

ORION IXL BERHAD

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

Unaudited Interim Financial Report for the 15 months period ended 31 March 2018

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31/3/2018 RM('000)	31/3/2017 RM('000)	31/3/2018 RM('000)	31/3/2017 RM('000)
Revenue	A9	3,439	726	11,964	N/A
Operating expenses		(2,838)	(1,045)	(10,833)	N/A
Other operating income		360	46	625	N/A
Profit/(Loss) from operations		961	(273)	1,756	N/A
Finance cost		-	-	-	N/A
Investing results		-	-	-	N/A
Profit/(Loss) before taxation	B2	961	(273)	1,756	N/A
Taxation	B5	-	-	-	N/A
Profit/(Loss) for the period		961	(273)	1,756	N/A
Attributable to:					
Equity holders of the parent		963	(261)	1,723	N/A
Non-controlling interests		(2)	(12)	33	N/A
		961	(273)	1,756	N/A
Earnings/(Loss) per share attributable to equity holders of the parent (Sen)					
(a) Basic	B13	0.16	(0.20)	0.45	N/A
(b) Fully diluted	B13	N/A	N/A	N/A	N/A

Notes:

(i) The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016 and the accompanying notes to the quarter report attached hereto

(ii) The financial year end has been changed from 31st December to 30th June. The next audited financial statements shall be for a period of eighteen (18) months from 1st January 2017 to 30th June 2018 and thereafter, the financial year end shall be 30th June for each subsequent year.

(iii) In addition, there is no comparative figures available for the preceding year corresponding period ended 31 March 2017

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/3/2018 RM('000)	31/3/2017 RM('000)	31/3/2018 RM('000)	31/3/2017 RM('000)
Profit/(Loss) for the period	961	(273)	1,756	N/A
Other comprehensive income/(loss), net of tax:				
Translation of foreign subsidiary	27	11	97	N/A
Total comprehensive income/(loss)	<u>988</u>	<u>(262)</u>	<u>1,853</u>	<u>N/A</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the parent	963	(250)	1,723	N/A
Non-controlling interests	<u>(2)</u>	<u>(12)</u>	<u>33</u>	<u>N/A</u>
	<u>961</u>	<u>(262)</u>	<u>1,756</u>	<u>N/A</u>

Notes:

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- (ii) The financial year end has been changed from 31st December to 30th June. The next audited financial statements shall be for a period of eighteen (18) months from 1st January 2017 to 30th June 2018 and thereafter, the financial year end shall be 30th June for each subsequent
- (iii) In addition, there is no comparative figures available for the preceding year corresponding period ended 31 March 2017.

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Unaudited Interim Financial Report for the 15 months period ended 31 March 2018

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(UNAUDITED) AS AT 31 MARCH 2018 RM('000)	(AUDITED) AS AT 31 DECEMBER 2016 RM('000)
ASSETS		
Non-Current Assets		
Property, plant and equipment	164	89
Intangible assets	896	1,209
Other receivable		2,949
Other investment	26	26
Finance lease receivables	57	-
Goodwill on consolidation	71,988	-
Total Non-Current Assets	73,131	4,273
Current Assets		
Trade receivables	5,289	469
Amount owing from contract customers	2,100	-
Other receivables and prepaid expenses	3,858	3,406
Finance lease receivables	47	-
Deposits with licensed bank	2,140	-
Cash and bank balances	3,268	2,405
Total Current Assets	16,702	6,280
Total Assets	89,833	10,553
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	94,591	13,310
Reserves		
<i>Accumulated Loss</i>	(6,481)	(8,204)
<i>Share Premium</i>	-	4,858
<i>Exchange Adjustment</i>	(313)	(410)
Equity Attributable to Owners of the Company	87,797	9,554
Non-controlling interests	(475)	(508)
TOTAL EQUITY	87,322	9,046
Non-Current Liabilities		
Hire purchase payables	56	-
Total Non-Current Liabilities	56	-
Current Liabilities		
Trade payables	777	7
Other payables and accrued expenses	1,622	1,500
Hire purchase payables	47	-
Amount owing to directors	9	-
Total Current Liabilities	2,455	1,507
Total Liabilities	2,511	1,507
Total Equity and Liabilities	89,833	10,553
Net assets per share attributable to ordinary equity holders of the parent (sen)	14.66	7.18

Notes:

