7%.

E-payment transaction volume in Indonesia is projected to expand from 12.69 billion in 2019 to 41.91 billion in 2024, representing a CAGR of 27.0% throughout the forecast period of 2020 to 2024. Growth will be mainly driven by an emerging middle-class segment that have more disposable income and a large number of the population who are also young and technologically savvy. High mobile phone penetration and increasing Internet access is also expected to drive demand for mobile payment services. According to a recent survey on penetration and profile of Indonesian Internet user behaviour that was conducted by Polling Indonesia and the Indonesian Internet Providers Association, 171.1 million or 64.8% of the Indonesia population were connected to the Internet in 2018, an increase from 143.5 million recorded in 2017. High mobile phone penetration coupled with increasing Internet access will provide opportunities for the development of mobile payment infrastructure and thus increase the volume of electronic payments in the country.

In addition, Indonesia also has a comparatively low banking penetration rate among its population. According to the World Bank, in 2017, about 97 million Indonesians or 36.7% of the country's total population of 264 million do not have bank accounts. This presents an opportunity for alternative channels such as mobile banking and payment services to meet the demand of this segment of the population who do not have access to services provided by conventional banking institutions. E-money transaction volume amounted to an estimate of 5.13 billion in 2019 as compared to 2.93 billion in 2018. This increase proves that Indonesia is getting used to e-money transactions. The growth of the e-commerce industry in Indonesia is also expected to drive the usage of various e-payment products and solutions.

The e-payment industry continues to receive strong government support to promote the usage of non-cash payment services and has endorsed the creation of a standard e-payment infrastructure to improve the quality and services of the e-payment industry. Under President Joko Widodo's administration's "three-card" programme, financial aid to support the educational, healthcare and welfare needs of Indonesia's low-income families is disbursed in the form of cards instead of cash.

The Indonesian Government also launched the National Payment Gateway ("NPG") in September 2016, to establish a standard payment system in order to encourage cashless transaction. All domestic cashless transactions made are expected to be processed through the NPG. With NPG branded debit and ATM cards, consumers will be able to conduct payment transactions in all point-of-sale terminals and ATM machines regardless of which bank issued the cards. In May 2019, the Indonesian Government launched the Indonesia's Payment System 2025 Vision that will be materialised through 5 initiatives to be implemented by Bank Indonesia, the country's central bank. As a step towards digital transformation of the national payment system, Bank Indonesia launched the QR Code Standard for payments through e-money applications, e-wallets and mobile banking known as QR Code Indonesian Standard. Such strong support from the government is expected to bring positive developments to the e-payment industry in the country. Furthermore, the continuous effort to enhance payment security features by service providers are also likely to drive the expansion of the e-payment industry as consumers begin to place more trust in e-payments as a result of such efforts.

(Source: Protégé Associates)

7.4 Overview and outlook of eSIM in the emerging South East Asian ("SEA") markets

The market for eSIM is nascent in the emerging SEA markets (consists of Indonesia, Malaysia, Myanmar, the Philippines, Thailand and Vietnam). The following table sets out telecommunication network operators in the emerging SEA markets that offer eSIM support:

Country	Telecommunication network operators offering eSIM
Indonesia	<ul style="list-style-type: none"> PT Smart Telecom (known as Smartfren)
Malaysia	<ul style="list-style-type: none"> Maxis Berhad Celcom Berhad XOX Bhd
Myanmar	<ul style="list-style-type: none"> Mytel S.A
Philippines	<ul style="list-style-type: none"> Globe Telecom Inc
Thailand	<ul style="list-style-type: none"> Advanced Info Service Public Company Limited (known as AIS) Total Access Communication Public Company Limited (known as DTAC) True Corporation Public Company Limited (known as TRUE)
Vietnam	<ul style="list-style-type: none"> Vietnam Telecom Services Company (known as VinaPhone)

The market opportunity of the eSIM market for the SEA emerging markets is measured in terms of total eSIM-enabled smartphone shipments to the SEA emerging markets. This is estimated to be 36.6 million in 2018 and is projected to grow to 42.0 million in 2024, representing a CAGR of 2.3% throughout the forecast period of 2020 to 2024.

Factors supporting the market demand of eSIM are deployment of third generation (“3G”), fourth generation (“4G”) and fifth generation (“5G”) cellular networks, adoption of Internet-of-Things (“IoT”) technology and increased adoption of smartphones. The deployment of 3G, 4G and 5G cellular networks which offer high speed broadband connection drives the adoption of smartphone including eSIM-enabled smartphones. 3G and 4G cellular networks are already available across the emerging SEA markets.

The upcoming rollout of 5G cellular networks will allow for individual download speeds of 1 Gigabit per second with latency speeds of less than a millisecond. The rollout of 5G cellular network provides a significant benefit to the adoption of eSIM technology. A 5G-capable eSIM offers users with versatility and seamless switch of cellular network without having to switch SIM card or visit a telecommunication network operator. The IoT technology depends on the interconnection of physical devices through the Internet to disseminate information. Since IoT devices require Internet connectivity and are cellular network-powered applications, eSIM technology would be a complementary component to IoT devices. This would encourage the adoption of IoT devices as well as the market demand for eSIM technology.

Over the past few years, there has been a steady rise in the number of smartphone users globally and the number of smartphone users is anticipated to reach 2.87 billion by 2020. eSIM-enabled smartphones are expected to empower a new generation of interconnected future. The ability to change mobile network service provider easily would enable eSIM-enabled smartphone users to have full tariff transparency and eliminate roaming charges. Consumers are increasingly dependent on their smartphones to access the Internet and are using high-bandwidth applications increasingly, which requires stable network connectivity on their smartphones. This is likely to induce smartphone manufacturers to incorporate eSIM into their new products to gain a competitive edge in the smartphone market. After Google and Apple, Samsung and Xiaomi have also incorporated eSIM into their newest smartphones. Other smartphone brands such as Huawei and OPPO are also likely to follow suit in the eSIM technology.

The introduction of eSIM-enabled smartphones and wearable devices such as the Google Pixel and iPhone models has helped to bring about public knowledge of eSIM technology. The outlook of eSIM market in the emerging SEA markets is positive and forecast to grow during the forecast period of 2020 to 2024. eSIM already has the backing of most stakeholders such as GSM Association – the global body supporting standardisation of mobile technology has already issued specifications for the use of eSIM as well as telecommunication network operators and device manufactures. The smartphone market is anticipated to widely adopt eSIM in the near future.

Moving forward, the gradual adoption of eSIM is expected to reshape the mobile telecommunication sector as it will enable users to switch between networks easily and this will benefit telecommunication network operators who are able to offer innovative and attractive mobile plans.

(Source: Protégé Associates)

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7.5 Overview and prospects of the Group

The Group's number of subscribers has increased steadily over the past few years from approximately 402,000 subscribers in March 2015 to reach 2.5 million subscribers as at the LPD, amidst intense price-focused competition.

Consumer demand for XOX's existing products and services, especially "ONEXOX PREPAID" (a mobile plan which caters for prepaid subscribers) and its latest product, "ONEXOX BLACK" with "BURNPROOF" feature (which enables subscribers to carry forward their unused monthly data to the following month as well as share their data among other subscribers) has been rising.

Over time, the Group has taken various efforts to differentiate itself from competitors and present itself as the brand of choice to Malaysian mobile users. These include increasing ground visibility and branding by having more stores and promotional spaces to increase public exposure and accessibility to the Group's products and services, revamping business support system to ensure a more streamlined user experience and allowing subscriber management on multiple channels.

Besides, the Group is also in the midst of transforming itself from a conventional mobile operator to a technology-driven company by implementing new technology offerings. These include the development of Voopee, an application that offers a SIM-free mobile service and provision of Season Pass. Season Pass allows subscribers to have the flexibility to share their talk time and data with other subscribers. As at the LPD, the Group has leveraged on Voopee to expand its reach to Indonesia.

