DAGANG NEXCHANGE BERHAD (10039-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

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 2017 financial statements	10
4	Seasonal or cyclical factors	10
5	Unusual items due to their nature, size or incidence	10
6	Material changes in estimates used	10
7	Debt and equity securities	10
8	Dividend	10
9	Segmental information for the current period	11
10	Material events subsequent to the current period	11
11	Changes in the composition of the Group	11
12	Contingent liabilities	12
13	Capital commitments	12
14	Income tax	12
15	Status of corporate proposals announced but not completed as at the date of this announcement	12
16	Derivatives	12
17	Classification of financial assets	12
18	Material litigation	12
19	Comparison between the current quarter and the immediate preceding quarter	13
20	Detailed analysis of the performance for the current quarter	14
21	Prospects for 2018	14
22	Variance for actual and forecast profit	14
23	Earnings per share	15
24	Authorisation for issue	15

DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The First Quarter Ended 31 March 2018

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 31/3/2018 RM'000	Preceding year corresponding quarter 31/3/2017 RM'000	Three months to 31/3/2018 RM'000	Three months to 31/3/2017 RM'000
Revenue	**71,107**	**43,825**	**71,107**	**43,825**
Cost of sales	(25,166)	(17,435)	(25,166)	(17,435)
Gross profit	45,941	26,390	45,941	26,390
Other income	2,549	469	2,549	469
Expenses	(23,355)	(15,136)	(23,355)	(15,136)
Finance cost	(1,019)	(55)	(1,019)	(55)
Share of result of associate, net of tax	6,059	4,475	6,059	4,475
Profit before income tax	**30,175**	**16,143**	**30,175**	**16,143**
Income tax (Note 14)	(1,488)	(1,140)	(1,488)	(1,140)
Profit for the period	**28,687**	**15,003**	**28,687**	**15,003**
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	(257)	(74)	(257)	(74)
Share of other comprehensive income of associates	(8,699)	(2,496)	(8,699)	(2,496)
Fair value change in other investment	(414)	-	(414)	-
Other comprehensive income for the period, net of tax	(9,370)	(2,570)	(9,370)	(2,570)
Total comprehensive income for the period	**19,317**	**12,433**	**19,317**	**12,433**

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DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The First Quarter Ended 31 March 2018

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2018 RM'000	Preceding year corresponding quarter 31/3/2017 RM'000	Three months to 31/3/2018 RM'000	Three months to 31/3/2017 RM'000
Profit attributable to:				
- Owners of the Company	16,235	15,080	16,235	15,080
- Non-controlling Interests	12,452	(77)	12,452	(77)
Profit for the period	**28,687**	**15,003**	**28,687**	**15,003**
Total comprehensive income attributable to:				
- Owners of the Company	6,865	12,510	6,865	12,510
- Non-controlling Interests	12,452	(77)	12,452	(77)
Total comprehensive income for the period	**19,317**	**12,433**	**19,317**	**12,433**
Earnings per share				
- Basic	0.93 sen	0.87 sen	0.93 sen	0.87sen
- Diluted	0.92 sen	0.85 sen	0.92 sen	0.85 sen

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2018 RM'000	Preceding year corresponding quarter 31/3/2017 RM'000	Three months to 31/3/2018 RM'000	Three months to 31/3/2017 RM'000
Profit before income tax is arrived at after charging/(crediting):				
Interest income	(215)	(265)	(215)	(265)
Loss on disposal of property, plant and equipment	2	-	2	-
Interest expense	1,019	55	1,019	55
Depreciation and amortization	4,324	3,219	4,324	3,219
Allowance for impairment loss	1,207	8	1,207	8
Reversal of impairment loss	(2)	-	(2)	-
Foreign exchange loss	26	122	26	122

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 2017.

DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The First Quarter Ended 31 March 2018

II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31/3/2018 RM'000	Audited As at 31/12/2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	66,929	65,279
Investment in associates	173,020	175,660
Other investments	4,639	4,233
Goodwill	65,788	49,740
Intangible assets	46,981	44,688
	357,357	339,600
Current assets		
Inventories	872	2,770
Trade and other receivables	199,785	105,923
Tax recoverable	3,144	2,740
Cash and cash equivalents	46,232	51,834
	250,033	163,267
Total assets	**607,390**	**502,867**
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	354,108	353,502
Warrant reserve	5,691	5,691
Share Option reserve	874	998
Translation reserve	(15,106)	(6,150)
Fair value reserve	(441)	-
Retained earnings	89,165	72,864
	434,291	426,905
Non-controlling Interests	(14,264)	(2,548)
Total equity	420,027	424,357
Non-current liabilities		
Bank borrowing (secured)	18,680	18,680
Deferred tax liabilities	8,625	9,249
	27,305	27,929
Current liabilities		
Trade and other payables	91,576	44,113
Bank borrowing (secured)	65,447	1,320
Tax payable	3,035	5,148
	160,058	50,581
Total liabilities	187,363	78,510
Total equity and liabilities	**607,390**	**502,867**
Net assets per share attributable to Owners of the Company (RM)	**0.25**	**0.24**

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2017.

Quarterly Report On Consolidated Results For The First Quarter Ended 31 March 2018

III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		Unaudited Three months to 31/3/2018 RM'000	Unaudited Three months to 31/3/2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		47,934	45,464
Cash payments to suppliers		(23,070)	(23,948)
Cash payments to employees and other expenses		(16,693)	(19,760)
Cash generated from operations		8,171	1,756
Income tax paid (net)		(5,406)	(2,423)
Zakat		170	169
Net cash generated from/(used in) operating activities		2,935	(498)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets		(7,885)	(715)
Interest received		215	265
Acquisition of subsidiaries		(2,179)	-
Net cash used in investing activities		(9,849)	(450)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share options exercised		482	571
Drawdown of bank borrowings		2,152	-
Repayment of borrowing interests		(1,322)	-
Decrease/(Increase) in pledged deposits and restricted cash		965	(383)
Dividend paid to owners of the Company		-	(8,675)
Net cash generated from/(used in) financing activities		2,277	(8,487)
Net Change in Cash and Cash Equivalents		(4,637)	(9,435)
Cash and Cash Equivalents as at beginning of financial period		44,693	66,629
Cash and Cash Equivalents as at end of financial period	(a)	40,056	57,194
		=========	========

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

	As at 31/3/2018 RM'000	As at 31/3/2017 RM'000
Cash and deposits with licensed banks		
- Unrestricted	40,056	57,194
- Restricted and pledged	6,176	6,037
	46,232	63,231
Less : Cash and cash equivalents pledged as security	(6,176)	(6,037)
Cash and Cash Equivalents as at end of financial period	40,056	57,194
	========	========

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2017.

DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The First Quarter Ended 31 March 2018

IV CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

In RM'000	Attributable to Owners of the Company								
	Non-distributable								
	Share Capital	Warrant reserve	Share Option reserve	Translation reserve	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total equity
Three months to 31 March 2018									
Balance as at 1 January 2018									
- As previously stated	353,502	5,691	998	(6,150)	-	72,864	426,905	(2,548)	424,357
- Effect of change in accounting policies (note 2)	-	-	-	-	(27)	66	39	-	39
Balance as at 1 January 2018, as restated	353,502	5,691	998	(6,150)	(27)	72,930	426,944	(2,548)	424,396
Profit for the period	-	-	-	-	-	16,235	16,235	12,452	28,687
Foreign currency translation differences for foreign operations	-	-	-	(257)	-	-	(257)	-	(257)
Share of other comprehensive income of associates	-	-	-	(8,699)	-	-	(8,699)	-	(8,699)
Fair value change in other investment	-	-	-	-	(414)	-	(414)	-	(414)
Total comprehensive income for the period	-	-	-	(8,956)	(414)	16,235	6,865	12,452	19,317
Contribution by and distribution to owners of the Company									
- Effect of acquisition of subsidiary	-	-	-	-	-	-	-	(24,168)	(24,168)
- Share options exercised	606	-	(124)	-	-	-	482	-	482
Total transactions with owners of the Company	606	-	(124)	-	-	-	482	(24,168)	(23,686)
Balance as at 31 March 2018	354,108	5,691	874	(15,106)	(441)	89,165	434,291	(14,264)	420,027
Three months to 31 March 2017									
Balance as at 1 January 2017	346,578	5,691	2,415	11,327	-	25,031	391,042	(1,884)	389,158
Profit for the period	-	-	-	-	-	15,080	15,080	(77)	15,003
Foreign currency translation differences for foreign Operations	-	-	-	(74)	-	-	(74)	-	(74)
Share of other comprehensive income of associates	-	-	-	(2,496)	-	-	(2,496)	-	(2,496)
Total comprehensive income for the period	-	-	-	(2,570)	-	15,080	12,510	(77)	12,433
Contribution by and distribution to owners of the Company									
- Share options exercised	2,630	-	(538)	-	-	-	2,092	-	2,092
Balance as at 31 March 2017	349,208	5,691	1,877	8,757	-	40,111	405,644	(1,961)	403,683

