

# ORION IXL BERHAD

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

Unaudited Interim Financial Report for the 18 months period ended 30 June 2018

## CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	18 MONTHS ENDED	PRECEDING YEAR CORRESPONDING PERIOD
		30/6/2018 RM('000)	30/6/2017 RM('000)	30/6/2018 RM('000)	30/6/2017 RM('000)
Revenue	A9	3,437	72	15,401	N/A
Operating expenses		(6,714)	(758)	(17,252)	N/A
Other operating income		63	17	393	N/A
Profit/(Loss) from operations		(3,214)	(669)	(1,458)	N/A
Finance cost		-	-	-	N/A
Investing results		-	-	-	N/A
Profit/(Loss) before taxation	B2	(3,214)	(669)	(1,458)	N/A
Taxation	B5	-	-	-	N/A
Profit/(Loss) for the period		(3,214)	(669)	(1,458)	N/A
Attributable to:					
Equity holders of the parent		(3,212)	(696)	(1,491)	N/A
Non-controlling interests		(2)	27	33	N/A
		(3,214)	(669)	(1,458)	N/A
Earnings/(Loss) per share attributable to equity holders of the parent (Sen)					
(a) Basic	B13	(0.54)	(0.52)	(0.35)	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 30 June 2017

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Unaudited Interim Financial Report for the 18 months period ended 30 June 2018

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	18 MONTHS ENDED	PRECEDING YEAR CORRESPONDING PERIOD
	31/6/2018 RM('000)	31/3/2017 RM('000)	31/6/2018 RM('000)	31/3/2017 RM('000)
Profit/(Loss) for the period	(3,214)	(669)	(1,458)	N/A
Other comprehensive income/(loss), net of tax:		-		
Translation of foreign subsidiary	27	22	97	N/A
Total comprehensive income/(loss)	<u>(3,187)</u>	<u>(647)</u>	<u>(1,361)</u>	<u>N/A</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the parent	(3,185)	(674)	(1,394)	N/A
Non-controlling interests	<u>(2)</u>	<u>27</u>	<u>33</u>	<u>N/A</u>
	<u>(3,187)</u>	<u>(647)</u>	<u>(1,361)</u>	<u>N/A</u>

### 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

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(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 18 months period ended 30 June 2018

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(UNAUDITED) AS AT 30 JUNE 2018 RM('000)	(AUDITED) AS AT 31 DECEMBER 2016 RM('000)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	147	89
Intangible assets	72,822	1,209
Other receivable	-	2,949
Other investment	26	26
Finance lease receivables	-	-
Goodwill on consolidation	-	-
<b>Total Non-Current Assets</b>	<b>72,995</b>	<b>4,273</b>
<b>Current Assets</b>		
Trade receivables	6,730	469
Amount owing from contract customers/subsidiary	5,031	-
Other receivables and prepaid expenses	3,714	3,406
Finance lease receivables	92	-
Deposits with licensed bank	652	-
Cash and bank balances	12,684	2,405
<b>Total Current Assets</b>	<b>28,903</b>	<b>6,280</b>
<b>Total Assets</b>	<b>101,898</b>	<b>10,553</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share capital	95,638	13,310
Reserves		
<i>Accumulated Loss</i>	(9,695)	(8,204)
<i>Share Premium</i>	-	4,858
<i>Exchange Adjustment</i>	(313)	(410)
Equity Attributable to Owners of the Company	85,630	9,554
Non-controlling interests	(475)	(508)
<b>TOTAL EQUITY</b>	<b>85,155</b>	<b>9,046</b>
<b>Non-Current Liabilities</b>		
Hire purchase payables	45	-
<b>Total Non-Current Liabilities</b>	<b>45</b>	<b>-</b>
<b>Current Liabilities</b>		
Trade payables	2,311	7
Other payables and accrued expenses	13,717	1,500
Hire purchase payables	47	-
Amount owing to directors/other related company	623	-
<b>Total Current Liabilities</b>	<b>16,698</b>	<b>1,507</b>
<b>Total Liabilities</b>	<b>16,743</b>	<b>1,507</b>
<b>Total Equity and Liabilities</b>	<b>101,898</b>	<b>10,553</b>
Net assets per share attributable to ordinary equity holders of the parent (sen)	14.30	7.18