To continue evolving with the current trends in the mobile telecommunications industry and remain relevant to mobile users, the Group has decided to expand its existing e-wallet functionality as well as to expand its eSIM mobile subscription plan, further details of which are set out in Section 5 of this Abridged Prospectus. These plans are designed to enhance both the capacity and features of the mobile solutions provided by the Group and in turn, attract and retain subscribers. As such, the aforementioned plans are expected to contribute positively to the future earnings of the Group.

Premised on the successful execution of the Group's expansion plans as set out above, the Board is optimistic of improvement in the future financial performance of the Group.

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8. EFFECTS OF THE RIGHTS ISSUE OF ICPS WITH WARRANTS

8.1 Share capital

The pro forma effects of the Rights Issue of ICPS with Warrants on the issued share capital of the Company are as follows: -

	Minimum Scenario		Base Case Scenario		Maximum Scenario	
	No. of Shares	Share capital (RM)	No. of Shares	Share capital (RM)	No. of Shares	Share capital (RM)
Issued share capital as at the LPD	1,092,396,675	126,892,891	1,092,396,675	126,892,891	1,092,396,675	126,892,891
To be issued assuming full granting and/or exercise of the SIS Options	-	-	-	-	233,231,002	⁽¹⁾ 15,745,436
Enlarged issued share capital after full granting and/or exercise of the SIS Options	1,092,396,675	126,892,891	1,092,396,675	126,892,891	1,325,627,677	142,638,327
To be issued assuming full conversion of the ICPS	200,000,000	⁽²⁾ 10,000,000	1,092,396,675	⁽³⁾ 54,619,834	2,651,255,354	⁽⁴⁾ 132,562,768
To be issued assuming full exercise of the Warrants B	100,000,000	⁽⁵⁾ 6,000,000	546,198,337	⁽⁵⁾ 32,771,900	662,813,838	⁽⁵⁾ 39,768,830
Enlarged issued share capital	1,392,396,675	142,892,891	2,730,991,687	214,284,625	4,639,696,869	314,969,925

Notes:-

- (1) Based on the following and after accounting for the reversal of SIS Options reserve:-
 - (i) exercise price of RM0.13 for the 3,456,500 SIS Options granted on 21 April 2016 which have yet to be exercised;
 - (ii) exercise price of RM0.10 for the 45,918,000 SIS Options granted on 9 January 2018 which have yet to be exercised; and
 - (iii) illustrative exercise price of RM0.03609 (based on the 5-day VWAP of XOX Shares up to and including the LPD of RM0.0401 less 10% discount) for the remaining 183,856,502 SIS Options which have yet to be granted and exercised.
- (2) Assuming all 400,000,000 ICPS issued under the Minimum Scenario are fully converted into 200,000,000 new Shares based on the conversion mode of surrendering 2 ICPS (which are issued at an illustrative issue price of RM0.025 each) without additional cash payment.
- (3) Assuming all 2,184,793,350 ICPS issued under the Base Case Scenario are fully converted into 1,092,396,675 new Shares based on the conversion mode of surrendering 2 ICPS (which are issued at RM0.025 each) without additional cash payment.
- (4) Assuming all 2,651,255,354 ICPS issued under the Maximum Scenario are fully converted into 2,651,255,354 new Shares based on the conversion mode of surrendering 1 ICPS (which are issued at RM0.025 each) with additional cash payment of RM0.025 to arrive at the Conversion Price of RM0.05 for 1 new Share.
- (5) Assuming all the Warrants B are fully converted into new Shares based on an exercise price of RM0.06 each.

8.2 NA and gearing

As at the LPD, there are no material transactions which may have a material effect on the operations, financial position and results of the Group since the Group's latest audited 15-month FPE 30 September 2019. The pro forma effects of the Rights Issue of ICPS with Warrants on the NA and gearing of the Group are as follows:-

Minimum Scenario

	Audited as at 15-month FPE 30 September 2019 RM'000	(i) After the Rights Issue of ICPS with Warrants ⁽¹⁾⁽²⁾ RM'000	(ii) After (i) and assuming full conversion of the ICPS ⁽³⁾ RM'000	(iii) After (ii) and assuming full exercise of Warrants B ⁽⁴⁾ RM'000
Share capital	126,893	126,893	136,893	142,893
ICPS	-	10,000	-	-
Other reserve	-	(2,030)	(2,030)	-
Sub-total	126,893	134,863	134,863	142,893
SIS Options reserve	962	962	962	962
Warrant reserve	-	2,030	2,030	-
Capital reserve	2,200	2,200	2,200	2,200
Foreign translation reserve	(12)	(12)	(12)	(12)
Accumulated losses	(36,856)	(37,856)	(37,856)	(37,856)
Shareholders' equity / NA	93,187	102,187	102,187	108,187
Non-controlling interest	2,312	2,312	2,312	2,312
Total equity	95,499	104,499	104,499	110,499
No. of Shares in issue ('000)	1,092,396	1,092,396	1,292,396	1,392,396
NA per Share (RM)	0.09	0.09	0.08	0.08
Total borrowings (RM'000)	3,993	3,993	3,993	3,993
Gearing ratio (times)	0.04	0.04	0.04	0.04

Notes:-

- (1) Based on the Minimum Subscription Level of 400,000,000 ICPS at an issue price of RM0.025 each together with 100,000,000 free Warrants B.
- (2) After accounting for the warrants reserve based on the issuance of 100,000,000 Warrants B at an allocated fair value of RM0.0203 per Warrant B and deducting estimated expenses incidental to the Rights Issue of ICPS with Warrants of approximately RM1.0 million.
- (3) Assuming all the 400,000,000 ICPS issued under the Minimum Scenario are fully converted into 200,000,000 Shares based on the Conversion Price of RM0.05 and Conversion Mode of surrendering 2 ICPS for 1 new Share without additional cash payment.
- (4) Based on the exercise price of RM0.06 per Warrant B.

Base Case Scenario

	Audited as at 15-month FPE 30 September 2019 RM'000	(I) After the Rights Issue of ICPS with Warrants ⁽¹⁾⁽²⁾ RM'000	(II) After (I) and assuming full conversion of the ICPS ⁽³⁾ RM'000	(III) After (II) and assuming full exercise of Warrants B ⁽⁴⁾ RM'000
Share capital	126,893	126,893	181,513	214,285
ICPS	-	54,620	-	-
Other reserve	-	(11,088)	(11,088)	-
Sub-total	126,893	170,425	170,425	214,285
SIS Options reserve	962	962	962	962
Warrant reserve	-	11,088	11,088	-
Capital reserve	2,200	2,200	2,200	2,200
Foreign translation reserve	(12)	(12)	(12)	(12)
Accumulated losses	(36,856)	(37,856)	(37,856)	(37,856)
Shareholders' equity / NA	93,187	146,807	146,807	179,579
Non-controlling interest	2,312	2,312	2,312	2,312
Total equity	95,499	149,119	149,119	181,891
No. of Shares in issue ('000)	1,092,396	1,092,396	2,184,793	2,730,991
NA per Share (RM)	0.09	0.13	0.07	0.07
Total borrowings (RM'000)	3,993	3,993	3,993	3,993
Gearing ratio (times)	0.04	0.03	0.03	0.02

Notes:-

- (1) Assuming all the Entitled Shareholders and/or their renounce(s) fully subscribe for their respective entitlements at an issue price of RM0.025 per ICPS with free Warrants B.
- (2) After accounting for the warrants reserve based on the issuance of 546,198,337 Warrants B at an allocated fair value of RM0.0203 per Warrant B and deducting estimated expenses incidental to the Rights Issue of ICPS with Warrants of approximately RM1.0 million.
- (3) Assuming all the 2,184,793,350 ICPS issued under the Base Scenario are fully converted into 1,092,396,675 Shares based on the Conversion Price of RM0.05 and Conversion Mode of surrendering 2 ICPS for 1 new Share without additional cash payment.
- (4) Based on the exercise price of RM0.06 per Warrant B.

