



**DAGANG NEXCHANGE BERHAD (10039-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

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THE FIGURES HAVE NOT BEEN AUDITED

I CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/6/2015 RM'000	Preceding year corresponding quarter 30/6/2014 RM'000	Six months to 30/6/2015 RM'000	Six months to 30/6/2014 RM'000
Revenue	22,615	20,592	44,605	39,188
Cost of sales	(3,891)	(3,249)	(9,044)	(7,117)
Gross profit	18,724	17,343	35,561	32,071
Other income	654	685	1,959	1,886
Expenses	(11,173)	(10,889)	(26,773)	(21,518)
Finance cost	(372)	(629)	(793)	(1,305)
Share of results after tax of associate	(43)	-	(43)	-
Profit before income tax	7,790	6,510	9,911	11,134
Income tax (Note 14)	(1,897)	(1,699)	(2,881)	(3,081)
Profit for the period	5,893	4,811	7,030	8,053
Other comprehensive income/(expenses) for the period, net of tax	-	-	-	-
Total comprehensive income for the period	5,893	4,811	7,030	8,053



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I CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/6/2015 RM'000	Preceding year corresponding quarter 30/6/2014 RM'000	Six months to 30/6/2015 RM'000	Six months to 30/6/2014 RM'000
Profit attributable to:				
- Owners of the Company	3,914	3,572	4,381	5,508
- Non-controlling Interests	1,979	1,239	2,649	2,545
Profit for the period	5,893	4,811	7,030	8,053
Total comprehensive income attributable to:				
- Owners of the Company	3,914	3,572	4,381	5,508
- Non-controlling Interests	1,979	1,239	2,649	2,545
Total comprehensive income for the period	5,893	4,811	7,030	8,053
Earnings per share				
- Basic	0.50 sen	0.46 sen	0.57 sen	0.71 sen
- Diluted	NA	NA	NA	NA

Note: NA denotes "Not Applicable"

REMARKS TO CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/6/2015 RM'000	Preceding year corresponding quarter 30/6/2014 RM'000	Six months to 30/6/2015 RM'000	Six months to 30/6/2014 RM'000
Profit before income tax is arrived at after charging/(crediting):				
Interest income	(453)	(466)	(956)	(941)
Loss/(Gain) on disposal of plant and equipment	-	(52)	3	(152)
Interest expense	372	629	793	1,305
Depreciation and amortisation	2,846	2,712	5,252	4,946
Impairment loss of receivables	127	22	189	431
Voluntary separation scheme and other related compensation cost	146	-	5,696	-

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.



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II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 30/6/2015 RM'000	Audited As at 31/12/2014 RM'000
ASSETS		
Non-current assets		
Plant and equipment	25,227	14,143
Investment in associates	67	-
Goodwill	1,636	-
Intangible assets	3,089	2,948
Trade and other receivables	14,703	24,577
	<hr/> 44,722	<hr/> 41,668
Current assets		
Trade and other receivables	66,745	57,838
Tax recoverable	1,916	1,985
Cash and cash equivalents	56,899	70,828
	<hr/> 125,560	<hr/> 130,651
Total assets	<hr/> 170,282	<hr/> 172,319
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	155,049	155,049
Reserves	(64,478)	(68,859)
	<hr/> 90,571	<hr/> 86,190
Non-controlling Interests	24,528	21,996
Total equity	<hr/> 115,099	<hr/> 108,186
Non-current liabilities		
Deferred tax liabilities	2,130	2,796
Borrowing- long term portion	10,788	20,036
Deferred Income	2,028	4,056
	<hr/> 14,946	<hr/> 26,888
Current liabilities		
Borrowing – short term portion	18,494	18,494
Trade and other payables	19,484	17,312
Tax payable	2,259	1,439
	<hr/> 40,237	<hr/> 37,245
Total liabilities	<hr/> 55,183	<hr/> 64,133
Total equity and liabilities	<hr/> 170,282	<hr/> 172,319
Net assets per share attributable to Owners of the Company (RM)	<hr/> 0.12	<hr/> 0.11

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.



