



**DAGANG NEXCHANGE BERHAD (10039-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

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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 30/9/2017 RM'000 | Preceding year corresponding quarter 30/9/2016 RM'000 | Nine months to 30/9/2017 RM'000 | Nine months to 30/9/2016 RM'000 |
| Revenue | 49,502 | 36,836 | 142,435 | 111,149 |
| Cost of sales | (22,389) | (14,220) | (63,158) | (51,090) |
| Gross profit | 27,113 | 22,616 | 79,277 | 60,059 |
| Other income | 5,836 | 60 | 6,573 | 2,512 |
| Expenses | (18,346) | (20,644) | (50,190) | (47,643) |
| Finance cost | (315) | (357) | (441) | (791) |
| Share of result of associate, net of tax | 4,494 | 6,871 | 13,014 | 92,212 |
| Profit before income tax | 18,782 | 8,546 | 48,233 | 106,349 |
| Income tax (Note 14) | (3,076) | (1,786) | (5,860) | (5,133) |
| Profit for the period | 15,706 | 6,760 | 42,373 | 101,216 |
| 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 | (39) | 10 | (287) | 53 |
| Share of other comprehensive income of Associates | (2,793) | - | (10,535) | - |
| Other comprehensive income for the period, net of tax | (2,832) | 10 | (10,822) | 53 |
| Total comprehensive income for the period | 12,874 | 6,770 | 31,551 | 101,269 |



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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|-------------------------------------|---|---|---|
| | Current year 30/9/2017 RM'000 | Preceding year corresponding quarter 30/9/2016 RM'000 | Nine months to 30/9/2017 RM'000 | Nine months to 30/9/2016 RM'000 |
| Profit attributable to: | | | | |
| - Owners of the Company | 14,913 | 8,251 | 41,922 | 103,124 |
| - Non-controlling Interests | 793 | (1,491) | 451 | (1,908) |
| Profit for the period | 15,706 | 6,760 | 42,373 | 101,216 |
| Total comprehensive income attributable to: | | | | |
| - Owners of the Company | 12,081 | 8,261 | 31,100 | 103,177 |
| - Non-controlling Interests | 793 | (1,491) | 451 | (1,908) |
| Total comprehensive income for the period | 12,874 | 6,770 | 31,551 | 101,269 |
| Earnings per share | | | | |
| - Basic | 0.85 sen | 0.58 sen | 2.40 sen | 10.44 sen |
| - Diluted | 0.84 sen | NA | 2.39 sen | 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 30/9/2017 RM'000 | Preceding year corresponding quarter 30/9/2016 RM'000 | Nine months to 30/9/2017 RM'000 | Nine months to 30/9/2016 RM'000 |
| Profit before income tax is arrived at after charging/(crediting): | | | | |
| Interest income | (402) | (20) | (898) | (125) |
| Loss on disposal of plant and equipment | - | 1 | - | 4 |
| Interest expense | 315 | 357 | 441 | 791 |
| Depreciation and amortization | 3,301 | 2,368 | 9,753 | 5,822 |
| Impairment loss of receivables | 58 | 1,150 | 201 | 2,266 |
| Voluntary separation scheme and other related compensation cost | - | 220 | - | 220 |
| Reversal of impairment loss of receivables | - | (69) | - | (69) |
| Foreign exchange loss / (gain) | 23 | (133) | 175 | (57) |

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 2016.



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II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Unaudited As at 30/9/2017 RM'000 | Audited As at 31/12/2016 RM'000 |
|--|---|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 54,713 | 32,255 |
| Investment in associates | 179,489 | 177,010 |
| Other investments | 4,405 | 4,674 |
| Goodwill on consolidation | 49,740 | 49,740 |
| Intangible assets | 44,930 | 49,031 |
| | <u>333,277</u> | <u>312,710</u> |
| Current assets | | |
| Stock | 1,656 | 649 |
| Trade and other receivables | 91,869 | 68,610 |
| Tax recoverable | 4,324 | 3,216 |
| Cash and cash equivalents | 70,787 | 72,283 |
| | <u>168,636</u> | <u>144,758</u> |
| Total assets | 501,913 | 457,468 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to Owners of the Company | | |
| Share capital | 353,088 | 346,578 |
| Warrant reserve | 5,691 | 5,691 |
| Share Option reserves | 1,083 | 2,415 |
| Translation reserve | 989 | 11,811 |
| Retained earnings | 70,200 | 37,044 |
| | <u>431,051</u> | <u>403,539</u> |
| Non-controlling Interests | (1,384) | (1,884) |
| Total equity | 429,667 | 401,655 |
| Non-current liabilities | | |
| Bank borrowing (secured) | 17,503 | - |
| Deferred tax liabilities | 9,728 | 12,056 |
| | <u>27,231</u> | <u>12,056</u> |
| Current liabilities | | |
| Trade and other payables | 44,476 | 42,059 |
| Tax payable | 539 | 1,698 |
| | <u>45,015</u> | <u>43,757</u> |
| Total liabilities | <u>72,246</u> | <u>55,813</u> |
| Total equity and liabilities | 501,913 | 457,468 |
| Net assets per share attributable to Owners of the Company (RM) | 0.25 | 0.23 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.



