



DAGANG NEXCHANGE BERHAD (REGISTRATION NO. 197001000738 (10039-P))
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIFTH QUARTER ENDED 31 MARCH 2021

CONTENTS	Page
I CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	2
II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	5
III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS.....	6
IV CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY	7
V NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS	8
1 Basis of preparation	8
2 Change of financial year end	8
3 Significant accounting policies	8
4 Audit report in respect of the 2019 financial statements.....	8
5 Seasonal or cyclical factors.....	8
6 Unusual items due to their nature, size or incidence.....	8
7 Material changes in estimates used.....	9
8 Debt and equity securities.....	9
9 Dividend	9
10 Segmental information for the current period.....	9
11 Material events subsequent to the current period	10
12 Changes in the composition of the Group	10
13 Contingent liabilities	10
14 Capital commitments.....	10
15 Income tax	11
16 Status of corporate proposals announced but not completed as at the date of this announcement	11
17 The status of utilisation of proceeds raised from the Private Placement.....	12
18 Derivatives	12
19 Classification of financial assets.....	12
20 Material litigation	13
21 Comparison between the current quarter and the immediate preceding quarter	13
22 Prospects for 2021	15
23 Variance for actual and forecast profit.....	15
24 Earnings per share.....	15
25 Authorisation for issue.....	16



DAGANG NEXCHANGE BERHAD
(Registration No. 197001000738 (10039-P))
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Fifth Quarter Ended 31 March 2021

THE FIGURES HAVE NOT BEEN AUDITED

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

	INDIVIDUAL QUARTER Current year quarter 31/3/2021 RM'000	Preceding year corresponding quarter 31/3/2020 RM'000	CUMULATIVE QUARTER Fifteen months to 31/3/2021 RM'000	Fifteen months to 31/3/2020 RM'000
Revenue	45,084	N/A	284,604	N/A
Cost of sales	(24,452)	N/A	(177,969)	N/A
Gross profit	20,632	N/A	106,635	N/A
Other income	898	N/A	3,300	N/A
Expenses	(21,923)	N/A	(119,895)	N/A
Finance cost	(799)	N/A	(4,813)	N/A
Share of result of associates, net of tax	1,500	N/A	10,827	N/A
Profit/(Loss) before income tax	308	N/A	(3,946)	N/A
Income tax expense (Note 14)	(2,575)	N/A	(7,195)	N/A
Zakat	-	N/A	(204)	N/A
Loss for the period	(2,267)	N/A	(11,345)	N/A
Loss attributable to non-controlling interest	4,419	N/A	14,593	N/A
Profit attributable to owners of the Company	2,152	N/A	3,248	N/A
Earnings per share				
Basic	0.10 sen	N/A sen	0.15 sen	N/A sen
Diluted	0.10 sen	N/A sen	0.15 sen	N/A sen



DAGANG NEXCHANGE BERHAD
(Registration No. 197001000738 (10039-P))
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Fifth Quarter Ended 31 March 2021

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2021 RM'000	Preceding year corresponding quarter 31/3/2020 RM'000	Fifteen months to 31/3/2021 RM'000	Fifteen months to 31/3/2020 RM'000
Other comprehensive income for the period, net of tax				
Items that are or may be reclassified subsequently to profit or loss				
Loss for the period	(2,267)	N/A	(11,345)	N/A
Foreign currency translation differences for foreign operations	926	N/A	(160)	N/A
Share of other comprehensive income of associate	7,524	N/A	3,131	N/A
Total other comprehensive income for the period, net of tax	8,450	N/A	2,971	N/A
Total comprehensive income/(loss)	6,183	N/A	(8,374)	N/A
Total comprehensive loss attributable to non-controlling interest	4,419	N/A	14,593	N/A
Total comprehensive income attributable to owners of the Company	10,602	N/A	6,219	N/A

There is no comparative for the quarter ended 31 March 2021, due to the change in the financial year end from 31 December to 30 June. The Condensed Consolidated Statement of Comprehensive Income for the current quarter ended 31 March 2021, being the fifth quarter of the financial year ending 30 June 2021.