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III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Six months to 30/6/2015 RM'000	Unaudited Six months to 30/6/2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	52,343	45,232
Cash payments to suppliers	(6,340)	(6,210)
Cash payments to employees and other expenses	(26,136)	(19,831)
	19,867	19,191
Cash generated from operations	19,867	19,191
Income tax paid (net)	(2,225)	(3,482)
Zakat	67	93
	17,709	15,802
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment and intangible assets	(17,406)	(874)
Proceeds from disposal of plant and equipment	5	154
Interest received	956	941
Acquisition of investment	(1,377)	-
Initial deposits for acquisition of investment	(3,728)	(10,000)
	(21,550)	(9,779)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank borrowing	(9,248)	(9,247)
Interest paid	(840)	(1,359)
Decrease/ (increase) in pledged deposits and restricted cash	1,386	(676)
Dividend paid by a subsidiary to non-controlling interests	-	(1,553)
	(8,702)	(12,835)
Net Change in Cash and Cash Equivalents		
	(12,543)	(6,812)
Cash and Cash Equivalents as at beginning of financial period	63,610	62,733
	51,067	55,921
Cash and Cash Equivalents as at end of financial period	(a) 51,067 =====	55,921 =====

(a) **Cash and Cash Equivalents comprise the following Statements of Financial Position amounts:**

	As at 30/6/2015 RM'000	As at 30/6/2014 RM'000
Cash and deposits with licensed banks		
- Unrestricted	51,067	55,921
- Restricted	5,832	2,344
	56,899	58,265
Less: Cash and cash equivalents pledged as security	(5,832)	(2,344)
	51,067	55,921
Cash and Cash Equivalents as at end of financial period	51,067 =====	55,921 =====

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.



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IV CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

In RM'000	← Attributable to Owners of the Company →			Non-controlling Interests	Total
	Share Capital	Non-distributable Accumulated Losses	Total		
Six months to 30 June 2015					
Balance as at 1 January 2015	155,049	(68,859)	86,190	21,996	108,186
Total comprehensive income for the period	-	4,381	4,381	2,649	7,030
Effect of acquisition of subsidiary	-	-	-	(117)	(117)
Balance as at 30 June 2015	155,049	(64,478)	90,571	24,528	115,099
Six months to 30 June 2014					
Balance as at 1 January 2014	155,049	(81,074)	73,975	17,795	91,770
Total comprehensive income for the period	-	5,508	5,508	2,545	8,053
Dividend paid by a subsidiary to non-controlling interest	-	-	-	(1,553)	(1,553)
Balance as at 30 June 2014	155,049	(75,566)	79,483	18,787	98,270

The Condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.



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V NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 Basis of preparation

These condensed consolidated interim financial statements, for the period ended 30 June 2015, have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). These condensed consolidated interim financial statements also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. These quarterly financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2014.

2 Significant accounting policies

The Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any) of the MFRS framework that have been issued by the Malaysian Accounting Standards Board ("MASB") with effect from 1 January 2015:

- Amendments to MFRS 1 : First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvement 2011-2013 Cycle)
- Amendments to MFRS 3 : Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
- Amendments to MFRS 8 : Operating Segments (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 13 : Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
- Amendments to MFRS 116 : Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 119 : Employee Benefits – Defined Benefit Plans: Employee Contributions
- Amendments to MFRS 124 : Related Party Disclosures (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 138 : Intangible Assets (Annual Improvements 2010-2012 Cycle)

The adoptions of above accounting standards and interpretation (including the consequential amendments) did not have any material impact on the Group's financial statements.

3 Audit report in respect of the 2014 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2014 was not qualified.

4 Seasonal or cyclical factors

The Group's operations are not subject to any seasonal or cyclical factors.

5 Unusual items due to their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size or incidence in the current period.

6 Material changes in estimates used

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current period.



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7 Debt and equity securities

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current period ended 30 June 2015, other than those disclosed in Note 15.