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III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Unaudited Nine months to 30/9/2017 RM'000 | Unaudited Nine months to 30/9/2016 RM'000 |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash receipts from customers | 143,580 | 129,949 |
| Cash payments to suppliers | (65,336) | (45,424) |
| Cash payments to employees and other expenses | (61,934) | (41,354) |
| | 16,310 | 43,171 |
| Cash generated from operations | 16,310 | 43,171 |
| Income tax paid (net) | (9,171) | (6,184) |
| Zakat | 11 | 95 |
| | 7,150 | 37,082 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of plant, property and equipment and intangible assets | (23,260) | (4,766) |
| Interest received | 898 | 125 |
| Acquisition of subsidiaries | - | (57,411) |
| Acquisition of investment | - | (37,974) |
| Deposits for acquisition of investment | - | (1,246) |
| Capital repayment by a subsidiary to non-controlling interest | - | (23,288) |
| | (22,362) | (124,560) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from share based payment | 5,178 | - |
| Drawdown of bank borrowing | 19,122 | 26,330 |
| Proceeds from issuance of ordinary shares | - | 126,281 |
| Repayment of bank borrowing | (1,619) | (38,201) |
| Interest paid | (290) | (764) |
| Decrease/ (Increase) in pledged deposits and restricted cash | 2,445 | (2,085) |
| Dividend paid to owners of the Company | (8,675) | (7,752) |
| Dividend paid by a subsidiary to non-controlling interests | - | (300) |
| | 16,161 | 103,509 |
| Net cash generated from financing activities | | |
| | 949 | 16,031 |
| Net Change in Cash and Cash Equivalents | | |
| Cash and Cash Equivalents as at beginning of financial period | 66,629 | 36,901 |
| | 67,578 | 52,932 |
| Cash and Cash Equivalents as at end of financial period | (a) 67,578 | 52,932 |
| | ===== | ===== |

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

| | As at 30/9/2017 RM'000 | As at 30/9/2016 RM'000 |
|---|---------------------------------------|---------------------------------------|
| Cash and deposits with licensed banks | | |
| - Unrestricted | 67,578 | 52,932 |
| - Restricted | 3,209 | 11,304 |
| | 70,787 | 64,236 |
| Less: Cash and cash equivalents pledged as security | (3,209) | (11,304) |
| | 67,578 | 52,932 |
| Cash and Cash Equivalents as at end of financial period | ===== | ===== |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.

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IV CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

| In RM'000 | ← Attributable to Owners of the Company → | | | | | Total | Non-controlling interests | Total equity |
|---|---|-----------------|-----------------------|---------------------|--|----------------|---------------------------|----------------|
| | ← Non-distributable → | | | | Retained earnings/ (Accumulated losses) | | | |
| | Share capital | Warrant Reserve | Share Option Reserves | Translation Reserve | | | | |
| Nine months to 30 September 2017 | | | | | | | | |
| Balance as at 1 January 2017 | 346,578 | 5,691 | 2,415 | 11,811 | 37,044 | 403,539 | (1,884) | 401,655 |
| Profit for the period | - | - | - | - | 41,922 | 41,922 | 451 | 42,373 |
| Foreign currency translation differences for foreign operations | - | - | - | (287) | - | (287) | - | (287) |
| Share of other comprehensive income of associates | - | - | - | (10,535) | - | (10,535) | - | (10,535) |
| Total comprehensive income for the period | - | - | - | (10,822) | 41,922 | 31,100 | 451 | 31,551 |
| Effect of acquisition of subsidiary | - | - | - | - | - | - | 49 | 49 |
| Contribution by and distribution to owners of the Company | | | | | | | | |
| - Share-based payment transactions | 6,510 | - | (1,332) | - | - | 5,178 | - | 5,178 |
| - Dividend to Owners of the Company | - | - | - | - | (8,766) | (8,766) | - | (8,766) |
| Balance as at 30 September 2017 | 353,088 | 5,691 | 1,083 | 989 | 70,200 | 431,051 | (1,384) | 429,667 |
| Nine months to 30 September 2016 | | | | | | | | |
| Balance as at 1 January 2016 | 155,049 | - | - | (54) | (53,995) | 101,000 | (747) | 100,253 |
| Profit for the period | - | - | - | - | 103,124 | 103,124 | (1,908) | 101,216 |
| Foreign currency translation differences for foreign Operations | - | - | - | 53 | - | 53 | - | 53 |
| Total comprehensive income for the period | - | - | - | 53 | 103,124 | 103,177 | (1,908) | 101,269 |
| Effect of acquisition of subsidiary | 72,500 | 1,450 | - | - | (26,277) | 47,673 | 380 | 48,053 |
| Effect of issuance of Right Issue | 93,029 | 3,721 | - | - | - | 96,750 | - | 96,750 |
| Effect of issuance of Special Issue | 26,000 | 520 | - | - | - | 26,520 | - | 26,520 |
| Share options expenses | - | - | 2,415 | - | - | 2,415 | - | 2,415 |
| Dividend to Owners of the Company | - | - | - | - | (7,752) | (7,752) | - | (7,752) |
| Balance as at 30 September 2016 | 346,578 | 5,691 | 2,415 | (1) | 15,100 | 369,783 | (2,275) | 367,508 |