DAGANG NEXCHANGE BERHAD
(Registration No. 197001000738 (10039-P))
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Fifth Quarter Ended 31 March 2021

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2021 RM'000	Preceding year corresponding quarter 31/3/2020 RM'000	Fifteen months to 31/3/2021 RM'000	Fifteen months to 31/3/2020 RM'000
(Loss)/Profit before income tax is arrived at after charging/(crediting):				
Interest income	(171)	N/A	(622)	N/A
Loss/(Gain) on disposal of property, plant and equipment	-	N/A	(721)	N/A
Loss on disposal of investment in a subsidiary	-	N/A	833	N/A
Impairment loss on:				
- Receivables	308	N/A	6,071	N/A
- Other investments	-	N/A	3,700	N/A
- Property, plant and equipment	-	N/A	9,549	N/A
- Intangible assets	-	N/A	153	N/A
Interest expense	799	N/A	4,813	N/A
Depreciation and amortization	4,889	N/A	26,149	N/A
Foreign exchange loss/ (gain)	494	N/A	219	N/A

There is no comparative for the quarter ended 31 March 2021, due to the change in the financial year end from 31 December to 30 June. The Condensed Consolidated Statement of Comprehensive Income for the current quarter ended 31 March 2021, being the fifth quarter of the financial year ending 30 June 2021.

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 2019.



DAGANG NEXCHANGE BERHAD
(Registration No. 197001000738 (10039-P))
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Fifth Quarter Ended 31 March 2021

II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31/3/2021 RM'000	Audited As at 31/12/2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	143,482	68,299
Right-of-use assets	700	5,356
Investment in associates	230,071	216,112
Other investments	4,117	3,538
Goodwill	60,220	60,220
Intangible assets	25,689	41,921
Deferred tax assets	-	2,340
	<hr/>	<hr/>
	464,279	397,786
Current assets		
Inventories	1,153	1,316
Contract assets	73,213	83,447
Trade and other receivables	75,501	91,003
Current tax assets	3,997	1,086
Cash and cash equivalents	152,819	54,399
	<hr/>	<hr/>
	306,683	231,251
Total assets	<hr/> 770,962	<hr/> 629,037
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	499,429	354,339
Warrant reserve	5,309	5,691
Share Option reserve	-	827
Translation reserve	(1,725)	(4,696)
Fair value reserve	(734)	(734)
Retained earnings	117,916	114,331
	<hr/>	<hr/>
	620,195	469,758
Non-controlling Interests	(15,853)	(4,392)
Total equity	<hr/> 604,342	<hr/> 465,366
Non-current liabilities		
Deferred tax liabilities	3,137	7,706
Loan and borrowings (secured)	16,840	18,854
Lease liabilities	196	2,914
	<hr/>	<hr/>
	20,173	29,474
Current liabilities		
Contract liabilities	1,850	5,317
Trade and other payables	53,533	76,265
Loan and borrowings (secured)	89,154	47,415
Lease liabilities	753	2,913
Current tax liabilities	1,157	2,287
	<hr/>	<hr/>
	146,447	134,197
Total liabilities	<hr/> 166,620	<hr/> 163,671
Total equity and liabilities	<hr/> 770,962	<hr/> 629,037
Net assets per share attributable to Owners of the Company (RM)	<hr/> 0.28	<hr/> 0.27

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2019.



DAGANG NEXCHANGE BERHAD
(Registration No. 197001000738 (10039-P))
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Fifth Quarter Ended 31 March 2021

III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Fifteen months to 31/3/2021 RM'000	Unaudited Fifteen months to 31/3/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	307,622	N/A
Cash payments to suppliers	(148,526)	N/A
Cash payments to employees and other expenses	(141,536)	N/A
	17,560	N/A
Cash generated from operations	17,560	N/A
Income tax paid (net)	(12,973)	N/A
Zakat	(105)	N/A
	4,482	N/A
Net cash generated from operating activities	4,482	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(81,450)	N/A
Proceeds from disposal of property, plant and equipment	334	N/A
Interest received	622	N/A
Disposal of a subsidiary	(3)	N/A
	(80,497)	N/A
Net cash used in investing activities	(80,497)	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share options exercised	1,584	N/A
Proceeds from warrant conversion	23,897	N/A
Proceeds from issuance of ordinary shares	119,303	N/A
Drawdown of bank borrowings (net)	38,278	N/A
Payment of finance cost	(7,030)	N/A
Payment of lease liabilities	(3,144)	N/A
Increase in pledged deposits and restricted cash	(5,915)	N/A
	166,973	N/A
Net cash generated from financing activities	166,973	N/A
Net Change in Cash and Cash Equivalents	90,958	N/A
Cash and Cash Equivalents as at beginning of financial period	27,392	N/A
	118,350	N/A
Cash and Cash Equivalents as at end of financial period	(a) 118,350	N/A
	118,350	N/A

