Company No. 554979-T

APPENDIX VIII

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF OUR GROUP FOR THE 3-MONTH FPE 31 MARCH 2017

ORION IXL BERHAD

(Company No: 554979-T)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31.03.2017

CONDENSED CONSOLIDATED INCOME STATEMENTS

(These figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	RM('000)	RM('000)	RM('000)	RM('000)
Revenue	726	891	726	891
Operating expenses	(1,045)	(1,806)	(1,045)	(1,806)
Other operating income	46	316	46	316
Loss from operations	(273)	(599)	(273)	(599)
Finance cost	-	-	-	-
Investing results	-	-	-	-
Loss before taxation	(273)	(599)	(273)	(599)
Taxation	-	-	-	-
Loss for the period	(273)	(599)	(273)	(599)
Attributable to:				
Equity holders of the parent	(261)	(520)	(261)	(520)
Non-controlling interests	(12)	(79)	(12)	(79)
	(273)	(599)	(273)	(599)
Loss per share attributable to equity holders of the parent (Sen)				
(a) Basic	(0.20)	(0.43)	(0.20)	(0.43)
(b) Fully diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016)

CERTIFIED TRUE COPY
Dato' Mohamed Ridzuan bin Nor Md
Executive Director

ORION IXL BERHAD

(Company No: 554979-T)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31.03.2017

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(These figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	RM('000)	RM('000)	RM('000)	RM('000)
Loss for the period	(273)	(599)	(273)	(599)
Other comprehensive income, net of tax:				
Translation of foreign subsidiary	11	144	11	144
Total comprehensive loss	(262)	(455)	(262)	(455)
Total comprehensive loss attributable to:				
Equity holders of the parent	(250)	(376)	(250)	(376)
Non-controlling interests	(12)	(79)	(12)	(79)
	(262)	(455)	(262)	(455)

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016)

ORION IXL BERHAD

(Company No: 554979-T)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31.03.2017

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(These figures have not been audited)

	AS AT END OF CURRENT YEAR QUARTER 31/03/2017 RM('000)	AS AT PRECEDING FINANCIAL YEAR END 31/12/2016 RM('000)
ASSETS		
Non-Current Assets		
Property, plant and equipment	73	89
Intangible assets	1,146	1,209
Other receivable	2,949	2,949
Other investment	26	26
Total Non-Current Assets	4,194	4,273
Current Assets		
Trade receivables	784	469
Other receivables and prepaid expenses	2,897	3,406
Cash and bank balances	2,351	2,405
Total Current Assets	6,032	6,280
Total Assets	10,226	10,553
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	18,168	13,310
Reserves		
Accumulated Loss	(8,465)	(8,204)
Share Premium	-	4,858
Exchange Adjustment	(399)	(410)
Equity Attributable to Owners of the Company	9,304	9,554
Non-controlling interests	(520)	(508)
TOTAL EQUITY	8,784	9,046
Current Liabilities		
Trade payables	8	7
Other payables and accrued expenses	1,434	1,500
Tax liabilities	-	-
Total Current Liabilities	1,442	1,507
Total Liabilities	1,442	1,507
Total Equity and Liabilities	10,226	10,553
Net assets per share attributable to ordinary equity holders of the parent (sen)	6.99	7.18

(The Condensed Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016)

ORION IXL BERHAD

(Company No: 554979-T)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31.03.2017

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(These figures have not been audited)

	<—— Attributable to Equity Holders of the Company ——>					Non-controlling Interests	Total Equity
	Share Capital	Non-Distributable - Share Premium	Non-Distributable - Exchange Adjustment	Accumulated Loss	Total		
	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)
3 months ended 31 March 2017							
Balance as at 1 January 2017	13,310	4,858	(410)	(8,204)	9,554	(508)	9,046
Adjustments for effects of Companies Act 2016 [Note (a)]	4,858	(4,858)	-	-	-	-	-
Total comprehensive loss for the period	-	-	11	(261)	(250)	(12)	(262)
Balance as at 31 March 2017	18,168	-	(399)	(8,465)	9,304	(520)	8,784
3 months ended 31 March 2016							
Balance as at 1 January 2016	12,100	3,057	(339)	(7,089)	7,729	175	7,904
Total comprehensive loss for the period	-	-	144	(520)	(376)	(79)	(455)
Balance as at 31 March 2016	12,100	3,057	(195)	(7,609)	7,353	96	7,449

Note (a)
With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium account of RM4,858,284 has been transferred to the share capital account. Pursuant to subsection 618(3) of the New Act, the Group may exercise its right to use the credit amount being transferred from share premium account within 24 months after the commencement of the New Act.

(The Condensed Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016)

ORION IXL BERHAD

(Company No: 554979-T)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31.03.2017

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

(These figures have not been audited)

		3 months ended 31.03.2017	3 months ended 31.03.2016
		RM('000)	RM('000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(273)	(599)
Adjustments for:			
Amortisation of intangible assets		62	221
Depreciation of property, plant and equipment		17	21
Impairment loss on trade receivables		-	59
Operating loss before working capital changes		(194)	(298)
Changes in working capital:			
Net change in current assets		192	107
Net change in current liabilities		(52)	386
Net cash from/(used in) operating activities		(54)	195
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	(3)
Net cash used in investing activities		-	(3)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in deposits pledged		-	11
Net cash from financing activities		-	11
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(54)	203
EFFECTS OF EXCHANGE RATE CHANGES		-	144
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		2,405	956
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(Note A16)	2,351	1,303

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016)

ORION IXL BERHAD

(Company No: 554979-T)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31.03.2017

NOTES

A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial report has been prepared in compliance with MFRS 134, Interim Financial Reporting and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2016.

A2 Significant accounting policies

The accounting policies and methods of computation adopted by the Group in the preparation of this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2016, except as follows:

Effective for financial periods beginning on or after 1 January 2017

Amendments to MFRS 107	Disclosures Initiatives
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRS 12	Annual Improvements to MFRSs 2014 - 2016 Cycle

The adoption of the above does not have a material impact on the financial statements of the Group in the period of initial application

At the date of authorisation of this unaudited interim financial statements, the following MFRSs and IC Interpretation have been issued by the MASB but are not yet effective and have not been adopted by the Group:

Effective for financial periods beginning on or after 1 January 2018

Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 15	Clarification to MFRS 15 Revenue from Contractswith Customers
Amendments to MFRS 128	Annual Improvements to MFRSs 2014 - 2016 Cycle
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

Effective for financial periods beginning on or after 1 January 2019

MFRS 16	Leases

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial application, except as described below:

MFRS 9 Financial Instruments

In November 2014, the MASB issued the final version of MFRS 9 Financial Instruments, replacing MFRS 139. This Standard made changes to the requirements for classification and measurement, impairment, and hedge accounting. The adoption of this Standard will have an effect on the classification and measurement of the Group's and the Company's financial assets, but no impact on the classification and measurement of the Group's and the Company's financial liabilities.

MFRS 9 Financial Instruments also requires impairment assessments to be based on an expected loss model, replacing the MFRS 139 incurred loss model. Finally, MFRS 9 Financial Instruments aligns hedge accounting more closely with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies and weaknesses in the previous model.

This Standard will come into effect on or after 1 January 2018 with early adoption permitted. Retrospective application is required, but comparative information is not compulsory. The impact of the adoption of this Standard in relation to the new requirements for classification and measurement and impairment are still being assessed, but the requirements for hedge accounting is not relevant to the Group and the Company.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 introduces a new model for revenue recognition arising from contracts with customers. MFRS 15 will replace and supersede MFRS 111 Construction contracts, MFRS 118 Revenue, IC 13 Customer Loyalty Programmes, IC 15 Agreements for the Construction of Real Estate, IC 18 Transfers of Assets from Customers and IC 31 Revenue - Barter Transactions Involving Advertising Services. The application of MFRS 15 may result in difference in timing of revenue recognition as compared with current accounting policies.

The Group and the Company is currently assessing the impact to the financial statements upon adopting MFRS 15, and will adopt MFRS 15 on the mandatory effective date.

MFRS 16 Leases

Currently under MFRS 117, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from the former but not the latter. As a result, many users have resorted to adjust the lessees' financial statements for the effects of operating leases commitments to enable comparison with entities that borrow to buy assets.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position as recording certain leases as off- balance sheet leases will no longer be allowed except for some limited practical exemptions. In other words, for a lessee that has material operating leases, the assets and liabilities reported on its statement of financial position are expected to increase substantially.

The Group and the Company is currently assessing the impact of MFRS 16 and plans to adopt the new standard on the required effective date.

A3 Auditors' report of preceding annual financial statements

The auditors' report on the preceding year's annual audited financial statements was not subject to any qualification.

A4 Seasonal or cyclical factors

The Group's operations were not subject to any seasonal or cyclical changes.

A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group since the last annual audited financial statements.

A6 Material changes in estimates

There were no changes in estimates of amounts reported in prior financial years, which may have a material effect in the current financial quarter.

A7 Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter.

A8 Dividend paid

There were no dividends paid during the current financial quarter

A9 Segment information

Segmental information is presented only in respect of the Group's geographical segments. There is no information on business segments as the Group is principally involved in software development.

GEOGRAPHICAL SEGMENTS	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2017 RM('000)	31/03/2016 RM('000)	31/03/2017 RM('000)	31/03/2016 RM('000)
REVENUE				
Malaysia	540	766	540	766
United States of America	186	125	186	125
	726	891	726	891
LOSS BEFORE TAXATION				
Malaysia	(249)	(555)	(249)	(555)
United States of America	(24)	(44)	(24)	(44)
	(273)	(599)	(273)	(599)

A10 Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment.

A11 Material events subsequent to the end of the quarter

There were no material events subsequent to the current financial quarter ended 31 March 2017 up to the date of this report which, is likely to substantially affect the results of the operations of the Group.

A12 Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial quarter.

A13 Contingent liabilities

There were no contingent liabilities as at the date of this announcement.

A14 Capital commitments

There were no capital commitments as at the date of this announcement.

A15 Significant related party transactions

There were no significant related party transactions as at the date of this announcement.

A16 Cash and cash equivalents

	31.03.2017 RM('000)	31.03.2016 RM('000)
Cash and bank balances	2,351	1,303

A17 Notes to the Statements of Comprehensive Income

	INDIVIDUAL QUARTER 31 March 2017 RM('000)	CUMULATIVE QUARTER 31 March 2017 RM('000)
Loss before taxation is arrived at after charging/(crediting):		
Amortisation of development costs	62	62
Audit fee	22	22
Depreciation of property, plant and equipment	17	17
Directors' remuneration - Fee	63	63
Rental of office premises	55	55
Rental income	46	46

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET

B1 Analysis of performance

The Group recorded a turnover of approximately RM0.73 million for the current financial quarter, this represents a reduction of approximately 19% as compared to the same corresponding financial quarter in 2016 ("Q1 2016). The reduction was mainly due to lower sales generated from its operations in Malaysia for the current financial quarter as compared against Q1 2016.

Despite the lower revenue in the current quarter as compared to Q1 2016, the Group registered a lower loss before taxation of RM0.27 million as compared to a loss before taxation of RM0.60 million registered in Q1 2016, mainly due to lower operating costs such as lower staff costs, directors' remuneration, amortisation of development costs and other general operating expenses.

B2 Variation of results against preceding quarter

	Current quarter 31 March 2017 RM'000	Preceding quarter 31 December 2016 RM'000
Revenue	726	971
Loss before tax	(273)	(728)

The Group recorded a turnover of approximately RM0.73 million for the current financial quarter, this represents a reduction of approximately 25% as compared to the preceding financial quarter ("Q4 2016) mainly due to lower sales generated from its operations in United States of America for the current financial quarter. Despite lower revenue, the Group registered lower loss before taxation of RM0.27 million as compared to a loss before taxation of RM0.73 million registered in Q4 2016, mainly due to better gross profit margin and lower staff costs registered during the financial quarter.

B3 Prospects

The Group has embarked on a corporate exercise to acquire ASAP Berhad, a company also involved in the computerised maintenance management system ("CMMS"), to complement the Group's business and to enhance the Group's market share in the CMMS market. The acquisition is expected to improve the Group's profitability which will in turn improve shareholders' value.

The CMMS market in Malaysia is still growing. There is increased awareness among the users on the importance of business applications such as CMMS. CMMS is an effective means for increasing productivity via an effective maintenance management. Moving forward, the advancement in technology, sustained economic growth, rapidly growing digital population and increasing importance of technology in business operations and replacement of physical functions with virtual possibilities are the main driver of the industry.

B4 Profit forecast and profit guarantee

The Group did not announce any profit forecast nor profit guarantee during the financial quarter.

B5 Taxation

No provision for income tax has been made for the Company and its subsidiary as the Company and its subsidiary have been incurred losses for the current quarter.

B6 Unquoted investments and properties

There were no acquisitions or disposals of unquoted investments and properties for the financial quarter under review.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities for the financial quarter under review.

B8 Status of corporate proposals

1) Private placement

On behalf of the Company, M & A Securities Sdn Bhd ("M & A Securities") had on 26 January 2016, 28 January 2016 and 5 February 2016, announced that the Company proposes to undertake a private placement of 12,100,100 new ordinary shares of RM0.10 each in the Company, representing approximately ten persent (10%) of the total issued and paid-up share capital of the Company to independent third party investor(s) to be identified ("Private Placement"). The Private Placement was approved by Bursa Securities on 11 March 2016 and was completed on 26 July 2016.

Further on 22 November 2016, the Company announced to revise the utilisation of proceeds from the Private Placement.

The status of the utilisation of proceeds from the Private Placement as at 31 March 2017 is as follows:

Descriptions	Revised Utilisation RM('000)	Actual Utilisation as at 31.03.2017 RM('000)	Balance Unutilised as at 31.03.2017 RM('000)
Product development	307	307	-
Working capital	2,703	1,606	1,097
Expenses for the private placement	196	196	-
	3,206	2,109	1,097

2) Multiple Proposals

On 17 October 2016 and 31 March 2017, on behalf of the Company, M&A Securities announced that the Company entered into a share sale agreement with Dato" Paduka Mohamad Sharaff bin Haji Mohamad Shariff, Prabuddha Kumar Pronob Chakraverlty and Lilibeth Gamboa Belinario for the acquisition of the entire equity interest in ASAP Berhad ("ASAP") for a total purchase consideration of RM73,000,000 ("Acquisition").

In conjunction with the Acquisition, the Company proposes to undertake the following corporate proposals:-

Rights issue of 465,854,970 new ordinary shares of RM0.10 each in the Company ("Orion Shares") ("Rights Shares") together with up to 232,927,485 free detachable warrants ("Warrants") at an indicative issue price of RM0.17 per Rights Share on the basis of seven (7) Rights Shares for every two (2) existing Orion Shares held at an entitlement date to be determined later together with one (1) free Warrant for every two (2) Rights Share subscribed.

(Collectively, the "Proposals")

ASAP is company involved in the CMMS business with a proven track record. The Board views the Acquisition as an opportunity for the Group to improve its profitability and market share in the CMMS business. As both the Group and ASAP provide solutions of similar nature, the Acquisition will allow the Group and ASAP to explore the potential of harnessing each other's technology, expertise and client base. The Acquisition is expected to contribute positively to the future earnings of the Group and address the financial condition of the Group.

The above Proposals were approved by Bursa Securities as announced on 4 May 2017 and is currently pending shareholders' approval at Extraordinary General Meeting to be held on 30 May 2017.

B9 Group's borrowings and debt securities

There were no borrowings and debt securities for the financial quarter under review.

B10 Off balance sheet financial instruments

There were no financial instruments with off-balance sheet risk as at the date of this announcement applicable to the Group.

B11 Material litigations

There were no material litigations pending at the date of this announcement.

B12 Dividends

No dividend has been declared in respect of the financial period under review.

B13 Loss per share

a. Basic loss per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR 31/03/2017 RM('000)	PRECEDING YEAR 31/03/2016 RM('000)	CURRENT YEAR 31/03/2017 RM('000)	PRECEDING YEAR 31/03/2016 RM('000)
Loss attributable to ordinary equity holders of the parent	(261)	(520)	(261)	(520)
Weighted average number of ordinary shares in issue ('000)	133,101	121,001	133,101	121,001
Basic loss per share (sen)	(0.20)	(0.43)	(0.20)	(0.43)

b. Diluted loss per share

The fully diluted loss per share have not been presented as there is no diluted effect for the shares of the Group.

B14 REALISED AND UNREALISED PROFITS/(LOSSES) DISCLOSURE

Supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Securities are as follow:

	AS AT END OF CURRENT YEAR QUARTER 31/03/2017 RM('000)	AS AT PRECEDING FINANCIAL YEAR END 31/12/2016 RM('000)
Total cumulated loss of the Company and its subsidiaries:		
Unrealised	-	-
Realised	(8,465)	(8,204)
Total cumulated loss	(8,465)	(8,204)

By Order of the Board

Wong Yuet Chyn (MAICSA 7047163)
Secretary

Kuala Lumpur

Date: 24 May 2017

ECOVIS AHL PLT (LLP0003185-LCA) & (AF 001825)
Chartered Accountants. Kuala Lumpur, Malaysia

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The Board of Directors
ORION IXL BERHAD
Block D-G-1,
UPM-MTDC Technology Centre Three (TIC III),
Lebuh Silikon, Universiti Putra Malaysia,
43400 Serdang, Selangor Darul Ehsan.

15 June 2017

Dear Sirs

Reporting Accountant's Opinion on the financial information contained in the accountant's report of ASAP Berhad

We have audited the financial information of ASAP Berhad ("ASAP") which comprise the statements of financial position as at 30 June 2014, 30 June 2015 and 30 June 2016 of ASAP, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of ASAP for the respective financial years ended 30 June 2014, 30 June 2015 and 30 June 2016, and a summary of significant accounting policies and other explanatory information, as set out in pages 6 to 61. This historical financial information has been prepared for inclusion in the Abridged Prospectus to the shareholders of Orion IXL Berhad (formerly known as CWorks Systems Berhad) ("ORION") ("Abridged Prospectus"). This report is given for the purpose of complying with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and for no other purpose.

Directors' Responsibility for the Financial Information

The Directors of ASAP are responsible for preparing the financial information in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial information that are free from material misstatement, whether due to fraud or error.

Reporting Accountant's Responsibility for the Audit of Financial Information

Our responsibility is to express an opinion on the financial information based on our audit. We conducted our work in accordance with the approved standards on auditing in Malaysia. We comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

ECOVIS®

Opinion

In our opinion, the financial information gives, for the purposes of inclusion in the Abridged Prospectus to the shareholders of ORION, a true and fair view of the financial position of ASAP as at 30 June 2014, 30 June 2015 and 30 June 2016 and of its financial performance and cash flows for the financial years then ended in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other matter

This report is issued solely for the purpose of inclusion in the Abridged Prospectus to shareholders of ORION in connection with the acquisition of 100% equity interest in ASAP and for no other purpose. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary of the aforesaid purpose.

ECOVIS AHL PLT
AF 001825
Chartered Accountants

PAT YIN LAI
No. 3073/12/17 (J)
Chartered Accountant

Kuala Lumpur
15 June 2017

1.0 DETAILS OF THE ACQUISITION

On 17 October 2016, Orion IXL Berhad ("ORION") entered into a share sale agreement ("SSA") with Dato' Paduka Mohamad Sharaff bin Mohamad Shariff, Prabuddha Kumar Pronob Chakravertty and Lilibeth Gamboa Belinario (collectively, the "Vendors") for the acquisition of 100% equity interest in ASAP Berhad ("ASAP") for a purchase consideration of RM73,000,000 ("the Acquisition").

After further negotiation, ORION and Vendors have mutually agreed to amend the mode of satisfaction of the purchase consideration entirely in cash via a supplemental SSA on 31 March 2017, allocated to the Vendors in the following manner:

Vendors	No. of ASAP Shares to be acquired by ORION	Purchase Consideration (RM)
Dato' Paduka Mohamad Sharaff bin Mohd Shariff	600,000	43,000,000
Prabuddha Kumar Pronob Chakravertty	200,002	15,000,000
Lilibeth Gamboa Belinario	199,998	15,000,000
Total	**1,000,000**	**73,000,000**

2.0 In conjunction with the Acquisition, the Board of ORION will undertake the renounceable rights issue of 465,854,970 new ordinary shares in ORION ("Rights Share(s)") on the basis of seven (7) Rights Shares for every two (2) existing shares in ORION ("ORION Shares") held together with 232,927,485 free detachable warrants ("Warrants") on the basis of one (1) Warrant for every two (2) Rights Shares subscribed at 5.00 P.M. on 4 July 2017 at an issue price of RM0.17 per Rights Share payable in full upon acceptance ("Rights Issue with Warrants").

The purchase consideration will be funded entirely via the proceeds raised from the Rights Issue with Warrants.

3.0 GENERAL INFORMATION

3.1 Incorporation of ASAP

ASAP was incorporated in Malaysia under the Companies Act, 1965 on 8 April 2008 as a limited liability company and commenced its operations since year 2008. The registered office of ASAP is located at 51-D, Pusat Bandar Taman Desa, Jalan Desa Bakti, Taman Desa, 58100 Kuala Lumpur and the principal place of business is situated at C-G-06, SME Technopreneur Center 1, 2270, Jalan Usahawan 2, Cyber 6, 63000 Cyberjaya, Selangor Darul Ehsan.

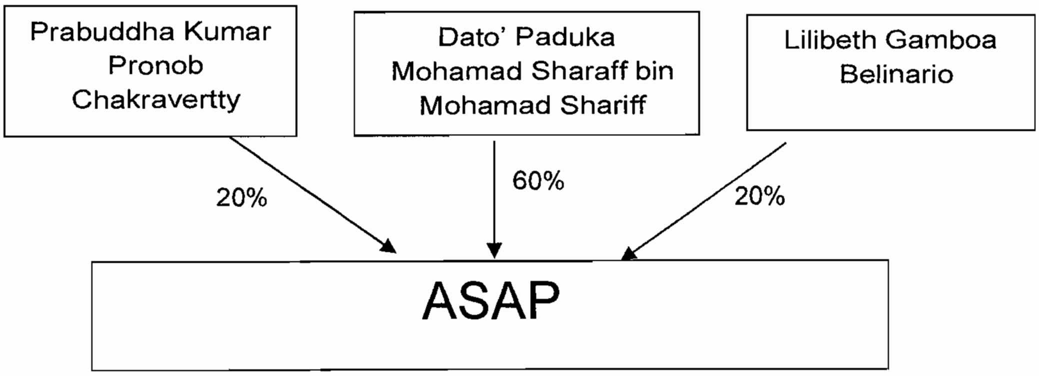
3.2 Principal activities of ASAP

The principal activities of ASAP is to carry on the business of software development and programming services. There have been no significant changes in the nature of these activities during the FYE 30 June 2014 to 30 June 2016.