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	←-----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)		
15 months ended 31 March 2018							
Balance as at 1 January 2017	13,310	4,858	(410)	(8,204)	9,554	(508)	9,046
Issuance of shares by way of rights issue with free warrants, net of share issuance expenses	79,195	(2,772)	-	-	76,423	-	76,423
Adjustments for effects of Companies Act 2016 [Note (a)]	2,086	(2,086)	-	-	-	-	-
Total comprehensive income for the period	-	-	97	1,723	1,820	33	1,853
Balance as at 31 March 2018	94,591	-	(313)	(6,481)	87,797	(475)	87,322
12 months ended 31 December 2016							
Balance as at 1 January 2016	12,100	3,057	(339)	(7,089)	7,729	175	7,904
Issuance of shares by way of private placement, net of share issuance expenses	1,210	1,801	-	-	3,011	-	3,011
Total comprehensive loss for the period	-	-	(71)	(1,115)	(1,186)	(743)	(1,929)
Deemed disposal of subsidiary	-	-	-	-	-	60	60
Balance as at 31 December 2016	13,310	4,858	(410)	(8,204)	9,554	(508)	9,046

Notes:

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- (ii) The financial year end has been changed from 31st December to 30th June. The next audited financial statements shall be for a period of eighteen (18) months from 1st January 2017 to 30th June 2018 and thereafter, the financial year end shall be 30th June for each subsequent year
- (iii) 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.

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	Unaudited 15 months ended 31.03.2018 RM('000)	Audited 12 months ended 31.12.2016 RM('000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	1,756	(2,070)
Adjustments for:		
Amortisation of intangible assets	313	243
Depreciation of property, plant and equipment	54	87
Bad debts written off	8	-
Loss on disposal of property, plant and equipment	5	-
Gain on disposal of property, plant and equipment	(36)	-
Gain on deemed disposal of subsidiary	-	(88)
Impairment loss on trade receivables	919	606
Interest received	(201)	(26)
Unwinding of discount		111
Property, plant and equipment written off	32	-
Operating profit/(loss) before working capital changes	2,850	(1,137)
Changes in working capital:		
Net change in current assets	(3,316)	(908)
Net change in current liabilities	(24)	1,563
Cash used in operating activities	(3,340)	(482)
Development cost incurred	-	(21)
Net cash used in operating activities	(490)	(503)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	62	
Purchase of property, plant and equipment	(160)	(24)
Deemed disposal of subsidiary, net of cash disposed off		(1,074)
Interest received	201	26
Acquisition of subsidiary, net of cash acquired	(73,000)	-
Net cash used in investing activities	(72,897)	(1,072)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares by way of private placement, net of share issuance expenses		3,011
Proceeds from issuance of shares by way of rights issue with free warrants, net of share issuance expenses	76,423	
Decrease in deposits pledged		11
Repayment of hire purchase obligations	(34)	-
Net cash from financing activities	76,389	3,022
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,002	1,447
EFFECTS OF EXCHANGE RATE CHANGES	(1)	2
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	2,407	956
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(Note A16) 5,408	2,405

Notes:

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Unaudited Interim Financial Report for the 15 months period ended 31 March 2018

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

MFRS 9	Financial Instruments (IFRS 9 as issued by International Accounting Standards Board ("IASB") in July 2014)
MFRS 15	Revenue from Contract with Customers
MFRS 15	Clarification to MFRS 15
Amendments to MFRS 2	Clarification and Measurement of Share-based Payment Transaction
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 140	Transfers of Investment Property
Amendments to MFRS 1	Annual Improvement to MFRS Standards 2014-2016 Cycle
Amendments to MFRS 128	Annual Improvement to MFRS Standards 2014-2016 Cycle
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

Effective for financial periods beginning on or after 1 January 2019

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatment
Amendment to MFRS 3	Annual Improvement to MFRS Standards 2015-2017 Cycle
Amendment to MFRS 9	Prepayment Features with Negative Compensation
Amendment to MFRS 11	Annual Improvement to MFRS Standards 2015-2017 Cycle
Amendment to MFRS 112	Annual Improvement to MFRS Standards 2015-2017 Cycle
Amendment to MFRS 123	Annual Improvement to MFRS Standards 2015-2017 Cycle
Amendment to MFRS 128	Long-term Interest in Associate and Joint Venture
Amendment to MFRS 119	Plan Amendment, Curtainment and Settlement

Effective for financial periods beginning on or after 1 January 2020

Amendment to MFRS 2	Share-based Payment
Amendment to MFRS 3	Business Combinations
Amendment to MFRS 6	Exploration for and Evaluation of Mineral Resources
Amendment to MFRS 14	Regulatory Deferral Accounts
Amendment to MFRS 101	Presentation of Financial Statements
Amendment to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to MFRS 134	Interim Financial Reporting
Amendment to MFRS 137	Provision, Contingent Liabilities and Contingent Assets
Amendment to MFRS 138	Intangible Assets
Amendment to IC Interpretation 12	Service Concession Arrangements
Amendment to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendment to IC Interpretation 20	Stripping Cost in the Production Phase of a Surface Mine
Amendment to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendment to IC Interpretation 132	Intangible Assets - Web Site Costs