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

	As at 31/3/2021 RM'000	As at 31/3/2020 RM'000
Cash and deposits with licensed banks		
- Unrestricted	130,624	N/A
- Restricted and pledged	22,195	N/A
	152,819	N/A
Less : Cash and cash equivalents pledged as security	(22,195)	N/A
Less : Bank overdrafts	(12,274)	N/A
	118,350	N/A
Cash and Cash Equivalents as at end of financial period	118,350	N/A

There is no comparative for the quarter ended 31 March 2021, due to the change in the financial year end from 31 December to 30 June. The Condensed Consolidated Statement of Cash Flows for the current quarter ended 31 March 2021, being the fifth quarter of the financial year ending 30 June 2021.

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2019.



DAGANG NEXCHANGE BERHAD (197001000738 (10039-P))
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Fifth Quarter Ended 31 March 2021

IV CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

In RM'000	← Attributable to Owners of the Company →						Total	Non-controlling interests	Total equity
	Share capital	Warrant reserve	Non-distributable			Retained earnings			
	Share Option reserve	Translation reserve	Fair value reserve						
Fifteen months to 31 March 2021									
Balance as at 1 January 2020	354,339	5,691	827	(4,696)	(734)	114,331	469,758	(4,392)	465,366
Profit for the period	-	-	-	-	-	3,248	3,248	(14,593)	(11,345)
Foreign currency translation differences for foreign operations	-	-	-	(160)	-	-	(160)	-	(160)
Share of other comprehensive income of associates	-	-	-	3,131	-	-	3,131	-	3,131
Total comprehensive loss for the period	-	-	-	2,971	-	3,248	6,219	(14,593)	(8,374)
Contribution by and distribution to owners of the Company									
- Effect on Issuance of Private Placement	118,737	-	-	-	-	-	118,737	-	118,737
- Effect on Share Option exercised	2,074	-	(490)	-	-	-	1,584	-	1,584
- Effect on conversion of Warrant	24,279	(382)	-	-	-	-	23,897	-	23,897
- Effect on termination of Share Option	-	-	(337)	-	-	337	-	-	-
- Effect on Issue of shares to non-controlling interests	-	-	-	-	-	-	-	3,132	3,132
Total transaction with owners of the Company	145,090	(382)	(827)	-	-	337	144,218	3,132	147,350
Balance as at 31 March 2021	499,429	5,309	-	(1,725)	(734)	117,916	620,195	(15,853)	604,342

There is no comparative for the quarter ended 31 March 2021, due to the change in the financial year end from 31 December to 30 June. The Condensed Consolidated Statement of Changes in Total Equity for the current quarter ended 31 March 2021, being the fifth quarter of the financial year ending 30 June 2021.

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 2019.



DAGANG NEXCHANGE BERHAD (197001000738 (10039-P))
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Fifth Quarter Ended 31 March 2021

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 2021, have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market 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 2019.

2 Change of financial year end

As announced on 15 February 2021, the Group changed its financial year end from 31 December to 30 June. The next financial year of the Group will be covering an 18-month period ending 30 June 2021.

3 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") for the financial period on or after from 1 January 2020:-

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

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

Amendments to MFRS 16: Covid-19-Related Rent Concessions

Amendments to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

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.

4 Audit report in respect of the 2019 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2019 was not qualified.

5 Seasonal or cyclical factors

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

6 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.

Quarterly Report On Consolidated Results For The Fifth Quarter Ended 31 March 2021

7 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.

8 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 period ended 31 March 2021.

9 Dividend

The Directors do not recommend the payment of any dividend for the period ended 31 March 2021 (2020: Nil).

