



**DAGANG NEXCHANGE BERHAD (10039-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

CONTENTS

Page

| | | |
|-----|---|----|
| I | CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME..... | 2 |
| II | CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION..... | 4 |
| III | CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS..... | 5 |
| IV | CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY | 6 |
| V | NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS | 7 |
| 1 | Basis of preparation | 7 |
| 2 | Significant accounting policies | 7 |
| 3 | Audit report in respect of the 2014 financial statements..... | 7 |
| 4 | Seasonal or cyclical factors..... | 7 |
| 5 | Unusual items due to their nature, size or incidence..... | 7 |
| 6 | Material changes in estimates used | 7 |
| 7 | Debt and equity securities..... | 7 |
| 8 | Dividend | 8 |
| 9 | Segmental information for the current period | 8 |
| 10 | Material events subsequent to the current period | 8 |
| 11 | Changes in the composition of the Group | 8 |
| 12 | Contingent liabilities | 8 |
| 13 | Capital commitments..... | 8 |
| 14 | Income tax | 9 |
| 15 | Status of corporate proposals announced but not completed as at the date of this announcement | 9 |
| 16 | Derivatives | 11 |
| 17 | Classification of financial assets..... | 11 |
| 18 | Material litigation | 11 |
| 19 | Comparison between the current quarter and the immediate preceding quarter | 11 |
| 20 | Detailed analysis of the performance for the current quarter and year-to-date | 11 |
| 21 | Prospects for 2016..... | 12 |
| 22 | Variance for actual and forecast profit..... | 12 |
| 23 | Earnings per share..... | 12 |
| 24 | Breakdown of realised and unrealised profits or losses | 13 |
| 25 | Authorisation for issue..... | 13 |



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2015

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 31/12/2015 RM'000 | Preceding year corresponding quarter 31/12/2014 RM'000 | Twelve months to 31/12/2015 RM'000 | Twelve months to 31/12/2014 RM'000 |
| Revenue | 27,914 | 25,946 | 95,550 | 86,802 |
| Cost of sales | (8,405) | (5,003) | (22,191) | (16,721) |
| Gross profit | 19,509 | 20,943 | 73,359 | 70,081 |
| Other income | 1,978 | 1,373 | 4,510 | 4,194 |
| Expenses | (14,025) | (11,662) | (52,993) | (44,208) |
| Finance cost | (276) | (471) | (1,449) | (2,390) |
| Share of results after tax of associate | 214 | - | - | - |
| Profit before income tax | 7,400 | 10,183 | 23,427 | 27,677 |
| Zakat | (359) | (259) | (359) | (259) |
| Income tax (Note 14) | (2,966) | (3,502) | (7,243) | (9,649) |
| Profit for the period | 4,075 | 6,422 | 15,825 | 17,769 |
| Other comprehensive income for the period, net of tax | | | | |
| Items that are or may be reclassified subsequently to profit or loss | | | | |
| Foreign currency translation differences for foreign operations | (54) | - | (54) | - |
| Total comprehensive income for the period | 4,021 | 6,422 | 15,771 | 17,769 |