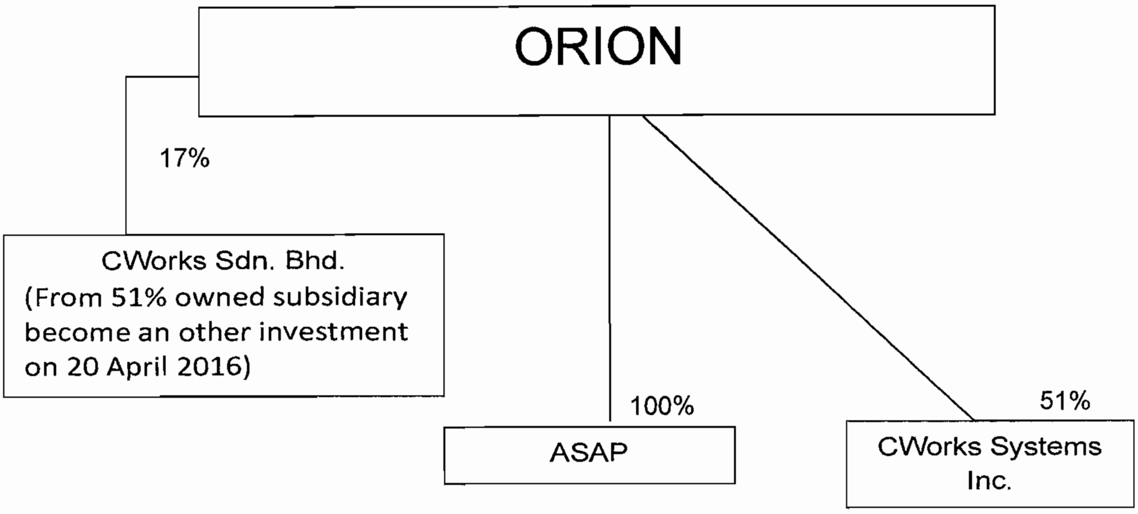
3.0 GENERAL INFORMATION (CONTINUED)

3.3 Company structure of ASAP

The corporate structure of ASAP prior to the Acquisition is as follows:



The corporate structure of ASAP upon the completion of the Acquisition is as follow:



4.0 SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

As at the date of this report, ASAP does not have any subsidiary companies and associated companies.

5.0 SHARE CAPITAL OF ASAP

As at 30 June 2016, the authorised share capital of ASAP was RM1,000,000 comprising 1,000,000 ASAP Shares.

The issued and paid up share capital of ASAP as at 30 June 2016 was RM1,000,000 comprising 1,000,000 ASAP Shares.

5.1 The authorised share capital from the date of incorporation to 30 June 2016 is as follows:

Date of creation	Class of shares	Number of shares of RM1.00 each created	Total authorised share capital RM
8 April 2008 (date of incorporation)	Ordinary	100,000	100,000
Created in financial year 2011	Ordinary	900,000	900,000
30 June 2016	Ordinary	1,000,000	1,000,000

5.2 The authorised and issued and paid-up share capital of ASAP prior to the Acquisition is as follows:

	Number of ASAP Shares
Ordinary shares of RM 1.00 each:	
Authorised	1,000,000
Issued and fully paid	1,000,000

Upon the completion of the Acquisition, the issued and paid up share capital of ASAP will remain unchanged at RM1,000,000 comprising 1,000,000 ASAP Shares.

6.0 DIVIDENDS

Dividends paid, declared or proposed by ASAP for the financial years covered and up to the date of this report are as follows:

	RM
In respect of FYE 30 June 2014:	
First interim single tier exempt dividend of RM4.00 per ordinary share, paid on 31 August 2013	4,000,000
Second interim single tier exempt dividend of RM5.00 per ordinary share, paid on 31 December 2013	5,000,000
Third interim single tier exempt dividend of RM1.00 per ordinary share, paid on 28 February 2014	1,000,000
Fourth interim single tier exempt dividend of RM0.50 per ordinary share, paid on 30 June 2014	500,000
In respect of FYE 30 June 2015:	
First interim single tier exempt dividend of RM1.00 per ordinary share, paid on 31 October 2014	1,000,000
Second interim single tier exempt dividend of RM0.70 per ordinary share, paid on 31 December 2014	700,000
Third interim single tier exempt dividend of RM1.50 per ordinary share, paid on 31 March 2015	1,500,000
In respect of FYE 30 June 2016:	
First interim single tier exempt dividend of RM3.00 per ordinary share, paid on 30 September 2015	3,000,000
Second interim single tier exempt dividend of RM2.00 per ordinary share, paid on 30 June 2016	2,000,000
In respect of Financial Period Ended 31 March 2017:	
First interim single tier exempt dividend of RM1.80 per ordinary share, paid on 29 July 2016	1,800,000
Second interim single tier exempt dividend of RM0.80 per ordinary share, paid on 30 September 2016	800,000
Third interim single tier exempt dividend of RM0.50 per ordinary share, paid on 30 December 2016	500,000
Fourth interim single tier exempt dividend of RM2.30 per ordinary share, paid on 31 January 2017	2,300,000

7.0 RELEVANT FINANCIAL YEAR ENDS AND AUDITORS

Set out below are the relevant financial years of the audited financial statements of ASAP presented for the purpose of this report ("Relevant Financial Years") and the auditors of ORION and ASAP for the Relevant Financial Years respectively:

Companies	Relevant Financial Years	Auditors
ORION Group	FYE 31 December 2013	STYL Associates
	FYE 31 December 2014	STYL Associates
	FYE 31 December 2015	STYL Associates
ASAP	FYE 30 June 2014	TCMK Associated
	FYE 30 June 2015	TCMK Associated
	FYE 30 June 2016	TCMK Associated

The financial statements of ASAP for the Relevant Financial Years as above which were prepared in accordance with Private Entity Reporting Standards ("PERSs") in Malaysia were not subject to any audit qualification and did not contain any adverse comments by the auditors' under Section 174(3) of the Companies Act, 1965 in Malaysia.

The details of companies within the ORION Group are as follows:

Name of subsidiary	Principal Activities
CWorks Systems Inc	Provision of computerised maintenance management systems and other information technology services such as systems integration, support services and training.

Name of other investment	Principal Activities
CWorks Sdn. Bhd. (From 51% owned subsidiary become an other investment on 20 April 2016)	Dealing in telecommunication products and services.

8.0 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

8.1 (a) Basis of preparation

The historical financial information of ASAP for the FYE 30 June 2014, 2015 and 2016, which have been previously prepared in accordance with PERSs, have been extracted and compiled, based on the audited financial statements of ASAP prepared under PERSs for the respective financial years and, where appropriate, adjusted to conform with Malaysian Financial Reporting Standards ("MFRSs") ("MFRSs Report" or this "Report"). As stated in Section 12.0 to the compiled historical financial information, for the purpose of this Report, ASAP adopted MFRSs to conform with the accounting policies of the ORION Group. These MFRSs were applied by the Directors of ASAP ("Directors") to the historical financial information, including the opening MFRS statement of financial position as at 1 July 2013, the statements of financial position as at 30 June 2014 to 30 June 2016, the statements of profit or loss and other comprehensive income for the FYE 30 June 2014 to 30 June 2016, the statements of cash flows for the FYE 30 June 2014 to 30 June 2016 and the related disclosures. Section 12.0 of the compiled historical financial information discloses the impact of the transition to MFRSs of ASAP's compiled historical financial information, which includes statements of financial position and statements of profit or loss and other comprehensive income.

The following accounting policies have been used consistently in dealing with items, which are considered material in relation to the historical financial information, unless otherwise stated.

The historical financial information of ASAP are presented in Ringgit Malaysia ("RM"), which is also ASAP's functional currency.

(b) The historical financial information of ASAP for the FYE 30 June 2014, 2015 and 2016 have been prepared using the audited financial statements of ASAP in accordance with the requirements of the Companies Act 1965 in Malaysia and prepared under PERS for the respective financial years and, where appropriate, adjusted to conform with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Companies Act 2016 ("CA 2016")

The Minister of Domestic Trade, Co-operatives and Consumerism has appointed 31 January 2017 as the date on which CA 2016 comes into operation except section 241 and Division 8 of Part III. ASAP shall prepare its financial statements for the year ending 2017 in accordance with the requirements of CA 2016.

8.0 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8.1 (b) Companies Act 2016 ("CA 2016") (Continued)

Pursuant to CA 2016:

- All shares issued before or upon the commencement of CA 2016 shall have no par or nominal value. Where a share is issued before the commencement of CA 2016, the amount paid on the share shall be the sum of all amounts paid to the company at any time for the share, but not including any premium.
- Upon commencement of CA 2016, any amount standing to the credit of the ASAP's share premium account shall become part of the ASAP's share capital.
- However, ASAP may, within 24 months upon the commencement of CA 2016, use the amount standing to the credit of its share premium account for specific purposes set out in the transitional provisions of CA 2016. Thereafter, any unutilised credit balance in the share premium account shall be transferred and credited to share capital of the ASAP.

The financial statements disclosure requirements under CA 2016 (other than the disclosure requirements of the approved accounting standards) are different from those requirements set out in the Companies Act 1965. Consequently, the items to be disclosed in the ASAP's financial statements for the year ending 2017 may be different from those disclosed in the financial statements for financial years prior to the year ending 2017.

8.2 Basis of accounting

The historical financial information of ASAP have been prepared under the historical cost convention except as otherwise stated in the historical financial information.

The compilation of historical financial information in conformity with MFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Section 9.0 of the Report. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

8.0 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8.3 Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable, net of returns, allowances and trade discounts.

(i) Products and services

Revenue from goods sold and services are recognised when the goods are delivered and services are rendered. Revenue represents the invoiced value of goods sold and services rendered net of discounts and allowances.

(ii) System development

Revenue from system development is recognised based on the stage of completion method as described in Section 8.12 to the report.

8.4 Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

8.5 Employee Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which associated services are rendered by employees of ASAP. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contributions plans

ASAP and its eligible employees are required by law to make monthly contributions to Employees Provident Fund ("EPF"), a statutory defined contribution plan, at certain prescribed rates based on the employees' salaries. ASAP's contributions to EPF are charged to profit or loss. Once the contributions have been paid, there are no further payment obligations.

8.6 Taxes

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting year, and any adjustment to tax payable in respect of previous financial periods.

8.0 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8.6 Taxes (continued)

(ii) Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

(iii) Goods and Services Tax ("GST")

Revenue, expenses and assets are recognised net of GST, unless the GST is not recoverable from the tax authority. The amount of GST not recoverable from the tax authority is recognised as an expense or as part of cost of acquisition of an asset. Receivables and payables relate to such revenue, expenses or acquisitions of assets are presented in the statement of financial position inclusive of GST recoverable or GST payable.

GST recoverable from or payable to tax authority may be presented on net basis should such amounts are related to GST levied by the same tax authority and the taxable entity has a legally enforceable right to set off such amounts.

8.0 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8.7 Plant and Equipment

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to ASAP and the cost of the item can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to ASAP and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of plant and equipment is calculated to write off the cost of the plant and equipment on a straight-line basis over the expected useful lives of the plant and equipment concerned. The annual depreciation rates used are:

Computers	20%
Furniture and fittings	10%
Motor vehicles	20%
Office equipment	20%

The carrying values of plant and equipment are reviewed for impairment when events or change in circumstances indicate that the carrying value may not be recoverable. The residual values, useful lives and depreciation methods are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceed and the carrying amount of the asset, and is recognised in profit or loss.

8.8 Financial Instruments

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, ASAP becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

8.0 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8.8 Financial Instruments (continued)

(ii) Financial instrument categories and subsequent measurement

ASAP categories financial instruments as follows:

Financial assets

ASAP classifies its financial assets in the following categories: at fair value through profit or loss, held to-maturity investments, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired.

Management determines the classification at initial recognition.

(a) *Financial assets at fair value through profit or loss ("FVTPL")*

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(b) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that ASAP has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

(c) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

8.0 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8.8 Financial Instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

(d) *Available-for-sale (AFS) financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on available-for-sale equity instrument are recognised in profit or loss when ASAP's right to receive payment is established.

Available-for-sale financial assets are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and ASAP has transferred substantially all risks and rewards of ownership.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) *Financial liabilities at fair value through profit or loss*

Financial liabilities are classified as financial liabilities at fair value through profit or loss when the financial liability is either held for trading or it is designated as financial liabilities at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that ASAP manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

8.0 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8.8 Financial Instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

(a) *Financial liabilities at fair value through profit or loss (continued)*

A financial liability other than a financial liability held for trading may be designated as financial liabilities at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with ASAP's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and MFRS 139 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statements of profit or loss and other comprehensive income.

(b) *Other financial liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

ASAP derecognises financial liabilities when, and only when, ASAP's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

8.0 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8.8 Financial Instruments (continued)

(iii) Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable bonds classified as AFS and finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include ASAP's past experience of collecting payments, an increase in the number of delayed payments in the portfolio exceeded credit period of 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

8.0 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8.9 Impairment of Non-Financial Assets

At the end of each reporting period, ASAP reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, ASAP estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

8.10 Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances, term deposits and other short term, highly liquid investments that are readily convertible into cash with insignificant risk of changes in value against which bank overdraft, if any, are deducted.

8.11 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of ASAP after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

8.0 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8.12 Asset Management Systems Contract

Asset management systems development cost comprises cost related directly to the specific system development and those that are attributable to the system development activity in general and can be allocated to the system development and such other costs that are specifically chargeable to the customer under the terms of the contract. System development costs includes direct labour, expenses and an appropriate proportion of system development overheads.

Revenue from work done on system development is recognised based on the stage of completion method. The stage of completion is determined based on certified of work performed.

When the outcome of a system development cannot be estimated reliably, system development revenue shall be recognised only to the extent of system development costs incurred that is probable to be recoverable and system development costs are recognised as an expense in the period in which they are incurred.

When it is probable that total system development costs will exceed total system development revenue, the foreseeable loss is recognised as an expense immediately.

The aggregate costs incurred and profit or loss recognised on each system development is compared against the progress billings up to the financial year end. Where costs incurred plus recognised profits (less recognised losses) exceed progress billings, the balance is shown as amounts due from contract customers. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amounts due to contract customers.

8.13 Leases

(i) Finance lease - Lessor

The present value of lease payments receivable under a finance lease is recognised as finance lease receivables. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease so as to reflect a constant periodic rate of return on the balance outstanding.

(ii) Finance lease - Leasee

Assets acquired under finance leases and hire purchase which transfer substantially all the risks and rewards of ownership to ASAP are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, ASAP's incremental borrowing rate is used. Any initial direct costs incurred by ASAP are added to the amount recognised as an asset.

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

8.0 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8.13 Leases (continued)

(iii) Operating lease

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

8.14 Provisions

Provisions are recognised when ASAP has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

8.15 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of ASAP.

Contingent liabilities and assets are not recognised in the statement of financial position of ASAP.

8.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

8.0 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8.16 Fair value measurement (continued)

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

8.17 Related parties

A party is related to an entity if:

i. directly, or indirectly through one or more intermediaries, the party:
   - control, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
   - has an interest in the entity that gives it significant influence over the entity; or
   - has joint control over the entity;
ii. the party is an associated of the entity;
iii. the party is a joint venture in which the entity is a venturer;
iv. the party is a member of the key management personnel of the entity or its parent;
v. the party is a close member of the family of any individual referred to in (i) or (iv);
vi. the party is an entity that is controlled, joint controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
vii. the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

9.0 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported results during the reported period. It also requires Directors to exercise their judgement in the process of applying the ASAP's accounting policies. Although these estimates and judgement are based on the Director's best knowledge of current events and actions, actual results may differ.

Critical Judgements in Applying ASAP's Accounting Policies

In the process of applying ASAP's accounting policies, which are described in Note 8 above, the Directors are of the opinion that there are no instances of application of judgement which are expected to have significant effect on the amounts recognised in the financial statements.

Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below:

(i) Impairment on Receivables

ASAP makes impairment on receivables based on an assessment of the recoverability of trade receivables. Allowances are applied to trade receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade receivables and doubtful debts expenses in the financial year in which such estimate has been changed.

(ii) Asset Management Systems Contract

ASAP recognises project development revenue and expenses in profit or loss by using the stage of completion method. The stage of completion is determined by the certified of work performed. Significant judgement is required in determining the stage of completion, the extent of the estimated total revenue and costs, as well as recoverability of the system development projects. In making the judgement, ASAP evaluates based on past experience, external economic factors and by relying on the work of specialists.

10.0 ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs

10.1 First time MFRSs adopted during the financial years

ASAP adopted the MFRS framework that were issued by the Malaysian Accounting Standards Board ('MASB') for the financial years compiled. The adoption of MFRS has no significant impact on the financial statements other than the presentation of the financial statements and greater disclosure requirements under MFRSs as compared to PERSs.

10.2 Standards issued but not yet effective

The following are accounting standards, amendments and interpretations of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ('MASB') but have not been adopted by ASAP.

MFRS (Including The Consequential Amendments)		**Effective Date**
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 101	Disclosure Initiative	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
Annual Improvements to MFRSs 2012-2014 Cycle		1 January 2016
Amendments to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
MFRS 9	Financial Instruments (IFRS 9 as issued by International Accounting Standards Board ("IASB") in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

11.0 HISTORICAL FINANCIAL INFORMATION

The historical financial information of ASAP for the FYE 30 June 2014, 2015 and 2016 presented in Section 12.0 have been extracted and compiled based on the audited financial statements of ASAP which were prepared in accordance with PERSs in Malaysia and have been adjusted to conform with the measurement and presentation requirements of MFRSs for the purpose of this report.

As stated in Section 8.0 to the compiled historical financial information, ASAP has adopted MFRSs to conform with the accounting policies of the ORION Group. These MFRSs were applied by the Directors to the historical financial information, including the statements of financial position as at 30 June 2014 to 30 June 2016, the statements of profit or loss and other comprehensive income for the FYE 30 June 2014 to 30 June 2016, the statements of cash flows for the FYE 30 June 2014 to 30 June 2016 and the related disclosures. Section 12.0 of the compiled historical financial information discloses the impact of the transition to MFRS of ASAP's compiled historical financial information, which includes statements of financial position, statements of profit or loss and other comprehensive income and statements of cash flows.

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP

12.1 SUMMARISED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS

	Section	Restated balance 2014 RM	Restated balance 2015 RM	Restated balance 2016 RM
ASSETS				
Non-current assets				
Plant and equipment	12.5.1	227,268	135,761	293,721
Finance lease receivable	12.5.2	220,907	179,874	136,850
		448,175	315,635	430,571
Current assets				
Finance lease receivable	12.5.2	39,043	41,033	43,024
Trade receivables	12.5.3	1,857,444	1,800,692	3,303,961
Amount due from contract customers	12.5.4	-	-	520,748
Other receivable, deposits and prepayments	12.5.5	11,660	11,660	24,422
Cash at bank		35,460	269,870	75,798
		1,943,607	2,123,255	3,967,953
TOTAL ASSETS		2,391,782	2,438,890	4,398,524
EQUITY AND LIABILITIES				
Equity				
Share capital	12.5.6	1,000,000	1,000,000	1,000,000
Retained profits	12.5.7	485,790	736,195	1,587,506
TOTAL EQUITY		1,485,790	1,736,195	2,587,506
Non-current liability				
Hire purchase payables	12.5.8	318,787	206,824	273,573
Current liabilities				
Trade payable	12.5.9	-	-	1,500
Other payables and accruals	12.5.10	16,040	31,445	620,564
Amount due to a Director	12.5.11	472,132	359,179	809,080
Hire purchase payables	12.5.8	99,033	105,247	106,301
		587,205	495,871	1,537,445
TOTAL LIABILITIES		905,992	702,695	1,811,018
TOTAL EQUITY AND LIABILITIES		2,391,782	2,438,890	4,398,524

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.2 SUMMARISED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDED 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS

	Section	Restated 2014 RM	Restated 2015 RM	Restated 2016 RM
Revenue	12.6.1	10,760,001	5,718,524	8,733,111
Cost of sales	12.6.2	(3,106,670)	(1,419,380)	(1,859,489)
GROSS PROFIT		7,653,331	4,299,144	6,873,622
Administrative expenses		(621,908)	(841,599)	(1,016,956)
OPERATING PROFIT		7,031,423	3,457,545	5,856,666
Finance costs		(7,140)	(7,140)	(5,355)
PROFIT BEFORE TAX	12.6.3	7,024,283	3,450,405	5,851,311
Tax expenses	12.6.4	-	-	-
		7,024,283	3,450,405	5,851,311
Other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		7,024,283	3,450,405	5,851,311

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.3 SUMMARISED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEARS ENDED 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS

	Section	Share Capital RM	Retained Profits RM	Total RM
At 1 July 2013		1,000,000	3,961,507	4,961,507
Restated total comprehensive income for the year		-	7,024,283	7,024,283
Dividends paid	12.5.12	-	(10,500,000)	(10,500,000)
Restated as at 30 June 2014 / 1 July 2014		1,000,000	485,790	1,485,790
Total comprehensive income for the year		-	3,450,405	3,450,405
Dividends paid	12.5.12	-	(3,200,000)	(3,200,000)
Restated as at 30 June 2015 / 1 July 2015		1,000,000	736,195	1,736,195
Total comprehensive income for the year		-	5,851,311	5,851,311
Dividends paid	12.5.12	-	(5,000,000)	(5,000,000)
Restated as at 30 June 2016		1,000,000	1,587,506	2,587,506

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.4 SUMMARISED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS

	Section	Restated 2014 RM	Restated 2015 RM	Restated 2016 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		7,024,283	3,450,405	5,851,311
Adjustment for:				
Depreciation of plant and equipment	12.5.1	95,416	96,374	154,217
Hire purchase interest		7,140	7,140	5,355
Operating profit before working capital changes		7,126,839	3,553,919	6,010,883
Changes in working capital:				
Trade and other receivables		(966,365)	56,752	(1,516,031)
Amount due from contract customers		-	-	(520,748)
Trade and other payables		5,040	15,405	590,619
Amount due to a Director		4,537,399	(112,953)	449,901
Cash generated from operations		10,702,913	3,513,123	5,014,624
Tax paid		-	-	-
Net cash generated from operating activities		10,702,913	3,513,123	5,014,624
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of plant and equipment	Note A	(83,624)	(4,867)	(112,177)
Repayment of hire purchase payables		(77,660)	(66,706)	(91,164)
Repayment of hire purchase interest		(7,140)	(7,140)	(5,355)
Net cash used in investing activities		(168,424)	(78,713)	(208,696)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid		(10,500,000)	(3,200,000)	(5,000,000)
Net cash used in financing activity		(10,500,000)	(3,200,000)	(5,000,000)