8 Dividend

The Directors do not recommend the payment of any dividend for the current period ended 30 June 2015 (2014: Nil).

9 Segmental information for the current period

There is no disclosure of segmental information as the Group's current activity is mainly within the Information Communications & Technologies' industry and carried out in Malaysia only.

10 Material events subsequent to the current period

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 30 June 2015 to the date of this announcement which would substantially affect the financial results of the Group for the current period ended 30 June 2015.

11 Changes in the composition of the Group

There were no significant changes in the composition of the Group for the current period including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations other than those disclosed as below:

- i. On 13 April 2015, the Company announced that Dagang Net Technologies Sdn. Bhd. ("Dagang Net"), a 71.25% owned subsidiary of the Company has incorporated a subsidiary known as DNeX RFID Sdn. Bhd. ("DRSB"). The authorised share capital of DRSB is RM400,000 comprising 400,000 ordinary shares of RM1.00 each and its paid-up share capital is RM100 comprising 100 ordinary shares of RM1.00 each. Dagang Net had subscribed for 51% of the issued and paid-up share capital of DRSB. The intended principal activity of DRSB is to carry on the business on research & development, design, manufacturing and trading of radio-frequency technology, security system and related merchandise, and establishment, operation and management of an electronic data management system and access collection system.
- ii. On 20 May 2015, the Company had subscribed for 3 ordinary shares of USD1.00 each of the issued and paid up share capital of Global Energy Corp Limited ("GECL"), a Labuan incorporated company representing 30% of the issue and paid up share capital of GECL.
- iii. On 31 July 2015, a subsidiary of the Company has changed its name from DNeX Hallmark e-Commerce Sdn. Bhd. to DNeXPORT Sdn. Bhd.

12 Contingent liabilities

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

13 Capital commitments

There are no material capital commitments other than those disclosed in Note 15 on the corporate proposals announced but not completed as at the date of this announcement.



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14 Income tax

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/6/2015 RM'000	Preceding year corresponding quarter 30/6/2014 RM'000	Six months to 30/6/2015 RM'000	Six months to 30/6/2014 RM'000
Malaysian income tax				
- Current taxation	(2,462)	(1,699)	(3,412)	(3,630)
- Under provision in prior year	(101)	-	(135)	-
Total current tax expense	(2,563)	(1,699)	(3,547)	(3,630)
Deferred tax expenses				
- Current period	666	-	666	549
Total deferred tax expenses	666	-	666	549
	(1,897)	(1,699)	(2,881)	(3,081)

The effective tax rate of the Group for accumulative quarter was more than the statutory tax rate. Certain expenses of the Group were disallowed for tax purposes and the provision for the tax payable has been made by the profitable subsidiary company.

15 Status of corporate proposals announced but not completed as at the date of this announcement

Save as disclosed below, there were no other corporate proposals announced but not completed as at the date of this reports.

- I. On 18 June 2014, the Company/ Dagang NeXchange Berhad (“DNEX”) announced the following:-
 - a) proposed renounceable rights issue of 465,146,809 new ordinary shares of RM0.20 each in DNEX (“Share(s)” or “DNEX Share(s)”) (“Rights Share(s)”) together with 465,146,809 new free detachable warrants (“Warrant(s)”) at an issue price of RM0.21 per Share on the basis of three (3) Rights Shares together with three (3) Warrants for every five (5) existing DNEX Shares held as at an entitlement date to be determined later (“Proposed Rights Issue”);
 - b) proposed special issue of 50,000,000 Shares together with 25,000,000 Warrants on the basis of one (1) Warrant for every two (2) special issue shares at an issue price of RM0.22 per Share (“Special Issue Share(s)”) (“Proposed Special Issue”);
 - c) DNEX had on 18 June 2014 entered into a conditional share sale agreement (“SSA”) with Azman bin Karim, Abdul Manaf bin Shariff, and Khoo Kok Seng (collectively referred to as the “Vendors”) for the proposed acquisitions of the following:-
 - (i) 500,000 ordinary shares of RM1.00 each representing 100.0% of the issued and paid-up capital of OGPC Sdn Bhd (“OGPC”) (“OGPC Sale Share(s)”) for a purchase consideration of RM196,594,821 (“OGPC Purchase Consideration”) to be satisfied by partial cash consideration of RM96,844,740 and remaining RM99,750,081 via issuance of 383,654,158 new DNEX shares with 191,827,079 Warrants at an issue price of RM0.26 per Share (“Consideration Shares”) on the basis of one (1) Warrant for every two (2) new DNEX Shares issued (“Proposed OGPC Acquisition”); and
 - (ii) 520,000 ordinary shares of RM1.00 each representing 52.0% of the issued and paid-up capital of OGPC O&G Sdn Bhd (“OGPCOG”) (“OGPCOG Sale Share(s)”), a 48.0% owned associate company of OGPC, for a purchase consideration of RM6,405,179 (“OGPCOG Purchase Consideration”) to be satisfied by partial cash consideration of RM3,155,260 and remaining RM3,249,919 via issuance of 12,499,688 new DNEX shares with 6,249,844