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 2016.



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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 September 2017, 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 2016.

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 2017:-

| | | |
|--------------------------|---|---|
| • Amendments to MFRS 12 | : | Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014 – 2016 Cycle) |
| • Amendments to MFRS 107 | : | Statements of Cash Flows – Disclosure Initiative |
| • Amendments to MFRS 112 | : | Recognition of Deferred Tax Assets for Unrealised Losses |

The adoption of the above accounting standards and interpretations (including the consequential amendments) is expected to have no material impact on the Group's financial statements.

3 Audit report in respect of the 2016 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2016 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.

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 September 2017.



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8 Dividend

The Directors do not recommend the payment of any dividend for the current year quarter ended 30 September 2017 (2016: Nil). An interim dividend of 0.5 sen per share under the single-tier system totaling RM8.76 million for the period ended 30 June 2017 was paid on 2 October 2017.

9 Segmental information for the current period

The Group's current activity is mainly from the Information Technology and Energy industries.

| Business segment | Information Technology | Energy | Corporate | Eliminations | Consolidated |
|--|-------------------------------|----------------|------------------|---------------------|---------------------|
| 2017 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Business segments | | | | | |
| Revenue from external Customers | 98,599 | 43,836 | - | - | 142,435 |
| Inter-segment revenue | 1,483 | - | 29,238 | (30,721) | - |
| Total revenue | 100,082 | 43,836 | 29,238 | (30,721) | 142,435 |
| Segment result | | | | | |
| Profit/(Loss) from operations | 34,723 | 387 | 28,889 | (29,238) | 34,761 |
| Finance costs | (274) | (2,531) | - | 2,364 | (441) |
| Finance income | 524 | 421 | 2,318 | (2,364) | 899 |
| Share of results in associates, net of tax | - | 13,014 | - | - | 13,014 |
| Profit before tax | 34,973 | 11,291 | 31,207 | (29,238) | 48,233 |
| Tax expense | | | | | (5,860) |
| Net profit after tax | | | | | 42,373 |
| Attributable to: | | | | | |
| Owners of the Company | | | | | 41,922 |
| Non-controlling interests | | | | | 451 |
| Profit for the year | | | | | 42,373 |
| Segment assets | 162,265 | 364,461 | 310,085 | (334,898) | 501,913 |
| Segment liabilities | 91,501 | 68,304 | 9,695 | (97,254) | 72,246 |

10 Material events subsequent to the current period

In the opinion of the Directors, there are no items, transactions or events of material and unusual nature which have arisen since 30 September 2017 to the date of this announcement which would substantially affect the financial results of the Group for the current period ended 30 September 2017.

11 Changes in the composition of the Group

There are 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.



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13 Capital commitments

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

14 Income tax

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---------------------------------|---|---|---------------------------------------|---------------------------------------|
| | Current year quarter 30/9/2017 RM'000 | Preceding year corresponding quarter 30/9/2016 RM'000 | Nine months to 30/9/2017 RM'000 | Nine months to 30/9/2016 RM'000 |
| Malaysian income tax | | | | |
| - Current taxation | (3,462) | (1,494) | (8,095) | (4,999) |
| - Under provision in prior year | (93) | (292) | (93) | (292) |
| Total current tax expense | (3,555) | (1,786) | (8,188) | (5,291) |
| Deferred tax expenses | | | | |
| - Current period | 479 | - | 2,328 | 158 |
| Total deferred tax expenses | 479 | - | 2,328 | 158 |
| | (3,076) | (1,786) | (5,860) | (5,133) |

The effective tax rate of the Group for current period taxation (exclude the share of result of associate) was 23%, slightly lower than the statutory tax rate, due to utilisation tax benefit against the profits of certain subsidiaries.