Notes:

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## Unaudited Interim Financial Report for the 18 months period ended 30 June 2018

### 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)		
<b>18 months ended 30 June 2018</b>							
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	79,196	(1,726)	-	-	77,470	-	77,470
Adjustments for effects of Companies Act 2016 [Note (a)]	3,132	(3,132)	-	-	-	-	-
Total comprehensive income for the period	-	-	97	(1,394)	(1,297)	33	(1,264)
<b>Balance as at 30 June 2018</b>	<u>95,638</u>	<u>-</u>	<u>(313)</u>	<u>(9,598)</u>	<u>85,727</u>	<u>(475)</u>	<u>85,252</u>
<b>12 months ended 31 December 2016</b>							
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
<b>Balance as at 31 December 2016</b>	<u>13,310</u>	<u>4,858</u>	<u>(410)</u>	<u>(8,204)</u>	<u>9,554</u>	<u>(508)</u>	<u>9,046</u>

#### Notes:

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(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 Interim Financial Report for the 18 months period ended 30 June 2018

	Unaudited 18 months ended 30.06.2018 RM('000)	Audited 12 months ended 31.12.2016 RM('000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	(1,458)	(2,070)
Adjustments for:		
Allowance on LAD	1,095	6
Fair value adjustment	897	-
Deposit written off	5	-
Amortisation of intangible assets	375	243
Depreciation of property, plant and equipment	71	87
Bad debts written off	8	-
Loss on disposal of property, plant and equipment	6	-
Gain on disposal of property, plant and equipment	(36)	-
Gain on deemed disposal of subsidiary	-	(88)
Impairment loss on trade receivables	864	606
Interest received	(299)	(26)
Unwinding of discount	-	111
Property, plant and equipment written off	26	-
Operating profit/(loss) before working capital changes	1,554	(1,137)
Changes in working capital:		
Net change in current assets	(7,914)	(908)
Net change in current liabilities	12,355	1,563
<b>Cash used in operating activities</b>	5,995	(482)
Development cost incurred	(1)	(21)
<b>Net cash used in operating activities</b>	5,994	(503)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	63	-
Purchase of property, plant and equipment	(156)	(24)
Deemed disposal of subsidiary, net of cash disposed off	-	(1,074)
Interest received	298	26
Acquisition of subsidiary, net of cash acquired	(72,793)	-
<b>Net cash used in investing activities</b>	(72,588)	(1,072)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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	77,469	-
Decrease in deposits pledged	-	11
Repayment of hire purchase obligations	(41)	-
<b>Net cash from financing activities</b>	77,428	3,022
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	10,834	1,447
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	97	2
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	2,405	956
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b> (Note A16)	13,336	2,405

### Notes:

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## Unaudited Interim Financial Report for the 18 months period ended 30 June 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 QUARTER 30/06/2018 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2017 RM('000)	18 MONTHS ENDED 30/06/2018 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2017 RM('000)
<b>REVENUE</b>				
Malaysia	3,437	-	15,098	N/A
United States of America	-	72	303	N/A
	<u>3,437</u>	<u>72</u>	<u>15,401</u>	<u>N/A</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>				
Malaysia	(3,214)	(723)	(1,525)	N/A
United States of America	-	54	67	N/A
	<u>(3,214)</u>	<u>669</u>	<u>(1,458)</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 30 June 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**

	30.06.2018 RM('000)	31.12.2016 RM('000)
Cash and bank balances	12,684	2,405
Deposits with licensed bank	652	-
	<u>13,336</u>	<u>2,405</u>