10 Segmental information for the current period

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

Business segment	Information Technology RM'000	Energy RM'000	Corporate RM'000	Eliminations RM'000	Consolidated RM'000
2020/2021					
Business segments					
Revenue from external Customers	197,782	86,822	-	-	284,604
Inter-segment revenue	2,338	-	-	(2,338)	-
Total revenue	200,120	86,822	-	(2,338)	284,604
Segment result					
Profit from operations	25,289	8,932	1,652	-	35,873
Depreciation & amortization	(10,972)	(15,091)	(86)	-	(26,149)
Impairment loss on:					
- Receivables	(4,568)	(1,444)	(59)	-	(6,071)
- Other investments	-	(3,700)	-	-	(3,700)
- Property, plant and equipment	-	(9,549)	-	-	(9,549)
- Intangible assets (net)	(153)	-	-	-	(153)
Loss of disposal of a subsidiary	(833)	-	-	-	(833)
Finance costs	(2,919)	(125)	(1,769)	-	(4,813)
Finance income	544	15	63	-	622
Share of results in associates, net of tax	6	10,821	-	-	10,827
Profit/(Loss) before tax	6,394	(10,141)	(199)	-	(3,946)
Tax expense					(7,195)
Zakat					(204)
Net loss after tax					(11,345)
Net loss attributable to non-controlling interest					14,593
Net profit attributable to owners of the Company					3,248
Segment assets	491,056	365,318	446,695	(532,107)	770,962
Segment liabilities	394,855	31,315	28,869	(288,419)	166,620



DAGANG NEXCHANGE BERHAD
(Registration No. 197001000738 (10039-P))
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Fifth Quarter Ended 31 March 2021

11 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 2021 to the date of this announcement which would substantially affect the financial results of the Group for the period ended 31 March 2021.

12 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.

13 Contingent liabilities

There are no material contingent liabilities as at the date of this announcement, other than disclosed below:

On 10 July 2018, Dagang Net Technologies Sdn Bhd (“Dagang Net”), a wholly-owned subsidiary of the Company received a notice of proposed decision (“Proposed Decision”) from the Malaysia Competition Commission (“MyCC”) pursuant to Section 36 of the Competition Act 2010 [Act 712] (the “Act”). The Proposed Decision by MyCC is pursuant to the investigation on alleged infringement by Dagang Net of one of the prohibitions under Part 1 of the Act. MyCC issued the Proposed Decision under Section 36 of the Act against Dagang Net for engaging in conduct which amounts to an abuse of its dominant position in breach of Section 10(1) read with Section 10(2)(c) and Section 10(3) of the Act. In its Proposed Decision, MyCC proposed to impose a financial penalty of RM17,397,695.30 and remedial action by Dagang Net.

The oral representations were heard before a panel appointed by MyCC on 16 January 2019, 25 April 2019, and 29 July 2019.

On 26 February 2021 the Company had announced that Dagang Net received a Notice of Finding of an Infringement by MyCC pursuant to Section 40 of the Act. MyCC deliberated that Dagang Net has infringed Section 10 of the Act on a complaint concerning exclusive dealing. However, MyCC did not find any infringement in respect of the allegation on refusal to supply electronic mailboxes to end users of unauthorised software providers.

In view of the above, MyCC had *inter alia* imposed a RM10,302,475.98 financial penalty on Dagang Net (“Decision”). This is a reduction from the financial penalty imposed by MyCC through its earlier Proposed Decision.

On 17 March 2021 the Company had announced that Dagang Net filed its Notice of Appeal at the Competition Appeal Tribunal (“CAT”) to appeal against the Decision. Dagang Net has also filed an application for a Stay of Execution of the Decision pending the disposal of Dagang Net’s appeal at the CAT.

14 Capital commitments

There are no material capital commitments as at the date of this announcement other than capital commitments on Property, Plant and Equipment, authorised and contracted of RM29.9 million as of 31 March 2021.