Maximum Scenario

	Audited as at 15-month FPE 30 September 2019 RM'000	(I) Assuming full granting and/or exercise of the SIS Options ⁽¹⁾ RM'000	(II) After (I) and the Rights Issue of ICPS with Warrants ^{(2),(3)} RM'000	(III) After (II) and assuming full conversion of the ICPS ⁽⁴⁾ RM'000	(IV) After (III) and assuming full exercise of Warrants B ⁽⁵⁾ RM'000
Share capital	126,893	142,638	142,638	275,200	314,969
ICPS	-	-	66,281	-	-
Other reserve	-	-	(13,455)	(13,455)	-
Sub-total	126,893	142,638	195,465	261,745	314,969
SIS Options reserve	962	-	-	-	-
Warrant reserve	-	-	13,455	13,455	-
Capital reserve	2,200	2,200	2,200	2,200	2,200
Foreign translation reserve	(12)	(12)	(12)	(12)	(12)
Accumulated losses	(36,856)	(39,963)	(40,963)	(40,963)	(40,963)
Shareholders' equity / NA	93,187	104,863	170,145	236,425	276,194
Non-controlling interest	2,312	2,312	2,312	2,312	2,312
Total equity	95,499	107,175	172,457	238,737	278,506
No. of Shares in issue ('000)	1,092,396	1,325,627	1,325,627	3,976,882	4,639,696
NA per Share (RM)	0.09	0.08	0.13	0.06	0.06
Total borrowings (RM'000)	3,993	3,993	3,993	3,993	3,993
Gearing ratio (times)	0.04	0.04	0.02	0.02	0.01

Notes:-

- (1) Assuming all the:-
 - (i) 3,456,500 outstanding SIS Options are exercised at an exercise price of RM0.13 each;
 - (ii) 45,918,000 outstanding SIS Options are exercised at an exercise price of RM0.10 each; and
 - (iii) 183,856,502 SIS Options which may be granted pursuant to maximum allowable amount under the SIS are granted and exercised at an illustrative exercise price of RM0.03609 each.
- (2) Assuming all the Entitled Shareholders and/or their renounce(s) fully subscribe for their respective entitlements at an illustrative issue price of RM0.025 per ICPS with free Warrants B.
- (3) After accounting for the warrants reserve based on the issuance of 662,813,838 Warrants B at an illustrative fair value of RM0.0203 per Warrant B and deducting estimated expenses incidental to the Rights Issue of ICPS with Warrants of approximately RM 1.0 million.
- (4) Assuming all the 2,651,255,354 ICPS issued under the Base Scenario are fully converted into 2,651,255,354 Shares based on the implied Conversion Price of RM0.05 and Conversion Mode of surrendering 1 ICPS (which are issued at an illustrative issue price of RM0.025 each) with additional cash payment of RM0.025 to arrive at the Conversion Price of RM0.05 for 1 new Share.
- (5) Based on the illustrative exercise price of RM0.06 per Warrant B.

8.3 Substantial Shareholder's shareholdings

The substantial Shareholder of XOX based on the record of depositors of the Company as at the LPD and the pro forma effects of the Rights Issue of ICPS with Warrants on the shareholdings of such substantial Shareholder are as follows:-

Minimum Scenario

Substantial Shareholder	As at the LPD				(I) Assuming full conversion of the ICPS			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Key Alliance Group Berhad	99,300,000	9.09	-	-	299,300,000	23.16	-	-

Substantial Shareholder	(II) After (I) and assuming full exercise of the Warrants B			
	Direct		Indirect	
	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽³⁾
Key Alliance Group Berhad	399,300,000	28.68	-	-

Notes:-

- (1) Based on the issued share capital of 1,092,396,675 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 1,292,396,675 Shares.
- (3) Based on the enlarged issued share capital of 1,392,396,675 Shares.

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Base Case Scenario

	(I)			
	As at the LPD		Assuming full conversion of the ICPS	
	Direct	Indirect	Direct	Indirect
Substantial Shareholder	No. of Shares	No. of Shares	No. of Shares	No. of Shares
	% ⁽¹⁾	% ⁽¹⁾	% ⁽²⁾	% ⁽²⁾
Key Alliance Group Berhad	99,300,000	-	198,600,000	-
	9.09	-	9.09	-

	(II)			
	After (I) and assuming full exercise of the Warrants B			
	Direct	Indirect	Direct	Indirect
Substantial Shareholder	No. of Shares	No. of Shares	No. of Shares	No. of Shares
	% ⁽³⁾	% ⁽³⁾	% ⁽³⁾	% ⁽³⁾
Key Alliance Group Berhad	248,250,000	-	-	-
	9.09	-	-	-

Notes:-

- (1) Based on the issued share capital of 1,092,396,675 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 2,184,793,350 Shares, through the conversion mode of surrendering 2 ICPS for 1 new Share without additional cash payment.
- (3) Based on the enlarged issued share capital of 2,730,991,687 Shares.

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Maximum Scenario

	As at the LPD				(I) Assuming full granting and/or exercise of the SIS Options			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Substantial Shareholder								
Key Alliance Group Berhad	99,300,000	9.09	-	-	99,300,000	7.49	-	-

	(II) After (I) and assuming full conversion of the ICPS				(III) After (II) and assuming full exercise of the Warrants B			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽⁴⁾	No. of Shares	% ⁽⁴⁾
Substantial Shareholder								
Key Alliance Group Berhad	297,900,000	7.49	-	-	347,550,000	7.49	-	-

Notes:-

- (1) Based on the issued share capital of 1,092,396,675 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 1,325,627,677 Shares.
- (3) Based on the enlarged issued share capital of 3,976,883,031 Shares, through the conversion mode of surrendering 1 ICPS with additional cash payment for 1 new Share.
- (4) Based on the enlarged issued share capital of 4,639,696,869 Shares.

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8.4 Earnings and EPS

The Board expects the Rights Issue of ICPS with Warrants to contribute positively to the future earnings of the Group via the utilisation of proceeds as set out in Section 5 of this Abridged Prospectus.

Subsequent to the completion of the Rights Issue of ICPS with Warrants, the EPS of the Group shall be correspondingly diluted as a result of the increase in the number of Shares arising from the conversion of the ICPS during the Conversion Period and the exercise of the Warrants B during the Exercise Period.

The potential effects of the conversion of the ICPS and the exercise of the Warrants B on the future consolidated earnings and EPS of the Company will depend on, amongst others, the Conversion Mode of the ICPS to be chosen by the holders of the ICPS during the Conversion Period and any additional contributions to earnings that may be derived from the utilisation of proceeds received from the conversion of the ICPS with cash option and exercise of the Warrants B as well as the number of Warrants B exercised at any point in time.

For illustration, assuming the Rights Issue of ICPS with Warrants had been completed on 1 July 2018 (being the beginning of the latest audited 15-month FPE 30 September 2019), the pro forma effects of the Rights Issue of ICPS with Warrants on the consolidated losses and LPS of XOX would be as follows:-

	Audited 15-month FPE 30 September 2019	Pro forma I			Pro forma II		
		After the Rights Issue of ICPS with Warrants and assuming full conversion of the ICPS			After Pro forma I and assuming full exercise of the Warrants B		
		Minimum Scenario	Base Case Scenario	Maximum Scenario	Minimum Scenario	Base Case Scenario	Maximum Scenario
(LAT) attributable to owners of the Company (RM'000)	(21,178)	(21,178)	(21,178)	(21,178)	(21,178)	(21,178)	
Weighted average no. of XOX Shares ('000)	1,066,972	1,266,972	2,159,369	1,366,972	2,705,567	4,381,041	
(LPS) (sen)	(1.98)	(1.67)	(0.98)	(1.55)	(0.78)	(0.48)	

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital and sources of liquidity

The Group's working capital is funded through cash generated from operating activities, credit extended by suppliers, credit facilities from financial institutions as well as the Group's existing cash and bank balances.