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.4 SUMMARISED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS (CONTINUED)

	Section	Restated 2014 RM	Restated 2015 RM	Restated 2016 RM
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		34,489	234,410	(194,072)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		971	35,460	269,870
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR		35,460	269,870	75,798
Note A				
Purchase of plant and equipment	12.5.1	83,624	4,867	312,177
Financed by hire puchase liabilities		-	-	(200,000)
Cash payment on purchase of plant and equipment		83,624	4,867	112,177

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.5 NOTES TO SUMMARISED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS

12.5.1 Plant and equipment

Cost	01.07.2013 RM	Additions RM	30.06.2014 RM
Computers	26,873	-	26,873
Furniture and fittings	13,674	-	13,674
Motor vehicles	353,767	83,624	437,391
Office equipment	5,978	-	5,978
	400,292	83,624	483,916

Accumulated Depreciation	01.07.2013 RM	Depreciation charge for year RM	30.06.2014 RM
Computers	14,197	5,375	19,572
Furniture and fittings	4,101	1,367	5,468
Motor vehicles	140,306	87,478	227,784
Office equipment	2,628	1,196	3,824
	161,232	95,416	256,648

Carrying amount	2013 RM	2014 RM
Computers	12,676	7,301
Furniture and fittings	9,573	8,206
Motor vehicles	213,461	209,607
Office equipment	3,350	2,154
	239,060	227,268

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.5 NOTES TO SUMMARISED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS (CONTINUED)

12.5.1 Plant and equipment (continued)

Cost	**01.07.2014 RM**	**Additions RM**	**30.06.2015 RM**
Computers	26,873	3,507	30,380
Furniture and fittings	13,674	-	13,674
Motor vehicles	437,391	-	437,391
Office equipment	5,978	1,360	7,338
	483,916	4,867	488,783

Accumulated Depreciation	**01.07.2014 RM**	**Depreciation charge for year RM**	**30.06.2015 RM**
Computers	19,572	6,063	25,635
Furniture and fittings	5,468	1,367	6,835
Motor vehicles	227,784	87,478	315,262
Office equipment	3,824	1,466	5,290
	256,648	96,374	353,022

Carrying amount	**2014 RM**	**2015 RM**
Computers	7,301	4,745
Furniture and fittings	8,206	6,839
Motor vehicles	209,607	122,129
Office equipment	2,154	2,048
	227,268	135,761

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.5 NOTES TO SUMMARISED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS (CONTINUED)

12.5.1 Plant and equipment (continued)

Cost	**01.07.2015 RM**	**Additions RM**	**30.06.2016 RM**
Computers	30,380	5,324	35,704
Furniture and fittings	13,674	-	13,674
Motor vehicles	437,391	306,593	743,984
Office equipment	7,338	260	7,598
	488,783	312,177	800,960

Accumulated Depreciation	**01.07.2015 RM**	**Depreciation charge for year RM**	**30.06.2016 RM**
Computers	25,635	3,250	28,885
Furniture and fittings	6,835	1,367	8,202
Motor vehicles	315,262	148,796	464,058
Office equipment	5,290	804	6,094
	353,022	154,217	507,239

Carrying amount	**2015 RM**	**2016 RM**
Computers	4,745	6,819
Fumiture and fittings	6,839	5,472
Motor vehicles	122,129	279,926
Office equipment	2,048	1,504
	135,761	293,721

(a) At the end of the following reporting periods, the carrying amounts of plant and equipment of ASAP under hire purchase arrangements were as follows:

	2014 RM	**2015 RM**	**2016 RM**
Motor vehicles	139,107	69,553	245,274

(b) Included in plant and equipment of ASAP as at 30 June 2014, 2015 and 2016 are fully depreciated plant and equipment which are still in use and are as follows:

	2014 RM	**2015 RM**	**2016 RM**
Computers	-	19,435	24,675
Motor Vehicle	-	-	347,767
Office equipment	-	3,578	3,578
	-	23,013	376,020

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.5 NOTES TO SUMMARISED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS (CONTINUED)

12.5.2 Finance lease receivable

The term of lease agreement is summarised as follow:

	Restated 2014 RM	Restated 2015 RM	Restated 2016 RM
Gross amounts receivable within:			
- not later than one year	49,908	49,908	49,908
- later than one year and not later than five years	245,375	195,467	145,559
Total minimum lease payments receivable	295,283	245,375	195,467
Less: Unearned finance interest income	(35,333)	(24,468)	(15,593)
	259,950	220,907	179,874
Present value of payment receivable:			
Current:			
- not later than one year	39,043	41,033	43,024
Non-current:			
- later than one year and not later than five years	220,907	179,874	136,850
Present value of minimum lease payment receivable	259,950	220,907	179,874

The finance lease receivable represents a single lease arrangement with a company, in which a key management personnel of ASAP has interest. The lease arrangement has a term of 7 years and commencing on 10 June 2013 and have an effective interest rate of 4.42%.

12.5.3 Trade receivables

	Restated 2014 RM	Restated 2015 RM	Restated 2016 RM
RM	1,662,444	1,675,571	3,168,046
United States Dollar ("USD")	195,000	125,121	135,915
	1,857,444	1,800,692	3,303,961

(i) Trade receivables are non-interest bearing and are generally on 90 days term. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(ii) Included in trade receivables of ASAP for financial year ended 30 June 2014 is an amount of RM196,000 which represents amount owing by a related party, in which a Director of ASAP has interest. The trade amount, owing by related party is on normal credit terms of ASAP.

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.5 NOTES TO SUMMARISED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS (CONTINUED)

12.5.3 Trade receivables (continued)

(iii) 88% out of the total trade receivables as at 30 June 2016 have subsequently been received by the Company as at the date of this report.

(iv) Included in trade receivables of ASAP as at 30 June 2015 is a retention sum amount of RM210,000.

(v) Ageing analysis on trade receivables

The ageing analysis of ASAP's trade receivables is as below:

	Restated 2014 RM	Restated 2015 RM	Restated 2016 RM
Neither past due nor impaired	1,145,457	344,149	2,684,511
1 to 30 days past due but not impaired	445,582	1,168,169	21,369
31 to 60 days past due but not impaired	196,751	77,003	21,318
61 to 90 days past due but impaired	64,254	28,502	21,981
More than 90 days past due but not impaired	5,400	182,869	554,782
Past due but not impaired	711,987	1,456,543	619,450
	1,857,444	1,800,692	3,303,961

(a) The receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with ASAP.

None of the trade receivables that are neither past due nor impaired have been negotiated during the financial years.

(b) Trade receivables that are past due but not impaired

ASAP has not made any allowance for impairment for receivables that are past due but not impaired as there has not been a significant change in the credit quality of these receivables and the amounts due are still recoverable.

In determining the recoverability of a trade receivable, ASAP considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the reporting date. ASAP has policies in place to ensure that credit is extended only to customers with acceptable credit history and payment track records. Allowances for impairment are made on specific trade receivable when there is objective evidence that ASAP will not able to collect the amounts due.

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.5 NOTES TO SUMMARISED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS (CONTINUED)

12.5.3 Trade receivables (continued)

(vi) The currency exposure profile of trade receivables are as follows:

	Restated 2014 RM	Restated 2015 RM	Restated 2016 RM
RM	1,662,444	1,675,571	3,168,046
USD	195,000	125,121	135,915
	1,857,444	1,800,692	3,303,961

12.5.4 Amount due from contract customers

	Restated 2014 RM	Restated 2015 RM	Restated 2016 RM
Contract costs incurred to date	-	186,156	689,395
Recognised profits	-	563,844	2,548,357
	-	750,000	3,237,752
Less: Progress billings	-	(750,000)	(2,717,004)
	-	-	520,748

12.5.5 Other receivable, deposits and prepayments

	Restated 2014 RM	Restated 2015 RM	Restated 2016 RM
Other receivable	-	-	4,320
Deposits	11,660	11,660	11,660
Prepayments	-	-	8,442
	11,660	11,660	24,422

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.5 NOTES TO SUMMARISED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS (CONTINUED)

12.5.6 Share capital

	Restated 2014 Number of shares	Restated 2014 RM	Restated 2015 Number of shares	Restated 2015 RM	Restated 2016 Number of shares	Restated 2016 RM
Ordinary shares of RM1.00 each:						
Authorised:						
Balance as at 1 July and 30 June	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid:						
Balance as at 1 July and 30 June	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

The owners of ASAP are entitled to receive dividends as and when declared by ASAP and are entitled to one (1) vote per ordinary share at meetings of ASAP. All ordinary shares rank pari passu with regard to ASAP's residual assets.

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.5 NOTES TO SUMMARISED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS (CONTINUED)

12.5.7 Retained profits

Under the single-tier system, tax on ASAP's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

12.5.8 Hire purchase payables

	Restated 2014 RM	Restated 2015 RM	Restated 2016 RM
Minimum hire purchase payments:			
- not later than one year	117,048	117,048	121,824
- later than one year and not later than five years	339,875	222,827	289,363
	456,923	339,875	411,187
Less: Future finance charges	(39,103)	(27,804)	(31,313)
Present value of hire purchase payables	417,820	312,071	379,874
Repayable as follows:			
- not later than one year	99,033	105,247	106,301
Non-current:			
- later than one year and not later than five years	318,787	206,824	273,573
	417,820	312,071	379,874

The hire purchase liabilities are effectively secured on the rights of the assets under finance lease.

Interest rates are fixed at the inception of the hire purchase arrangements. The effective interest rate per annum are as follow:

	Restated 2014	Restated 2015	Restated 2016
Effective interest rate	4.42% - 4.52%	4.42% - 4.52%	4.42% - 4.98%

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.5 NOTES TO SUMMARISED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS (CONTINUED)

12.5.9 Trade payable

Trade payable of ASAP is non-interest bearing and is generally on 30 days credit terms.

12.5.10 Other payables and accruals

	Restated 2014 RM	**Restated 2015 RM**	**Restated 2016 RM**
Other payables	-	10,823	594,524
Accruals	16,040	20,622	26,040
	16,040	31,445	620,564

Included in other payables as at 30 June 2016 is an amount of RM500,000 owing to a company in which certain Directors of ASAP have interest. The outstanding amount has been fully settled subsequent to the financial year end.

12.5.11 Amount due to a Director

The amount due to a Director is unsecured, non-interest bearing and repayable on demand. The amount due to a Director has been fully settled subsequent to the financial year end.

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.5 NOTES TO SUMMARISED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS (CONTINUED)

12.5.12 Dividends paid

	RM
In respect of FYE 30 June 2014:	
First interim single tier exempt dividend of RM4.00 per ordinary share, paid on 31 August 2013	4,000,000
Second interim single tier exempt dividend of RM5.00 per ordinary share, paid on 31 December 2013	5,000,000
Third interim single tier exempt dividend of RM1.00 per ordinary share, paid on 28 February 2014	1,000,000
Fourth interim single tier exempt dividend of RM0.50 per ordinary share, paid on 30 June 2014	500,000
In respect of FYE 30 June 2015:	
First interim single tier exempt dividend of RM1.00 per ordinary share, paid on 31 October 2014	1,000,000
Second interim single tier exempt dividend of RM0.70 per ordinary share, paid on 31 December 2014	700,000
Third interim single tier exempt dividend of RM1.50 per ordinary share, paid on 31 March 2015	1,500,000
In respect of FYE 30 June 2016:	
First interim single tier exempt dividend of RM3.00 per ordinary share, paid on 30 September 2015	3,000,000
Second interim single tier exempt dividend of RM2.00 per ordinary share, paid on 30 June 2016	2,000,000

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.5 NOTES TO SUMMARISED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS (CONTINUED)

12.5.13 Related party disclosure

(a) Identities of related parties

Parties are considered to be related to ASAP if ASAP has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where ASAP and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

ASAP has related party relationships with the following parties:

i) companies in which the Directors, the shareholders and a key management personnel of ASAP have interest:

- Asap Mobility Sdn. Bhd.
- CFR Sdn. Bhd.

ii) the Directors of ASAP.

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.5 NOTES TO SUMMARISED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS (CONTINUED)

12.5.13 Related party disclosure (continued)

(b) In addition to the transactions and balances detailed elsewhere in the financial statements, ASAP had the following transactions with related parties during the following financial year:

	Restated balance 2014 RM	**Restated balance 2015 RM**	**Restated balance 2016 RM**
Finance lease receivable from an entity relates to a key management personnel			
- CFR Sdn. Bhd.	259,950	220,907	179,874
Other payable to an entity relates to certain Directors			
- Asap Mobility Sdn. Bhd.	-	-	500,000
Advances from a Director of ASAP			
- Prabuddha Kumar Pronob Chakravertty	472,132	359,179	809,080
Revenue from an entity related to a key management personnel			
- CFR Sdn. Bhd.	196,000	-	-

The related party transactions described above were entered into through the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

The amount payable to Asap Mobility Sdn. Bhd. and advance due to a Director as at 30 June 2016 have been fully settled subsequent to the financial year end.

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of ASAP.

The remuneration of Directors during the financial years were disclosed in Section 12.6.3 to the report.

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.5 NOTES TO SUMMARISED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS (CONTINUED)

12.5.14 Guarantee

	Restated 2014 RM	Restated 2015 RM	Restated 2016 RM
Unsecured			
Performance guarantee given to customer of a software development project	-	-	910,000

12.5.15 Financial instruments

(a) Classification of financial instruments

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Loans and receivables		
	Restated 2014 RM	Restated 2015 RM	Restated 2016 RM
Financial assets			
Trade receivables	1,857,444	1,800,692	3,303,961
Other receivable and deposits (exclude prepayments)	11,660	11,660	15,980
Cash at bank	35,460	269,870	75,798
Finance lease receivable	259,950	220,907	179,874
	2,164,514	2,303,129	3,575,613

	Finance liabilities at amortised cost		
	Restated 2014 RM	Restated 2015 RM	Restated 2016 RM
Financial liabilities			
Trade payables	-	-	1,500
Other payables and accruals	16,040	31,445	620,564
Amount due to a Director	472,132	359,179	809,080
Hire purchase payables	417,820	312,071	379,874
	905,992	702,695	1,811,018

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.5 NOTES TO SUMMARISED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS (CONTINUED)

12.5.15 Financial instruments (continued)

(b) Financial risk management policies

ASAP's financial risk management policy seeks to ensure that adequate financial resources are available for the development of ASAP's business whilst managing its market risks (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

(i) Market risk

Foreign currency risk

ASAP is exposed to foreign currency risk on transactions and balances that were denominated in foreign currency. The currency gave rise to this risk were primarily United State Dollar ("USD"). Foreign currency risk was monitored closely and managed to an acceptable level.

	RM equivalent
2014	
Financial assets	
Trade receivables	195,000
2015	
Financial assets	
Trade receivables	125,121
2016	
Financial assets	
Trade receivables	135,915

The following table demonstrates the sensitivity analysis of ASAP's profit before tax to a reasonably possible change in the foreign currency rate against the functional and presentation currency of ASAP, with all other variables held constant. A 10% strengthening or weakening of USD against RM at the end of reporting period would increase/(decrease) profit before tax as per below.

	2014 RM	**2015 RM**	**2016 RM**
USD / RM			
- Strengthen by 10%	19,500	12,512	13,592
- Weaken by 10%	(19,500)	(12,512)	(13,592)

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.5 NOTES TO SUMMARISED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS (CONTINUED)

12.5.15 Financial instruments (continued)

(b) Financial risk management policies (continued)

(i) Market risk (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. ASAP's exposure to interest rate risk is minimal, as ASAP does not has any significant loans and borrowings, other than finance lease obligations which bear interest at fixed rate.

Information relating to the ASAP's exposure to the interest rate risk of the financial liabilities is disclosed in Section 12.5.15 (b) (iii) to the report.

The interest rate risk profile of the ASAP's interest-bearing financial instruments based on the carrying amount as at the end of the reporting periods is as follows:

	2014	**2015**	**2016**
	RM	**RM**	**RM**
Fixed rates			
Hire purchase payables	417,820	312,071	379,874

(ii) Credit risk

Credit risk is the risk of a financial loss to ASAP that may arise if a customer or counterparty to a financial instrument fails to meet its contractual obligations. ASAP's exposure to credit risk arises principally from its receivables. For other financial assets (including cash and bank balances), ASAP minimise credit risk by dealing exclusively with high credit rating counterparties.

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.5 NOTES TO SUMMARISED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS (CONTINUED)

12.5.15 Financial instruments (continued)

(b) Financial risk management policies (continued)

(ii) Credit risk (continued)

Credit risk concentration profile

ASAP's major concentration of credit risk on its trade receivables relates to the amount owing by 3, 2 and 2 major customers, whose individual balances represented 10% or more of ASAP's total trade receivables for FYE 2014, 2015 and 2016 respectively.

At the end of the respective reporting periods, the credit concentration profile is as follows:

	Restated 2014 RM	Restated 2015 RM	Restated 2016 RM
Amount due from major customers	79%	77%	68%
Other customers	10%	23%	32%
Related party	11%	-	-
	100%	100%	100%

Exposure to credit risk

As ASAP does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting periods.

The exposure of credit risk for trade receivables as at end of the financial year by geographic region was:

	Restated 2014 RM	Restated 2015 RM	Restated 2016 RM
Domestic	1,572,444	1,675,571	3,168,046
Indonesia	285,000	125,121	135,915
	1,857,444	1,800,692	3,303,961

(iii) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. ASAP practices prudent risk management by maintaining sufficient cash balances and the availability of funding through certain credit facilities.

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.5 NOTES TO SUMMARISED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS (CONTINUED)

12.5.15 Financial instruments (continued)

(b) Financial risk management policies (continued)

(iii) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting periods based on undiscounted contractual cash flows (including interest payments computed using contractual rates):

Financial Liabilities	Contractual interest rate	Carrying amount RM	Undiscounted contractual cash flows RM	On demand or within one year RM	Two to five years RM	Over five years RM
2014						
Other payables and accruals		16,040	16,040	16,040	-	-
Amount owing to a Director		472,132	472,132	472,132	-	-
Hire purchase payables	4.42% - 4.52%	417,820	456,923	117,048	339,875	-
		905,992	945,095	605,220	339,875	-
2015						
Other payables and accruals		31,445	31,445	31,445	-	-
Amount owing to a Director		359,179	359,179	359,179	-	-
Hire purchase payables	4.42% - 4.52%	312,071	339,875	117,048	222,827	-
		702,695	730,499	507,672	222,827	-

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.5 NOTES TO SUMMARISED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS (CONTINUED)

12.5.15 Financial instruments (continued)

(b) Financial risk management policies (continued)

(iii) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

Financial Liabilities	**Contractual interest rate**	**Carrying amount RM**	**Undiscounted contractual cash flows RM**	**On demand or within one year RM**	**Two to five years RM**	**Over five years RM**
2016						
Trade payables		1,500	1,500	1,500	-	-
Other payables and accruals		620,564	620,564	620,564	-	-
Amount owing to a Director		809,080	809,080	809,080	-	-
Hire purchase payables	4.42% - 4.98%	379,874	411,187	121,824	289,363	-
		1,811,018	1,842,331	1,552,968	289,363	-

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.5 NOTES TO SUMMARISED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS (CONTINUED)

12.5.15 Financial instruments (continued)

(c) Fair values of financial instruments

ASAP does not have significant fixed rate financial assets and liabilities at fair value through profit or loss and equity. Therefore a change in interest rates at the reporting date would not affect significantly the profit or loss and equity.

(d) Fair values hierarchy

As at the end of following financial periods, there were no financial instruments carried at fair values.

12.5.16 Capital management

The primary objective of ASAP's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

ASAP manages its capital structure and makes adjustments to it, in light of changes in economic condition. To maintain or adjust capital structure, ASAP may adjust the dividend payment, returning of capital to shareholders or issuing new shares.

	Restated 2014 RM	Restated 2015 RM	Restated 2016 RM
Trade and other payables	16,040	31,445	622,064
Amount due to a Director	472,132	359,179	809,080
Hire purchase payables	417,820	312,071	379,874
Less:			
Cash and bank balances	(35,460)	(269,870)	(75,798)
Net debt	870,532	432,825	1,735,220
Equity	1,485,790	1,736,195	2,587,506
Equity and net debt	2,356,322	2,169,020	4,322,726
Debt to Capital ratio	37%	20%	40%

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.6 NOTES TO SUMMARISED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDED 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS

12.6.1 Revenue

	Restated 2014 RM	Restated 2015 RM	Restated 2016 RM
Products and services	10,760,001	5,718,524	8,733,111

12.6.2 Cost of sales

	Restated 2014 RM	Restated 2015 RM	Restated 2016 RM
Commission	1,774,700	-	59,608
Salaries and allowances	1,331,970	1,253,780	1,286,551
Subcontract charges	-	165,600	513,330
	3,106,670	1,419,380	1,859,489

12.6.3 Profit before tax

Profit before tax is arrived at after charging:

	Restated 2014 RM	Restated 2015 RM	Restated 2016 RM
Auditors' remuneration	10,000	7,500	8,500
Depreciation of plant and equipment	95,416	96,374	154,217
Directors' remuneration	288,000	288,000	288,000
Hire purchase interest	7,140	7,140	5,355
Office rental	26,640	27,306	65,304
Staff costs			
- Salaries, allowances and bonuses	1,376,370	1,508,180	1,613,019
- Employees' Provident Fund	-	-	2,275
- Social Security Contribution	-	-	300

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.6 NOTES TO SUMMARISED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDED 30 JUNE 2014, 2015 AND 2016 OF ASAP IN ACCORDANCE WITH MFRS (CONTINUED)

12.6.4 Tax expenses

There is no tax charge for ASAP as ASAP was accorded MSC Status and was awarded the pioneer status incentive which allows ASAP to enjoy 100% tax exemption on taxable statutory income in respect of promoted activity or promoted product effective from 4 November 2010 to 3 November 2020.

12.7 EXPLANATION OF TRANSITION TO MFRSs, PRIOR YEAR ADJUSTMENTS AND RECLASSIFICATION FOR COMPARATIVES

ASAP is a non-transitioning entity as defined by the MASB, and has adopted the MFRS Framework for the financial years ended 30 June 2014, 2015 and 2016 for the purpose of this report. Accordingly, these are the first historical financial information of ASAP extracted and compiled in accordance with MFRSs.