Quarterly Report On Consolidated Results For The Fifth Quarter Ended 31 March 2021

15 Income tax

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2021 RM'000	Preceding year corresponding quarter 31/3/2020 RM'000	Fifteen months to 31/3/2021 RM'000	Fifteen months to 31/3/2020 RM'000
Malaysian income tax				
- Current taxation	(3,066)	N/A	(9,576)	N/A
- Over provision in prior year	-	N/A	169	N/A
Total current tax expense	(3,066)	N/A	(9,407)	N/A
Deferred tax expenses				
- Current period	491	N/A	2,438	N/A
- Under provision in prior year	-	N/A	(226)	N/A
Total deferred tax expenses	491	N/A	2,212	N/A
	(2,575)	N/A	(7,195)	N/A

The effective tax rate of the Group for current period taxation (exclude the share of result of associate) was higher than the statutory tax rate. The provision for tax payable was made by profitable subsidiary companies and certain expenses of the Group were disallowed for tax purpose.

16 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, other than disclosed below:

- (a) The Company had on 28 July 2020 announced that the Company proposes to undertake a private placement of up to 20% of the total number of issued shares of the Company to third party investor(s) to be identified later at an issue price to be determined later in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 ("Proposed Private Placement").

On 12 August 2020, the Company announced that the listing application in relation to the Proposed Private Placement has been submitted to Bursa Securities, the listing application was subsequently approved by Bursa Securities on 17 August 2020.

A total 431,503,700 Placement Shares were placed out for total gross proceeds of RM118,737,115 and were quoted on the Main Market of Bursa Securities as of 19 March 2021.

- (b) On 22 January 2021, the Company entered into a share sale and purchase agreement ("SSPA") with a group of Vendors for the proposed acquisition of the 60% issued share capital in Ping Petroleum Limited ("Ping") for a purchase consideration of USD78,000,000 ("Proposed Ping Acquisition").

Ping is a 30% owned indirect associate company of DNeX through DNeX Energy Sdn Bhd ("DNeX Energy"), the Company's wholly owned subsidiary. The Proposed Ping Acquisition will be satisfied by a combination of USD40.95 million (RM165.0 million) in cash, and the issuance of new ordinary shares in DNeX and new redeemable preference shares in DNeX Energy, for the remaining USD37.05 million (RM149.3 million).

The Proposed Ping Acquisition is subject to all required approvals under the SSPA being obtained. Upon completion of the exercise, DNeX will own 90 per cent of Ping.

A detailed announcement has been announced on Bursa Securities upon execution of the SSPA pursuant to the Proposed Ping Acquisition on 22 January 2021.

Quarterly Report On Consolidated Results For The Fifth Quarter Ended 31 March 2021

- (c) The Company had on 8 February 2021 announced that the Company proposed to undertake the following:
- (i) termination of the existing Employees' Share Option Scheme ("ESOS"); and
 - (ii) an establishment of the Company's new ESOS of up to 5% of the total number of issued shares of the Company (excluding treasury shares) at any point in time over the duration of the new ESOS, for eligible persons ("New ESOS Scheme").

The Company has obtained the necessary approval from the shareholders during its EGM which was held on 1 April 2021 in relation to the termination of the existing ESOS and the proposed New ESOS Scheme.

The Company had on 6 April 2021 announced that the effective date for the implementation of the New ESOS Scheme is 6 April 2021.

- (d) The Company had on 8 February 2021 announced that Khazanah Nasional Berhad ("Khazanah"), informed the Company and its strategic partner ("Consortium") that it has accepted the bid by the Consortium led by DNeX for the proposed sale of the entire issued share capital of SilTerra Malaysia Sdn Bhd ("SilTerra") by Khazanah, subject to the signing of a definitive agreement ("Proposed SilTerra Acquisition").

On 31 March 2021, the Company and Beijing Integrated Circuit Advances Manufacturing and High-End Equipment Equity Investment Fund Center (Limited Partnership) ("CGP Fund") had together entered into a conditional share sale and purchase agreement ("SSPA") with Khazanah for the acquisition by the Company and CGP Fund (as purchasers) of the entire issued share capital of SilTerra as at the completion date of the SSPA, representing the entire equity interest in SilTerra for a purchase consideration of RM273,000,000 to be satisfied entirely via cash ("Purchase Consideration").

- (e) In conjunction with the Proposed SilTerra Acquisition, the Company had on 31 March 2021 announced that the Company proposes to undertake a private placement of up to 30% of the total number of issued shares of the Company to third party investor(s) to be identified later at an issue price to be determined later ("Proposed Private Placement").

On 9 April 2021, the Company announced that the listing application in relation to the Proposed Private Placement has been submitted to Bursa Securities, the listing application was subsequently approved by Bursa Securities and shareholders on 27 April 2021 and 20 May 2021 respectively.