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Warrants at an issue price of RM0.26 per Share on the basis of one (1) Warrant for every two (2) new DNeX Shares issued ("Proposed OGPCOG Acquisition").

The total purchase consideration for OGPC Group (as defined below) is RM203,000,000 ("OGPC Group Purchase Price") which shall be satisfied by partial cash consideration of RM100,000,000 and remaining RM103,000,000 via issuance of 396,153,846 new DNeX shares with 198,076,923 Warrants at an issue price of RM0.26 per Consideration Share on the basis of one (1) Warrant for every two (2) new DNeX Shares issued.

OGPC and OGPCOG are collectively referred to as the "OGPC Group" or "Acquiree Companies". The Proposed OGPC Acquisition and Proposed OGPCOG Acquisition are collectively referred to as the "Proposed Acquisitions".

- d) Proposed establishment of an Employee's Share Option Scheme ("ESOS") of up to five percent (5%) of the enlarged issued and paid-up share capital of DNeX ("Proposed ESOS").

The Proposed Rights Issue, Proposed Special Issue, Proposed Acquisitions, Proposed ESOS hereinafter collectively referred to as the "Proposals".

The Company announced it had on 16 February 2015, received a letter from the Vendors ("Letter") in relation to the extension of the deadline for the fulfillment of conditions precedent ("Conditional Period") under the share sale agreement dated 18 June 2014. Pursuant to the abovementioned Letter, DNeX and the Vendors have mutually agreed to extend the Conditional Period of six (6) months commencing from 17 February 2015 and ending 17 August 2015 to enable the Company and the Vendors to meet the abovementioned conditions precedent. The above extension of Conditional Period had been further extended to 17 February 2016.

On 5 March 2015, the Company announced it has entered into a supplemental agreement in relation to the SSA with the Vendors to vary such terms as stipulated in the SSA ("Supplemental SSA") whereby the total purchase consideration of the Proposed Acquisitions will be revised to RM170,000,000 ("Revised OGPC Group Purchase Consideration") to be satisfied partially via cash consideration of RM83,000,000 ("Revised Cash Consideration") and the remaining RM87,000,000 via issuance of 362,500,000 new DNeX Shares with 181,250,000 Warrants at a revised issue price of RM0.24 per Share ("Revised Consideration Share(s)") on the basis of one (1) Warrant for every two (2) Revised Consideration Shares issued ("Revised Proposed Acquisitions").

In addition, The Company has revised the Proposed Special Issue as announced earlier from 50,000,000 Special Issue Shares together with 25,000,000 Warrants on the basis of one (1) Warrant for every two (2) Special Issue Shares at an issue price of RM0.22 per Special Issue Share to 130,000,000 Special Issue Shares together with 65,000,000 Warrants on the basis of one (1) Warrant for every two (2) Special Issue Shares at an issue price of RM0.22 per Special Issue Share ("Revised Proposed Special Issue"). The Proposed Rights Issue, Revised Proposed Special Issue, Revised Proposed Acquisitions and Proposed ESOS shall be collectively referred to as the "Revised Proposals".