The accounting policies set out in Section 8.0 to the historical financial information have been applied in the compilation of the historical financial information of ASAP for the financial years ended 30 June 2014, 2015 and 2016.

The transition from PERSs to MFRSs does not have any significant impact on ASAP's financial position and financial performance, other than the presentation and greater disclosure requirements under MFRSs.

However, ASAP has adjusted amounts previously reported in its audited financial statements that were prepared in accordance with PERSs Framework. Certain prior years adjustments and reclassifications were made for the financial years ended 30 June 2014, 2015 and 2016 as set out below.

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.7 EXPLANATION OF TRANSITION TO MFRSs, PRIOR YEAR ADJUSTMENTS AND RECLASSIFICATION FOR COMPARATIVES (CONTINUED)

(a) Reconciliation of financial position as at 30 June 2014

	Note	Previously reported under PERSs RM	Prior year adjustments brought forward RM	Current year reclassification RM	Current year adjustments RM	Restated balance under MFRSs RM
ASSETS						
Non-current assets						
Plant and equipment		227,268	-	-	-	227,268
Finance lease receivable	(i)	-	-	-	220,907	220,907
		227,268				448,175
Current assets						
Finance lease receivable	(i)	-	-	-	39,043	39,043
Trade receivables	(ii)	1,663,444	-	-	194,000	1,857,444
Amount due from contract customers	(vi)	-	-	-	-	-
Other receivable, deposits and prepayments		11,660	-	-	-	11,660
Cash at bank		35,460	-	-	-	35,460
		1,710,564				1,943,607
TOTAL ASSETS		1,937,832				2,391,782
EQUITY AND LIABILITIES						
Equity						
Share capital		1,000,000	-	-	-	1,000,000
Retained profits	(vii) - (ix)	291,790	-	-	194,000	485,790
TOTAL EQUITY		1,291,790				1,485,790

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.7 EXPLANATION OF TRANSITION TO MFRSs, PRIOR YEAR ADJUSTMENTS AND RECLASSIFICATION FOR COMPARATIVES (CONTINUED)

(a) Reconciliation of financial position as at 30 June 2014 (continued)

	Note	Previously reported under PERSs RM	Prior year adjustments brought forward RM	Current year reclassification RM	Current year adjustments RM	Restated balance under MFRSs RM
Non-current liability						
Hire purchase payables	(iii)	97,880	-	-	220,907	318,787
Current liabilities						
Trade payables		-	-	-	-	-
Other payables and accruals	(iv)	16,040	-	-	-	16,040
Amount due to a Director	(v)	472,132	-	-	-	472,132
Hire purchase payables	(iii)	59,990	-	-	39,043	99,033
		548,162				587,205
TOTAL LIABILITIES		646,042				905,992
TOTAL EQUITY AND LIABILITIES		1,937,832				2,391,782

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.7 EXPLANATION OF TRANSITION TO MFRSs, PRIOR YEAR ADJUSTMENTS AND RECLASSIFICATION FOR COMPARATIVES (CONTINUED)

(b) Reconciliation of financial position as at 30 June 2015

	Note	Previously reported under PERSs RM	Prior year adjustments brought forward RM	Current year reclassification RM	Current year adjustments RM	Restated balance under MFRSs RM
ASSETS						
Non-current assets						
Plant and equipment		135,761	-	-	-	135,761
Finance lease receivable	(i)	-	220,907	-	(41,033)	179,874
		135,761				315,635
Current assets						
Finance lease receivable	(i)	-	39,043	-	1,990	41,033
Trade receivables	(ii)	2,088,692	194,000		(482,000)	1,800,692
Amount due from contract customers	(vi)	-	-	-	-	-
Other receivable, deposits and prepayments		11,660	-	-	-	11,660
Cash at bank		269,870	-	-	-	269,870
		2,370,222				2,123,255
TOTAL ASSETS		2,505,983				2,438,890
EQUITY AND LIABILITIES						
Equity						
Share capital		1,000,000	-	-	-	1,000,000
Retained profits	(vii) - (ix)	811,195	194,000	-	(269,000)	736,195
TOTAL EQUITY		1,811,195				1,736,195

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.7 EXPLANATION OF TRANSITION TO MFRSs, PRIOR YEAR ADJUSTMENTS AND RECLASSIFICATION FOR COMPARATIVES (CONTINUED)

(b) Reconciliation of financial position as at 30 June 2015 (continued)

	Note	Previously reported under PERSs RM	Prior year adjustments brought forward RM	Current year reclassification RM	Current year adjustments RM	Restated balance under MFRSs RM
Non-current liability						
Hire purchase payables	(iii)	67,820	220,907	(40,870)	(41,033)	206,824
Current liabilities						
Trade payables		-	-	-	-	-
Other payables and accruals	(iv)	244,445	-	-	(213,000)	31,445
Amount due to a Director	(v)	322,533	-	36,646	-	359,179
Hire purchase payables	(iii)	59,990	39,043	4,224	1,990	105,247
		626,968				495,871
TOTAL LIABILITIES		694,788				702,695
TOTAL EQUITY AND LIABILITIES		2,505,983				2,438,890

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.7 EXPLANATION OF TRANSITION TO MFRSs, PRIOR YEAR ADJUSTMENTS AND RECLASSIFICATION FOR COMPARATIVES (CONTINUED)

(c) Reconciliation of financial position as at 30 June 2016

	Note	Previously reported under PERSs RM	Prior year adjustments brought forward RM	Current year reclassification RM	Current year adjustments RM	Restated balance under MFRSs RM
ASSETS						
Non-current assets						
Plant and equipment		293,721	-	-	-	293,721
Finance lease receivable	(i)	136,850	-	-	-	136,850
		430,571				430,571
Current assets						
Finance lease receivable	(i)	43,024	-	-	-	43,024
Trade receivables	(ii)	3,393,561	-	-	(89,600)	3,303,961
Amount due from contract customers	(vi)	756,738	-	-	(235,990)	520,748
Other receivable, deposits and prepayments		24,422	-	-	-	24,422
Cash at bank		75,798	-	-	-	75,798
		4,293,543				3,967,953
TOTAL ASSETS		4,724,114				4,398,524
EQUITY AND LIABILITIES						
Equity						
Share capital		1,000,000	-	-	-	1,000,000
Retained profits	(vi) - (ix)	1,823,496	-	-	(235,990)	1,587,506
TOTAL EQUITY		2,823,496				2,587,506

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.7 EXPLANATION OF TRANSITION TO MFRSs, PRIOR YEAR ADJUSTMENTS AND RECLASSIFICATION FOR COMPARATIVES (CONTINUED)

(c) Reconciliation of financial position as at 30 June 2016 (continued)

	Note	Previously reported under PERSs RM	Prior year adjustments brought forward RM	Current year reclassification RM	Current year adjustments RM	Restated balance under MFRSs RM
Non-current liability						
Hire purchase payables	(iii)	273,573	-	-	-	273,573
Current liabilities						
Trade payables		1,500	-	-	-	1,500
Other payables and accruals	(iv)	710,164	-	-	(89,600)	620,564
Amount due to a Director	(v)	809,080	-	-	-	809,080
Hire purchase payables	(iii)	106,301	-	-	-	106,301
		1,627,045				1,537,445
TOTAL LIABILITIES		1,900,618				1,811,018
TOTAL EQUITY AND LIABILITIES		4,724,114				4,398,524

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.7 EXPLANATION OF TRANSITION TO MFRSs, PRIOR YEAR ADJUSTMENTS AND RECLASSIFICATION FOR COMPARATIVES (CONTINUED)

(d) Reconciliation of statement of profit and loss and other comprehensive income for the financial year ended 30 June 2014

	Note	Previously reported under PERSs RM	Current year reclassification RM	Current year adjustments RM	Restated under MFRSs RM
Revenue	(vii)	10,566,001	-	194,000	10,760,001
Cost of sales		(3,106,670)	-	-	(3,106,670)
GROSS PROFIT		7,459,331			7,653,331
Administrative expenses	(viii)	(629,048)	7,140	-	(621,908)
OPERATING PROFIT		6,830,283			7,031,423
Finance costs	(ix)	-	(7,140)	-	(7,140)
PROFIT BEFORE TAX		6,830,283			7,024,283
Tax expenses		-	-	-	-
		6,830,283			7,024,283
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		6,830,283			7,024,283

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.7 EXPLANATION OF TRANSITION TO MFRSs, PRIOR YEAR ADJUSTMENTS AND RECLASSIFICATION FOR COMPARATIVES (CONTINUED)

(e) Reconciliation of statement of profit and loss and other comprehensive income for the financial year ended 30 June 2015

	Note	Previously reported under PERSs RM	Current year reclassification RM	Current year adjustments RM	Restated under MFRSs RM
Revenue	(vii)	5,987,524	-	(269,000)	5,718,524
Cost of sales		(1,419,380)	-	-	(1,419,380)
GROSS PROFIT		4,568,144			4,299,144
Administrative expenses	(viii)	(848,739)	7,140	-	(841,599)
OPERATING PROFIT		3,719,405			3,457,545
Finance costs	(ix)	-	(7,140)	-	(7,140)
PROFIT BEFORE TAX		3,719,405			3,450,405
Tax expenses		-	-	-	-
		3,719,405			3,450,405
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		3,719,405			3,450,405

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.7 EXPLANATION OF TRANSITION TO MFRSs, PRIOR YEAR ADJUSTMENTS AND RECLASSIFICATION FOR COMPARATIVES (CONTINUED)

(f) Reconciliation of statement of profit and loss and other comprehensive income for the financial year ended 30 June 2016

	Note	Previously reported under PERSs RM	Current year reclassification RM	Current year adjustments RM	Restated under MFRSs RM
Revenue	(vii)	8,969,101	-	(235,990)	8,733,111
Cost of sales		(1,859,489)	-	-	(1,859,489)
GROSS PROFIT		7,109,612			6,873,622
Administrative expenses	(viii)	(1,016,956)	-	-	(1,016,956)
OPERATING PROFIT		6,092,656			5,856,666
Finance costs	(ix)	(5,355)	-	-	(5,355)
PROFIT BEFORE TAX		6,087,301			5,851,311
Tax expenses		-	-	-	-
		6,087,301			5,851,311
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		6,087,301			5,851,311

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.7 EXPLANATION OF TRANSITION TO MFRSs, PRIOR YEAR ADJUSTMENTS AND RECLASSIFICATION FOR COMPARATIVES (CONTINUED)

(g) Notes to reconciliation:

(i) Finance lease receivable

The adjustments are in respect of finance lease receivable previously not recognised amounting to:

	2014 RM	2015 RM	2016 RM
Prior year adjustments brought forward	-	259,950	-
Current year adjustments	259,950	(39,043)	-

(ii) Trade receivables

The adjustments are in respect of revenue recorded in the incorrect financial years amounting to:

Trade receivables

	2014 RM	2015 RM	2016 RM
Prior year adjustments brought forward	-	194,000	-
Current year adjustments	194,000	(482,000)	(89,600)

(iii) Hire purchase payables

The adjustments and reclassification are in respect of hire purchase payables previously not recognised and hire purchase installment paid on behalf by a director not previously recorded amounting to:

	2014 RM	2015 RM	2016 RM
Prior year adjustments brought forward	-	259,950	-
Current year reclassification	-	(36,646)	-
Current year adjustments	259,950	(39,043)	-

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.7 EXPLANATION OF TRANSITION TO MFRSs, PRIOR YEAR ADJUSTMENTS AND RECLASSIFICATION FOR COMPARATIVES (CONTINUED)

(g) Notes to reconciliation: (continued)

(iv) Other payables and accruals

The adjustments are in respect of the trade receivable and deferred income wrongly recognised and accrue of audit remuneration amounting to:

	2014 RM	2015 RM	2016 RM
Current year adjustments	-	(213,000)	(89,600)

(v) Amount due to a Director

The reclassification relates to hire purchase instalments paid on behalf by a Director not previously recorded amounting to:

	2014 RM	2015 RM	2016 RM
Current year reclassification	-	36,646	-

(vi) Amount due from contract customers

The adjustments are in respect to the revenue recognised in the incorrect financial year amounting to:

	2014 RM	2015 RM	2016 RM
Current year adjustments	-	-	(235,990)

(vii) Revenue

The adjustments are in respect of revenue previously recognised in the incorrect financial years amounting to:

	2014 RM	2015 RM	2016 RM
Current year adjustments	194,000	(269,000)	(235,990)

12.0 HISTORICAL FINANCIAL INFORMATION OF ASAP (CONTINUED)

12.7 EXPLANATION OF TRANSITION TO MFRSs, PRIOR YEAR ADJUSTMENTS AND RECLASSIFICATION FOR COMPARATIVES (CONTINUED)

(g) Notes to reconciliation: (continued)

(viii) Administrative expenses

The adjustments are in respect of provision current year auditors' remuneration. The reclassification relates to amounts reclassified to finance costs for better presentation purposes:

	2014 RM	2015 RM	2016 RM
Current year reclassification	7,140	7,140	-

(ix) Finance cost

The reclassification relates to amounts reclassified from admin expenses for better presentation purposes:

	2014 RM	2015 RM	2016 RM
Current year reclassification	(7,140)	(7,140)	-

13.0 MATERIAL LITIGATION

On 15 February 2017, Sporty Beans Sdn. Bhd. ("Sporty Beans") has filed in a letter of demand against ASAP for RM20,000,000 compensation for the loss and damages to Sporty Beans.

On 2 March 2017, ASAP has filed in an application for an injunctive relief via an originating summons to restrain Sporty Beans from issuing their demand to any third parties. The Court has fixed the hearing for the originating summons on 21 June 2017.

14.0 SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING PERIOD

(a) On 17 October 2016 and 31 March 2017, Vendors entered into the SSA and supplemental SSA with Orion for the Acquisition. The details of the Acquisition have been earlier summarised in Sections 1.0 and 2.0 to the report.

(b) Dividend paid, declared or proposed by ASAP subsequent to the FYE 30 June 2016 and up to the date of this report are as follows:

	RM
In respect of Financial Period Ended 31 March 2017:	
First interim single tier exempt dividend of RM1.80 per ordinary share, paid on 29 July 2016	1,800,000
Second interim single tier exempt dividend of RM0.80 per ordinary share, paid on 30 September 2016	800,000
Third interim single tier exempt dividend of RM0.50 per ordinary share, paid on 30 December 2016	500,000
Fourth interim single tier exempt dividend of RM2.30 per ordinary share, paid on 31 January 2017	2,300,000

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APPROVAL BY BOARD OF DIRECTOR

Approved and adopted by the Board of Directors of ASAP in accordance with a resolution dated 15 June 2017.

....
Dato' Paduka Mohamad Sharaff bin Mohamad Sharifff

EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT
(Prepared for inclusion in the Abridged Prospectus)

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Protégé
ASSOCIATES
BRAND | FINANCE | MARKET

28 JUN 2017

The Board of Directors,
Orion IXL Berhad
Block D-G-1, UPM-MTDC
Technology Centre III (TIC III)
UPM, 43000 Serdang
Selangor.

Dear Sirs/Madams,

Executive Summary of the Overview of the ICT Industry in Malaysia

This Executive Summary of the Overview of the ICT Industry in Malaysia is prepared by Protégé Associates Sdn. Bhd. ("Protégé Associates") for inclusion in the Abridged Prospectus of Orion IXL Berhad ("Orion" or "the Company") in relation to the rights issue with warrants.

1.0 Malaysia Economic Overview

The Malaysian economy registered a 4.2 percent growth in its real gross domestic product ("GDP") in 2016 as compared to a 5.0 percent growth registered in 2015. The slower pace in the growth of the Malaysian economy can be attributed to an overall moderation in private sector consumption and investment growth in an environment of prolonged uncertainties particularly in the international economic, financial and political landscapes.

The Malaysian economy is expected to grow by between 4.3 percent to 4.8 percent in 2017. The services sector is expected to remain the largest contributor to the economy by accounting for more than half of Malaysia's real GDP in 2017.

2.0 Overview of the Information and Communications Technology Industry in Malaysia

2.1 Introduction

Both Orion IXL Berhad ("Orion") or ("Company") and ASAP Berhad ("ASAP") are companies operating under the wider umbrella of the overall information and communications technology ("ICT") industry. Orion focuses on the provision of computerised maintenance management system ("CMMS") software applications and other complementary IT-related services. On the other hand, ASAP's asset and facility management system falls under the CMMS market space. Both Orion and ASAP participate in the ICT Services category. They also hold the Multimedia Super Corridor ("MSC") Malaysia status where their principal activities are categorised under the Information Technology ("InfoTech") cluster, specifically the general business applications under software products category.

As such, this report will provide an overview of the ICT Industry in Malaysia.

2.2 Development of the ICT in Malaysia

ICT is an umbrella of technology that envelopes all types of computer and electronics-based technologies used for the creation, storage, retrieval, analysis and dissemination of information. ICT encompasses the development, usage and management of computer-related electronics and hardware, application software, wired and wireless communication peripherals and applications as well as the Internet, among others.

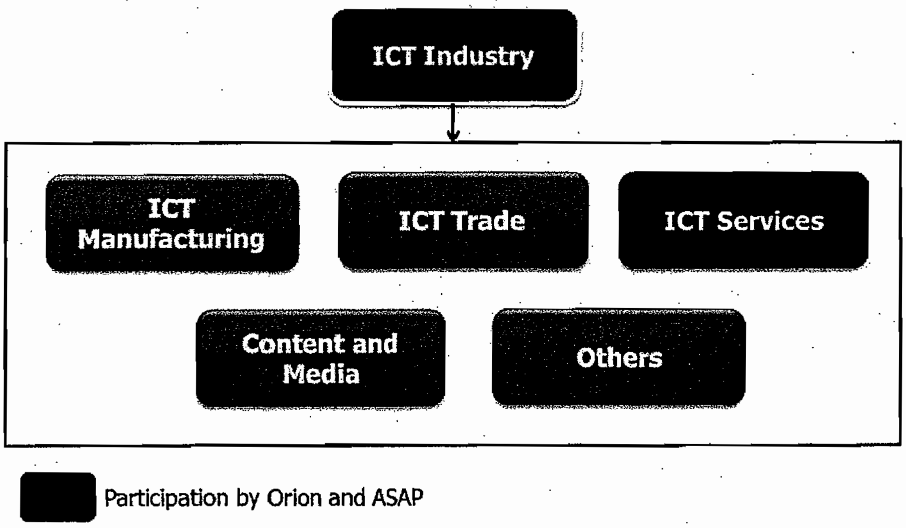
The ICT Industry in Malaysia first gained prominence with the launch of the MSC Malaysia, a national ICT initiative by the Government in 1996. The MSC Malaysia was established by the Multimedia Development Corporation ("MDeC") (now known as Malaysia Digital Economy Corporation), which is the Government agency tasked to oversee its development. MSC Malaysia was envisioned as the country's ICT hub aimed at creating an ideal and conducive platform to nurture the ICT sector, to develop new Malaysian ICT companies, to attract participation and investment from global ICT companies and multinational corporations and to develop cutting edge digital and creative solutions in Malaysia. In 2015, MSC Malaysia generated Ringgit Malaysia ("RM") 42.10 billion in revenue, an increase of 9.3 percent from 2014, while exports of ICT products and services from MSC Malaysia status companies grew to RM16.16 billion in 2015, an increase of 17.7 percent from 2014.

In addition, pro-ICT government policies such as the National Broadband Rollout, the Eleventh Malaysia Plan ("11MP"), and the Economic Transformation Program ("ETP") have also contributed to the ICT industry's development and growth, by creating a foundation of digital infrastructure such as the accessibility to the Internet, the introduction to ICT technologies, and availability and continued review of laws relating to the ICT industry, that enables Malaysia to achieve progress and continue its drive towards a technology-driven and knowledge-based economy.

3.0 Segmentation of the ICT Industry

The ICT industry in Malaysia can be further divided into five (5) segments, namely, ICT manufacturing, ICT trade, ICT services, content and media as well as others.

Figure 1: ICT Industry Segments in Malaysia



Source: Protégé Associates

ICT Manufacturing

ICT manufacturing refers to the manufacturing of ICT goods, including electronic components and boards; computers and peripheral equipment; communication equipment; consumer electronics; as well as magnetic and optical media.

ICT Trade

ICT trade include trading of ICT goods such as wholesale of computers, computer peripheral equipment and software or electronic and telecommunications equipment and parts; retail sale of computers, peripheral units, software and telecommunications equipment or audio and video equipment in specialised store; retail sale via mail order houses or via Internet; as well as other retail sale not in stores, stalls or markets.

ICT Services

ICT services include business and productivity software and licensing services, information technology consultancy and services, telecommunication services, leasing and rental services for ICT equipment and other ICT services.

Content and Media

Content and media products include printed and other text-based content on physical media and related services; motion picture, video, television and radio content and related services; music content and related services; games software; online content as well as other content and related services.

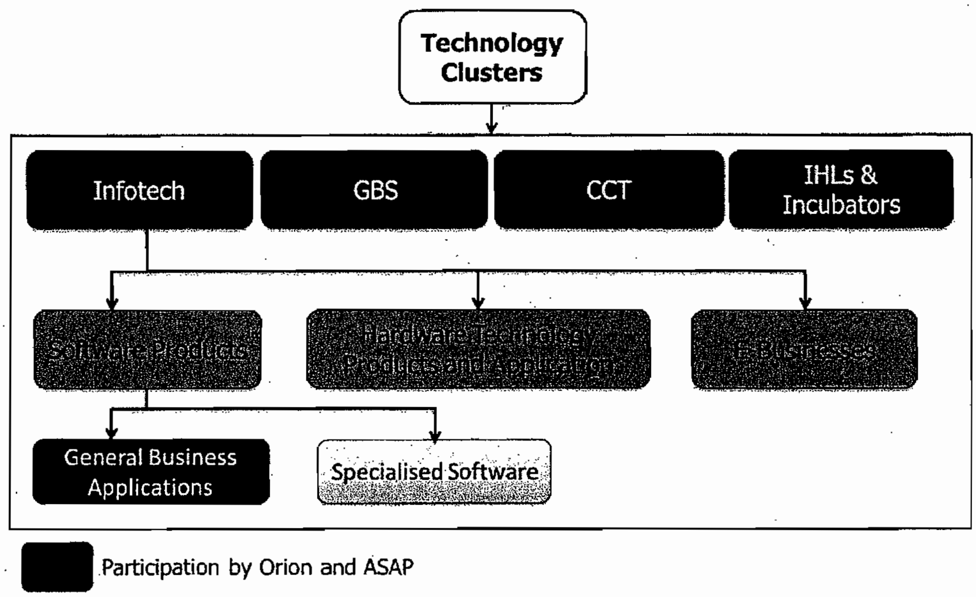
Others

Others refer to other non-ICT industries that produce ICT products.