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 2017.

Quarterly Report On Consolidated Results For The First Quarter Ended 31 March 2018

V NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 Basis of preparation

These condensed consolidated interim financial statements, for the period ended 31 March 2018, 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 2017.

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 for the financial period on or after from 1 January 2018:-

• MFRS 9	:	Financial Instruments
• MFRS 15	:	Revenue from Contracts with Customers
• IC Interpretation 22	:	Foreign Currency Transactions and Advance Consideration
• Amendments to MFRS 2	:	Classification and Measurement of Share-based Payment Transactions
• Amendments to MFRS 140	:	Transfers of Investment Property
• Amendments to MFRS 1, MFRS 128	:	Annual Improvements to MFRS Standards 2014 – 2016 Cycle

Except for the adoption of MFRS 9 and MFRS 15 as further explained below, the adoption of the above accounting standards and interpretations (including the consequential amendments) do not have any material impact on the Group's financial statements.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below:

(a) MFRS 9 Financial Instruments

Financial Instruments

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Classification

The Group classifies its financial assets in the following measurement categories:-

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are:-

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is determined using the effective interest rate method.

- Fair value through other comprehensive income ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is determined using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss.

Equity Instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in fair value of financial assets at fair value through profit or loss are recognised in profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI, including contract assets. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit loss if the credit risk of that financial instrument has increased significantly since initial recognition. On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit loss.

For trade receivables and contract assets, the Group applies the simplified approach to measure the loss allowance at an amount equal to lifetime expected credit loss.

Transition to MFRS 9

The Group has chosen not to restate comparative figures of its financial instruments, in which case the cumulative effect of the initially application of the Standard has been adjusted to the opening balance of retained profits (or other appropriate component of equity) in the period of its initial application (i.e. 1 January 2018).

As allowed by the transitional provision of MFRS 9, the Group elected not to restate the comparatives. Adjustments arising from the initial application of the new impairment model has been recognised in the opening balance of the retained earnings and the carrying amount of the financial assets as at 1 January 2018 as disclosed below:

	Impact of adoption of MFRS 9 to opening balance at 1 January 2018 RM'000
Increase in retained earnings	66
Decrease in fair value reserve	27
Decrease in other investments	27
Increase in trade and other receivables	239
Decrease in cash and cash equivalents	152
Increase in deferred tax liabilities	21

(b) MFRS 15 Revenue from Contracts with Customers

Revenue is measured based on the transaction price agreed under a contract with a customer excludes amounts collected on behalf of third parties such as sales and service taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, performance bonuses, penalties or other similar items, the Group estimates the amount of consideration that it expects to be entitled based on the expected value or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future.

If the contract with customer contains more than one distinct performance obligation, the amount of consideration is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The Group recognises revenue of each performance obligation when it transfers control of a product or service to a customer either at a point of time or over time. When revenue is recognised over time, the stage of completion for customised equipment is measured by reference to the surveys or appraisals of work performed to date. When the services rendered exceed the billings to customers, a contract asset is recognised. If the billings exceed the services rendered, a contract liability is recognised.