For avoidance of doubt, the Proposed Rights Issue, Proposed ESOS and the other terms and conditions remain unchanged as announced earlier unless otherwise stated herein.

The Revised Proposals are subject to the following approvals being obtained:-

- (i) Securities Commission pursuant to the Equity Guidelines for the significant change in the business direction or policy of the Company and the registration of Abridged Prospectus ("AP");
 - (ii) Bursa Malaysia Securities Berhad pursuant to the Main Market Listing Requirements;
 - (iii) The shareholders for the Revised Proposals at the forthcoming Extraordinary General Meeting;
 - (iv) Companies Commission of Malaysia for the lodgement of AP; and
 - (v) such other waivers, consents or approvals as may be required from any relevant authorities and/or third parties including Khazanah Nasional Berhad, if required.
- II. On 9 April 2015, the Company announced its 71.25% subsidiary, Dagang Net Technologies Sdn. Bhd. ("Dagang Net") is undertaking a selective capital reduction and repayment exercise pursuant to Section 64 of the Act ("**Proposed SCR**") by the reduction of the outstanding ordinary shares of RM0.50 each in Dagang Net ("**Dagang Net Shares**") held by the shareholders of Dagang Net (other than the Company), such shareholders being Lembaga Tabung Haji ("**Tabung Haji**"), Bank Islam Malaysia Berhad ("**BIMB**"), Juasa Holdings Sdn. Bhd. ("**Juasa Holdings**") and Dato' Sri Syed Hussien bin Abd Kadir (trustee for



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National Chamber of Commerce and Industry of Malaysia) (“**Dato’ Sri Syed Hussien**”) (Tabung Haji, BIMB, Juasa Holdings and Dato’ Sri Syed Hussien are collectively referred to as Minority Shareholders (“**Minority Shareholders**”)), who agree or have agreed to accept the Proposed SCR.

The said reduction shall be effected by way of cancellation of such Dagang Net Shares held by the Minority Shareholders who accept or who agree to accept the Proposed SCR in consideration of a capital repayment by Dagang Net of RM1.50 in cash for each existing Dagang Net Share held by the Minority Shareholders who accept or agree to accept the Proposed SCR.

The Proposed SCR is subject to and conditional upon the following being obtained:

- (a) approval of the shareholders of Dagang Net by way of a special resolution. The Proposed SCR must be approved by a majority of not less than three-fourths of such members as being entitled to vote in person or, where proxies are allowed, by proxy, at a general meeting. (Current status : Dagang Net had obtained the necessary approval from Dagang Net’s shareholders during Dagang Net’s EGM which was held on 8 April 2015 in relation to the Proposed SCR.)
- (b) consent of the financiers and/or creditors of Dagang Net and/or its subsidiaries, if required;
- (c) the grant of an order from the High Court of Malaya (“**High Court**”) confirming the Proposed SCR;
- (d) approval of the shareholders of DNeX at an Extraordinary General Meeting (“**EGM**”) to be convened. (Current status : DNeX had obtained the necessary approval from the shareholders during its EGM which was held on 6 August 2015 in relation to the Proposed SCR); and
- (e) approvals/consents of any other relevant governmental or regulatory authorities, if required.

16 Derivatives

There are no derivatives as at the date of this announcement.

17 Classification of financial assets

For period ended 30 June 2015, there was no change in the classification of financial assets as a result of a change in the purpose or use of those assets.

18 Material litigation

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement.

19 Comparison between the current quarter and the immediate preceding quarter

The Group recorded total revenue of RM22.6 million in current quarter as compared to the immediate preceding quarter of RM22.0 million. The revenue was mainly derived from its trade facilitation business and the renting of well drilling equipments for Oil and Gas activities.