3.1 MSC Malaysia's ICT Technology Clusters

MSC Malaysia companies are grouped into four ICT technology clusters which consist of the InfoTech cluster, the Creative Content & Technologies ("CCT") cluster, the Global Business Services ("GBS") cluster as well as Institutions of Higher Learning ("IHLs") and Incubators.

Figure 2: Technology Clusters in Malaysia as Identified by MSC Malaysia



Source: Protégé Associates

InfoTech

Companies in InfoTech cluster undertake study, design, development, implementation, technical services or support, marketing and management of any computing based information systems. As at 31 December 2015, there were 1,998 active companies in this cluster.

The Infotech cluster can be further categorised into three (3) sub-clusters: software products, hardware technology products and application and e-businesses.

- **Software Products**

  Software products sub-cluster is made up of companies undertaking the design, development, maintenance and marketing of software products. The software development sub-cluster can generally be segmented into two (2) types of applications or software types namely, general business applications and specialised software.

  General Business Applications

  General business applications are software suites whose applicability is quite generic across various business types. These include software for customer risk management ("CRM"), enterprise resource planning ("ERP"), accounting and other similar software on any platform.

  The CMMS software also falls under this category, indicates that both Orion and ASAP products can be categorised as general business applications. The CMMS software helps to keep a record of all assets, schedule and track maintenance task. CMMS software can be used in different corporations, including manufacturing industries, financial institutions and as well as government agencies.

  General business applications are usually packaged software, and require minimum or no customisation before first use. Although they have to be initially set up to suit individual businesses, modification of the software code is not warranted.

  Specialised Software

  Specialised software are customisable applications specially written for specific verticals including healthcare and engineering sectors, tourism, bioinformatics, oil and gas, telecommunications and security solutions. This software is usually developed by companies with domain (or industry) expertise, as they understand fully the nature and requirements of each industry.

Specialised software cannot be generically applied to any business type without substantial modifications to the software code. As such, specialised software developers are considered service providers. On top of the customisation and installation of software, specialised software developers typically provide value-added services to customers. These value-added services encompass ICT strategy and process consultancy, troubleshooting and software maintenance, as well as server hosting and website design in the case of web-based software.

- **Hardware Technology Products and Application**

  Hardware products are a wide category encompassing the following activities, products and services:

  - The design, development, manufacture and marketing of embedded / built-in software for electronic devices such as Intelligent Controllers, Radio Frequency Identification ("RFID") devices, smart cards and others; and
  - The development of wireless and fixed telecommunications technology, security and biometrics development and hardware design.

- **E-Businesses**

  The e-businesses sub-cluster is made up of businesses that utilise the Internet as its main platform for its business activities, such as product marketing and sales, procurement and customer support. This cluster covers e-government service providers, electronic commerce ("e-commerce") businesses and web-based trading platforms, e-commerce service providers, computerised ticketing businesses, online share trading applications and similar businesses.

CCT

Companies in CCT cluster are involved in the activities and technologies related to creation, delivery and enhancement of creative digital content. They are involved in the development, production, aggregation, distribution and merchandising of IP as well as the supply of associated technological tools, services and platforms. There were 358 active companies in this cluster as at 31 December 2015.

GBS

GBS refers to the single organisation that leveraging in economies of scale that provide the common services or a provision at service that is geographically removed from client. It is a maturity evolution model from the Shared Services and Outsourcing industry. The qualifying business services activities are information technology ("IT"), finance and accounting, human resources, procurement, legal, marketing, business analytics and other shares support functions across multiple locations within an organisation.

The activities conducted in GBS environment include both back-end and front-end operations which can be categorised into three, namely business process outsourcing, information technology outsourcing and knowledge process outsourcing. There were 405 active companies in this cluster as at 31 December 2015.

IHLs and Incubators

IHLs are the institutions of higher education or facilities that provide courses related to content creation, information technology and communication fields while incubators house tenants that are involved in ICT and multimedia (include software, e-Commerce, telecommunication), biotechnology and/or bioinformatics. As at December 2015, there were 117 active companies in this cluster.

4.0 Market Dynamic Scorecard

The market dynamics scorecard provides a snapshot of the overall industry characteristics based on selected key market indicators and its respective measurements and trends. The market dynamics for the ICT industry in Malaysia is as shown in Figure 3 below.

Figure 3: Market Dynamics Scorecard for the ICT Industry in Malaysia

Market Dynamics Indicators	Measurement
2016 Market Size (Revenue) (RM billion)	225.75
2016 Market Growth Rate (%)	9.5
2021 Forecast Market Size (Revenue) (RM billion)	355.60
Forecast Period Market CAGR (2017-2021)	9.5
Competitive Landscape	Over 4,000 industry players
2017 Demand Conditions	• Advancement in Technology for ICT Products • Sustained Economic Growth to Boost Spending and Investment on ICT Products and Services

Market Dynamics Indicators	Measurement
	• Rapidly Growing Digital Population • Increasing Importance of ICT in Business Activities • Replacement of Physical Functions with Virtual Possibilities
2017 Supply Conditions	• Government-Led Initiatives • The Mushrooming of Start-up Technology Companies • Shortage of Skilled Talents

Source: Protégé Associates

5.0 Historical Performance and Growth Forecast

Protégé Associates estimates that the ICT industry in Malaysia was worth approximately RM225.75 billion in 2016, representing a 9.5 percent growth from 2015. The market size (revenue) and growth forecast for the ICT industry in Malaysia from 2015 to 2021 is shown in Figure 4.

Figure 4: The Market Size (Revenue) and Growth Forecast for the ICT Industry in Malaysia, 2015-2021

Year	Revenue (RM billion)	Annual Growth (%)
2015	206.10	-
2016	225.75	9.5
2017	247.50	9.6
2018	271.00	9.5
2019	297.10	9.6
2020	324.90	9.4
2021	355.60	9.4

Note: CAGR (2017-2021) (base year of 2016): 9.5%

Source: Protégé Associates

The market size (revenue) of the ICT industry in Malaysia is estimated to expand by 9.6 percent to RM247.50 billion in 2017. The growth is largely due to contribution from ICT services and manufacturing sectors. The advancement in technology for ICT products, sustained economic growth to boost spending and investment on ICT products and services, rapidly growing digital population, increasing importance of ICT in business activities and replacement of physical functions with virtual possibilities are the main impetuses for the growth in the industry. Additionally, the government-led existing initiatives and investment into and mushrooming of start-up technology companies have also driven further growth in the industry. Moving forward, the ICT industry in Malaysia is expected to generate RM355.60 billion in revenue in 2021. The forecast CAGR for the market size (revenue) of the ICT industry in Malaysia from 2017 to 2021 is 9.5 percent.

In terms of the Malaysian CMMS market, it is at the growth stage of the industry life cycle. It is estimated that the size (revenue) of the Malaysian CMMS market reached RM96.5 million in 2016, representing an 8.4 percent growth as compared to RM89.0 million in 2015. The market size (revenue) and growth forecast for the Malaysian CMMS market from 2015 to 2021 is shown in Figure 5.

Figure 5: The Market Size (Revenue) and Growth Forecast for the Malaysian CMMS Market, 2015-2021

Year	Revenue (RM million)	Annual Growth (%)
2015	89.0	-
2016	96.5	8.4
2017	105.7	9.5
2018	116.0	9.7
2019	127.3	9.7
2020	139.5	9.6
2021	152.9	9.6

Note: CAGR (2017-2021) (base year of 2015): 9.6%

Source: Protégé Associates

The market size (revenue) of the Malaysian CMMS market is estimated to expand by 9.5 percent to RM105.7 million in 2017. There is increased awareness among the users on the importance of business applications such as CMMS. CMMS has been seen as an effective means for driving productivity via an effective maintenance management. The forecast CAGR for Malaysian CMMS market from 2017 to 2021 is 9.6 percent. In view of the CMMS market operating within the ICT industry, it is expected to grow in tandem with the growth in the broader ICT industry. Its positive outlook is also expected to stem from the same demand conditions in the broader ICT industry in Malaysia.

6.0 Competitive Analysis

The ICT industry in Malaysia is mature and estimated to consist of over 4,000 industry players. In 2015, there were 3,881 companies with MSC Malaysia status and 74.2 percent or 2,878 of the companies are active. Over 74.8 percent of the active companies are Malaysian-owned, followed by 22.9 percent of foreign-owned and only 2.3 percent are 50:50 joint-ventures with local companies.

Among the active MSC companies, 1,998 companies are involve in Infotech, followed by 358 companies involve in CCT, 405 companies in GBS and 117 companies involve as IHLs and incubators. This indicates that majority of the ICT industry players offer products and services related to computing based information systems.

Competition in the ICT industry varies significantly depending on the target market for the ICT products and services. The ICT industry players who offer the same type of products or services compete on various factors such as:

- Profile in the market
- Marketing campaign
- Accessibility to highly skilled talents
- Accessibility to latest available and efficient technology or techniques as well as the rate of technology adoption
- Number of patents obtained
- Ability to tailor expertise to clients' needs

It is estimated that there are less than 25 players in the Malaysian CMMS market. The market players in CMMS market can be divided in two tiers. The Tier 1 players consist of multinational companies ("MNC") that generated an annual revenue of more than RM10.0 million and have sizeable business operations. They may however focus on more than one type of products including hardware and software, besides CMMS. These players are typically well capitalised and they tend to invest significantly on R&D activities. They strive to compete by providing leadership in technology and introduce products with new features or better version to the market. These players include IBM Malaysia Sdn Bhd, IFS Solutions Malaysia Sdn Bhd, SAP Malaysia Sdn Bhd and Oracle Corporation Malaysia Sdn Bhd.

Tier 2 market players are local corporations and others such as foreign companies with annual revenue of less than RM10.0 million in Malaysia. These players generally have smaller workforce and capital resources that can lead to lesser revenue being generated when compared to their MNC counterparts. However, they have a steady pool of customers. They may focus on narrow product portfolio than their MNC counterparts. They compete with their MNC counterparts on the pricing of products. These players include ASAP, Orion, Tomms Systems Sdn Bhd ("Tomms Systems"), Infokall Solutions Sdn Bhd ("Infokall Solutions") and Chronos Process Integration Sdn Bhd ("Chronos Process").

6.1 Comparison between ASAP, Orion and Selected Industry Players

ASAP's asset and facility management system falls under the CMMS market space which is under Infotech cluster, specifically the general business applications under software products category. For the financial year ended ("FYE") 30 June 2016, ASAP generated revenue of RM8.1 million and profit before tax of 6.2 million.

On the other hand, Orion is a public limited company incorporated and domiciled in Malaysia. Orion is currently listed on the ACE Market of Bursa Malaysia Securities Berhad. The principal activities of Orion are providing CMMS and other information technology services such as systems integration, support services and training.

Protégé Associates has used the following criteria when selecting other industry players for comparison with ASAP and Orion.

- Has asset management software solutions or CMMS in their portfolio of software products; and
- Registered an annual revenue of below RM10.0 million

After taking consideration the above criteria, Protégé Associates has selected three industry players, namely Tomms Systems, Infokall Solutions and Chronos Process for comparison purpose. The details of the selected industry players are as follows:

- Tomms Systems

  Tomms Systems was established as a private limited company under the Companies Act, 1965 on 1 March 2007. It is principally involved in the provision and development of CMMS.

- Infokall Solutions

  Infokall Solutions was established as a private limited company under the Companies Act, 1965 on 24 July 2004. It is principally involved in IT business as private employment agency.

Company No. 554979-T

APPENDIX X

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- Chronos Process

Chronos Process was established as a private limited company under the Companies Act, 1965 on 3 June 2002. It is engaged in the design, development and sales of software solutions and provision of related technical services.

Figure 6: Comparison between ASAP and Selected Industry Players in the ICT industry in Malaysia

Indicator	ASAP	Orion	Tomms Systems	Infokall Solutions	Chronos Process
Information from FYE	30/6/2016	31/12/2016	30/6/2016	31/12/2014	30/6/2016
Revenue (RM)	8,733,111	3,361,530	2,637,438	3,899,896	4,476,702
Profit Before Tax (RM)	5,851,311	-2,070,474	1,473,964	85,943	1,328,526
Profit After Tax (RM)	5,851,311	-1,858,647	1,471,141	85,943	1,042,715
Non-current Assets (RM)	430,571	4,273,233	412,044	12,626	38,225
Current Assets (RM)	3,967,953	6,279,138	1,509,819	3,793,952	3,026,531
Non-current Liabilities (RM)	273,573	0	237,959	0	6,125
Current Liabilities (RM)	1,537,455	1,506,791	67,967	1,246,291	1,314,770
Profit Before Tax Margin (%)	67.0	-61.6	55.9	2.2	29.7
Profit After Tax Margin (%)	67.0	-55.3	55.8	2.2	23.3
Working Capital (RM billion)	2,430,498	4,772,347	1,441,852	2,547,661	1,711,761
Current Ratio (Times)	2.58	4.17	22.21	3.04	2.30
Asset Turnover Ratio (Times)	1.99	0.32	1.37	1.02	1.46
Debt to Equity Ratio (Times)	0.70	0.17	0.19	0.49	0.76

Notes:

1) *The list of selected industry players above is not exhaustive.*
2) *The above figures provide an indication of industry players' performance and the data is not directly comparable due to the following reasons:*
   (a) *Not all industry players have the same financial year end;*
   (b) *Not all companies carry out activities that are completely similar to each other or in the same geographical area.*

Sources: Companies Commission of Malaysia and Protégé Associates

The current ratios registered by these industry players were within the range of 2.30 times to 22.21 times with Tomms Systems registering the highest liquidity and Chronos Process registering the lowest liquidity. A current ratio of above one time indicates that an industry player is able to meet its short-term obligation as its amount of current assets is higher than its amount of current liabilities. Orion's current ratio of 4.17 times and ASAP's current ratio of 2.58 times respectively falls within the range of 2.30 times to 22.21 times. In terms of level of gearing, Chronos Process registered the highest debt to equity ratio of 0.76 times while Orion had the lowest at 0.17 times. ASAP's debt to equity ratio of 0.70 times falls within the range of 0.17 times to 0.76 times. The asset turnover ratio measures a company's efficiency in utilising its assets generate revenue and ASAP recorded highest ratio at the 1.99 times while Orion recorded the lowest ratio at 0.32 times. Working capital is generally used to measure a company's liquidity, efficiency and overall short-term financial health. The working capital registered among the selected industry players range from RM1.4 million to RM4.8 million.

All the industry players highlighted above is profitable except Orion. The profitability level of these industry players varies when measured against profitability ratios such profit before tax margin and profit after tax margin. For example, the profit before tax margin registered by Infokall Solutions was just 2.2 percent as compared to 67.0 percent recorded by ASAP. In terms of profit after tax margin, ASAP recorded the highest at 67.0 percent whilst Orion recorded the lowest at -55.3 percent.

6.2 Estimated Market Share for ASAP and Orion

For the FYE 30 June 2016, ASAP generated revenue of RM8.7 million, which accounted for less than one percent share of the market size (revenue) of the ICT industry in Malaysia in 2016. This is based on ASAP's revenue of RM8.7 million against total market size (revenue) of the ICT industry in Malaysia of RM225.75 billion in 2016.

During the same year, ASAP's revenue is equivalent to 9.0 percent share of the market size (revenue) of the Malaysian CMMS market. This is based on ASAP's revenue of RM8.7 million against total market size (revenue) of the Malaysian CMMS market of RM96.5 million in 2016.

On the other hand, for the FYE 31 December 2016, Orion generated revenue of RM3.4 million, which accounted for less than one percent share of the market size (revenue) of the ICT industry in Malaysia in 2016. This is based on Orion's revenue of RM3.4 million against total market size (revenue) of the ICT industry in Malaysia of RM225.75 billion in 2016.

During the same year, Orion's revenue is equivalent to 3.5 percent share of the market size (revenue) of the Malaysian CMMS market. This is based on Orion revenue of RM3.4 million against total market size (revenue) of the Malaysian CMMS market of RM96.5 million in 2016.

The proposed acquisition provides an excellent opportunity for both Orion and ASAP to expand their market share. The combined market share of Orion and ASAP was 12.5 percent of the market size (revenue) of the Malaysian CMMS market in 2016. Moving forward, the enlarged Orion will be in better position to compete with the Tier 1 MNC counterparts with larger market share.

7.0 Demand and Supply Conditions

Figure 7: Demand and Supply Conditions Affecting the ICT Industry in Malaysia, 2017

Condition	Type	Impact
Advancement in Technology for ICT Products	Demand	+
Sustained Economic Growth to Boost Spending and Investment on ICT Products and Services	Demand	+
Rapidly Growing Digital Population	Demand	+
Increasing Importance of ICT in Business Activities	Demand	+
Replacement of Physical Functions with Virtual Possibilities	Demand	+
Government-Led Initiatives	Supply	+
The Mushrooming of Start-up Technology Companies	Supply	+
Shortage of Skilled Talents	Supply	-

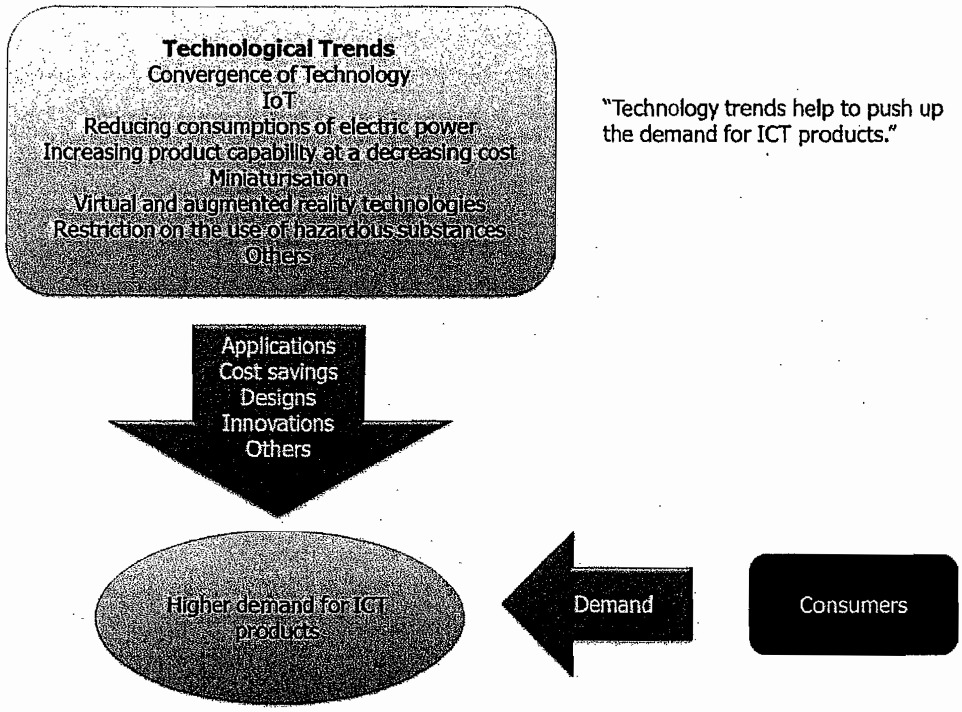
Source: Protégé Associates

7.1 Demand Conditions

Advancement in Technology for ICT Products

The advancement in technology has allowed the ICT industry to improve its product offerings or create new products with visible commercial appeal which can lead to more demand. It helps to create and drive technology trends for ICT products that can be assimilated with the latest consumers' needs. Figure 8 depicts the technological trends that help to push ICT products to the forefront of the latest consumer's lifestyle trend.

Figure 8: Examples of Technological Trends in ICT Products



Source: Protégé Associates

- Convergence of technology

  The line that separates the intrinsic functionality of traditionally separate end-user markets such as consumer electronics, data products and telecommunications has been blurring as different technologies are successfully converged. The convergence of technology in these end-user markets refers to the synergistic integration of technologies that have been previously separated to perform tasks under a single system. As a result of a successful technological convergence, consumers are able to access multiple applications by using only a single converged product with broad-based functionalities. The mobile phone illustrates a clear example of convergence of technology in consumer electronic products. The device that was traditionally used to make phone calls has now enabled its users to take photos, record voices, listen to music, play games and connect to internet.

  At first glance, the convergence of technology seems to restrain the demand for more ICT products as these products are required at only a singular converged device instead of many different individual devices. However, it needs to be pointed out that the emergence of new converged products can hasten the replacement cycle of older products that then drive demand for ICT products. These new devices also become an increasingly important part of consumers' lives, which then generates new sources of growth for the ICT industry.

- Internet of Things ("IoT");

  There are a multitude of applications for the IoT - billions of 'things' are connected to the Internet today, and many of us are communicating and interacting with some of these on a daily basis. Ranging from wearables like smart watches and activity tracker wristbands (i.e. Fitbits), which can share and communicate data to the user and their mobile devices/computers, to smart homes (being able to control household appliances, lighting, security etc. through a smartphone or tablet) to agriculture (embedding sensors that detect soil moisture which can communicate with the corresponding smart connected irrigation system to water the soil when necessary), the number of applications for IoT are endless, and the IoT market has a huge potential and a bright future global outlook. There are four interwoven and interactive technology pillars that are expected to shape and propel further proliferation in the IoT namely big data, cloud computing, mobile and social media.

- Reducing consumption of electric power

  Efforts have been made throughout the years in the ICT industry to reduce the level of electric power consumption used in its products to minimise energy cost and extend battery replacement cycles. By lowering the level of need for electric power, the users of ICT products stand to enjoy higher cost savings.

  Constant advances in semiconductor technology have led to increasing complexity and more features within electronic products, whilst at the same time being able to reduce the amount of electric power these products consume. The increasingly lower power consumption is beneficial to both battery powered and non-battery powered electronic products.

  In portable and handheld electronic products, low power consumption leads to extended battery life, which is desirable for consumers and advantageous for electrical and electronics original equipment manufacturers as well. For example, processors that are designed for low power through energy efficient designs and improvements in graphic chips which enable them to use less power for better performance are being increasingly introduced in today's notebooks and tablets.

For non-battery powered products, having a low power consumption is also important as the lower the energy consumed, the lower the costs to operate them, as well as environmental benefits from lower emission levels from power generating methods such as coal-fired power generation.