As at the LPD, the Group's cash and bank balances stood at RM6.5 million and the Group does not have any unutilised banking facilities. Depending on the cash requirement of the Group, it may apply for banking facilities as and when required.

The Board confirmed that, after taking into consideration the funds generated from the Company's operations as well as the proceeds to be raised from the Rights Issue of ICPS with Warrants, the Group will have sufficient working capital available for a period of 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, the Group's total outstanding borrowings (all of which are interest bearing and denominated in RM) are set out as follows:-

Borrowings	Total RM'000
<u>Secured</u> - Hire purchases	3,664

There has not been any default on payments of either interest and/or principal sums on any borrowings throughout the past 1 financial year and subsequent financial period up to the LPD.

9.3 Contingent liabilities

As at the LPD, the Board confirmed that there are no contingent liabilities incurred or known to be incurred by the Group which may have a material impact on the financial results or position of the Group.

9.4 Material commitments

As at the LPD, save as disclosed below, the Board confirmed that there are no other material commitments incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial results or position of the Group:-

Capital commitments	Total RM'000
<u>Contracted for</u> - Capital work-in-progress	3,162

The above capital commitments are expected to be funded by internally-generated funds and/or bank borrowings.

10. INSTRUCTIONS FOR ACCEPTANCE AND PAYMENT

Full instructions for the acceptance of and payment for the Provisional Allotments as well as Excess ICPS with Warrants B Applications and the procedures to be followed should you and/or your transferee(s) and/or your renouncee(s) (if applicable) wish to sell or transfer all or any part of your/his rights entitlement are set out in this Abridged Prospectus and the RSF. You and/or your transferee(s) and/or your renouncee(s) (if applicable) are advised to read this Abridged Prospectus, the RSF and the notes and instructions printed therein carefully. In accordance with Section 232(2) of the CMA, the RSF must not be circulated unless accompanied by this Abridged Prospectus.

Acceptance of and/or payment for the Provisional Allotments which do not conform strictly to the terms of this Abridged Prospectus, the RSF or the notes and instructions printed therein or which are illegible may be rejected at the absolute discretion of the Board.

10.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments that you are entitled to subscribe for in full or in part under the terms and conditions of the Rights Issue of ICPS with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for such ICPS with Warrants B that you have been provisionally allotted as well as to apply for Excess ICPS with Warrants B if you choose to do so. This Abridged Prospectus and the RSF are also available from the registered office of the Company, the Share Registrar or Bursa Securities' website (<http://www.bursamalaysia.com>).

10.2 NPA

The Provisional Allotments are prescribed securities under Section 14(5) of the SICDA and therefore, all dealings in the NPA will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your transferee(s) and/or your renouncee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making the applications.

10.3 Procedures for acceptance and payment

Acceptance of and payment for the Provisional Allotments allotted to you must be made on the RSF issued together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein. Acceptances which do not strictly conform to the terms and conditions of this Abridged Prospectus, the RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of the Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF. YOU ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY.

If you wish to accept all or part of your entitlement to the Provisional Allotments, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF with the relevant payment must be despatched by ORDINARY POST, COURIER or DELIVERED BY HAND (at your own risk) to the Share Registrar, ShareWorks Sdn Bhd, at the following address:-

ShareWorks Sdn Bhd
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan

Tel : +603 - 6201 1120
Fax : +603 - 6201 3121

so as to arrive not later than 5.00 p.m. on **Thursday, 27 February 2020**, being the last date and time for the acceptance and payment for the ICPS with Warrants B.

If you lose, misplace or for any other reason require another copy of the RSF, you may obtain additional copies from the registered office of the Company, the Share Registrar or Bursa Securities' website (<http://www.bursamalaysia.com>).

1 RSF must be used for acceptance of the Provisional Allotments standing to the credit of 1 CDS Account. Separate RSFs must be used for the acceptance of Provisional Allotments standing to the credit of more than 1 CDS Account. The ICPS with Warrants B accepted by you will be credited into the CDS Account(s) where the Provisional Allotments are standing to the credit.

Successful applicants to the ICPS with Warrants B will be given the Warrants B on the basis of 1 Warrant B for every 4 ICPS successfully subscribed for. The minimum number of ICPS that can be subscribed or accepted is 1 ICPS. However, you should take note that a trading board lot comprises 100 ICPS and 100 Warrants B. Fractions of an ICPS and/or Warrant B arising from the Rights Issue of ICPS with Warrants will be disregarded and the aggregate of such fractions shall be dealt with as the Board may at its absolute discretion deem fit and expedient and in the best interest of the Company.

A reply envelope is enclosed with this Abridged Prospectus. To facilitate the processing of the RSFs by the Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the Rights Issue of ICPS accepted in the form of a banker's draft or cashier's order or money order or postal order drawn on a bank or post office in Malaysia and which must be made payable to "XOX RIGHTS ISSUE ACCOUNT", crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side with your name in block letters and your CDS Account number, and must be received by the Share Registrar by 5.00 p.m. on **Thursday, 27 February 2020**. The payment must be made for the exact amount payable for the ICPS accepted. Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF THE BOARD.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE OF ICPS WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU AND/OR YOUR TRANSFEREE(S) AND/OR YOUR RENOUNCEE(S) BY ORDINARY POST TO THE ADDRESS AS SHOWN ON THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. THE BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

YOU SHOULD NOTE THAT ANY RSF AND REMITTANCE LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY ACCEPTED APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

ALL ICPS AND WARRANTS B TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE OF ICPS WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING SUCH ICPS AND WARRANTS B INTO THE CDS ACCOUNTS OF THE SUCCESSFUL APPLICANTS. NO PHYSICAL SHARE OR WARRANT CERTIFICATES WILL BE ISSUED.

If acceptance of and payment for the Provisional Allotments allotted to you (whether in full or in part, as the case may be) are not received by our Share Registrar by 5.00 p.m. on **Thursday, 27 February 2020**, the provisional entitlement to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar.

The Board will then have the right to allot any ICPS with Warrants B not taken up or not validly taken up to applicants applying for the Excess ICPS with Warrants B in the manner as set out in Section 10.6 of this Abridged Prospectus. The Board reserves the right not to accept any application or to accept any application in part only without assigning any reason thereof.

10.4 Procedures for part acceptance

If you do not wish to accept the ICPS with Warrants B provisionally allotted to you in full, you are entitled to accept part of your entitlements that can be subscribed / applied for. The minimum number of ICPS that may be subscribed or accepted is 1 ICPS. Fractions of an ICPS and/or Warrant B arising from the Rights Issue of ICPS with Warrants will be disregarded and the aggregate of such fractions shall be dealt with as the Board may at its absolute discretion deem fit and expedient and in the best interest of the Company. Applicants should take note that a trading board lot comprises 100 ICPS and 100 Warrants B respectively.

You must complete both Part I(A) of the RSF by specifying the number of ICPS with Warrants B which you are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to the Share Registrar in the same manner as set out in Section 10.3 of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

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10.5 Procedures for sale or transfer of Provisional Allotments

As the Provisional Allotments are prescribed securities, should you wish to sell or transfer all or part of your entitlement to the Provisional Allotments to 1 or more persons, you may do so through your stockbroker during the period up to the last date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement on the open market during the period up to the last date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository during period up to the last date and time for transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository).

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL ALLOTMENTS, YOU ARE NOT REQUIRED TO DELIVER ANY DOCUMENT TO YOUR STOCKBROKER. YOU ARE HOWEVER ADVISED TO ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNT BEFORE SELLING OR TRANSFERRING.

If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Parts I(A) and II of the RSF and delivering the RSF together with the full amount payable on the balance of the ICPS with Warrants B applied for to the Share Registrar. Please refer to Section 10.3 of this Abridged Prospectus for the procedures for acceptance and payment.