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

There are no announced corporate proposals that are not completed as at the date of this report.

16 Derivatives

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

17 Classification of financial assets

For period ended 30 September 2017, 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 material litigation as at the date of this announcement.



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19 Comparison between the current quarter and the immediate preceding quarter

| | Current year quarter 30/9/2017 RM'000 | Immediate preceding quarter 30/6/2017 RM'000 | Variance % |
|---------------------------------|--|---|-----------------------|
| Revenue | 49,502 | 49,108 | +0.8 |
| - Information Technology ("IT") | 37,320 | 31,601 | +18.0 |
| - Energy | 12,182 | 17,507 | -30.4 |

The Group recorded total revenue of RM49.5 million in current quarter as compared to the immediate preceding quarter of RM49.1 million. The revenue in current quarter was driven from the growth in the Group's IT segment mainly the trade facilitation business, e-Work Permit and recurring income from operation & maintenance from the Vehicle Entry Permit and Road Charge ("VEP & RC") system.

However, the increased revenue in IT segment was off-set by lower revenue recognition in OGPC and lower progressive billing of oilfield drilling services to PETRONAS Carigali Sdn Bhd during the current year quarter. The Group's Energy division was affected by the lower level of upstream activities as a result of overall market softness of the Oil & Gas industry.

| | Current year quarter 30/9/2017 RM'000 | Immediate preceding quarter 30/6/2017 RM'000 | Variance % |
|---------------------------------|--|---|-----------------------|
| Profit before tax ("PBT") | 18,782 | 13,308 | +41.1 |
| - Information Technology ("IT") | 12,628 | 11,193 | +12.8 |
| - Energy | 5,671 | 1,120 | >+100.0 |
| - Corporate, net of elimination | 483 | 995 | -51.5 |

The Group recorded **PBT** of RM18.8 million in current quarter as compared to the immediate preceding quarter of RM13.3 million, an increase of RM5.5 million (41%) in current reporting quarter. The overall profit margin of the Group's IT segment continues to grow by 12.8% quarter-to-quarter. Included in Energy segment was a one-off other income of RM5 million, an industry grant awarded to the Group's oilfield drilling services unit.



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

(a) Quarter ended 30 September 2017 compared with quarter ended 30 September 2016

| | Current year quarter 30/9/2017 RM'000 | Preceding year corresponding quarter 30/9/2016 RM'000 | Variance % |
|---------------------------------|---|---|---------------|
| Revenue | 49,502 | 36,836 | +34.4 |
| - Information Technology ("IT") | 37,320 | 26,868 | +38.9 |
| - Energy | 12,182 | 9,968 | +22.2 |

The Group recorded revenue of RM49.5 million in the current quarter and RM36.8 million in the preceding year corresponding quarter. Included in the preceding year corresponding quarter is two (2) months post acquisition revenue of OGPC.

The increase in revenue in current quarter was mainly driven from IT segment, primarily the new recurring income from operation & maintenance the VEP & RC system, e-Work Permit and growth in trade facilitation business.

| | Current year quarter 30/9/2017 RM'000 | Preceding year corresponding quarter 30/9/2016 RM'000 | Variance % |
|---------------------------------|---|---|---------------|
| Profit before tax ("PBT") | 18,782 | 8,546 | +>100.0 |
| - Information Technology ("IT") | 12,628 | 5,034 | +>100.0 |
| - Energy | 5,671 | 3,512 | +61.5 |

The Group recorded a PBT of RM18.8 million in current quarter as compared to the preceding year corresponding quarter of RM8.5 million. The increase in Group's PBT was contributed by growth in the Group's B2B & B2G business and new recurring income from operation and maintenance of the VEP & RC system.

(b) Year-to-date ended 30 September 2017 compared with year-to-date ended 30 September 2016

| | Nine months to 30/9/2017 RM'000 | | Nine months to 30/9/2016 RM'000 | | Variance % |
|---------------------------------|---|----|---|----|---------------|
| Revenue | 142,435 | % | 111,149 | % | +28.1 |
| - Information Technology ("IT") | 98,599 | 69 | 98,991 | 89 | -0.4 |
| - Energy | 43,836 | 31 | 12,158 | 11 | +>100 |

The Group recorded RM142.4 million in revenue for the current year-to-date as compared to the preceding year of RM111.1 million. The overall 28% higher revenue in the current year-to-date was mainly contributed by Energy segment, namely full consolidation of OGPC's result and progressive billing of oilfield drilling services under the Umbrella contract to PETRONAS Carigali Sdn Bhd.