- Increasing product capability at a decreasing cost

  This technological trend is considered to be one of the most important factors that drive the demand for ICT products particularly consumer electronics. The decreasing cost trend in consumer electronic products is made possible by a series of complementary innovations in equipment and physical materials used. The knowledge that a consumer electronics product that is being offered is cheaper and has better specifications than its predecessors provides a strong motivation for consumers to purchase the product. For example, the cost for a consumer to get a notebook with superior capabilities such as higher processing speed and larger memory space than its predecessor is getting cheaper over time. This too drives demand that in turn drives the ICT industry.

- Miniaturisation

  Miniaturisation is a technological trend that stems from increasing consumers' needs for space efficiency as well as high mobility and connectivity. Smaller items are often preferred to bigger ones due to ease of convenience as they are easier to be carried or stored by consumers. For examples, the mobile phones, tablet or netbook which is considered an alternative of a notebook are commonly found nowadays. This miniaturisation trend has also led to the increase in consumers' mobility and connectivity as they are able to carry their mobile devices everywhere and access any available wireless Internet connection with relative ease. Portable battery pack that are smaller in size also allow consumer to bring it anywhere for charging purpose.

  The consumer electronics market in the past faced challenges in trying to miniaturise its products without compromising their performance and cutting sub-components into the desirable minute sizes. However, the advancement of technology in areas like photolithography, micro-fabrication of integrated circuits ("ICs") and precision laser cutting has helped manufacturers of ICT products to address those challenges. Besides that, the storage capacity of memory chips has also been improving.

- Virtual and augmented reality technologies

  Virtual reality is the computer generated environment which can be explored and interacted by a person. Virtual reality technology creates the environments to users that they experience these environments as if they were there. Augmented reality refers to the real world environment that are augmented with computer generated sensory input such as sound, video, global positioning system ("GPS") data and overlaying in real-time through the camera view of the mobile devices and wearable technology. Augmented reality creates a blend of virtual and real environment. The virtual and augmented reality technology can be applied in wide range of end-user segments. The integration of virtual and augment reality technology in ICT products such as wearable technology seems to be gaining popularity, not only for entertainment purpose, but also for business applications.

- Restriction on the use of hazardous substances

  Regulatory pressures have led to the restriction on the use of hazardous substances in electrical and electronic equipment which include ICT products. The restriction on the use of hazardous substances represents part of global on-going efforts to address electronic waste issues. Consumers are increasingly discarding obsolete ICT products as newer technologies arrive. These obsolete ICT products may end up in landfills or being 'recycled'. As such, there is a general concern on the long term effects on populations that are exposed to environmental toxins. The adoption of the Restriction of Hazardous Substances Directive ("RoHS") in February 2003 by the European Union ("EU") provides a clear example of this technological trend. Hazardous substances that are restricted under RoHS include lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls and polybrominated diphenyl ether.

- Others

  Other technological trends in ICT products include the expansion in the range of products offered as well as creation of new products. The advancement in IC technology provides a good example of how advancement in technology can drive the growth in electronic products. The range of consumer electronic products made available to the market increases with the increasing complexity in ICs. At the beginning, ICs contained only few transistors (small-scale integration ("SSI")) that can only be used in a limited number of electronic products. However, today's ICs contain more than a billion transistors (very large-scale integration ("VLSI")) that have helped spawn the introduction of more sophisticated consumer electronics products such as the smartphone and tablet to the market – expanding the portfolio of consumer electronics products, hence increase demand in ICT industry.

Sustained Economic Growth to Boost Spending and Investment on ICT Products and Services

Malaysian consumers are generally attaining greater affluence as a result of broad economic growth seen for the country over the past half-century. In addition, the per capita income in Malaysia rose from RM36,078 in 2015 to RM37,738 in 2016 – reflecting a steady increase in incomes. This figure is expected to increase to RM39,656 in 2017.

Malaysia's standard of living has improved tremendously and this trend is likely to be sustained moving forward as the country continues its expansion. The government is likely to continue pursuing economic expansion programmes while managing cost of borrowings to encourage domestic consumption. The Malaysian Government has committed to continued vigilance in the economy, promising continued supportive and accommodative macroeconomic policies as the economy reverts to high gear moving forward. Favourable labour market conditions leading to rising disposable income is likely to fuel improvements in domestic demand.

Malaysia's real GDP is expected to grow by between 4.3 percent to 4.8 percent in 2017. During good economic periods, the general population can expect better access to more job opportunities and salary growth while businesses can strengthen their corporate profit. These accordingly are expected to provide them with greater propensity to purchase, upgrade or invest in ICT products and services. Hence, the ICT industry stands to benefit from the increase in spending and investment in ICT products and related services. The impact of this demand condition is expected to be medium throughout the forecast period.

Rapidly Growing Digital Population

The digital population who have accessed to Internet in Malaysia is growing rapidly. The rise of Internet users is in tandem with the growth trajectory of broadband subscription and penetration rate. The total broadband subscriptions increased from 20.7 million in 2014 to 30.8 million in 2015. Mobile broadband subscriptions accounted for 90.3 percent of the total broadband subscriptions in 2015. In the third quarter of 2016 ("Q3"), total broadband subscriptions stood at 30.7 million with 91.2 percent of them consisting of mobile broadband subscriptions. In addition, Malaysia's broadband penetration rate increased steadily from 15.2 per 100 households in 2007 to 77.3 per 100 households in 2015 on the back of sustained household income and improved ICT infrastructure provided by the Malaysian Government. In Q3 2016, Malaysia's broadband penetration rate increased further to 77.9 percent. The country's broadband penetration rate already surpassed the 2010 target set by the Malaysian Government under the National Broadband Initiative at 50 per 100 households. Generally, the growing digital population indicates an increasing pool of potential customers for the connected devices and related services that would drive the ICT industry in Malaysia. The impact of this demand condition is expected to be medium throughout the forecast period.

Increasing Importance of ICT in Business Activities

ICT is becoming more commonly applied to everyday business activities. Businesses from every industry are increasingly aware of the value of increased productivity, boost innovation, improve processes and reduce costs with the aid of ICT products and services in their business processes. In the business environment, the Internet is becoming an increasing important communications tool that allows real time communications at cost effective rates. The use of email and instant messaging in work environments is more pervasive than ever, and is expected to become indispensable in the longer term as the nature of businesses become more global. Many businesses have also merging innovative technologies, including virtual environments, social media and other online tools for marketing and sales, e-commerce and mass customisation. To add on, the ICT products also assists in recording, storing, manipulating and retrieving of data. It is not only important for administration work but also speed up the other business functions like finance and accounting as well as procurement. As business users increase in sophistication, ICT products and services become a necessity. These trends are expected to drive demand for ICT products and services which bodes well for the overall growth in the local ICT industry. The impact of this demand condition is expected to be medium throughout the forecast period.

Replacement of Physical Functions with Virtual Possibilities

The Internet age has allowed the virtualisation of many physical functions. Functions that have been carried out physically in the past are increasingly being replaced by virtual functions. Apart from the business world, which now very commonly uses the Internet to market and sell goods, this phenomenon has important implications for consumers as well.

Physical activities such as shopping and paying for goods can now be conducted online, trading posts have been replaced by the likes of eBay and the Zalora market places. Even banking and bill payment processes have been moving online to the Internet. Soon, many other functions could be virtualised for the Internet. Additionally, under the electronic government ("e-Government") initiative, government services have been virtualised including processes such as licence renewal and tax returns filing to facilitate the access of urban and rural communities to these services. The proliferation of these advanced virtual functions creates a need for ICT infrastructure, products and services that can go a long way towards driving the ICT industry in the future. The impact of this demand condition is expected to be medium throughout the forecast period.

7.2 Supply Conditions

Government-Led Initiatives

Government-led initiatives continue to contribute and support the growth of the ICT industry in Malaysia. The Malaysian Government further expects that the ICT industry will gain more momentum due to the convergence of digitalisation and its impact on other industries and the economy. The ICT industry has been earmarked as one of the National Key Economic Areas ("NKEAs") of the ETP and aims to shift the country from being a general producer of general ICT products and services to a niche producer of selected ICT products and services, and to progress from being a net importer to a net exporter. Among the key strategies that are announced to propel the Malaysian ICT industry are as follows:

- The Government to aggressively promote the use of ICT in all industries in parallel with the development of the ICT industry. Cloud computing services will be developed to provide small and medium enterprises ("SMEs") with critical software applications for CRM, ERP, supply-chain management ("SCM"), human resource management ("HRM"), and financial and accounting management. Niche areas for applications development include healthcare, education and financial services, especially in Islamic banking.
- In the creative industry, emphasis is placed on creative multimedia, especially animation for simulation, advertising and entertainment, mobile application and games development. A National Creative Industry Policy and the National Digital Terrestrial Television ("DTT") Broadcasting project announced to help spur the expansion of related creative industries. As outlined in the 11MP, the second phase of DTT will be implemented in 2016 and 2017, to provide valued added services such as video and application on demand, TV-based commerce (i.e. e-shopping) through television, which will also spur the development of content and applications.

- As outlined under the 11MP, two broadband initiatives namely the High-Speed Broadband 2 ("HSBB 2") and Suburban Broadband ("SUBB") initiatives will be deployed to enhance connectivity in all state capitals and selected high-impact growth areas, to meet the expected demand of 41 terabytes per second during the period from 2016 to 2020.

Under the 11MP, the Government has identified niche areas that can be further nurtured such as digital content, the IoT, data centres and cloud services, cyber security, big data analytics ("BDA") and software development and testing. The development of these niche areas is expected to enable the country to capture a bigger share of the exports market for ICT products and services.

The Mushrooming of Start-up Technology Companies

The number of technology start-up companies in Malaysia has been increasing in line with the growth of access to mobile technology in Malaysia. This can be seen from the growth trend in the start-up technology companies that offer technology platform that assist users in getting performing a designated task from food ordering to payment platform. Through the availability of Internet connectivity, government funding for start-ups and information sharing among the start-up communities, these local technology start-up companies have access to peer to peer learning platforms, app development platforms, crowdfunding platforms and technology hubs to develop their own applications and software. Investments in these start-up technology companies encourage and guide the companies to expand, further spurring the development of local ICT products. This will in turn spur growth in the Malaysian ICT industry.

Shortage of Skilled Talents

ICT industry players are dependent on highly skilled programmers, software engineers or other scientists in the R&D process. These skilled talents are also important as they can act as support team for deployment of software. As technology continues to evolve, the ICT industry needs to keep pace with the latest technological changes. This poses a challenge for industry players in Malaysia, as they need to continue to train and upgrade the current workers' knowledge and capabilities as well as to recruit more suitable candidates; something requiring considerable time and resources. This development may hinder the competitiveness of the ICT industry in Malaysia. As a result, this may lead to potentially slower progress in the creation and innovation of new products, which can impede the growth in the industry in Malaysia.

8.0 Substitute Products/Services

There are no known direct substitutes for ICT products and services. However, the older ICT products or services are typically replaced by newer innovations as the industry is often characterised by rapid advances in technology. For instance, the existing hardware used may be replaced by newer hardware. As for software, there is a considerable degree of substitution in the software products itself. Software providers of different expertise and experience may offer different type and level of customisation to cater different customer needs.

With reference to the products and services provided by ASAP, the substitute comes in the form of traditional way of managing the asset and facilities, such as paper-based records and filing.

9.0 Market's Vulnerability On and Reliance to Imports

ICT products are offered domestically by local companies. The ICT industry in Malaysia has been enjoying a relatively high profile particularly with the listing of some of its players in Malaysia and overseas.

Although Malaysia has been able to produce many IT-graduates that joined ICT industry, there is still shortage of skilled talents, such as those with software engineering and programming skills. Industry players may have to engage the services of foreign seasoned IT specialists in order to boost their competitiveness, especially in those research and development intensives fields or in specialised niche sectors.

In general, the ICT industry is not reliant on or vulnerable to foreign expertise. If and necessary, foreign talent is engaged to serve as a supplement to a company and is not deemed as necessity for industry players' operations.

10.0 Relevant Laws and Regulation, Government Policies and Key Trends

10.1 Relevant Laws, Regulations and Government Policies in Malaysia

Communications and Multimedia Act 1998

The Communications and Multimedia Act 1998 is an Act to provide for and to regulate the converging communications and multimedia industries. This Act is set (a) to promote the national policy objectives for the communications and multimedia industry; (b) to establish a licensing and regulatory framework in support of national policy objectives for the communications and multimedia industry; (c) to establish the powers and functions for the

Malaysian Communications and Multimedia Commission; and (d) to establish the powers and procedures for the administration of this Act.

Multimedia Super Corridor ("MSC") Malaysia Status

MSC-Malaysia status is granted to companies operating under any of the technology clusters. A company must meet 3 general qualifying criteria to obtain MSC-Malaysia status i.e.:

- Undertake technology or knowledge transfer or contribute towards the development of MSC Malaysia or support Malaysia's knowledge economy initiatives;
- Establish a separate legal entity for MSC Malaysia Qualifying Activities; and
- Locate in a Designated Premise within MSC Malaysia Cyber City/Cybercentre.

The Qualifying Activities include activities relating to the development of information technology (hardware and software development), shared services (outsourcing) and creative content (IP).

A MSC-Malaysia status company generally enjoys the 10 Bill of Guarantees, including:

i) World-class physical and information infrastructure;

ii) Employment of local and foreign knowledge-workers subject to quota imposed;

iii) Freedom of ownership or no equity restriction;

iv) Freedom to source for capital and funds globally;

v) Competitive financial incentives, namely Pioneer Status (100 percent tax exemption) for up to 10 years or investment tax allowance up to 5 years and duty free imports of multimedia equipment;

vi) IP protection;

vii) Uncensored Internet;

viii) Globally competitive telecommunications tariffs;

ix) Ability to tender for MSC-Malaysia infrastructure contracts if use MSC-Malaysia as the company's regional hub; and

x) Has the support of MDeC as an effective one-stop agency.

10.2 Intellectual Property Laws in Malaysia

Among some of the relevant regulations include those which protect intellectual property in order to facilitate an effective and efficient ICT industry in Malaysia. Industry players can therefore seek to protect their intellectual property by way of the existing regulations. The regulations enacted are as follows:

Copyright

All copyrights including that for software is protected by the Malaysian Copyright Act 1987 and international copyright laws. The Malaysian Copyright Act 1987 provides comprehensive protection for copyrightable works and outlines the nature of works eligible for copyright (which includes computer software), the scope of protection, and the manner in which the protection is accorded. The Malaysian Copyright Act 1987 also provides the necessary clout to the enforcement agencies to effectively carry out anti-piracy measures. To update the law on copyright, The Copyright (Amendment) Act 2012 came into force on the 9 February 2012.

Trademarks

Trademark protection is governed by the Trade Marks Act 1976 and the Trade Marks Regulations 1997. The Trade Marks Act 1976 and the Trade Marks Regulations 1997 provides protection for registered trademarks and service marks in Malaysia. Once registered, no person or enterprise other than its proprietor or authorised users may use them. Infringement action can be initiated against abusers. The period of protection is 10 years, renewable for a period of every 10 years thereafter. The proprietor of the trademark or service mark has the right to deal or assign as well as to licence its use.

Patent

Patent protection is governed by the Patents Act 1983. With a patent or utility innovation protection, owner of the patent or utility innovation has the exclusive right to stop others from manufacturing, using and/or selling the owner's invention in Malaysia without the owner's consent or permission. The period of protection for patent is 20 years from the date of filing while 10 years (extendable) for utility innovation from date of filing subject to use.

11.0 Prospects and Outlook of the ICT Industry

Moving forward, the Malaysian ICT industry is expected to remain bright. The advancement in technology for ICT products, sustained economic growth to boost spending and investment on ICT products and services, rapidly growing digital population, increasing importance of ICT in business activities and replacement of physical functions with virtual possibilities are the main impetus for the industry. Additionally, the government-led existing initiatives and investment into and mushrooming of start-up technology companies also further drive the growth of the industry.

ICT industry was worth approximately RM225.75 billion in 2016. It is targeted to achieve 18.2 percent in contribution or approximately RM324.9 billion in 2020 under the 11MP. The forecast CAGR for ICT industry in Malaysia from 2017 to 2021 is 9.5 percent.

Protégé Associates has prepared this report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the report. We believe that this report presents a true and fair view of the industry within the boundaries and limitations of secondary statistics, primary research and continued industry movements. Our research has been conducted to present a view of the overall industry and may not necessarily reflect the performance of individual companies in this industry. We are not responsible for the decisions and/ or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies.

Thank you.

Yours Sincerely,

SEOW CHEOW SENG

Managing Director

Protégé Associates Sdn Bhd

INDEPENDENT FAIRNESS OPINION LETTER
(Prepared for inclusion in the Abridged Prospectus)

Ferrier Hodgson
CORPORATE FINANCE

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Date: 28 June 2017

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Strictly Private & Confidential

Dear Sirs

PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN ASAP BERHAD FOR A TOTAL PURCHASE CONSIDERATION OF RM73,000,000 ("PROPOSED ACQUISITION")

1.0 INTRODUCTION

FHMH Corporate Advisory Sdn Bhd (**"FHCA"**) has been appointed by the Board of Directors of Orion IXL Berhad on 13 October 2016 as an Independent Adviser to provide a fairness opinion report (**"Report"**) which opines on the fairness of the purchase consideration of RM73,000,000 for the proposed acquisition of the entire equity interest in ASAP Berhad.

An extract of the summarised opinion is presented and tabulated in this letter ("Letter"). Readers are advised to refer to our Report dated 9 May 2017. This Letter is prepared for inclusion in the Abridged Prospectus and should be read in conjunction with the same. All definitions used in this Letter shall have the same meaning as the words and expressions provided in the definitions section of the Abridged Prospectus, except where the context otherwise requires or where otherwise defined herein.

2.0 BACKGROUND INFORMATION ON ASAP

ASAP is incorporated in Malaysia on 8 April 2008 with a share capital of RM1,000,000 comprising 1,000,000 ordinary shares.

ASAP is principally an ICT solutions provider serving the Malaysian market. ASAP has been involved in designing, developing and implementing web based solutions with its primary software solution namely, ASAP's Asset & Facility Management Software Solution which essentially falls within the CMMS market space.

The company obtained its MSC Status accreditation on 4 November 2010 which allows it to secure the Pioneer Status Incentive under the Promotion of Investments Act, 1986 for a corporate tax exemption for up to a maximum of ten (10) years. ASAP's Pioneer Status commenced on 4 November 2010 for an initial period of five (5) years and was further extended for the second term of five (5) years up to 3 November 2020.

Ferrier Hodgson

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ASAP currently services clients from various industry verticals including education, healthcare, financial services, energy & utilities, property developers, mass rapid transport and public sector. ASAP's current main customers include HeiTech Padu Berhad and Columbia Asia Sdn. Bhd..

3.0 TERMS OF REFERENCE

Sources of Information

The sources of information which we have used to form our opinion on the fairness of the Purchase Consideration are as follows:-

(i) Orion's announcement dated 17 October 2016 and 31 March 2017;
(ii) Accountants' Report prepared by Ecovis AHL PLT;
(iii) Legal due diligence report on ASAP prepared by Messrs. Deol & Gill;
(iv) Independent market research report prepared by Protégé Associates Sdn Bhd titled 'Overview of the ICT Industry in Malaysia' dated 15 December 2016;
(v) SSA;
(vi) Representation and explanation by the directors and management of Orion and ASAP; and
(vii) Other publicly available information in respect of the industry that Orion and ASAP are involved in.

We have made all reasonable enquiries and conducted our own reviews, where possible, with regards to the information provided to us. We have also relied on the Board and management of Orion and ASAP to exercise due care to ensure that all information and documents as mentioned above and that all relevant facts, information and representations necessary for our evaluation of the Proposed Acquisition have been disclosed to us and that such information is accurate, valid and there is no omission of material facts, which would make any information provided to us incomplete, misleading or inaccurate.

The Board has, individually and collectively, accepted full responsibility that all material facts, financial and other information in this Letter and, and for the accuracy of the information in respect of the Proposed Acquisition (save for those in relation to our evaluation and opinion pertaining to the same) as prepared herein and confirmed that after making all reasonable enquires and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein incomplete, false and/or misleading.

We have not undertaken an independent investigation into the business of Orion and ASAP. We have also assumed that the Proposed Acquisition will be implemented based on the terms as set out in the SSA without material waiver or modification. It should be noted that the valuation in itself is highly dependent on, amongst others, the prevailing economic, market and other conditions that may change significantly over a relatively short period of time. It should also be highlighted that the valuation may be materially or adversely affected should the actual results or events differ from any of the bases and assumptions upon which the relevant reports were based.

Ferrier Hodgson
CORPORATE FINANCE

Date of Opinion

The date of our opinion is 28 April 2017 (herein also referred to as the "**Date of Opinion**").

Scope and Limitation of Review

FHCA was not involved in the formulation of the Proposed Acquisition or any deliberation and negotiation on the terms and conditions of the Proposed Acquisition. Our role as the Independent Adviser does not extend to expressing an opinion on the commercial merits of the Proposed Acquisition. The assessment of the commercial merits of the Proposed Acquisition is solely the responsibility of the Board, although we may draw upon their views in arriving at our opinion. As such, where comments or points of consideration are included on matters, which may be commercially oriented, these are incidental to our overall evaluation and concern matters, which we may deem material for disclosure. Further, our terms of reference does not include us rendering an expert opinion on legal, accounting and taxation issues relating to the Proposed Acquisition.

The directors and management of Orion and ASAP are responsible to make available to us all relevant information pertaining to the above evaluation exercise, including informing us of any material changes in the subject matters which may have an impact on our opinion.

Our work includes holding discussions and making enquiries from the directors and management of Orion and ASAP regarding representations made on ASAP. We rely on the directors and management's oral and written representations and in no event shall we, our partners, principals, directors, shareholders, agents or employees are liable for any misrepresentations by the directors and management of Orion and ASAP.

Our procedures and inquiries did not include any verification work that constitutes an audit on the information that we have relied upon in preparing this Letter. Further, certain information relied upon are only representation of the directors and management of Orion and ASAP, as well as reliance on third party experts as explained in the relevant sections of this Letter. Accordingly, we make no representations as to the accuracy or completeness of the information provided.

The preparation of the Report is based upon market, economy, industry and other conditions prevailing as at the Date of Opinion, as well as publicly available information and information provided to us by the management of Orion and ASAP. Such conditions may change significantly over a relatively short period of time. No representation or warranty, whether expressed or implied, is given by FHCA that the information and documents provided will remain unaltered subsequent to the issuance of the Letter or Report. However, should FHCA become aware of any significant change affecting the information contained in this Letter or Report; being informed of any material changes in the subject matters which may have an impact on FHCA's opinion or have reasonable grounds to believe that any statement in this Letter or Report is misleading or deceptive or that there are material omission in this Letter or Report, we will immediately notify the Board. If circumstances require, a supplementary Letter and Report will be issued to the Board.