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2015

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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--|--|--|--|
| | Current year quarter 31/12/2015 RM'000 | Preceding year corresponding quarter 31/12/2014 RM'000 | Twelve months to 31/12/2015 RM'000 | Twelve months to 31/12/2014 RM'000 |
| Profit attributable to: | | | | |
| - Owners of the Company | 3,790 | 4,266 | 11,226 | 12,215 |
| - Non-controlling Interests | 285 | 2,156 | 4,599 | 5,554 |
| Profit for the period | 4,075 | 6,422 | 15,825 | 17,769 |
| Total comprehensive income attributable to: | | | | |
| - Owners of the Company | 3,752 | 4,266 | 11,188 | 12,215 |
| - Non-controlling Interests | 269 | 2,156 | 4,583 | 5,554 |
| Total comprehensive income for the period | 4,021 | 6,422 | 15,771 | 17,769 |
| Earnings per share | | | | |
| - Basic | 0.49 sen | 0.55 sen | 1.45 sen | 1.58 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 31/12/2015 RM'000 | Preceding year corresponding quarter 31/12/2014 RM'000 | Twelve months to 31/12/2015 RM'000 | Twelve months to 31/12/2014 RM'000 |
| Profit before income tax is arrived at after charging/(crediting): | | | | |
| Interest income | (336) | (435) | (1,644) | (1,772) |
| Loss/(Gain) on disposal of plant and equipment | - | (2) | 2 | (527) |
| Interest expense | 276 | 471 | 1,449 | 2,390 |
| Depreciation and amortisation | 2,148 | 2,305 | 9,840 | 9,113 |
| Impairment loss of receivables | 200 | 517 | 578 | 965 |
| Voluntary separation scheme and other related compensation cost | - | - | 5,696 | - |
| Reversal of impairment loss of receivables | (24) | (448) | (65) | (692) |
| Foreign exchange loss / (gain) | (761) | 4 | (830) | (1) |

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.



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2015

II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Unaudited As at 31/12/2015 RM'000 | Audited As at 31/12/2014 RM'000 |
|--|--|--|
| ASSETS | | |
| Non-current assets | | |
| Plant and equipment | 21,250 | 14,143 |
| Investment in associates | - | - |
| Other investment | 4,172 | - |
| Goodwill | 1,636 | - |
| Intangible assets | 3,553 | 2,948 |
| Trade and other receivables | 985 | 24,577 |
| | <u>31,596</u> | <u>41,668</u> |
| Current assets | | |
| Trade and other receivables | 93,657 | 57,838 |
| Tax recoverable | 1,916 | 1,985 |
| Cash and cash equivalents | 46,120 | 70,828 |
| | <u>141,693</u> | <u>130,651</u> |
| Total assets | 173,289 | 172,319 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to Owners of the Company | | |
| Share capital | 155,049 | 155,049 |
| Reserves | (53,995) | (68,859) |
| Translation reserves | (54) | - |
| | <u>101,000</u> | <u>86,190</u> |
| Non-controlling Interests | (747) | 21,996 |
| Total equity | 100,253 | 108,186 |
| Non-current liabilities | | |
| Deferred tax liabilities | 658 | 2,796 |
| Borrowing- long term portion | 1,541 | 20,036 |
| Deferred Income | - | 4,056 |
| | <u>2,199</u> | <u>26,888</u> |
| Current liabilities | | |
| Borrowing – short term portion | 18,495 | 18,494 |
| Trade and other payables | 50,733 | 17,312 |
| Tax payable | 1,609 | 1,439 |
| | <u>70,837</u> | <u>37,245</u> |
| Total liabilities | <u>73,036</u> | <u>64,133</u> |
| Total equity and liabilities | 173,289 | 172,319 |
| Net assets per share attributable to Owners of the Company (RM) | 0.13 | 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.



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2015

III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Unaudited Twelve months to 31/12/2015 RM'000 | Audited Twelve months to 31/12/2014 RM'000 |
|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash receipts from customers | 112,977 | 107,708 |
| Cash payments to suppliers | (25,800) | (17,663) |
| Cash payments to employees and other expenses | (56,637) | (38,461) |
| | | |
| Cash generated from operations | 30,540 | 51,584 |
| Income tax paid (net) | (9,204) | (7,926) |
| Zakat | (359) | (259) |
| Net cash generated from operating activities | 20,977 | 43,399 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of plant and equipment and intangible assets | (18,385) | (6,783) |
| Proceeds from disposal of plant and equipment | 6 | 512 |
| Interest received | 1,644 | 1,772 |
| Acquisition of investment | (1,377) | - |
| Deposits for acquisition of investment | (7,621) | (10,153) |
| Net cash used in investing activities | (25,733) | (14,652) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of bank borrowing | (18,494) | (18,494) |
| Interest paid | (1,458) | (2,473) |
| Increase in pledged deposits and restricted cash | (2,001) | (5,550) |
| Dividend paid by a subsidiary to non-controlling interests | - | (1,553) |
| Proceeds from issue of share capital of a subsidiary company | - | 200 |
| Net cash used in financing activities | (21,953) | (27,870) |
| Net Change in Cash and Cash Equivalents | (26,709) | 877 |
| Cash and Cash Equivalents as at beginning of financial period | 63,610 | 62,733 |
| Cash and Cash Equivalents as at end of financial period | (a) 36,901 | 63,610 |
| | ===== | ===== |