A trade receivable is recognised by the Group at a point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The Group assesses the impairment of trade receivable using the simplified approach as disclosed in *'Financial Instruments – Impairment of Financial Assets'* section above which requires expected lifetime losses to be recognised from initial recognition of the trade receivables

Transition to MFRS 15

The Group has chosen the simplified transition approach by applying apply MFRS 15 retrospectively only to contracts that are not completed at the date of initial application (1 January 2018) and recognised the cumulative effect of the initially application of the Standard as an adjustment to the opening balance of retained profits (or other appropriate component of equity) on that date.

The application of MFRS 15 does not have a material effect on the Group's financial statements.

3 Audit report in respect of the 2017 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2017 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 31 March 2018.

8 Dividend

The Directors do not recommend the payment of any dividend for the period ended 31 March 2018 (2017: Nil).

9 Segmental information for the current period

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

Business segment **2018**	**Information Technology RM'000**	**Energy RM'000**	**Corporate RM'000**	**Eliminations RM'000**	**Consolidated RM'000**
Business segments					
Revenue from external Customers	59,308	11,799	-	-	71,107
Inter-segment revenue	746	-	-	(746)	-
Total revenue	60,054	11,799	-	(746)	71,107
Segment result					
Profit/(Loss) from operations	26,277	(1,410)	53	-	24,920
Finance costs	(1,019)	(478)	-	478	(1,019)
Finance income	89	126	478	(478)	215
Share of results in associates, net of tax	-	6,059	-	-	6,059
Profit before tax	25,347	4,297	531	-	30,175
Tax expense					(1,488)
Net profit after tax					28,687
Attributable to:					
Owners of the Company					16,235
Non-controlling interests					12,452
Profit for the year					28,687
Segment assets	339,408	365,670	315,157	(412,845)	607,390
Segment liabilities	246,504	70,045	8,729	(137,915)	187,363

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 31 March 2018 to the date of this announcement which would substantially affect the financial results of the Group for the current period ended 31 March 2018, other than a subsidiary had on 30 April 2018 fully settled all amounts due and owing to Malaysia Debt Ventures Berhad ("MDV") comprising the principle sum of RM57.6 million and all interests.

11 Changes in the composition of the Group

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

The Company had on 25 January 2018 entered into a conditional share sale and purchase agreement ("SPA"), and subsequently supplemental agreement in relation to the SPA was signed on 24 May 2018 for the following acquisitions:

i. a 51% equity interest in Genaxis Group Sdn. Bhd. ("Genaxis") for a total cash consideration of RM10 million ("SPA 1"); and

ii. a 60% equity interest in Innovation Associates Consulting Sdn. Bhd. ("IAC") through Genaxis for a total consideration of RM23.76 million ("SPA 2").

The completion of SPA 1 is conditional upon the completion of the transactions contemplated by Share Sale and Purchase Agreement between Genaxis and IAC as stipulated in SPA 2.

Both Genaxis and IAC are deemed as subsidiary companies of the Group as of the acquisition date of 29 January 2018, pursuant to the terms and conditions of the SPA 1 and SPA 2 respectively, and in compliance with the requirements of the Malaysia Financial Reporting Standard ("MFRS") 3 - Business Combination.

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 as at the date of this announcement.

14 Income tax

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2018 RM'000	Preceding year corresponding quarter 31/3/2017 RM'000	Three months to 31/3/2018 RM'000	Three months to 31/3/2017 RM'000
Malaysian income tax				
- Current taxation	(2,257)	(2,510)	(2,257)	(2,510)
Total current tax expense	(2,257)	(2,510)	(2,257)	(2,510)
Deferred tax expenses				
- Current period	769	1,370	769	1,370
Total deferred tax expenses	769	1,370	769	1,370
	(1,488)	(1,140)	(1,488)	(1,140)

The effective tax rate of the Group for current quarter taxation (exclude the share of result of associate) was 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 year ended 31 March 2018, 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.