YOU SHOULD NOTE THAT ANY RSF AND REMITTANCE LODGED WITH THE SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

10.6 Procedures for the Excess ICPS with Warrants B Application

If you wish to apply for additional ICPS with Warrants B in excess of your entitlement, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forwarding it with a separate remittance made in RM for the full amount payable for the Excess ICPS with Warrants B applied for, to our Share Registrar so as to arrive not later than 5.00 p.m. on **Thursday, 27 February 2020**, being the last time and date for Excess ICPS with Warrants B Applications and payment.

Payment for the Excess ICPS with Warrants B Application(s) must be made in the same manner as set out in Section 10.3 of this Abridged Prospectus except that the banker's draft or cashier's order or money order or postal order drawn on a bank or post office in Malaysia must be made payable to "**XOX EXCESS RIGHTS ISSUE ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name in block letters and your CDS Account number, and must be received by our Share Registrar by 5.00 p.m. on **Thursday, 27 February 2020**. The payment must be made for the exact amount payable for the Excess ICPS with Warrants B Application(s). Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

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It is the intention of the Board to allot the Excess ICPS with Warrants B, if any, in a fair and equitable manner in the following priority:-

- (i) firstly, to minimise the incidence of odd lots of ICPS;
- (ii) secondly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess ICPS with Warrants B, taking into consideration their respective shareholdings in the Company as at the Entitlement Date;
- (iii) thirdly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess ICPS with Warrants B, taking into consideration the quantum of their respective excess application; and
- (iv) finally, on a pro-rata basis and in board lots, to the transferee(s) and/or renouncee(s) who have applied for Excess ICPS with Warrants B, taking into consideration the quantum of their respective excess application.

The Excess ICPS with Warrants B will firstly be allocated to minimise the odd lots of ICPS (if any) held by each applicant of Excess ICPS with Warrants B. Thereafter, the allocation process will perform items (ii), (iii) and (iv) in succession. Any remaining balance of Excess ICPS with Warrants B will be allocated by performing the same sequence of allocation i.e. items (ii), (iii) and (iv) again in succession until all Excess ICPS with Warrants B are allotted.

Notwithstanding the foregoing, the Board reserves the right to allot any Excess ICPS with Warrants B applied for under Part I(B) of the RSF in such manner as it deems fit and expedient and in the best interests of the Company subject always to such allocation being made on a fair and equitable basis, and that the intention of the Board as set out in Section 10.6 (i), (ii), (iii) and (iv) above is achieved. The Board also reserves the right at its absolute discretion not to accept any application for Excess ICPS with Warrants B, in full or in part, without assigning any reason thereof.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF THE BOARD.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE EXCESS ICPS WITH WARRANTS B APPLICATION OR APPLICATION MONIES IN RESPECT THEREOF. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

EXCESS ICPS WITH WARRANTS B APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. THE BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY SUCH APPLICATION OR TO ACCEPT ANY SUCH APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS ICPS WITH WARRANTS B APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

10.7 Procedures to be followed by transferee(s) and/or renounee(s)

As a transferee and/or renounee, the procedures for acceptance, selling or transferring of Provisional Allotments, applying for the Excess ICPS with Warrants B and/or payment is the same as that which is applicable to Entitled Shareholders as described in Sections 10.3 to 10.6 of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

If you wish to obtain a copy of this Abridged Prospectus and/or accompanying RSF, you can request the same from the registered office of the Company, the Share Registrar or Bursa Securities' website (<http://www.bursamalaysia.com>).

TRANSFEREE(S) AND/OR RENOUNCEE(S) ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

10.8 CDS Account

Bursa Securities has already prescribed the Shares listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the new securities arising from the Rights Issue of ICPS with Warrants are prescribed securities and, as such, all dealings with such securities will be by book entries through CDS Accounts and shall be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the ICPS with Warrants B. Failure to comply with these specific instructions or inaccuracy of the CDS Account number may result in your application being rejected.

Your subscription for the ICPS with Warrants B and application for Excess ICPS with Warrants B, if any shall signify your consent to receiving such ICPS with Warrants B as deposited securities that will be credited directly into your CDS Account. No physical certificates will be issued.

If you have multiple CDS Accounts into which the Provisional Allotments have been credited, you cannot use a single RSF to accept all these Provisional Allotments. Separate RSFs must be used for acceptance of Provisional Allotments credited into separate CDS Accounts. If successful, the ICPS with Warrants B that you subscribed for will be credited into the CDS Accounts where the Provisional Allotments are standing to the credit.

10.9 Notice of allotment

Within 5 Market Days after the Closing Date, the Company will make the relevant announcements in relation to the subscription rate of the Rights Issue of ICPS with Warrants.

Upon allotment of the ICPS in respect of your acceptance and/or your renounee / transferee acceptance (if applicable) and Excess ICPS with Warrants Application (if any), the ICPS shall be credited directly into the respective CDS Account where the Provisional Allotments were credited. No physical certificates will be issued in respect of the ICPS. However, a notice of allotment will be despatched to you and/or your renounee / transferee (if applicable), by ordinary post within 8 Market Days from Closing Date, or such other period as may be prescribed or allowed by Bursa Securities, at the address last shown on the Record of Depositors at your own risk.

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Where any application for the ICPS is not accepted due to non-compliance with the terms of the ICPS or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest to you within 15 Market Days from the last date and time for acceptance and payment of the Rights Issue of ICPS with Warrants by ordinary post to the address shown on the Record of Depositors at your own risk.

Please note that a completed RSF and the payment thereof once lodged with our Share Registrar for the ICPS cannot be withdrawn subsequently.

10.10 Foreign-Addressed Shareholders

This Abridged Prospectus, the NPA and the RSF have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction other than Malaysia, and have not been (and will not be) lodged, registered or approved under any applicable securities or equivalent legislation (or with or by any regulatory authority or other relevant body) of any country or jurisdiction other than Malaysia.

The distribution of this Abridged Prospectus, the NPA and the RSF, as well as the acceptance of the Provisional Allotments and the subscription for or the acquisition of the ICPS with Warrants B may be restricted or prohibited (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain countries or jurisdiction under the relevant laws of those countries or jurisdictions.

This Abridged Prospectus, the NPA and the RSF are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue of ICPS with Warrants will not be made or offered or deemed made or offered for acquisition or subscription of any ICPS, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue of ICPS with Warrants to which this Abridged Prospectus relates is only available to Entitled Shareholders receiving this Abridged Prospectus, the NPA and the RSF electronically or otherwise within Malaysia.

As a result, this Abridged Prospectus, the NPA and the RSF have not been (and will not be) sent to our Foreign-Addressed Shareholders. However, Foreign-Addressed Shareholders may collect this Abridged Prospectus, the NPA and the RSF from the Share Registrar, ShareWorks Sdn Bhd, No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan, who will be entitled to request such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting this Abridged Prospectus, the NPA and the RSF.

The Company will not make or be bound to make any enquiry as to whether you have a registered address in Malaysia or an address for service in Malaysia if not otherwise stated on our Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. The Company will assume that the Rights Issue of ICPS with Warrants and the acceptance thereof by you would be in compliance with the terms and conditions of the Rights Issue of ICPS with Warrants and would not be in breach of the laws of any jurisdiction. The Company will further assume that you had accepted the Rights Issue of ICPS with Warrants in Malaysia and will at all applicable times be subject to the laws of Malaysia.

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A Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) may only accept or renounce all or any part of his/their entitlements and exercise any other rights in respect of the Rights Issue of ICPS with Warrants only to the extent that it would be lawful to do so, and our Company, the Board and officers, Mercury Securities and/or the advisers named herein ("**Parties**") would not, in connection with the Rights Issue of ICPS with Warrants, be in breach of the laws of any country or jurisdiction to which the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) is or might be subject to.

The Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) shall be solely responsible to seek advice from his/their legal and/or professional advisers as to whether the acceptance or renunciation in any manner whatsoever of his entitlement under the Rights Issue of ICPS with Warrants would result in the contravention of the laws of the countries or jurisdictions to which he/they is/are or might be subject to. The Parties shall not accept any responsibility or liability in the event any acceptance or renunciation made by any Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction. The Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of his/their entitlements or to any net proceeds thereof.

The Company reserves the right, in our absolute discretion, to treat any acceptances as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional Allotments relating to any acceptance which is treated as invalid will be included in the pool of ICPS with Warrants B available for excess application by other Entitled Shareholders and/or their transferee(s) and/or their renounee(s).

Each person, by accepting the delivery of this Abridged Prospectus, the NPA and the RSF, accepting any Provisional Allotments by signing any of the forms accompanying this Abridged Prospectus or subscribing for or acquiring the ICPS with Warrants B, will be deemed to have represented, warranted, acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:-

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue of ICPS with Warrants, be in breach of the laws of any jurisdiction to which the Entitled Shareholder and/or his transferee(s) and/or his renounee(s) is or might be subject to;
- (ii) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) has complied with the laws to which the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) is or might be subject to in connection with the acceptance or renunciation;
- (iii) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) is not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation of the Provisional Allotments, be in breach of the laws of any jurisdiction to which that person is or might be subject to;
- (iv) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) is/are aware that the ICPS with Warrants B can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged or dealt with in any other way in accordance with all applicable laws in Malaysia;

- (v) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) has/have obtained a copy of this Abridged Prospectus and has/have read and understood the contents of this Abridged Prospectus, has/have had access to such financial and other information and has/have been provided the opportunity to ask such questions to the representatives of the Parties and receive answers thereto as the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) deem(s) necessary in connection with the Foreign-Addressed Shareholder and/or his transferee and/or his renouncee's decision to subscribe for or purchase the ICPS and Warrants B; and
- (vi) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) has/have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the ICPS and Warrants B, and is/are and will be able, and is/are prepared to bear the economic and financial risks of investing in and holding the ICPS and Warrants B.

NOTWITHSTANDING ANYTHING HEREIN, THE FOREIGN-ADDRESSED SHAREHOLDERS AND ANY OTHER PERSON HAVING POSSESSION OF THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS ARE ADVISED TO INFORM THEMSELVES OF AND TO OBSERVE ANY LEGAL REQUIREMENTS APPLICABLE TO THEM. NO PERSON IN ANY TERRITORY OUTSIDE OF MALAYSIA RECEIVING THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS MAY TREAT THE SAME AS AN OFFER, INVITATION OR SOLICITATION TO SUBSCRIBE FOR OR ACQUIRE ANY ICPS AND WARRANTS B UNLESS SUCH OFFER, INVITATION OR SOLICITATION COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER REGULATORY OR LEGAL REQUIREMENTS ON SUCH TERRITORY.

11. TERMS AND CONDITIONS

The issuance of the ICPS and Warrants B pursuant to the Rights Issue of ICPS with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, the Deed Poll B, the NPA and RSF.

12. FURTHER INFORMATION

You are requested to refer to the enclosed Appendices for further information.

Yours faithfully
For and on behalf of the Board of
XOX BHD



TAN SIK EEK
Executive Director

APPENDIX I – INFORMATION ON THE COMPANY**1. SHARE CAPITAL**

As at the LPD, the issued share capital of the Company is RM126,892,891 comprising 1,092,396,675 Shares.

2. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Please refer to Section 8.3 of this Abridged Prospectus for information on the Company's substantial Shareholders' shareholdings before and after the Rights Issue of ICPS with Warrants.

3. DIRECTORS

The details of the Board as at the LPD are set out in the table below:-

Name (Designation)	Age	Address	Nationality
Dato' Seri Abdul Azim bin Mohd Zabidi (<i>Non-Independent Non-Executive Chairman</i>)	61	Tanah Abang, No.1 Jalan Setiabudi, Bukit Damansara, 50490 Kuala Lumpur Wilayah Persekutuan	Malaysian
Ng Kok Heng (<i>Executive Director / Chief Executive Officer</i>)	57	P-09-09, Mutiara Oriental Taman Bukit Mayang Emas 47301 Petaling Jaya Selangor Darul Ehsan	Malaysian
Tan Sik Eek (<i>Executive Director</i>)	44	Unit D16-15, 16 th Floor, Residency @ Park 51 Jalan 51A/241, Seksyen 51A 47000 Petaling Jaya Selangor Darul Ehsan	Malaysian
Soo Pow Min (<i>Senior Independent Non-Executive Director</i>)	55	42, Jalan TR 2/1 Tropicana Golf & Country Resort 47400 Petaling Jaya Selangor Darul Ehsan	Malaysian
Hew Tze Kok (<i>Independent Non-Executive Director</i>)	43	A-03A-02, Casa Puteri Condominium, Laman Puteri 1 Bandar Puteri, 47100 Puchong Selangor Darul Ehsan	Malaysian
Edwin Chin Vin Foong (<i>Independent Non-Executive Director</i>)	58	No. 38, Jalan BU 11/13 Bandar Utama Damansara 47800 Petaling Jaya Selangor Darul Ehsan	Malaysian
Roy Ho Yew Kee (<i>Non-Independent Non-Executive Director</i>)	45	97, Jalan SS22/37 Damansara Jaya 47400 Petaling Jaya Selangor Darul Ehsan	Malaysian

APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)

Save as disclosed below, none of the Directors have any direct and/or indirect shareholding in the Company as at the LPD. The pro forma effects of the Rights Issue of ICPS with Warrants on the shareholding of the Directors based on the Register of Directors' Shareholding of the Company are as below:-

Minimum Scenario

Director	As at the LPD				(i) After full conversion of the ICPS				(ii) After (i) and assuming full exercise of the Warrants B			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%	No. of Shares	(3)%	No. of Shares	(3)%
Dato' Seri Abdul Azim bin Mohd Zabidi	451,380	0.04	-	-	451,380	0.03	-	-	451,380	0.03	-	-
Ng Kok Heng	17,237,035	1.58	-	-	17,237,035	1.33	-	-	17,237,035	1.24	-	-
Soo Pow Min	-	-	(4)161,255	(4)0.01	-	-	(4)161,255	(4)0.01	-	-	(4)161,255	(4)0.01

Notes:-

- (1) Based on the issued share capital of 1,092,396,675 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 1,292,396,675 Shares.
- (3) Based on the enlarged issued share capital of 1,392,396,675 Shares.
- (4) Deemed interest through spouse's shareholdings in the Company.

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APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)

Base Case Scenario

Director	As at the LPD				(I) After full conversion of the ICPS				(II) After (I) and assuming full exercise of the Warrants B			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%	No. of Shares	(3)%	No. of Shares	(3)%
Dato' Seri Abdul Azim bin Mohd Zabidi	451,380	0.04	-	-	902,760	0.04	-	-	1,128,450	0.04	-	-
Ng Kok Heng	17,237,035	1.58	-	-	34,474,070	1.58	-	-	43,092,588	1.58	-	-
Soo Pow Min	-	-	(4)161,255	(4)0.01	-	-	(4)322,510	(4)0.01	-	-	(4)403,137	(4)0.01

Notes:-

- (1) Based on the issued share capital of 1,092,396,675 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 2,184,793,350 Shares.
- (3) Based on the enlarged issued share capital of 2,730,991,687 Shares.
- (4) Deemed interest through spouse's shareholdings in the Company.