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

| | As at 31/12/2015 RM'000 | As at 31/12/2014 RM'000 |
|---|-------------------------------|-------------------------------|
| Cash and deposits with licensed banks | | |
| - Unrestricted | 36,901 | 63,610 |
| - Restricted | 9,219 | 7,218 |
| | | |
| | 46,120 | 70,828 |
| Less: Cash and cash equivalents pledged as security | (9,219) | (7,218) |
| | | |
| Cash and Cash Equivalents as at end of financial period | 36,901 | 63,610 |
| | ===== | ===== |

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.



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2015

IV CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

| In RM'000 | ← Attributable to Owners of the Company → | | | | Non-controlling Interests | Total |
|--|---|--------------------|--|---------|---------------------------|----------|
| | Share Capital | Accumulated Losses | Non-distributable Translation Reserves | Total | | |
| Twelve months to 31 December 2015 | | | | | | |
| Balance as at 1 January 2015 | 155,049 | (68,859) | - | 86,190 | 21,996 | 108,186 |
| Profit for the year | - | 11,226 | - | 11,226 | 4,599 | 15,825 |
| Effect of translation of foreign subsidiaries | - | - | (54) | (54) | - | (54) |
| Total comprehensive income for the year | - | 11,226 | (54) | 11,172 | 4,599 | 15,771 |
| Effect of acquisition of subsidiary | - | - | - | - | (117) | (117) |
| Dividend paid by a subsidiary to non-controlling interest | - | - | - | - | (300) | (300) |
| Selective Capital Reduction | - | - | - | - | (23,287) | (23,287) |
| Changes in a subsidiary's ownership interest that do not result in loss of control | - | 3,638 | - | 3,638 | (3,638) | - |
| Balance as at 31 December 2015 | 155,049 | (53,995) | (54) | 101,000 | (747) | 100,253 |
| Twelve months to 31 December 2014 | | | | | | |
| Balance as at 1 January 2014 | 155,049 | (81,074) | - | 73,975 | 17,795 | 91,770 |
| Profit for the year | - | 12,215 | - | 12,215 | 5,554 | 17,769 |
| Total comprehensive income for the year | - | 12,215 | - | 12,215 | 5,554 | 17,769 |
| Dividend paid by a subsidiary to non-controlling interest | - | - | - | - | (1,553) | (1,553) |
| Issue of share capital of a subsidiary Company to non-controlling interest | - | - | - | - | 200 | 200 |
| Balance as at 31 December 2014 | 155,049 | (68,859) | - | 86,190 | 21,996 | 108,186 |

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.

Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2015

V NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 Basis of preparation

These condensed consolidated interim financial statements, for the year ended 31 December 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

During the current financial year, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 119 : Defined Benefit Plans – Employee Contributions

Annual Improvement to MFRSs 2010 – 2012 Cycle

Annual Improvements to MFRSs 2011- 2013 Cycle

The adoption of the above accounting standards and interpretations (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 year.

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 year ended 31 December 2015, other than those disclosed in Note 15.

Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2015

8 Dividend

The Directors do not recommend the payment of any dividend for the current year ended 31 December 2015 (2014: Nil).