19 Comparison between the current quarter and the immediate preceding quarter

	Current year quarter 31/3/2018 RM'000	Immediate preceding quarter 31/12/2017 RM'000	Variance %
Revenue	71,107	61,503	+15.6
- Information Technology ("IT")	59,308	41,594	+42.6
- Energy	11,799	19,909	-40.7
Profit before tax ("PBT")	30,175	18,358	+64.4

The core revenue drivers of the Group for current year quarter are:

i) trade facilitation & B2B business;
ii) OGPC's energy equipment & maintenance;
iii) Vehicle Entry Permit and Road Charge ("VEP & RC") operations & maintenance services; and
iv) Post acquisition revenue from Genaxis Group Sdn. Bhd. and its subsidiary company Innovation Associates Consulting Sdn. Bhd. ("Genaxis Group").

The Group's energy business continues to experience significant competitive pressure in an environment of declining oil and gas activities. The reduction in the energy revenue is also caused by a delay in executing portable container system ("PCS") due to site readiness. An amount of RM3.75 million of PCS revenue was recognised in immediate preceding quarter.

The Group's PBT hiked by 64.4% to RM30.175 million in current quarter was mainly attributable by post acquisition revenue from Genaxis Group and the growth in trade facilitation business. The Group share in results in an associate company is also improved in tandem with the improving crude oil price in current quarter.

20 Detailed analysis of the performance for the current quarter

(a) Quarter ended 31 March 2018 compared with quarter ended 31 March 2017

	Current year quarter 31/3/2018 RM'000	Preceding year corresponding quarter 31/3/2017 RM'000	Variance %
Revenue	71,107	43,825	+62.2
- Information Technology ("IT")	59,308	29,678	+99.8
- Energy	11,799	14,147	-16.6

The Group recorded higher revenue in current year quarter by 62.2% as compared to preceding year corresponding quarter. The increase in revenue was mainly driven from the consolidation of post acquisition results from Genaxis Group, on top of recurring incomes from operating & managing the VEP & RC system and continued growth in the Group's B2B and B2G businesses.

	Current year quarter 31/3/2018 RM'000	Preceding year corresponding quarter 31/3/2017 RM'000	Variance %
Profit before tax ("PBT")	30,175	16,143	+86.9
- Information Technology ("IT")	25,347	14,081	+80.0
- Energy	4,297	3,821	+12.5
- Corporate, net of elimination	531	(1,759)	>+100.0

The Group's PBT hiked by 86.9% to RM30.175 million in current quarter as compared to corresponding quarter in 2017 was mainly attributable by post acquisition results from Genaxis Group and the growth in trade facilitation business. The Group share in results in an associate company is also improved in tandem with the improving crude oil price in current quarter.

21 Prospects for 2018

The Group will continue to build its business by exploring opportunities that leverage on building blocks of its existing IT & eServices and Energy businesses, while focusing on the implementation of planned new initiatives. The Group's newly acquired Genaxis Group has given a strong footing for the Group to broaden its services and product range beyond its current market and geographical segment.

Barring any unforeseen circumstances, the Group expects to deliver positive results for the year 2018.

22 Variance for actual and forecast profit

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

23 Earnings per share

Basic earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2018 '000	Preceding year corresponding quarter 31/3/2017 '000	Three months to 31/3/2018 '000	Three months to 31/3/2017 '000
Profit attributable to the Owners of the Company (RM)	16,235	15,080	16,235	15,080
Number of ordinary shares at beginning of the period	1,747,269	1,732,891	1,747,269	1,732,891
- Effect of shares issue pursuant to exercise of ESOS	628	2,245	628	2,245
Weighted average number of ordinary shares	1,747,897	1,735,136	1,747,897	1,735,136
Basic earnings per share (sen)	0.93	0.87	0.93	0.87

Diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2018 '000	Preceding year corresponding quarter 31/3/2017 '000	Three months to 31/3/2018 '000	Three months to 31/3/2017 '000
Profit attributable to the Owners of the Company (RM)	16,235	15,080	16,235	15,080
Weighted average number of ordinary shares as per basic earnings per share	1,747,897	1,735,136	1,747,897	1,735,136
Effect of potential exercise of ESOS	15,843	28,762	15,843	28,762
Weighted average number of ordinary shares	1,763,740	1,763,898	1,763,740	1,763,898
Diluted earnings per share (sen)	0.92	0.85	0.92	0.85

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.

24 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
24 May 2018

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