In less than 12 months of diversification plan into the energy business, the Group is on track with its first revenue expected in April 2015. Its 80% owned subsidiary, DNeX Oilfield Services Sdn. Bhd. has entered into an equipment rental agreement for the renting of well drilling equipments for Oil and Gas activities to Baker Hughes (Malaysia) Sdn. Bhd. for a monthly rental of USD87,860 starting 1 April 2015. The agreement with Baker Hughes is for a period of four (4) years with an option to extend for two (2) years on a year to year renewal.

The Group recorded Earnings before Interest, Tax, Depreciation and Amortization (“**EBITDA**”) of RM11.0 million in current quarter as compared to the immediate preceding quarter of RM4.9 million. The results of immediate preceding quarter was affected by one-off payment of voluntary separation scheme and other compensation cost (“**VSS payment**”) of RM5.6 million. The Group’s EBITDA margin in current quarter remains attractive at 49% (23% for immediate preceding quarter).



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20 Detailed analysis of the performance for the current quarter and year-to-date

Quarter ended 30 June 2015 compared with quarter ended 30 June 2014

The Group recorded revenue of RM22.6 million in the current quarter and RM20.6 million in the preceding year corresponding quarter. The increase in revenue was mainly contributed by the growth in the Group's B2G business at 5% average per annum, and recurring revenue from renting well drilling equipment for Oil and Gas activities.

The Group recorded EBITDA of RM11.0 million in current quarter as compared to the preceding year corresponding quarter of RM9.9 million. The favourable EBITDA in current quarter was attributable to revenue growth and effective cost management.

Year-to-date ended 30 June 2015 compared with year-to-date ended 30 June 2014

The Group recorded RM44.6 million in revenue for the current year-to-date as compared to the preceding year of RM39.2 million. The higher revenue in the current year-to-date was mainly due to the growth in the Group's B2G business and additional contribution from Energy Division.

The Group recorded an EBITDA of RM16.0 million in current year-to-date compared to RM17.4 million in the preceding year. Included in the current year's EBITDA was one-off VSS payment of RM5.70 million. The Group's EBITDA margin, excludes the VSS payment remains attractive at 48% (44% for period ended 30 June 2014).

The favourable EBITDA before the VSS payment was attributable to revenue growth in B2G business and prudent cost management.

21 Prospects for 2015

The completion of the Proposed Acquisitions of OGPC Group is now expected in 4th quarter 2015, and is projected to contribute positively to the future earnings of the Company and to enhance DNEX's shareholders' value in the medium to long term.

The Group will continue to leverage on its existing client-base and established presence in the trade facilitation (B2G) business. At the same time, the Group is also firming up its services and broadening its product range in B2B segment of its e-commerce services both domestically and regionally to complement the Group's position in delivering B2G services.

Barring any unforeseen circumstances, the Group expects to deliver positive results for the year 2015.

22 Variance for actual and forecast profit

The Company did not issue any profit forecast or profit guarantee during the financial year.



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Second Quarter Ended 30 June 2015

23 Earnings per share

	Current year quarter 30/6/2015	Preceding year corresponding quarter 30/6/2014	Six months to 30/6/2015	Six months to 30/6/2014
Profit attributable to the Owners of the Company (RM'000)	3,914	3,572	4,381	5,508
Weighted average number of shares ('000)	775,245	775,245	775,245	775,245
Basic earnings per share (sen)	0.50	0.46	0.57	0.71

24 Breakdown of realised and unrealised profits or losses

The breakdown of the accumulated losses of the Group as at 30 June 2015, into realized and unrealized losses, pursuant to the directive, is as follows:

	As at end of current financial year end 30/6/2015 RM'000	As at preceding financial year end 31/12/2014 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(32,056)	(32,778)
- Unrealised	(2,130)	(2,790)
	<u>(34,186)</u>	<u>(35,568)</u>
Less: Consolidation adjustments	<u>(30,292)</u>	<u>(33,291)</u>
Total accumulated losses	<u><u>(64,478)</u></u>	<u><u>(68,859)</u></u>

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.

25 Authorisation for issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.

Kuala Lumpur
27 August 2015

By Order of the Board
KEH CHING TYNG (MAICSA 7050134)
Company Secretary