Ferrier Hodgson

CORPORATE FINANCE

We have obtained a responsibility statement from the directors and management of Orion and ASAP that all material facts, financial and other information essential to our evaluation have been disclosed to us and that they have seen this Letter and the Report and they, individually and collectively, accept full responsibility for the accuracy of such information contained in this Letter and the Report and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein false or misleading.

4.0 VALUATION METHOD

Basis and Method Used to Form an Opinion on Valuation

In establishing our opinion on the valuation of the equity interest in ASAP which is the subject of the Proposed Acquisition, FHCA has considered various methodologies, which are commonly used for valuation, to arrive at its opinion on the fairness of the Purchase Consideration, taking into consideration ASAP's future earnings generating capabilities, projected future cash flows, its sustainability as well as various business considerations and risk factors affecting its business.

The primary valuation methodology considered and selected by FHCA to assess the fairness of the Purchase Consideration is based on the Relative Valuation Analysis ("**RVA**") as it is much more likely to reflect the current sentiment of the market. Further, FHCA has also taken into consideration the Comparable Transaction Analysis ("**CTA**") as the secondary methodology to assess the fairness of the Purchase Consideration as the methodology reflects a reasonable estimate of multiples or premiums that others have paid for similar companies in the past.

Further, FHCA has also considered the other valuation methodologies and found that the following methodologies are not suitable in the assessment of the fairness of the Purchase Consideration based on the following factors:

Valuation Methodologies	Discussion
Discounted Free Cash Flow to Equity ("FCFE")	Discounted FCFE method is an investment appraisal technique which considers both the time value of money and the projected net cash flow generated discounted at a specified discount rate to derive at the valuation of the subject matter. In view that ASAP's main source of revenue is project based with relatively short project period and minimal fixed recurring income, the financial forecast and projections which the Discounted FCFE Methodology is based can be materially affected by economic and other circumstances and the actual results may vary considerably. Hence, FHCA has concluded that this methodology is not suitable in the determination of the fairness of the Purchase Consideration.

Ferrier Hodgson

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Valuation Methodologies	Discussion
Revalued Net Asset Valuation ("**RNAV**")	RNAV method seeks to adjust the NA value of a company to take into consideration the valuation of assets of a company to determine the adjusted value of the firm's financial value. It should be noted that ASAP is an asset-light company and hence the RNAV may not accurately reflect the potential of ASAP.

RVA

RVA seeks to compare a company's implied trading multiple to that of comparable companies to determine the firm's financial worth. Under the RVA, reference was made to the valuation statistics of companies listed on Bursa Securities with principal activities that we consider broadly comparable to ASAP ("**Comparable Companies**") to get an indication of the current market expectation with regards to the implied value of the equity interest in ASAP and compared to the implied trading multiples to determine the firm's financial worth.

It is important to note that the Comparable Companies tabulated herein are by no means exhaustive and may differ from ASAP in terms of, inter alia, composition of business activities, scale of operations, geographical location of operations, profit track record, financial profile, risk profile, future prospects, capital structure, marketability of their securities and other criteria. One should also note that any comparisons made with respect to the Comparable Companies are merely to provide a comparison to the implied valuation of ASAP and the selection of Comparable Companies and adjustments made are highly subjective and judgmental and the selected companies may not be entirely comparable due to various factors.

For the selection of the Comparable Companies, we have considered profitable publicly listed companies in Malaysia with market capitalisation less than RM500.00 million and more than fifty-one percent (51%) of its revenues are derived from software development, which will be similar to that of ASAP's principal activities.

The Comparable Companies based on the above parameters that were selected are as follows:

Comparable Companies	Principal activities
N2N Connect Berhad ("**N2N**")	Research and development of software packages. Provides design, programming, and consultancy, as well as related services.
Rexit Berhad ("**Rexit**")	Provides web-based solutions. Researches, designs, develops, and sells application software solutions.
Systech Berhad ("**Systech**")	Design, research and development, customization, and implementation of web-based solutions.
Willowglen MSC Berhad ("**Willowglen**")	Research, design, development, engineering, supply, sale, implementation, and maintenance of computer-based control systems.

The following valuation multiple were applied to arrive at the valuation statistics:

Valuation Multiple	General Description
Price to earnings ratio ("**PE Multiple**")	The PE Multiple illustrates the ratio of the market value of a company's shares relative to its historical and forecast earnings per share.
EV/EBITDA *(as defined hereinafter)*	Enterprise value ("**EV**") is the sum of a company's market capitalisation, preferred equity, minority interest, short and long term debt less its cash and cash equivalents. The EV/earnings before interest, taxation, depreciation and amortisation ("**EBITDA**") multiple illustrates the market value of a company's business relative to its historical and forecast pre-tax operational cash flow performance, without regard to the company's capital structure. The exclusion of non-cash items such as depreciation and amortisation from the calculation of EBITDA will allow this method to be more reflective of the company's pre-tax operating cash flow. In addition, the exclusion of interest will discount the effect of differing capital structures of the Comparable Companies.

We have considered the price to book ratio and has concluded that this valuation multiple is not suitable in the determination of the fairness of the Purchase Consideration as ASAP is an asset light company and the price to book ratio basis values a company based on the value of its assets, net of all liabilities at a specific point in time and does not take into consideration the future income stream of a company.

The table below sets out the valuation statistics of the Comparable Companies based on the closing market prices as at the Date of Opinion as extracted from S&P Capital IQ:-

Comparable Companies	Market Capitalisation (RM' million)	PE Multiple[1] (times)	EV/ EBITDA[1] (times)
N2N	368.29	34.73	15.57
Rexit	150.10	21.36	12.18
Systech	94.82	38.94	27.63
Willowglen	355.26	17.20	12.39
Average of the Comparable Companies		28.06	16.94
Median of the Comparable Companies		28.05	13.98

Note:
[1] Calculated based on the closing market prices and the last twelve months financial results as at the Date of Opinion as extracted from S&P Capital IQ.

The implied PE Multiple and EV/EBIDTA ratios of ASAP based on the Purchase Consideration are as follows:-

	PE Multiple (times)	EV/EBITDA (times)
Purchase Consideration	**RM73.00 million**	
Implied Ratios		
FYE 30 June 2016	12.48	12.20[1]
12-Months Profit Guarantee	9.73	N.A.[2]
Comparable Companies		
High	38.94	27.63
Low	17.20	12.18
Average	28.06	16.94
Median	28.05	13.98

Note:

[1] *Calculated based on ASAP's EV which is derived from the Purchase Consideration of RM73.00 million add total debt of RM0.38 million less cash of RM0.08 million; and divided by ASAP's audited EBITDA for the FYE 30 June 2016 of RM6.01 million.*

[2] *The 12-Months Profit Guarantee does not state the guaranteed EBITDA for ASAP.*

Based on the above analysis, it is noted that the implied PE Multiple based on the FYE 30 June 2016 PAT of ASAP as extracted from the Accountants' Report and the Purchase Consideration is lower than the average, median and the range of PE Multiple of Comparable Companies. The implied PE Multiple based on the 12-Months Profit Guarantee and the Purchase Consideration is lower than the average, median and the range of PE Multiple of Comparable Companies.

The implied EV/EBITDA based on the FYE 30 June 2016 EBITDA of RM6.01 million as extracted from the Accountants' Report and the EV of RM73.30 million is lower than the average and median but within the range of the EV/EBITDA of Comparable Companies.

CTA

CTA is a valuation method whereby it seeks to compare the Purchase Consideration against other recent comparable transactions undertaken by ICT companies that had entered into proposed acquisitions of ICT companies in Malaysia. FHCA has considered the implied PE Multiple of ASAP and compared it to recently announced transactions involving the acquisition of ICT companies in Malaysia. In selecting the comparable transactions, FHCA had extracted a list of completed acquisitions of controlling stake in ICT companies within Malaysia for the past three (3) years from S&P Capital IQ.

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Date of Acquisition (MM-YY)	Acquirer	Target	Equity Stake Acquired	Total Consideration (RM million)	Target's PAT (RM million)	Implied PE Multiple
Apr-14	Nexgram Holdings Berhad	Sensorlink Holdings Sdn. Bhd.	70.0%	28.60	2.46	16.61
May-14	Procurri Corporation Pte. Ltd.	Verity Solutions Sdn. Bhd.	100.0%	9.29[1]	0.80[1]	11.61
Jun-14	Microlink Solutions Berhad	A group of companies [2]	100.0%	50.00	2.90	17.24
Oct-14	Precious Metal Resources Limited	CK Graphic Sdn. Bhd.	100.0%	21.49[3]	1.52[3]	14.14
Nov-14	Rexit	Reward-Link.com Sdn. Bhd.	51.0%	3.50	1.11	6.18
May-15	MY E.G. Capital Sdn. Bhd.	Cardbiz Holdings Sdn. Bhd.	55.0%	6.23	1.66	6.82
Sep-15	IFCA MSC Berhad	PT IFCA Consulting Indonesia	100.0%	32.00	4.00[4]	8.00
Sep-15	Canon Singapore Pte. Ltd.	Efficient Softech Sdn. Bhd. and Efficient Mailcom Sdn. Bhd.	100.0%	75.00	5.07	14.79
Feb-16	SMRT Holdings Berhad	N'osairis Technology Solutions Sdn. Bhd.	64.0%	6.00	1.86	5.04
					Median	**11.61**
					Average	**11.16**
					High	**17.24**
					Low	**5.04**
May-17	Orion	ASAP	100.0%	73.00	5.85[5]	12.48
					7.50[6]	9.73

Note:

[1] The total consideration and the target's PAT in Singapore Dollar ("SGD") is SGD3.60 million and SGD0.31 million respectively. The amount is translated using the average exchange rate for the month of May 2014 of RM2.5802/SGD as extracted from www.x-rates.com.

[2] The acquired companies are Applied Business Systems Sdn. Bhd., Formis System and Technology Sdn. Bhd., Formis Computer Service Sdn. Bhd., First Solution Sdn. Bhd. and Formis Advances Systems Sdn. Bhd..

[3] The total consideration and the target's PAT in Australian Dollar ("AUD") is AUD7.50 million and AUD0.53 million respectively. The amount is translated using the average exchange rate for the month of October 2014 of RM2.8655/AUD as extracted from www.x-rates.com.

[4] Based on the profit guarantee given by the vendors of PT IFCA Consulting Indonesia to IFCA MSC Berhad of RM4.00 million for the FYE 31 December 2016.

[5] Based on the FYE 30 June 2016 PAT of ASAP as extracted from the Accountants' Report.

[6] Based on the 12-Months Profit Guarantee of RM7.50 million.

Based on the above analysis, the implied PE Multiple of recent transactions ranges from 5.04 times to 17.24 times whilst the median and simple average are 11.61 times and 11.16 times respectively. Based on the Purchase Consideration and the PAT for FYE 30 June 2016 as extracted from the Accountants' Report, the implied PE Multiple of ASAP of 12.48 times is higher than the average and the median but within the range of recently completed comparable transactions. The implied PE Multiple of ASAP of 9.73 times based on the 12-Months Profit Guarantee is lower than the average and the median but within the range of recently completed comparable transactions.

5.0 LIMITATIONS

It should be noted that the valuation in itself is highly dependent on, amongst others, the achievability of the Profit Guarantee. One should also recognise that there is no publicly listed company which may be considered to be identical to ASAP in terms of, inter-alia, composition of business activities, scale of business operations, risk profile, accounting and tax policies, track record, future prospects, competitive environment, financial positions and that such business may have fundamentally different profitability objectives. One should also note that any comparisons made with respect to the Comparable Companies and comparable transactions are merely to provide a comparison to the implied valuation of ASAP and the selection of Comparable Companies and comparable transactions and adjustments made are highly subjective and judgmental and the selected companies may not be entirely comparable due to various factors.

6.0 CONCLUSION

It should be recognised that the valuation of any entity is always subject to a great deal of uncertainty and involves a high degree of subjectivity and element of judgement. Because of the susceptibility of valuations to inputs of the model applied, valuations can change quite quickly in response to market changes or changes in the surrounding circumstances, including the market outlook (whether in general or relating to the industry itself).

In establishing our opinion on the valuation of the equity interest in ASAP which is the subject of the Proposed Acquisition, FHCA has considered various valuation methodologies, which are commonly used for valuation, to arrive at its opinion on the fairness of the Purchase Consideration, taking into consideration ASAP's future earnings generating capabilities and its sustainability as well as various business considerations and risk factors affecting its business.

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FHCA had used the RVA as the primary methodology to assess the fairness of the Purchase Consideration. FHCA had also taken into consideration the CTA as the secondary to assess the fairness of the Purchase Consideration and has considered the following:-

(i) Based on the RVA, the implied PE Multiple based on the FYE 30 June 2016 PAT of ASAP as extracted from the Accountants' Report and the Purchase Consideration is lower than the average, median and the range of PE Multiple of Comparable Companies. The implied PE Multiple based on the 12-Months Profit Guarantee and the Purchase Consideration is lower than the average, median and the range of PE Multiple of Comparable Companies. The implied EV/EBITDA based on the FYE 30 June 2016 EBITDA of RM6.01 million as extracted from the Accountants' Report and the EV of RM73.30 million is lower than the average and median but within the range of the EV/EBITDA of Comparable Companies.

(ii) Based on the CTA, the implied PE Multiple of recent transactions ranges from 5.04 times to 17.24 times whilst the median and simple average are 11.61 times and 11.16 times respectively. Based on the Purchase Consideration and the PAT for FYE 30 June 2016 as extracted from the Accountants' Report, the implied PE Multiple of ASAP of 12.48 times is higher than the average and the median but within the range of recently completed comparable transactions. The implied PE Multiple of ASAP of 9.73 times based on the 12-Months Profit Guarantee is lower than the average and the median but within the range of recently completed comparable transactions.

Premised on the above, FHCA is of the opinion that the Purchase Consideration is FAIR.

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Ferrier
Hodgson

CORPORATE FINANCE

7.0 RESTRICTIONS

Save for the purpose stated herein, this Letter cannot be relied upon by any party other than Orion. Accordingly, we are not responsible or liable for any form of losses however occasioned to any third party as a result of the circulation, publication, reproduction or use of, or reliance on this Letter, in whole or in part. We are not required to give testimony or to be in attendance in court with reference to the opinion herein provided. Neither FHCA nor any of its members or employees undertakes responsibilities arising in any way whatsoever to any person in respect of this Letter, including any error or omission therein, however caused, as a result of the unauthorised circulation, publication, reproduction or use of this Letter, or any part hereof.

Should FHCA become aware of any significant change affecting the information contained in this Letter or Report or have reasonable grounds to believe that any statement in this Letter or the Report is misleading or deceptive or have reasonable grounds to believe that there is material omission in this Letter or the Report, we will immediately notify the Board. If circumstances require, a supplementary Letter and Report will be issued to the Board.

Yours faithfully
FHMH CORPORATE ADVISORY SDN BHD

NG WOON LIT
Director

NARIMAH MOHD PERAI
Executive Director

DIRECTORS' REPORT
(Prepared for inclusion in the Abridged Prospectus)

ORION IXL BERHAD (554979-T)
(Formerly known as CWORKS SYSTEMS BERHAD)
Block D-G-1, UPM-MTDC Technology, Centre Three (TIC III), Lebuh Silikon
Universiti Putra Malaysia, 43400 Serdang, Selangor Darul Ehsan
Tel: +6(03) – 8959 3173 Fax: +6(03) – 8959 3174

Date – 20 JUN 2017

Registered Office:
No.2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)

To: The Entitled Shareholders of Orion IXL Berhad

Dear Sir/Madam,

On behalf of the Board of Directors ("Board") of Orion IXL Berhad (the "Company"), I wish to report that, after due inquiries in relation to the Company and its subsidiaries ("Group") during the period between 31 December 2016 (being the date on which the latest audited consolidated financial statements have been made up), and the date hereof (being a date not earlier than 14 days before the issue of this Abridged Prospectus), that:

(a) the business of the Group has, in the opinion of the Board, been satisfactorily maintained;

(b) there have not, in the opinion of the Board, arisen, since the last audited consolidated financial statements of the Group, any circumstance which has adversely affected the trading or the value of the assets of the Group;

(c) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(d) there are no contingent liabilities which have arisen by reason of any guarantee or indemnity given by any company within the Group;

(e) there have not been, since the last audited consolidated financial statements of the Group, any default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums in relation to any borrowings; and

(f) there have not been, since the last audited consolidated financial statements of the Group, any material changes in the published reserves or any unusual factor affecting the profits of the Group.

Yours faithfully,
For and on behalf of the Board
Orion IXL Berhad

Dato' Mohamed Ridzuan bin Nor Md
Executive Director

ADDITIONAL INFORMATION

1. SHARE CAPITAL

(i) Save for the Rights Shares, Warrants and new Shares to be issued pursuant to the exercise of the Warrants, no securities shall be allotted or issued on the basis of this Abridged Prospectus later than 12 months after the date of the issuance of this Abridged Prospectus.

(ii) As at the date of this Abridged Prospectus, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only 1 class of shares in our Company, namely ordinary shares, all of which rank equally with one another.

(iii) All the Rights Shares and the new Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issue rank equally in all respects with the then existing Orion Shares in issue, save and except that such Shares will not be entitled to any rights, dividends, allotments and/or distributions for which the relevant entitlement date precedes the date of allotment of such Shares.

(iv) As at the date of this Abridged Prospectus, save for the Entitled Shareholders who will be provisionally allotted the Rights Shares with Warrants under the Rights Issue with Warrants, no person has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of our Company or our subsidiaries as of the date of this Abridged Prospectus.

(v) None of our securities has been issued or agreed to be issued otherwise than in cash, within 2 years immediately preceding the date of this Abridged Prospectus.

2. ARTICLES OF ASSOCIATION

The provisions in our Articles of Association in relation to the remuneration of our Directors are as follows:

Article 92

(1) The Directors shall be paid by way of fees for their services, such fixed sums (if any) as shall from time to time be determined by an ordinary resolution of the Company in general meeting and shall (unless such resolution otherwise provide) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office PROVIDED ALWAYS that :-

(a) fees payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover; and

(b) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.

(2) The Directors shall be entitled to be reimbursed all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meeting or otherwise howsoever incurred in the course of the performance of their duties as Directors.

(3) Any Directors who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside his ordinary duties as a Director, may be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provided in this Article.

(4) Any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 93

Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where the notice of the proposed increase has been given in the notice convening the meeting

Article 94

If any Director, being willing and having been called upon to do so, shall render or perform extra or special services of any kind, including services on any committee established by the Board, or shall travel or reside abroad for any business or purposes of the Company, he shall be entitled to receive such sum as the Board may think fit for expenses, and also such remuneration as the Board may think fit, either as a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) provided that in the case of non-executive Directors of the Company, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an Executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors.

3. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Group within the past 2 years preceding the date of this Abridged Prospectus:

(i) Conditional sale and purchase agreement dated 17 October 2016 entered into between Orion and the Vendors for the Acquisition of ASAP at the Purchase Consideration of RM73.0 million to be satisfied in part by a cash consideration of RM37,999,900 and in part by an issuance of 194,445,000 new Orion Shares at an issue price of RM0.18 per Orion Share credited as fully paid-up, amounting to RM35,000,100.;

(ii) Supplementary sale and purchase agreement dated 31 March 2017 entered into between Orion and the Vendors to reflect the change in mode of satisfying the Purchase Consideration to be entirely satisfied in cash and to also reflect changes in view of the new Act which came into effect on 31 January 2017;

(iii) Deed Poll dated 9 June 2017, which constitutes the Warrants to be issued under the Rights Issue with Warrants; and

(iv) Underwriting Agreement dated 13 June 2017 entered into between our Company and M&A Securities to underwrite 336,443,970 Rights Shares amounting to RM57.2 million (representing 72.22% of the total issue size under the Rights Issue with Warrants), at an underwriting commission of 3.0% of the total value of the Rights Shares of RM57.2 million.

4. MATERIAL LITIGATION

Our Board confirms that neither our Company nor our subsidiary is engaged in any material litigation, claims or arbitration as at the LPD, either as plaintiff or defendant, and our Board confirms that there are no proceedings pending or threatened against our Group or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Group.

5. GENERAL

(i) None of our Directors have any existing or proposed service contracts with our Company or our subsidiary, excluding contracts expiring or determinable by the employing company without payment or compensation (other than statutory compensation) within a year of the date of this Abridged Prospectus.

(ii) Save as disclosed in this Abridged Prospectus, after having made all responsible enquiries, there is no material information including trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group.

(iii) Save as disclosed in this Abridged Prospectus, the financial conditions and operations of our Group are not affected by any of the following:

(a) known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;

(b) material commitments for capital expenditure;

(c) unusual or infrequent events or transactions or significant economic changes that will materially affect the amount of reported income from operations;

(d) known trends or uncertainties that have had or that our Group reasonably expects to have a material favourable or unfavourable impact of our Group's revenue or operating income; and

(e) substantial increase in revenue.

6. WRITTEN CONSENTS

The written consents of the Principal Adviser, Underwriter, Company Secretary, Principal Banker, Share Registrar and the Solicitors for the Rights Issue with Warrants, to the inclusion in this Abridged Prospectus of their names in the form and context in which they appear have been given before issuance of this Abridged Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants to the inclusion in this Abridged Prospectus of their names and letters relating to the audited consolidated financial statements of our Group for the FYE 31 December 2016 and the pro forma consolidated statements of financial position of our Group as at 31 December 2016 and the Accountants' Report on ASAP, in the form and context in which they appear has been given before the issuance of this Abridged Prospectus and has not subsequently been withdrawn.

The written consent of the Independent Market Researcher to the inclusion in this Abridged Prospectus of their name and the executive summary of the independent market research report titled "Overview of the ICT Industry in Malaysia", in the form and context in which they appear has been given before the issuance of this Abridged Prospectus and has not subsequently been withdrawn.