17 The status of utilization of proceeds raised from the Private Placement

Details of utilization	Proposed Utilization RM'000	Actual Utilization RM'000	Balanced Unutilised RM'000	Intended Timeframe For Utilization From the Receipt Of Placement Funds
Future viable investment	93,637	18,380	75,257	Within 24 months
Partial repayment of bank borrowings	20,000	20,000	-	Within 6 months
Working capital	5,000	3,927	1,073	Within 12 months
Estimated expenses	100	48	52	Upon completion
	118,737	42,355	76,382	

18 Derivatives

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

19 Classification of financial assets

For period ended 31 March 2021, there was no change in the classification of financial assets as a result of a change in the purpose or use of those assets.

Quarterly Report On Consolidated Results For The Fifth Quarter Ended 31 March 2021

20 Material litigation

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

21 Comparison between the current quarter and the immediate preceding quarter

	Current year quarter 31/3/2021 RM'000	Immediate preceding quarter 31/12/2020 RM'000	Variance %
Revenue	45,084	63,328	-28.8
- Information Technology ("IT")	32,086	46,229	-30.6
- Energy	12,998	17,099	-24.0
Profit before tax	308	18,961	-98.4
- IT	984	4,242	-76.8
- Energy	1,304	14,848	-91.2
- Corporate	(1,980)	(129)	->100.0

Revenue

In overall, the Group revenue down by RM18.2 million (28.8%) in current quarter as compared to immediate preceding quarter mainly due to slowdown in project implementation.

Information Technology Segment

The System Integration & Consultancy business reported reduction in revenue of RM13.6 million in (Q5, 2021: RM8.9 million; Q4, 2020: RM22.5 million) in current quarter.

The Group's Trade Facilitation & e-Commerce business remain stable with slight drops in trade transaction volume of 1.6%. The revenue stood at RM23.1 million in current quarter (Q4, 2020: RM23.7 million).

Energy Segment

Group Energy segment reported lower revenue by RM4.1 million as compared to immediate preceding quarter (RM13.0 million in Q5, 2021; RM17.1 million in Q4, 2020). As the Oil and Gas industry is in the recovery cycle, the performance of the Energy division remains affected by the volatility in oil price.

Profit/(Loss) Before Tax

	Current year Quarter 31/3/2021 Operating Profit/(Loss) RM'000	Net One-off Impairment Loss RM'000	Current year Quarter 31/3/2021 Profit Before Tax RM'000
Profit/(Loss) before tax	616	(308)	308
- IT	1,503	(519)	984
- Energy	1,093	211	1,304
- Corporate	(1,980)	-	(1,980)



DAGANG NEXCHANGE BERHAD
(Registration No. 197001000738 (10039-P))
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Fifth Quarter Ended 31 March 2021

	Immediate preceding quarter 31/12/2020 Operating Profit/(Loss) RM'000	Net effect On One-off Reversal of Impairment Loss RM'000	Immediate preceding quarter 31/12/2020 Profit Before Tax RM'000
Profit/(Loss) before tax	5,440	13,521	18,961
- IT	4,242	-	4,242
- Energy	1,327	13,521	14,848
- Corporate	(129)	-	(129)

The Group reported an operating profit of RM0.6 million in current quarter (RM5.4 million operating profit in Q4, 2020).

The overall decline in operating profit in current year quarter was mainly due to:

- Lower revenue recognition in Information Technology and Energy segments. The lower current quarter operating profit of Energy segment however is partially mitigated by share of result from an associate (Q5, 2021: RM1.50 million; Q4, 2020: RM0.06 million); and
- Professional fees paid for the corporate and fund raising exercises of RM1.9 million.

The immediate preceding quarter performance was affected by the reversal of impairment loss of RM13.5 million (net of amortization charge of RM4.3 million) in relation to the intangible assets arising from the acquisitions through business combination of a cash generating unit in the Energy division. This reversal was done in view of the improved oil price and positive outlook in Oil and Gas Industry.