9 Segmental information for the current period

The Group's current activity is mainly from the Information Communications & Technologies' industry.

The Group is diversifying into the energy business through strategic acquisitions and/or long-term partnerships. The relevant businesses in the energy business, which the Group will venture into are Oil and Gas ("O&G") product and services, Upstream E&P and Power Industry.

| Business Segment | Financial Year Ended 31 December 2015 | | |
|---|---------------------------------------|---------------------------------------|--|
| | Revenue RM'000 | Profit/(Loss) Before Tax RM'000 | Profit Attributable to Owners of the Company RM'000 |
| Information Communications & Technologies | 92,321 | 27,455 | 15,129 |
| Energy | 3,229 | (4,028) | (3,903) |
| Consolidated Total | 95,550 | 23,427 | 11,226 |

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 31 December 2015 to the date of this announcement which would substantially affect the financial results of the Group for the current year ended 31 December 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.

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.



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2015

14 Income tax

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---------------------------------|--|--|--|--|
| | Current year quarter 31/12/2015 RM'000 | Preceding year corresponding quarter 31/12/2014 RM'000 | Twelve months to 31/12/2015 RM'000 | Twelve months to 31/12/2014 RM'000 |
| Malaysian income tax | | | | |
| - Current taxation | (2,895) | (3,347) | (7,970) | (7,533) |
| - Under provision in prior year | (763) | (198) | (1,411) | (2,708) |
| Total current tax expense | (3,658) | (3,545) | (9,381) | (10,241) |
| Deferred tax expenses | | | | |
| - Current year | 692 | 43 | 2,138 | 592 |
| Total deferred tax expenses | 692 | 43 | 2,138 | 592 |
| | (2,966) | (3,502) | (7,243) | (9,649) |

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 report.

I. Dagang NeXchange Berhad ("**DNeX**") ("**the Company**") had on 21 October 2015, announced that, the Securities Commission Malaysia ("**Securities Commission**") had via its letter dated 20 October 2015, approved DNeX's Revised Proposals application in relation to acquisitions resulting in a significant change in business direction or policy of DNeX ("**Proposed Scheme**"), under subsection 214(1) of the Capital Markets and Services Act 2007 ("**CMSA**"), subject to the following terms and conditions:-

Terms

- (a) Renounceable rights issue of 465,146,809 new ordinary shares of RM0.20 each in DNeX ("**DNeX Shares**") ("**Rights Shares**") together with 465,146,809 free detachable warrants ("**Warrants**"), at an issue price of RM0.21 per Rights Share, on the basis of three (3) Rights Shares together with three (3) Warrants for every five (5) DNeX Shares held as at an entitlement date to be determined ("**Rights Issue**").
- (b) Special issue of 130,000,000 new DNeX Shares ("**Special Issue Shares**") together with 65,000,000 Warrants, at an issue price of RM0.22 per Special Issue Share, on the basis of one (1) Warrant for every two (2) Special Issue Shares subscribed ("**Special Issue**").
- (c) Acquisition by DNeX of the following companies from the vendors (namely Azman bin Karim, Abdul Manaf bin Shariff, and Khoo Kok Seng) for a total purchase consideration of RM170,000,000:-
 - (i) 100% of the issued and paid-up share capital of OGPC Sdn Bhd ("**OGPC**") involving the acquisition of 500,000 ordinary shares of RM1.00 each in OGPC for a purchase consideration of RM164,636,700, to be satisfied via the following:
 - (I) Cash consideration of RM80,381,448; and
 - (II) Issuance of 351,063,550 new DNeX Shares with 175,531,775 Warrants, at an issue price of RM0.24 per DNeX Share ("**Consideration Shares**"), on the basis of one (1) Warrant for every two (2) Consideration Shares.

Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2015

- (ii) 52.0% of the issued and paid-up share capital of OGPC O&G Sdn Bhd ("**OGPCOG**") involving the acquisition of 520,000 ordinary shares of RM1.00 each in OGPCOG for a purchase consideration of RM5,363,300, to be satisfied via the following:

- (I) Cash consideration of RM2,618,552; and

- (II) Issuance of 11,436,450 Consideration Shares with 5,718,225 Warrants, at an issue price of RM0.24 per Consideration Share, on the basis of one (1) Warrant for every two (2) Consideration Shares.

(The above are collectively referred to as "**Acquisitions**")

- (d) Establishment of an Employee's Share Option Scheme ("**ESOS**") of up to five percent (5%) of the issued and paid-up share capital of DNeX (excluding treasury shares) which will be in force for a duration of five (5) years commencing from the effective date, being the date of full compliance with all the relevant requirements under the by-laws governing the ESOS and the Main Market Listing Requirements of Bursa Securities; and
- (e) listing of and quotation for new DNeX Shares and new Warrants pursuant to the Proposed Scheme on the Main Market of Bursa Securities, as follows:-
 - (i) 711,396,809 of new Warrants to be issued pursuant to the Rights Issue, Special Issue and Acquisitions;
 - (ii) up to 1,669,043,618 of new DNeX Shares to be issued pursuant to the Rights Issue, Special Issue, Acquisitions and exercise of the Warrants; and
 - (iii) such number of additional new DNeX Shares to be issued pursuant to the exercise of ESOS options under the ESOS.

Conditions

DNeX to fully comply with the requirements of the Securities Commission's Equity Guidelines and Bursa Securities' Main Market Listing Requirements pertaining to the implementation of the Proposed Scheme. The Company had obtained the approval from its shareholders during the Extraordinary General Meeting held on 27 January 2016 in relation to the Proposed Scheme.

The Proposed Scheme is subject to the following outstanding approvals being obtained:-

- (i) Bursa Securities pursuant to the Main Market Listing Requirements;
 - (ii) Securities Commission for the registration of Abridged Prospectus ("**AP**");
 - (iii) Companies Commission of Malaysia for the lodgement of AP; and
 - (iv) 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. As announced to Bursa Securities on 7 September 2015, DNeX Petroleum Sdn Bhd ("**DNeX Petroleum**") had entered into a share subscription agreement in relation to Ping Petroleum Limited ("**Ping**") with Ping to subscribe for new ordinary shares of USD0.001 each in Ping, which represent 30% of the enlarged issued share capital of Ping, for a total consideration of USD10.0 million. Through the share subscription agreement, DNeX Petroleum is tapping into the reserves and resources of Ping's recent agreement for the acquisition of the Anasuria Cluster (as defined herein) which comprises a geographically focused package of operated producing fields and associated infrastructure of the following:
- (i) 100% interest in the Guillemot A field and the related field facilities ("**Guillemot A Field**");
 - (ii) 100% interest in the Teal field and the related field facilities ("**Teal Field**");
 - (iii) 100% interest in the Teal South field and the related field facilities ("**Teal South Field**");
 - (iv) 38.65% interest in the Cook field and the related field facilities ("**Cook Field**"); and

Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2015

- (v) 100% ownership in the common infrastructure known as the Anasuria Floating Production Storage and Offloading unit and the related equipment ("**Anasuria FPSO**").

The Guillemot A Field, Teal Field, Teal South Field, Cook Field and Anasuria FPSO are collectively referred to as the "**Anasuria Cluster**".

The Anasuria Cluster is located about 175km east of Aberdeen in the UK Central North Sea, and the equal joint acquisition between Ping and Hibiscus Petroleum Berhad to acquire 50% each of the entire interest in the Anasuria Cluster from Shell U.K. Limited, Shell EP Offshore Ventures Limited and Esso Exploration and Production UK Limited serves as DNeX entry into Upstream E&P.