The written consent of the Independent Adviser to the inclusion in this Abridged Prospectus of their name and the independent fairness opinion letter, in the form and context in which they appear has been given before the issuance of this Abridged Prospectus and has not subsequently been withdrawn.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are made available for inspection at our Registered Office at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) during normal business hours from Monday to Friday (except public holidays) for a period of 12 months from the date of this Abridged Prospectus:

(i) Our Memorandum and Articles of Association;

(ii) Our audited consolidated financial statements for the past 3 FYEs 31 December 2014, 2015 and 2016;

(iii) Our unaudited consolidated financial statements for the 3 months FPE 31 March 2017;

(iv) The pro forma consolidated statements of financial position of the our Group as at 31 December 2016 together with the Reporting Accountants' letter thereon as set out in Appendix VI of this Abridged Prospectus;

(v) The Accountants' Report on ASAP as set out in Appendix IX of this Abridged Prospectus;

(vi) The Directors' Report as set out in Appendix XII of this Abridged Prospectus;

(vii) The consent letters referred to in Section 6 of this Appendix;

(viii) The cause papers with regards to the material litigation disclosed in Section 7 of Appendix IV of this Abridged Prospectus;

(ix) The Undertakings referred to in Section 2.5 of this Abridged Prospectus;

(x) The material contracts referred to in Section 3 of this Appendix;

(xi) The executive summary and the independent market research report prepared by Protégé Associates Sdn Bhd titled "Overview of the ICT Industry in Malaysia"; and

(xii) The independent fairness opinion letter dated 28 June 2017 from FHCA.

8. RESPONSIBILITY STATEMENT

This Abridged Prospectus together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

M&A Securities, being the Principal Adviser and the Underwriter for the Rights Issue 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 with Warrants.

NOTICE OF PROVISIONAL ALLOTMENT OF RIGHTS SHARES

Terms defined in the Abridged Prospectus dated 4 July 2017 ("Abridged Prospectus") shall have the same meanings when used in this Notice of Provisional Allotment ("NPA") unless otherwise stated. The provisionally allotted Rights Shares (as defined herein) with Warrants (as defined herein) are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991, as amended from time to time ("SICDA") and therefore, SICDA, the Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") shall apply in respect of dealings in the provisionally allotted Rights Shares with Warrants.

ORION IXL BERHAD

(Company No. 554979-T)
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF 465,854,970 NEW ORDINARY SHARES IN ORION ("RIGHTS SHARE(S)") ON THE BASIS OF 7 RIGHTS SHARES FOR EVERY 2 EXISTING SHARES IN ORION IXL BERHAD HELD TOGETHER WITH 232,927,485 FREE DETACHABLE WARRANTS ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 2 RIGHTS SHARES SUBSCRIBED AT 5.00 P.M. ON 4 JULY 2017 AT AN ISSUE PRICE OF RM0.17 PER RIGHTS SHARE PAYABLE IN FULL UPON ACCEPTANCE

Adviser

M&A SECURITIES SDN BHD (15017-H)
(A Wholly-Owned Subsidiary of Insas Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

To: The Entitled Shareholders of Orion IXL Berhad ("Orion")

Dear Sir / Madam,

The Board of Directors of Orion ("**Board**") has provisionally allotted to you the number of Rights Shares with Warrants as indicated below ("**Provisional Rights Shares with Warrants**"), in accordance with the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") via its letter dated 4 May 2017 and the ordinary resolution passed by the shareholders of Orion at the Extraordinary General Meeting held on 30 May 2017 in relation to the Rights Issue with Warrants.

We wish to advise you that the Rights Shares with Warrants provisionally allotted to you in respect of the Rights Issue with Warrants have been confirmed by Bursa Depository and upon acceptance, will be credited into your Central Depository System ("**CDS**") account(s) subject to the terms and conditions stated in the Abridged Prospectus and Rights Subscription Form ("**RSF**") issued by the Company.

The Provisional Rights Shares with Warrants are subject to the terms and conditions stated in the Abridged Prospectus. Bursa Securities has already prescribed the securities of the Company listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares with Warrants arising from the Rights Issue with Warrants are prescribed securities and as such, all dealings in the Provisional Rights Shares with Warrants will be by way of book entry through the CDS accounts and will be governed by the SICDA, the Securities Industry (Central Depositories) (Amendment) Act, 1998 and the rules of Bursa Depository.

ALL RIGHTS SHARES WITH WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SHARES AND WARRANTS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE) AND NO PHYSICAL SHARE AND WARRANT CERTIFICATES WILL BE ISSUED.

The Board reserves the right to allot the excess Rights Shares with Warrants applied for under Part I(B) of this RSF, in a fair and equitable basis and in such manner as they in their absolute discretion deem fit and expedient in the best interest of the Company and that the intention of the Board as set out below are achieved. It is the intention of the Board to allot the excess Rights Shares with Warrants in the following priority:

(i) firstly, to minimise the incidence of odd lots;
(ii) secondly, for allocation to Entitled Shareholders who have applied for excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the Entitlement Date;
(iii) thirdly, for allocation to Entitled Shareholders who have applied for excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of their respective excess Rights Shares with Warrants application; and
(iv) fourthly, for allocation to transferee(s) and/or renouncee(s) who have applied for excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of their respective excess Rights Shares with Warrants application.

In the event of any balance of excess Rights Shares after the above sequence of allocation, the balance will be allocated through the same sequence of processes (ii) to (iv) until all excess Rights Shares are fully allocated.

Nevertheless the Board reserves the right to allot the excess Rights Shares with Warrants, if any, applied under Part 1(B) of the RSF (including any remaining Rights Shares after the abovementioned allocation), subject always to such allocation being made on a basis which is fair and equitable, in such manner as it deems fit and expedient and in the best interest of the Company and that the intention of the Board as set out in Section 10.8 of the Abridged Prospectus is achieved. The Board also reserves the right to accept any excess Rights Shares with Warrants application, in full or in part, without assigning any reason thereto.

NAME, ADDRESS AND CDS ACCOUNT NUMBER OF ENTITLED SHAREHOLDER

NUMBER OF ORION SHARES HELD AS AT 5.00 P.M. ON 4 JULY 2017	NUMBER OF RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	NUMBER OF WARRANTS ATTACHED TO THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.17 PER RIGHTS SHARE (RM)

IMPORTANT RELEVANT DATES AND TIMES:

Entitlement Date .... :	Tuesday, 4 July 2017, at 5.00 p.m.
Last date and time for the sale of Provisional Rights Shares with Warrants .... :	Tuesday, 11 July 2017, at 5.00 p.m.
Last date and time for the transfer of Provisional Rights Shares with Warrants .... :	Friday, 14 July 2017, at 4.00 p.m.
Last date and time for acceptance and payment .... :	Wednesday, 19 July 2017, at 5.00 p.m.
Last date and time for excess application and payment .... :	Wednesday, 19 July 2017, at 5.00 p.m.

By Order of the Board
Wong Yuet Chyn
(MAICSA 7047163)
Company Secretary

Share Registrar:
SHAREWORKS SDN BHD (229948-U)
NO. 2-1, JALAN SRI HARTAMAS 8
SRI HARTAMAS
50480 KUALA LUMPUR
WILAYAH PERSEKUTUAN (KL)
Tel: 603 - 6201 1120
Fax: 603 - 6201 3121

THIS NOTICE OF PROVISIONAL ALLOTMENT IS DATED 4 JULY 2017

RIGHTS SUBSCRIPTION FORM

THIS RIGHTS SUBSCRIPTION FORM ("RSF") IS ISSUED FOR THE PURPOSE OF ACCEPTING THE RIGHTS SHARES WITH WARRANTS (AS DEFINED HEREIN) AND APPLYING FOR EXCESS RIGHTS SHARES WITH WARRANTS PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS (AS DEFINED HEREIN) OF ORION IXL BERHAD ("ORION" OR THE "COMPANY"). THE LAST TIME AND DATE FOR ACCEPTANCE, APPLICATION FOR EXCESS RIGHTS SHARES WITH WARRANTS AND PAYMENT IS 5.00 P.M. ON 19 JULY 2017. THIS RSF IS ONLY APPLICABLE TO PERSONS WHO HAVE PROVISIONAL RIGHTS STANDING TO THE CREDIT OF HIS/HER CENTRAL DEPOSITORY SYSTEM ("CDS") ACCOUNT.

ORION IXL BERHAD

(Company No. 554979-T)
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF 465,854,970 NEW ORDINARY SHARES IN ORION ("RIGHTS SHARE(S)") ON THE BASIS OF 7 RIGHTS SHARES FOR EVERY 2 EXISTING SHARES IN ORION IXL BERHAD HELD TOGETHER WITH 232,927,485 FREE DETACHABLE WARRANTS ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 2 RIGHTS SHARES SUBSCRIBED AT 5.00 P.M. ON 4 JULY 2017 AT AN ISSUE PRICE OF RM0.17 PER RIGHTS SHARE PAYABLE IN FULL UPON ACCEPTANCE

To: The Board of Orion

PART I – ACCEPTANCE OF RIGHTS SHARES WITH WARRANTS AND EXCESS RIGHTS SHARES WITH WARRANTS APPLICATION

In accordance with the terms of this RSF and the Abridged Prospectus dated 4 July 2017 ("**Abridged Prospectus**"), *I/we hereby irrevocably:
(a) *accept the number of Rights Shares with Warrants as stated below which were provisionally allotted/renounced to me/us;
(b) *apply for the number of excess Rights Shares with Warrants as stated below in addition to the above;

in accordance with and subject to the Memorandum and Articles of Association of Orion.

*I/we enclose herewith the appropriate remittance(s) reference for payment as stated below being the full amount payable for the Rights Shares with Warrants and/or excess Rights Shares with Warrants accepted/applied for, and hereby request for the said Rights Shares with Warrants and/or excess Rights Shares with Warrants to be credited into *my/our CDS account as stated above:-

NUMBER OF RIGHTS SHARES ACCEPTED / EXCESS RIGHTS SHARES APPLIED		TOTAL AMOUNT PAYABLE AT RM0.17 PER RIGHTS SHARE (RM)	BANKER'S DRAFT / CASHIER'S ORDER / MONEY ORDER / POSTAL ORDER NUMBER	PAYABLE TO
(A) ACCCEPTANCE				**ORION RIGHTS ISSUE ACCOUNT**
(B) EXCESS				**ORION EXCESS RIGHTS ISSUE ACCOUNT**

*I/we hereby authorise you to return without interest, the full amount or the balance of *my/our application monies, as the case may be, should *my/our application be not accepted or accepted in part only by ordinary post to *me/us at the address as shown in the Record of Depositors provided by Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**") at *MY/OUR OWN RISK.

CDS ACCOUNT NO.: | | | | – | | | | – | | | | | | | | | |

Note: ***If you have subsequently purchased additional Rights Shares with Warrants from the open market, you should indicate your acceptance of the total provisional Rights Shares with Warrants that you have standing to the credit in your CDS account under Part I(A) above.***

PART II – DECLARATION

NAME AND ADDRESS OF APPLICANT

NRIC NO./
PASSPORT NO./
COMPANY NO.

*I/We hereby confirm and declare that:
(i) *I/We have received the Abridged Prospectus, the Notice of Provisional Allotment ("**NPA**") and RSF at a Malaysian address and *I/we hereby accept the Rights Shares with Warrants/apply for the excess Rights Shares with Warrants in Malaysia;
(ii) All information provided by *me/us is true and correct;
(iii) All information is identical with the information in the records of Bursa Depository and further agree and confirm that in the event the said information differs from Bursa Depository's record as mentioned earlier, the exercise of my/our rights may be rejected; and
- I am 18 years of age or over.
- *I am/We are resident(s) of Malaysia.
- *I am/We are resident(s) of ………………………... (country) and having …………………............. Citizenship.
- *I am/We are nominee(s) of a person who is a *Bumiputera/*Non-Bumiputera/*Non-Citizen resident in ……………….............. (country) and having …………………......... Citizenship.
- *I/We consent to Orion and the Share Registrar of Orion to collect the information and personal data (collectively "**Data**") required herein, to process and disclose such Data to any person for the purposes of implementing the Rights Shares with Warrants and storing such Data in any servers located in Malaysia or outside Malaysia in accordance with the relevant laws and regulations.

*I/We have read and understood and hereby accept all the terms and conditions set out in this RSF and the Abridged Prospectus and further confirm compliance with all the requirements for acceptance as set out therein.

AFFIX MALAYSIAN REVENUE STAMP OF RM10.00 HERE

Date

Signature/Authorised Signatory(ies)
(Corporate bodies must affix their Common Seal)

Contact telephone number during office hours

LAST DATE AND TIME FOR:

Acceptance and payment	:	Wednesday, 19 July 2017, at 5.00 p.m.
Excess application and payment	:	Wednesday, 19 July 2017, at 5.00 p.m.

** Please delete whichever is not applicable.*

NOTES AND INSTRUCTIONS FOR COMPLETION OF THIS RSF

THIS RSF IS NOT A TRANSFERABLE OR NEGOTIABLE INSTRUMENT. IN ACCORDANCE WITH THE CAPITAL MARKETS AND SERVICES ACT, 2007, THIS RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY. All enquiries concerning the Rights Issue with Warrants should be addressed to the Share Registrar of Orion, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur Wilayah Persekutuan (KL). INVESTORS SHOULD READ AND UNDERSTAND THE CONTENTS OF THE ABRIDGED PROSPECTUS TO WHICH THIS RSF RELATES BEFORE COMPLETING THIS RSF.

Approval for the Rights Issue with Warrants has been obtained from the shareholders of Orion at the Extraordinary General Meeting held on 30 May 2017. Approval has been obtained from Bursa Malaysia Securities Berhad ("**Bursa Securities**") vide its letter dated 4 May 2017 for the listing of and quotation for the Rights Shares, Warrants and the new Orion Shares to be issued arising from the exercise of the Warrants, on the ACE Market of Bursa Securities. The official listing of and quotation for Rights Shares, Warrants and the new Orion Shares to be issued arising from the exercise of the Warrants, will commence after, amongst others, receipt of confirmation from Bursa Depository that all CDS accounts of the successful Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

This Abridged Prospectus together with the NPA and this RSF, are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue with Warrants will not be made or offered or deemed to be made or offered for purchase or subscription, in any country or jurisdiction other than Malaysia or to persons who are and may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. No action has been or will be taken to ensure that the Rights Issue with Warrants and the Abridged Prospectus together with the NPA and RSF comply with the laws of any country or jurisdiction other than the laws of Malaysia. However, even though a person may be issued, circulated or distributed or be permitted to collect the Abridged Prospectus, together with the NPA and this RSF, Orion and M&A Securities Sdn Bhd ("**M&A Securities**") require that the person into whose possession the Abridged Prospectus, NPA and this RSF may come into, must inform himself of and observe all the applicable laws of other jurisdictions which may prohibit or restrict the issue, circulation or distribution of the Abridged Prospectus, NPA and this RSF, or which may prohibit or restrict the offering, solicitation or invitation to subscribe for the Rights Shares with Warrants under the Abridged Prospectus, NPA and this RSF. Orion and M&A Securities shall not accept any responsibility or liability in the event that any acceptance or renunciation made by the Entitled Shareholders and/or their renouncee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions.

A copy of the Abridged Prospectus has been registered with the Securities Commission Malaysia ("**SC**"). The registration of the Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in the Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of the Abridged Prospectus, together with the NPA and this RSF, has also been lodged with the Registrar of Companies, who takes no responsibility for the contents.

Admission of the securities to the Official List of Bursa Securities and the listing of and quotation for the securities on the ACE Market of Bursa Securities are in no way reflective of the merits of the Rights Issue with Warrants. Neither Bursa Securities nor the SC takes any responsibility for the correctness of statements made or opinions expressed herein.

The Abridged Prospectus, together with the NPA and this RSF has been seen and approved by the Board of Orion and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement in these documents false and misleading.

Unless otherwise stated, the unit of currency used in this RSF is Ringgit Malaysia or "**RM**" in abbreviation and sen. Terms defined in the Abridged Prospectus shall have the same meanings when used in this RSF, unless they are otherwise defined here or the context otherwise requires.

INSTRUCTIONS:

(I) LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT

This RSF is valid for acceptance until 5.00 p.m. on 19 July 2017.

If acceptance and payment(s) in the manner specified herein are not received (whether in full or in part, as the case may be) by the Share Registrar of Orion, **ShareWorks Sdn Bhd at No. 2-1 Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur Wilayah Persekutuan (KL)**. by 5.00 p.m. on 19 July 2017, the said provisional allotment to you will be deemed to have been declined and will be cancelled. The Board will then have the right to allot such Rights Shares with Warrants not taken up, to applicants applying for the excess Rights Shares with Warrants in the manner as set out in item (III) below.

(II) FULL OR PART ACCEPTANCE AND PAYMENT

If you wish to accept the Rights Shares with Warrants provisionally allotted to you either in full or in part, please complete Parts I(A) and II of this RSF and submit this RSF together with the appropriate remittance made in Ringgit Malaysia by Banker's Draft(s)/Cashier's Order(s)/Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and made in favour of "**ORION RIGHTS ISSUE ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**" and <u>endorsed on the reverse side with your name, contact number and CDS account number in block letters</u>, for the full amount payable for the Rights Shares with Warrants accepted, to be received by the Share Registrar of Orion, ShareWorks Sdn Bhd, not later than 5.00 p.m. on 19 July 2017. Cheques or any other mode of payments are not acceptable.

The remittance must be made for the exact amount payable for the Rights Shares with Warrants accepted. No acknowledgement of receipt of this RSF and subscription monies will be issued in respect of the Rights Shares with Warrants. However, if your application is successful, a notice of allotment will be issued and despatched by ordinary post to you at your own risk to the address shown in the Record of Depositors within eight (8) market days from the last date of acceptance and payment for the Rights Shares with Warrants or such other period as may be prescribed by Bursa Securities.

(III) EXCESS SHARES APPLICATION

If you wish to apply for additional Rights Shares with Warrants in excess of those provisionally allotted to you, you may do so by completing Part I(B) of this RSF (in addition to Parts I(A) and II of this RSF) and forward this RSF together with a separate remittance made in Ringgit Malaysia by Banker's Draft(s)/Cashier's Order(s)/Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and made in favour of "**ORION EXCESS RIGHTS ISSUE ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**" and <u>endorsed on the reverse side with your name, contact number and CDS account number in block letters</u>, for the full amount payable in respect of the excess Rights Shares with Warrants applied for, to be received by the Share Registrar of Orion, ShareWorks Sdn Bhd, not later than 5.00 p.m. on 19 July 2017.

The remittance must be made for the exact amount payable for the excess Rights Shares with Warrants applied for. No acknowledgement of receipt of this RSF and application monies will be issued in respect of the excess Rights Shares with Warrants. However, if your application is successful, a notice of allotment will be issued and despatched by ordinary post to you at your own risk to the address shown in the Record of Depositors within 8 market days from the last date of acceptance and payment for the excess Rights Shares with Warrants or such other period as may be prescribed by Bursa Securities.

In respect of unsuccessful or partially successful excess Rights Shares with Warrants applications, the full amount or the balance of the application monies, as the case may be, shall be refunded without interest and shall be despatched within 15 market days from the last date for acceptance and payment for the excess Rights Shares with Warrants by ordinary post to the address shown in the Record of Depositors at your own risk.

The Board reserves the right to allot the excess Rights Shares with Warrants applied for under Part I(B) of this RSF, in a fair and equitable basis and in such manner as they in their absolute discretion deem fit and expedient in the best interest of the Company and that the intention of the Board as set out below are achieved. It is the intention of the Board to allot the excess Rights Shares with Warrants in the following priority:

(i) firstly, to minimise the incidence of odd lots;
(ii) secondly, for allocation to Entitled Shareholders who have applied for excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the Entitlement Date;
(iii) thirdly, for allocation to Entitled Shareholders who have applied for excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of their respective excess Rights Shares with Warrants application; and
(iv) fourthly, for allocation to transferee(s) and/or renouncee(s) who have applied for excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of their respective excess Rights Shares with Warrants application.

In the event of any balance of excess Rights Shares after the above sequence of allocation, the balance will be allocated through the same sequence of processes (ii) to (iv) until all excess Rights Shares are fully allocated.

Nevertheless the Board reserves the right to allot the excess Rights Shares with Warrants, if any, applied under Part I(B) of the RSF (including any remaining Rights Shares after the abovementioned allocation), subject always to such allocation being made on a basis which is fair and equitable, in such manner as it deems fit and expedient and in the best interest of the Company and that the intention of the Board as set out in Section 10.8 of the Abridged Prospectus is achieved. The Board also reserves the right to accept any excess Rights Shares with Warrants application, in full or in part, without assigning any reason thereto.

(IV) SALE/TRANSFER OF THE PROVISIONAL ALLOTMENT

If you wish to sell or transfer all or part of your entitlements to the Rights Shares with Warrants to 1 or more person(s), you may do so through your stockbroker for the period up to the last time and day for sale or transfer of the provisionally allotted Rights Shares with Warrants (in accordance with the Rules of Bursa Depository) without first having to request the Company for a split of the provisional allotment of the Rights Shares with Warrants standing to the credit of your CDS accounts. To sell or transfer all or part of your entitlements to the Rights Shares with Warrants, you may sell such entitlement on the open market or transfer such entitlements to such persons as may be allowed pursuant to the Rules of Bursa Depository.

In selling or transferring all or part of your provisional allotment of Rights Shares with Warrants, you need not deliver any document (including this RSF), to your stockbroker. However, you must ensure that you have sufficient provisional allotment of Rights Shares with Warrants standing to the credit of your CDS accounts that are available for settlement of the sale or transfer.

The purchaser(s)/transferee(s) can collect a copy of the Abridged Prospectus and this RSF for the acceptance of his/her/their provisional allotment of the Rights Shares with Warrants from his/her/their stockbroker, the Registered Office of the Company or the Share Registrar's office or Bursa Securities' website at http://www.bursamalaysia.com.

If you have sold only part of your entitlements to the Rights Shares with Warrants, you may still accept the balance of your entitlement by completing Parts I(A) and II of this RSF.

(V) GENERAL INSTRUCTIONS

(i) All applicants must sign on the front page of this RSF. All corporate bodies must affix their Common Seal.
(ii) Malaysian Revenue Stamp (not postage stamp) of Ringgit Malaysia Ten (RM10.00) must be affixed on this RSF.
(iii) Any interest or other benefit accruing on or arising from or in connection with any subscription/application monies shall be for the benefit of Orion and Orion shall not be under any obligation to account for such interest or other benefit to you.
(iv) The contract arising from the acceptance of the provisional allotment of the Rights Shares with Warrants by you shall be governed by and construed in accordance with the laws of Malaysia, and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the courts of Malaysia in respect of any matter in connection with this RSF and the contract arising therefrom.
(v) Orion reserves the right to accept or reject any acceptance and/or application if the instructions stated above are not strictly adhered to.
(vi) The Rights Shares with Warrants subscribed by the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) will be credited into their respective CDS Accounts as stated on the NPA or the exact CDS accounts appearing in Bursa Depository's records.
(vii) Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) should note that this RSF and remittances so lodged to the Share Registrar of the Company shall be irrevocable and may not subsequently be withdrawn.