The Energy segment PBT breakdown by business segment is detailed as follows:

	Current year quarter 31/3/2021 RM'mil	Preceding corresponding quarter 31/12/2020 RM'mil
Trading & Services	2.5	1.5
Drilling Technology & Oilfield Services	(0.2)	(0.2)
Upstream Exploration & Production	1.1	-
Sub Total	3.4	1.3
Reversal of Impairment loss (net of amortization charge of RM4.3 million)	-	13.5
Amortization of intangible assets arising from consolidation	(2.1)	-
Profit before tax	1.3	14.8

Quarterly Report On Consolidated Results For The Fifth Quarter Ended 31 March 2021

22 Prospects for 2021

The Group plans to continue growth by exploring opportunities that can add value to the existing building blocks available in both Information Technology and Energy segments and focusing on the execution of planned initiatives to further expand and strengthen sustainable sources of revenue.

The Covid-19 pandemic has accelerated the urgency and pace of digitalisation in private and public sectors. The technology sector has been the driver and enabler in the shift. The Group is looking to deepen its involvement in the technology value chain by expanding into the manufacturing of semiconductor wafers sector via its proposed acquisition of SilTerra. Being in the manufacturing industry, the consolidation of SilTerra's financial performance, which is in the form of recurring income from its manufacturing contracts will complement DNeX's existing earnings. The Group is optimistic that the new business will grow at a strong pace, due to the current semiconductor chip shortage coupled with increasing demand for semiconductor chips in a post-Covid 19 environment.

In addition, Brent crude oil prices have been on a steady rise and are currently trading at levels above USD60 per barrel. On the back of the positive development, Ping is expected to yield better operating performance in tandem with improved oil prices. Ping is exploring opportunities to unlock its untapped potential and maximise economic value from its asset portfolio. There is opportunity to further improve Ping's production output by rejuvenating existing wells to monetise economically attractive reserves in the Anasuria Cluster. It is estimated that the Anasuria cluster has proved and probable ("2P") reserve of approximately 26.6 million barrels of oil equivalent ("MMboe"). This shall augur well for the Group's Energy segment given the Group's proposed increase stake in Ping from to 90% from 30% currently.

Supported by market optimism that Covid-19 vaccines will revive the global economy and barring any unforeseen circumstances, the Group expects to deliver positive results for the financial year 2021.

23 Variance for actual and forecast profit

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

24 Earnings per share

Basic earnings per share	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2021 '000	Preceding year corresponding quarter 31/3/2020 '000	Fifteen months to 31/3/2021 '000	Fifteen months to 31/3/2020 '000
Profit/(Loss) attributable to the Owners of the Company (RM)	2,152	N/A	3,248	N/A
Number of ordinary shares at beginning of the period	2,189,594	N/A	2,189,594	N/A
- Effect of shares issue pursuant to exercise of ESOS	546	N/A	108	N/A
- Effect of shares issue pursuant to conversion of Warrants	986	N/A	331	N/A
Weighted average number of ordinary shares	2,191,126	N/A	2,190,033	N/A
Basic earnings per share (sen)	0.10	N/A	0.15	N/A



DAGANG NEXCHANGE BERHAD
(Registration No. 197001000738 (10039-P))
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Fifth Quarter Ended 31 March 2021

Diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2021 '000	Preceding year corresponding quarter 31/3/2020 '000	Fifteenth months to 31/3/2021 '000	Fifteenth months to 31/3/2020 '000
Profit/(Loss) attributable to the Owners of the Company (RM)	2,152	N/A	3,248	N/A
Weighted average number of ordinary shares as per basic earnings per share	2,191,126	N/A	2,190,033	N/A
Effect of potential conversion of Warrants	-	N/A	-	N/A
Weighted average number of ordinary shares	2,191,126	N/A	2,190,033	N/A
Diluted earnings per share (sen)	0.10	N/A	0.15	N/A

The exercise of ESOS have been ignored in the calculation of dilutive earnings per ordinary share, as the ESOS Scheme was terminated on 1 April 2021.

The potential conversion of warrants is anti-dilutive as their exercise prices are higher than the average market price of the Company's ordinary shares during the current financial period. Therefore, the potential conversion of Warrants has been ignored in the calculation of dilutive earnings per share.

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
25 May 2021

By Order of the Board
KEH CHING TYNG (MAICSA 7050134)
CHIN WAI YI (MAICSA 7069783)
Company Secretaries