(The above are collectively referred to as "**Proposed Ping Subscription**")

The Proposed Ping Subscription is subject to the following approvals being obtained:-

- (i) the Company shareholders for the Proposed Ping Subscription at the forthcoming EGM;
- (ii) such other waivers, consents or approvals as may be required from any relevant authorities and/or third parties, if required.

16 Derivatives

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

17 Classification of financial assets

For year ended 31 December 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 RM27.9 million in current quarter as compared to the immediate preceding quarter of RM23.0 million. The revenue increased was mainly derived from its trade facilitation business and the progress billings of an integrated ICT solution and maintenance contract from Jabatan Kerja Raya Malaysia.

The Group recorded Earnings before Interest, Tax, Depreciation and Amortization ("**EBITDA**") of RM9.8 million in current quarter as compared to the immediate preceding quarter of RM8.9 million. The increase in EBITDA in current quarter is mainly attributable to the growth in trade facilitation business and operation efficiency.

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

Quarter ended 31 December 2015 compared with quarter ended 31 December 2014

The Group recorded revenue of RM27.9 million in the current quarter and RM25.9 million in the preceding year corresponding quarter. The increase in revenue was mainly contributed by 3% growth in the Group's B2G business, and recurring revenue from leasing of directional drilling equipment for O&G activities.

The Group recorded EBITDA of RM9.8 million in current quarter as compared to the preceding year corresponding quarter of RM12.9 million. The current quarter EBITDA is affected by the business development cost incurred for the Group's new start-up business initiatives for in both Energy and ICT divisions.

Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2015

Year-to-date ended 31 December 2015 compared with year-to-date ended 31 December 2014

The Group recorded RM95.5 million in revenue for the current year-to-date as compared to the preceding year of RM86.8 million. The higher revenue in the current year-to-date was mainly due to the growth in the Group's B2G in trade facilitation business and recurring revenue from leasing of directional drilling equipment for O&G activities.

The Group recorded an EBITDA of RM34.7 million in current year-to-date compared to RM39.2 million in the preceding year. Included in the current year's EBITDA was one-off payment of voluntary separation scheme and other compensation cost ("**VSS payment**") of RM5.70 million.

21 Prospects for 2016

The Group continues to firm up its services and broadening its product range in B2B segment of its e-commerce services both domestically and internationally to complement the Group's position in delivering B2G services in trade facilitation business.

The completion of the Acquisitions of OGPC Group and Proposed Ping Subscription are expected in first half of 2016, and are projected to contribute positively to the future earnings of the Company and to enhance DNeX's shareholders' value in the medium to long term.

Barring any unforeseen circumstances, the Group expects to deliver positive results for the year 2016.

22 Variance for actual and forecast profit

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

23 Earnings per share

| | Current year quarter 31/12/2015 | Preceding year corresponding quarter 31/12/2014 | Twelve months to 31/12/2015 | Twelve months to 31/12/2014 |
|--|--|--|--------------------------------------|--------------------------------------|
| Profit attributable to the Owners of the Company (RM'000) | 3,790 | 4,266 | 11,226 | 12,215 |
| Weighted average number of shares ('000) | 775,245 | 775,245 | 775,245 | 775,245 |
| Basic earnings per share (sen) | 0.49 | 0.55 | 1.45 | 1.58 |



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2015

24 Breakdown of realised and unrealised profits or losses

The breakdown of the accumulated losses of the Group as at 31 December 2015, into realized and unrealized losses, pursuant to the directive, is as follows:

| | As at end of current financial year end 31/12/2015 RM'000 | As at preceding financial year end 31/12/2014 RM'000 |
|---|--|---|
| Total accumulated losses of the Company and its subsidiaries: | | |
| - Realised | (41,258) | (32,778) |
| - Unrealised | 36 | (2,790) |
| | <u>(41,222)</u> | <u>(35,568)</u> |
| Less: Consolidation adjustments | <u>(12,773)</u> | <u>(33,291)</u> |
| Total accumulated losses | <u>(53,995)</u> | <u>(68,859)</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
26 February 2016

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