## A17 Notes to the Statements of Comprehensive Income

	INDIVIDUAL QUARTER 30 June 2018 RM('000)	CUMULATIVE QUARTER 30 June 2018 RM('000)
Profit/(Loss) before taxation is arrived at after charging/(crediting):		
Amortisation of development costs	63	375
Audit fee	46	123
Bad debts written off	-	8
Depreciation of property, plant and equipment	10	71
Directors' remuneration - Fee	81	500
- Other remuneration	79	708
Loss on disposal of property, plant and equipment	-	22
Gain on disposal of property, plant and equipment	-	(36)
Property, plant and equipment written off	-	32
Impairment loss on trade receivables	-	863
Allowance on Liquidated Ascertain Damages	1,095	1,095
Rental of office premises	20	137
Rental income	-	(63)
Interest income	(98)	(299)

## 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 RM3.437 million and loss after tax RM3.214 million for the 3 months financial period ended 30 June 2018. The turnover for the quarter remain consistent as compared to the previous quarter's turnover of RM3,439 mainly attributable to a ongoing management information system project ("Project") undertaken by our wholly owned subsidiary, ASAP. The project implementation is experiencing unexpected procedural delays resulting in lower revenue recognition for the quarter and a loss before tax of RM3.214 million for the quarter.

Cumulatively for the 15-month period ended 31 March 2018, the Group achieve a turnover and loss before tax of RM15.401 million and RM1.458 million on the financial period under review. The loss for the financial period is due to, among others, a prudent approach to provide for allowance of liquidated ascertain damages ("LAD") charges of RM1.1 million attributable to the above said Project. 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 30 June 2018 RM'000	Preceding quarter 31 March 2018 RM'000
Revenue	3,437	3,439
Profit before tax	(3,214)	961

The Group recorded a turnover of approximately RM3.437 million for the current financial quarter consistent with billings achieved in the preceding financial quarter (Q5 2018). The Group posted a loss of RM3.214 million due to delay in recognition of revenue as well as allowance of LAD charges.

**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 had on 15 August 2018 entered into a Strategic Partnership Agreement with Riametric Sdn Bhd to offer its customers advanced implementation, services, support and training on the Orion IXL–Scalend Advanced Analytics Platform which enable the Group to offer big data analytics solutions to its clients.

Although the Group recorded losses under the current financial period, the Board of Directors of the Company is of the opinion that our prospects remain favourable in future with the inclusion of new big data analytics together with artificial intelligence software services which will provide financial technology (FINTECH) solutions to potential clients.

**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) 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")

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 30 June 2018 is as follows:

Descriptions	Proposed Utilisation RM('000)	Actual Utilisation as at 30.06.2018 RM('000)	Balance Unutilised as at 30.06.2018 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	551	2,944
	<u>79,195</u>	<u>76,251</u>	<u>2,944</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.

The above Summon is still on-going as at the date of this announcement with case management being fixed on 12.09.2018. The court has fixed new dates for the full trial of the above matter on 16.11.2018, 29.11.2018 and 30.11.2018 before YA Datuk Roslan Bin Abu Bakar at 9.00 a.m. at NCV 4. Level 6. Shah Alam High Court.

**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 QUARTER 30/06/2018 RM('000)	PRECEDING YEAR CORRESPONDING 30/06/2017 RM('000)	18 MONTHS ENDED 30/06/2018 RM('000)	PRECEDING YEAR CORRESPONDING 30/06/2017 RM('000)
Profit/(Loss) attributable to ordinary equity holders of the parent	<u>(3,214)</u>	<u>(696)</u>	<u>(1,458)</u>	<u>N/A</u>
Weighted average number of ordinary shares in issue ('000)	<u>598,956</u>	<u>133,101</u>	<u>417,790</u>	<u>N/A</u>
Basic earnings/(loss) per share (sen)	<u>(0.54)</u>	<u>(0.52)</u>	<u>(0.35)</u>	<u>N/A</u>

## 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.

By Order of the Board

Wong Yuet Chyn (MAICSA 7047163)  
Secretary

Kuala Lumpur

Date: 30th August 2018