The IT segment recorded revenue of RM98.6 million for the current year-to-date is mainly attributable to the recurring income from operation & maintenance the VEP & RC system, trade facilitation, e-Work permit and B2B business.



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| | Nine months to 30/9/2017 RM'000 | Nine months to 30/9/2016 RM'000 | Variance % |
|---------------------------------|---|---|---------------|
| Profit before tax ("PBT") | 48,233 | 106,349 | -54.6 |
| - Information Technology ("IT") | 34,973 | 21,611 | +61.8 |
| - Energy | 11,291 | 84,738 | -86.7 |
| - Corporate, net of elimination | 1,969 | - | +>100.0 |

The Group's PBT increased more than two fold to RM48.2 million in current year-to-date as compared to RM21 million, excluding the one-off share of pre-acquisition gain of excess fair value of RM85.3 million resulted from the completion of acquisition in PING Petroleum Limited in the preceding year. The Group's recurring revenue stream from Information Technology segment and share in operational net profit from an associate company have continued to contribute to the Group's profitability.

21 Prospects for 2017

The Group's Information Technology business continues to firm up its e-services by broadening its product range in business-to-business segment to complement the Group's position in delivering business-to-government services. The new recurring income from operation and maintenance of the VEP&RC System, eWork Permits, and the 1Trade, a Web-based one-stop portal for total cargo and trade management and related services have further open up a new revenue stream to the Group.

The Group income performance is expected to perform well in tandem with the improving crude oil price outlook.

Barring any unforeseen circumstances, the Group expects to deliver positive results for the year 2017.

22 Variance for actual and forecast profit

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



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23 Earnings per share

Basic earnings per share

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|---|---|---|---|
| | Current year quarter 30/9/2017 '000 | Preceding year corresponding quarter 30/9/2016 '000 | Nine months to 30/9/2017 '000 | Nine months to 30/9/2016 '000 |
| Profit attributable to the Owners of the Company (RM) | 14,913 | 8,251 | 41,922 | 103,124 |
| Number of ordinary shares at beginning of the period | 1,750,961 | 775,245 | 1,732,891 | 775,245 |
| Effect of shares issue pursuant to exercise of ESOS | 1,588 | 368,431 | 11,841 | 212,810 |
| Weighted average number of ordinary shares | 1,752,549 | 1,143,676 | 1,744,732 | 988,055 |
| Basic earnings per share (sen) | 0.85 | 0.58 | 2.40 | 10.44 |

Diluted earnings per share

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | Current year quarter 30/9/2017 '000 | Preceding year corresponding quarter 30/9/2016 '000 | Nine months to 30/9/2017 '000 | Nine months to 30/9/2016 '000 |
| Profit attributable to the Owners of the Company (RM) | 14,913 | 8,251 | 41,922 | 103,124 |
| Weighted average number of ordinary shares as per basic earnings per share | 1,752,549 | 1,143,676 | 1,744,732 | 988,055 |
| Effect of potential exercise of ESOS | 6,712 | - | 6,437 | - |
| Weighted average number of ordinary shares | 1,759,261 | 1,143,676 | 1,751,169 | 988,055 |
| Diluted earnings per share (sen) | 0.84 | NA | 2.39 | NA |

The exercise of Warrants has been ignored in the calculation of dilutive earnings per ordinary share, as the exercise price is higher than the average market price of the Company's ordinary shares during the current financial period.



DAGANG NEXCHANGE BERHAD (10039-P)
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24 Breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings of the Group as at 30 September 2017, into realised and unrealised profit, pursuant to the directive, is as follows:

| | As at end of current financial period end 30/9/2017 RM'000 | As at preceding financial year end 31/12/2016 RM'000 |
|--|--|--|
| Total retained earnings of the Company and its subsidiaries: | | |
| - Realised | (37,455) | (60,478) |
| - Unrealised | 33 | 265 |
| | <u>(37,422)</u> | <u>(60,213)</u> |
| Total share of retained earnings of associates: | | |
| - Realised | 351,114 | 265,880 |
| - Unrealised | (214,565) | (142,345) |
| | <u>136,549</u> | <u>123,535</u> |
| Less: Consolidation adjustments | (28,927) | (26,278) |
| Retained earnings | <u>70,200</u> | <u>37,044</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
21 November 2017

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