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APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)

Maximum Scenario

Director	As at the LPD				Assuming full granting and/or exercise of the SIS Options				(II) After (I) and full conversion of the ICPS			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%	No. of Shares	(3)%	No. of Shares	(3)%
Dato' Seri Abdul Azim bin Mohd Zabidi	451,380	0.04	-	-	451,380	0.03	-	-	1,354,140	0.03	-	-
Ng Kok Heng	17,237,035	1.58	-	-	24,435,835	1.84	-	-	73,307,505	1.84	-	-
Soo Pow Min	-	-	(5)161,255	(5)0.01	9,247,100	0.70	(5)161,255	(5)0.01	27,741,300	0.70	(5)483,765	(5)0.01

Director	(III) After (II) and assuming full exercise of the Warrants B			
	Direct		Indirect	
	No. of Shares	(4)%	No. of Shares	(4)%
Dato' Seri Abdul Azim bin Mohd Zabidi	1,579,830	0.03	-	-
Ng Kok Heng	85,525,422	1.84	-	-
Soo Pow Min	32,364,850	0.70	(5)564,392	(5)0.01

Notes:-

- (1) Based on the issued share capital of 1,092,396,675 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 1,325,627,677 Shares.
- (3) Based on the enlarged issued share capital of 3,976,883,031 Shares.
- (4) Based on the enlarged issued share capital of 4,639,696,869 Shares.
- (5) Deemed interest through spouse's shareholdings in the Company.

APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)**4. HISTORICAL FINANCIAL INFORMATION**

The following table sets out a summary of the financial performance and position of the Group for the FYE 30 June 2016, FYE 30 June 2017, FYE 30 June 2018 and 15-month FPE 30 September 2019:-

Historical financial performance

	Audited			
	FYE 30 June 2016	Restated⁽¹⁾ FYE 30 June 2017	Restated⁽¹⁾ FYE 30 June 2018	15-month FPE 30 September 2019
	RM'000	RM'000	RM'000	RM'000
Revenue	160,750	179,879	187,543	311,361
Cost of sales	(89,625)	(98,561)	(103,882)	(183,219)
GP	71,125	81,318	83,661	128,142
Other income	598	5,065	1,388	16,614
Administrative expenses	(40,586)	(37,091)	(41,309)	(76,394)
Sales and distribution costs	(40,158)	(49,957)	(55,259)	(89,220)
Finance costs	(30)	(123)	(120)	(487)
LBT	(9,051)	(788)	(11,639)	(21,345)
Income tax expense	(334)	(336)	(206)	(155)
LAT	(9,385)	(1,124)	(11,845)	(21,500)
Profit / (loss) attributable to:-				
- Owners of the Company	(9,576)	(939)	(11,900)	(21,178)
- Minority interest	191	(185)	55	(322)
Earnings / (loss) before interest, tax, depreciation and amortisation	(4,043)	5,809	(3,449)	(6,566)
GP margin (%)	44.25	45.21	44.61	41.16
LAT margin (%)	(5.84)	(0.62)	(6.32)	(6.91)
Weighted average no. of Shares in issue ('000)	360,012	670,882	933,660	1,066,972
LPS				
- basic (sen)	(2.66)	(0.14)	(1.27)	(1.98)
- diluted (sen)	(2) ₋	(2) ₋	(2) ₋	(2) ₋
Dividend (sen)	-	-	-	-

Notes:-

- (1) Restatement was due to the adoption of MFRS 9 & MFRS 15.
(2) Diluted EPS / (LPS) is not presented as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

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APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)**Historical financial position**

	Audited			
	FYE 30 June 2016	Restated FYE 30 June 2017	Restated FYE 30 June 2018	15-month FPE 30 September 2019
	RM'000	RM'000	RM'000	RM'000
Non-current assets	52,708	76,046	85,052	90,597
Current assets	60,090	80,857	82,177	91,337
Total assets	112,798	156,903	167,229	181,934
Share capital	55,641	107,437	122,255	126,893
Share premium	19,340	-	-	-
Capital reserve	2,200	2,200	2,200	2,200
Warrant reserve	19,741	19,741	19,741	-
Other reserve	(19,741)	(19,741)	(19,741)	-
Foreign translation reserve	-	-	(3)	(12)
SIS Option reserve	10,601	5,931	1,124	961
Accumulated losses	(9,754)	(9,470)	(15,840)	(36,856)
Total equity attributable to owners of the Company	78,028	106,098	109,736	93,186
Non-controlling interests	644	459	513	2,312
Total equity	78,672	106,557	110,249	95,498
Non-current liabilities	453	1,739	1,496	2,987
Current liabilities	33,673	48,607	55,484	83,449
Total liabilities	34,126	50,346	56,980	86,436
Total equity and liabilities	112,798	156,903	167,229	181,934

Historical cash flow

	Audited			
	FYE 30 June 2016	Restated FYE 30 June 2017	Restated FYE 30 June 2018	15-month FPE 30 September 2019
	RM'000	RM'000	RM'000	RM'000
Net cash from / (used in)				
Operating activities	(20,425)	(4,673)	(1,933)	9,796
Investing activities	(26,320)	(27,797)	(15,515)	(16,714)
Financing activities	57,933	28,568	13,420	2,926
Net increase / (decrease) in cash and cash equivalents	11,188	(3,902)	(4,028)	(3,992)
Cash and cash equivalents at beginning of the year / period	9,307	20,495	16,593	12,565
Cash and cash equivalents at end of the year / period	20,495	16,593	12,565	8,573

APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)**(i) 15-month FPE 30 September 2019 vs FYE 30 June 2018 (Restated)**

The Group's revenue for 15-month FPE 30 September 2019 increased by 66.02% to RM311.36 million as compared to the previous financial year. The increase in revenue was mainly due to the additional 3-month results (following the change in our financial year end from 30 June to 30 September) and an increase in subscribers in the "ONEXOX BLACK" mobile plan. The annualised revenue for 15-month FPE 30 September 2019 was RM249.09 million, representing an increase of RM61.55 million or 32.82%.

The Group recorded a GP of RM128.14 million (GP margin of 41.16%) in 15-month FPE 30 September 2019 (the annualized GP for 15-month FPE 30 September 2019 was RM102.51 million) as compared to a GP of RM83.66 million (GP margin of 44.61%) in the previous financial year. The decrease in GP margin was mainly due to lower margin for the products and services sold during the financial period caused by competitive price pressure.

Despite the higher revenue, the Group recorded a higher LAT of RM21.50 million for 15-month FPE 30 September 2019 (the annualized LAT for 15-month FPE 30 September 2019 was RM17.20 million) as compared to a LAT of RM11.85 million in the previous financial year. The higher LAT was mainly due to the following:-

- (a) higher amortisation of intangible assets of RM2.80 million in the 15-month FPE 30 September 2019 as compared to RM0.68 million in the FYE 30 June 2018 attributable to the purchase of mobile and telecommunication software of RM9.42 million and capitalisation of capital work-in-progress of RM23.26 million to intangible assets;
- (b) initial set up cost of RM1.37 million for our Indonesia business;
- (c) higher depreciation on plant and equipment of RM11.57 million in the 15-month FPE 30 September 2019 as compared to RM7.53 million in the FYE 30 June 2018 attributable to the capitalisation of capital work-in-progress of RM16.29 million to plant and equipment; and
- (d) an impairment loss of RM9.83 million on trade receivables attributable to the change in debt assessment method for the Group's trade receivables arising from the adoption of MFRS 9.

The Group recorded a 15.08% decrease in NA as at 15-month FPE 30 September 2019 as compared to the previous financial year. This was mainly attributable to higher accumulated losses of RM36.86 million (FYE 30 June 2018: RM15.84 million).

For 15-month FPE 30 September 2019, the Group recorded a decrease in cash and cash equivalents of RM3.61 million (FYE 30 June 2018: decrease of RM4.03 million) notwithstanding the proceeds raised from the private placement exercise and exercise of Warrant A. This was mainly due to the cash purchase of intangible assets, plant and equipment amounting to RM18.84 million (FYE 30 June 2018: RM19.89 million).

(ii) FYE 30 June 2018 (restated) vs. FYE 30 June 2017 (Restated)

The Group's revenue for the FYE 30 June 2018 increased by 4.26% to RM187.54 million as compared to the previous financial year. This was mainly due to the growth in subscribers following the launch of the new "ONEXOX BLACK" mobile plan in January 2018.

APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)

The Group's GP margin changed slightly to 44.61% in FYE 30 June 2018 from 45.21% in the previous corresponding period.

The Group recorded a LAT of RM11.85 million in FYE 30 June 2018 as compared to a LAT of RM1.12 million in the previous financial year. This was mainly due to the following:-

- (a) higher depreciation of plant and equipment of RM8.20 million in the FYE 30 June 2018 as compared to RM6.53 million in the FYE 30 June 2017. This was attributable to the addition of plant and equipment of RM3.42 million and capitalisation of capital work-in-progress of RM1.92 million to plant and equipment;
- (b) higher rental of RM3.15 million in the FYE 30 June 2018 by having more stores to increase public exposure and accessibility to Group's products and services as compared to RM1.49 million in the FYE 30 June 2017; and
- (c) one-off share-based payment expenses of RM1.56 million as a result of SIS Options granted under the SIS.

Despite the LAT above, the Group recorded a 3.43% increase in NA as at 30 June 2018 as compared to the previous financial year. This was mainly due to increase in share capital arising from the following:-

- (a) the issuance of 56,088,000 ordinary shares through the exercise of the share option that was granted under SIS at an issue price at RM0.10 per ordinary share for cash consideration; and
- (b) the issuance of 85,182,000 ordinary shares through private placement at issue price of RM0.0983 per ordinary share for the purpose of raising working capital.

For FYE 30 June 2018, the Group recorded a decrease in cash and cash equivalents of RM4.03 million (FYE 30 June 2017: decrease of RM3.90 million) notwithstanding the proceeds raised from the private placement exercise and exercise of share option granted under SIS. This was mainly due to the cash purchase of intangible assets, plant and equipment amounting to RM19.89 million (FYE 30 June 2017: RM23.21 million).

(iii) FYE 30 June 2017 (Restated) vs. FYE 30 June 2016

The Group's revenue for the FYE 30 June 2017 increased by 11.90% to RM179.88 million as compared to the previous financial year after taking the effect of adoption of MFRS 15. This was mainly due to the growth in subscribers and higher data usage by subscribers.

The Group's GP margin changed slightly to 45.21% in FYE 30 June 2018 from 44.25% in the previous corresponding period.

In line with the higher revenue, the Group recorded a lower LAT of RM1.12 million in FYE 30 June 2017 as compared to a LAT of RM9.38 million in the previous financial year. However, the improved results was partially offset by the following:-

- (a) one-off impairment loss on trade receivables of RM1.73 million in the FYE 30 June 2017, after the Group assessed the collectability of its trade receivables;

APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)

- (b) higher depreciation of plant and equipment of RM6.53 million in the FYE 30 June 2017 as compared to RM5.14 million in the FYE 30 June 2016. This was attributable to the capitalisation of capital work-in-progress of RM17.26 million to plant and equipment;
- (c) higher incentive payment of RM39.39 million to the Group's distribution partners in the FYE 30 June 2017 as compared to RM28.88 million in the FYE 30 June 2016 in tandem with the increased in revenue; and
- (d) a fair value adjustment of RM1.38 million on the Group's investment in quoted securities in FYE 30 June 2017.

The Group recorded a 35.97% increase in NA as at 30 June 2017 as compared to 30 June 2016. This was mainly due to increase in share capital arising from the following:-

- (a) the issuance of 45,409,500 ordinary shares through the exercise of the share option that was granted under SIS at an issue price at RM0.13 per ordinary share for cash consideration; and
- (b) the issuance of 250,000,000 ordinary shares at issue price of ranging RM0.086 to RM0.10 per ordinary share.

For FYE 30 June 2017, the Group recorded a decrease in cash and cash equivalents of RM3.90 million (FYE 30 June 2016: increase of RM11.19 million) notwithstanding the proceeds raised from exercise of share option granted under SIS and issuance of ordinary shares as described above (FYE 30 June 2016: RM59.08 million). This was mainly due to the cash purchase of intangible assets, plant and equipment amounting to RM23.21 million (FYE 30 June 2016: RM23.92 million) as well as the acquisition of other investments amounting to RM6.00 million (FYE 30 June 2016: RM2.41 million).

5. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of XOX Shares traded on Bursa Securities for the past 12 months preceding the date of this Abridged Prospectus are as follows:-

	High RM	Low RM
2019		
February	0.060	0.050
March	0.060	0.050
April	0.060	0.050
May	0.055	0.045
June	0.055	0.040
July	0.060	0.040
August	0.055	0.045
September	0.055	0.045
October	0.060	0.045
November	0.050	0.040
December	0.045	0.035
2020		
January	0.045	0.035

APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)

	RM
Last transacted market price on 7 June 2019, being the last Market Day immediately prior to the announcement of the Rights Issue of ICPS with Warrants	0.050
Last transacted market price on 10 February 2020, being the Market Day immediately prior to the ex-date for the Rights Issue of ICPS with Warrants	0.035
Last transacted market price on at the LPD	0.045

(Source: Bloomberg)

6. OPTION TO SUBSCRIBE FOR SHARES

As at the LPD, save for 49,374,500 outstanding SIS Options, with 3,456,500 SIS Options carrying the right to subscribe for 1 new Share at the exercise price of RM0.13 per SIS Options and 45,918,000 SIS Options carrying the right to subscribe for 1 new Share at the exercise price of RM0.10 and the Provisional Allotments as well as Excess ICPS with Warrants B, no other option to subscribe for the Shares has been granted or is entitled to be granted to any person.

7. MATERIAL CONTRACTS

Save as disclosed below, the Board confirms that there are no other material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Group during the 2 years preceding the date of this Abridged Prospectus:-

Joint venture agreement dated 21 June 2018 entered into between XOX Media Sdn Bhd, a wholly-owned subsidiary of XOX, with Yayasan Nahdlatul Ulama, EH Integrated Systems Sdn Bhd and PT Nusantara Digital Telekomunikasi for the purpose of establishing a new joint venture company under the name of 'PT Nusantara Mobile Telecommunication' to engage in the business related to telecommunication and telecommunication products and services, provision of mobile application services (Voopee) and e-wallet services in Indonesia.

8. MATERIAL LITIGATION

As at the LPD, neither the Company nor its subsidiaries are engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of the Group and, to the best of the Board's knowledge and belief, the Board confirmed that there are no proceedings pending or threatened against the Company and/or its subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company and/or its subsidiaries.

9. CONSENTS

- (i) The written consents of the Principal Adviser, Share Registrar, Auditors and Reporting Accountants, Independent Market Researcher and the Solicitors for the Rights Issue of ICPS with Warrants for the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not been subsequently withdrawn.

APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)

- (ii) The written consent of Bloomberg for the inclusion in this Abridged Prospectus of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data appear has been given before the issuance of this Abridged Prospectus and has not been subsequently withdrawn.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 22-09, Menara 1MK, No. 1 Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur, Malaysia following the date of this Abridged Prospectus during normal business hours from Monday to Friday (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:-

- (i) Constitution of XOX;
- (ii) the Undertaking referred to in Section 3 of this Abridged Prospectus;
- (iii) the material contract referred to in Section 7 above;
- (iv) the letters of consent referred to in Section 9 above;
- (v) the Deed Poll B; and
- (vi) the IMR Report referred to in Section 7 of this Abridged Prospectus.

11. RESPONSIBILITY STATEMENT

- (i) The Board has seen and approved this Abridged Prospectus, together with the NPA and RSF, and they collectively and individually accept full responsibility for the accuracy of the information contained therein and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in these documents false or misleading.
- (ii) Mercury Securities, being the Principal Adviser for the Rights Issue of ICPS with Warrants, acknowledges that, based on all available information and to the best of their knowledge and belief, this Abridged Prospectus constitutes full and true disclosure of all material facts concerning the Rights Issue of ICPS with Warrants.

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