Effective for financial periods beginning on or after 1 January 2021

MFRS 17	Insurance Contracts
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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
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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	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	RM('000)	RM('000)	RM('000)	RM('000)
<u>REVENUE</u>				
Malaysia	3,444	N/A	11,661	N/A
United States of America	(5)	N/A	303	N/A
	<u>3,439</u>	<u>N/A</u>	<u>11,964</u>	<u>N/A</u>
<u>PROFIT/(LOSS) BEFORE TAXATION</u>				
Malaysia	965	N/A	1,689	N/A
United States of America	(4)	N/A	67	N/A
	<u>961</u>	<u>N/A</u>	<u>1,756</u>	<u>N/A</u>

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 2018 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

On 2 August 2017, the Company acquired 100% equity interest in Asap Sdn Bhd for a total cash consideration of RM73 million and hence Asap Sdn Bhd became a wholly-owned subsidiary of the Company.

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

	31.03.2018 RM('000)	31.12.2016 RM('000)
Cash and bank balances	3,268	2,405
Fixed deposits with licensed banks	2,140	-
	<u>5,408</u>	<u>2,405</u>

A17 Notes to the Statements of Comprehensive Income

	INDIVIDUAL QUARTER 31 March 2018 RM('000)	CUMULATIVE QUARTER 31 March 2018 RM('000)
Profit/(Loss) before taxation is arrived at after charging/(crediting):		
Amortisation of development costs	63	313
Audit fee	3	93
Bad debts written off	-	8
Depreciation of property, plant and equipment	9	54
Directors' remuneration - Fee	81	495
- Other remuneration	76	184
Loss on disposal of property, plant and equipment	5	5
Gain on disposal of property, plant and equipment	-	(36)
Property, plant and equipment written off	-	32
Impairment loss on trade receivables	863	918
Rental of office premises	25	133
Rental income	-	(63)
Interest income	<u>(36)</u>	<u>(201)</u>

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 Board of Directors of the Company has approved the change of financial year end of the Company from 31 December 2017 to 30 June 2018. The next audited financial statements of the Company shall be for a period of eighteen (18) months from 1 January 2017 to 30 June 2018 and thereafter, the financial year end shall be 30 June for each subsequent year.

The Group recorded a turnover of approximately RM3.44 million and profit of RM0.96 million for the 3 months financial period. The turnover and profit for the quarter has increased by RM2.71 million or 373.7 % and RM1.23 million or 452.0%, as compared to the corresponding quarter for the year 2017. The significant increase in revenue was mainly contributed by ASAP which contributes 82.7% of total revenue for the financial period under review.

Cumulatively for the 15-month period ended 31 March 2018, the Group achieve a turnover and profit before tax of RM11.96 million and RM1.75 million on the financial period under review. No comparative figures are available for the corresponding period 31 March 2017, as the Group has changes the financial year end from 31 December to 30 June.

B2 Variation of results against preceding quarter

	Current quarter 31 March 2018 RM'000	Preceding quarter 31 December 2017 RM'000
Revenue	3,439	3,758
Profit before tax	961	525

B2 Variation of results against preceding quarter (Continue)

The Group recorded a turnover of approximately RM3.44 million for the current financial quarter and slight lower of 8.5% as compared to the preceding financial quarter (Q4 2017). The Group posted higher profit before tax in the current quarter under review which increase to RM961 million by 83.0% or RM0.436 million during the period. This is mainly due to lower cost of purchase and other direct cost incurred during the current quarter under review.

B3 Prospects

The computerised maintenance management system ("CMMS") market in Malaysia, Indonesia and Philippines which are 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.

In addition, Orion IXL Berhad accepted the purchase order from Greystone Capital Sdn Bhd on 22nd February 2018 for installation setup for Hadoop for Insight 4.0 Platform ("Job Awarded"). The tenure of the Job Awarded is approximately 6 months from 22 February 2018 to 31 July 2018. The estimated value of the Job Awarded is approximately RM3,816,000.00 (including with GST) for the abovementioned duration. Currently, Orion IXL Berhad collaborate with Kaspesky to tailor made with industrial 4.0 training program with Cyber Security. The training will start with Penang Skill Development Centre ("PSDC") and expected to sign the agreement between PSDC & Orion by end of June 2018.

Barring any unforeseen circumstances, the Board of Directors of the Company is of the opinion that will remain favourable for the remaining financial period ending 30 June 2018.

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 which incurred losses for the current quarter while its foreign subsidiary has sufficient unutilised tax losses brought forward from prior year to off set against current quarter's taxable income.

In addition, the newly acquired subsidiary, Asap Sdn Bhd is a Multimedia Super Corridor company and enjoys 100% tax exemption on their statutory business income.

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 percent (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 2018 is as follows:

Descriptions	Revised	Actual	Balance
	Utilisation	Utilisation	Unutilised
	RM('000)	as at 31.03.2018	as at 31.03.2018
	RM('000)	RM('000)	RM('000)
Product development	307	307	-
Working capital	2,703	2,703	-
Expenses for the private placement	196	196	-
	<u>3,206</u>	<u>3,206</u>	<u>-</u>

B8 Status of corporate proposals (Continue)

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 Mohamad Sharaff bin Haji Mohamad Shariff, Prabuddha Kumar Pronob Chakraverty and Lilibeth Gamboa Belinario for the acquisition of the entire equity interest in ASAP Sdn Bhd ("ASAP") for a total cash purchase consideration of RM73,000,000 ("Acquisition"). Suruhanjaya Syarikat Malaysia approved on 9th November 2017 under Section 41 on the conversion of ASAP Berhad to ASAP Sdn Bhd.

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

Rights issue of 465,854,970 new ordinary shares in the Company ("Orion Shares") ("Rights Shares") together with up to 232,927,485 free detachable warrants ("Warrants") at an 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 5.00p.m on 4 July 2017 together with one (1) free Warrant for every two (2) Rights Share subscribed.

(Collectively, the "Proposals")

ASAP is a 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 Acquisition and the Rights Issue with Warrants was completed on 2 August 2017.

The status of the utilisation of proceeds from the above Proposals as at 31 March 2018 is as follows:

Descriptions	Proposed Utilisation RM('000)	Actual Utilisation as at 31.03.2018 RM('000)	Balance Unutilised as at 31.03.2018 RM('000)
Purchase consideration to be paid to vendors of Asap Berhad	73,000	73,000	-
Expenses in relation to the Proposals	2,700	2,700	-
Working capital	3,495	1,014	2,481
	<u>79,195</u>	<u>76,714</u>	<u>2,481</u>

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

Asap Berhad had on 20 July 2017 informed the Company that they have been served with the writ of summons and statement of claims filed by Sporty Beans Sdn Bhd ("Plaintiff") against ASAP Sdn Bhd ("Summon"). Based on the legal opinion obtained by ASAP Sdn Bhd, the plaintiff's allegations are frivolous and unsubstantiated and as such Asap Sdn Bhd does not expect any potential liability arising from the Summon.

On 27.11.2017, the court has fixed the full trial of the above matter on 25.06.2018 to 28.06.2017 (4 days) before YA Datuk Roslan Bin Abu Bakar at 9.00 a.m. at NCVC 4, Level 6, Shah Alam High Court.

The Court then directed Parties to file the common bundle of pleadings, common bundle of documents, agreed issues and facts, case summary and list of witness ("Directions") on or before the next case management date of 18.05.2018.

On the 18.05.2018, as the Parties have yet to comply with some of the Directions of the court regarding the preparation for trial, the Hon. Judge has fixed another Case Management date before him on the 01.06.2018 for Parties to comply with the said Directions.

B11 Material litigations (Continue)

We have also been informed that the Trial Dates of 25.06.2018 to 28.06.2017 (4 days) may be vacated to some dates in October or November as Parties have yet to fully comply as stated above.

For the record, on the 27.02.2018, ASAP SB's lawyers has fulfilled their requirements for the trial as directed by court in the previous case management of the 27.11.2017

The above Summon is still on-going as at the date of this announcement.

B12 Dividends

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

B13 Earnings/(Loss) per share

a. Basic earnings/(loss) per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR 31/03/2018 RM('000)	PRECEDING YEAR 31/03/2017 RM('000)	CURRENT YEAR 31/03/2018 RM('000)	PRECEDING YEAR 31/03/2017 RM('000)
Profit/(Loss) attributable to ordinary equity holders of the parent	961	N/A	1,756	N/A
Weighted average number of ordinary shares in issue ('000)	598,956	N/A	387,018	N/A
Basic earnings/(loss) per share (sen)	0.16	N/A	0.45	N/A

b. Diluted earnings/(loss) per share

The fully diluted earnings/(loss) per share have not been presented as there is anti dilutive 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 31/03/2018 RM('000)	AS AT PRECEDING FINANCIAL YEAR END 31/03/2017 RM('000)
Total cumulated loss of the Company and its subsidiaries:		
Unrealised	-	N/A
Realised	(6,481)	N/A
Total cumulated loss	(6,481)	N/A

By Order of the Board

Wong Yuet Chyn (MAICSA 7047163)
Secretary

Kuala Lumpur

Date: 30th May 2018