



**DAGANG NEXCHANGE BERHAD (REGISTRATION NO. 197001000738 (10039-P))
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 30 June 2021 financial statements	9
5	Seasonal or cyclical factors	9
6	Unusual items due to their nature, size or incidence	9
7	Material changes in estimates used	9
8	Debt and equity securities	10
9	Dividend	10
10	Segmental information for the current period	10
11	Material events subsequent to the current period	11
12	Changes in the composition of the Group	11
13	Contingent liabilities	12
14	Capital commitments	12
15	Income tax	12
16	Status of corporate proposals announced but not completed as at the date of this announcement	12
17	The status of utilisation of proceeds raised from the Private Placement	13
18	Derivatives	13
19	Classification of financial assets	13
20	Material litigation	13
21	Comparison between the current quarter and the immediate preceding quarter	14
22	Prospects for 2021/2022	15
23	Variance for actual and forecast profit	16
24	Earnings per share	16
25	Authorisation for issue	16



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

Quarterly Report On Consolidated Results For The First Quarter Ended 30 September 2021

THE FIGURES HAVE NOT BEEN AUDITED

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

	INDIVIDUAL QUARTER Current year quarter 30/9/2021 RM'000	CUMULATIVE QUARTER Three months to 30/9/2021 RM'000
Revenue	270,867	270,867
Cost of sales	(184,571)	(184,571)
Gross profit	86,296	86,296
Other income	2,115	2,115
Expenses	(41,616)	(41,616)
Finance cost	(12,360)	(12,360)
Effect from business combination (Note 12) (c)	264,508	264,508
Profit before income tax	298,943	298,943
Income tax credit (Note 15)	2,543	2,543
Profit for the period	301,486	301,486
Gain attributable to non-controlling interest	(7,922)	(7,922)
Profit attributable to owners of the Company	293,564	293,564
Earnings per share		
Basic	9.81 sen	9.81 sen
Diluted	9.81 sen	9.81 sen



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

Quarterly Report On Consolidated Results For The First Quarter Ended 30 September 2021

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

	INDIVIDUAL QUARTER Current year quarter 30/9/2021 RM'000	CUMULATIVE QUARTER Three months to 30/9/2021 RM'000
Other comprehensive income for the period, net of tax Items that are or may be reclassified subsequently to profit or loss		
Profit for the period	301,486	301,486
Foreign currency translation differences for foreign operations	<u>6,917</u>	<u>6,917</u>
Total comprehensive income	308,403	308,403
Total comprehensive gain attributable to non-controlling interest	<u>(7,922)</u>	<u>(7,922)</u>
Total comprehensive income attributable to owners of the Company	<u>300,481</u>	<u>300,481</u>

There is no comparative for the quarter ended 30 September 2021, due to the change in the financial year end from 31 December to 30 June. The condensed consolidated statement of Profit or Loss and Other Comprehensive Income for the current quarter ended 30 September 2021, being the first quarter of the financial year ending 30 June 2022 is not comparable with that of the first quarter of the previous financial year ended 30 June 2021.

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial period ended 30 June 2021.



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

Quarterly Report On Consolidated Results For The First Quarter Ended 30 September 2021

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

	INDIVIDUAL QUARTER Current year quarter 30/9/2021 RM'000	CUMULATIVE QUARTER Three months to 30/9/2021 RM'000
Profit before income tax is arrived at after charging/(crediting):		
Interest income	(876)	(876)
Reversal of impairment loss on receivables	(1,129)	(1,129)
Interest expense	12,360	12,360
Depreciation and amortisation	36,808	36,808
Foreign exchange loss	2,305	2,305
Effect from business combination (Note 12) (c)	(264,508)	(264,508)

There is no comparative for the quarter ended 30 September 2021, due to the change in the financial year end from 31 December to 30 June. The condensed consolidated statement of Profit or Loss and Other Comprehensive Income for the current quarter ended 30 September 2021, being the first quarter of the financial year ending 30 June 2022 is not comparable with that of the first quarter of the previous financial year ended 30 June 2021.

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial period ended 30 June 2021.



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

Quarterly Report On Consolidated Results For The First Quarter Ended 30 September 2021

II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 30/9/2021 RM'000	Audited As at 30/6/2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,589,007	655,303
Right-of-use assets	59,016	545
Investment in associates and joint operations	96	96
Intangible assets	997,878	978,988
Deferred tax assets	778	1,293
Cash and cash equivalents (restricted)	306,009	125,465
	<u>2,952,784</u>	<u>1,761,690</u>
Current assets		
Inventories	129,998	15,370
Contract assets	30,860	40,537
Trade and other receivables	211,212	88,900
Current tax assets	6,024	5,571
Cash and cash equivalents	539,726	267,680
	<u>917,820</u>	<u>418,058</u>
Total assets	<u>3,870,604</u>	<u>2,179,748</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	971,375	785,437
Warrant reserve	-	3,001
Share option reserve	2,143	2,143
Translation reserve	6,606	(311)
Fair value reserve	(734)	(734)
Retained earnings	527,037	233,400
	<u>1,506,427</u>	<u>1,022,936</u>
Non-controlling Interests	324,011	30,551
Total equity	<u>1,830,438</u>	<u>1,053,487</u>
Non-current liabilities		
Deferred tax liabilities	600,848	422,900
Loan and borrowings (secured)	297,660	16,007
Long term obligations and provision	18,239	18,115
Lease liabilities	170	174
Provision for decommissioning costs	433,400	438,813
	<u>1,350,317</u>	<u>896,009</u>
Current liabilities		
Contract liabilities	2,848	1,816
Trade and other payables	579,939	128,519
Loan and borrowings (secured)	77,041	70,373
Lease liabilities	1,000	557
Current tax liabilities	29,021	28,987
	<u>689,849</u>	<u>230,252</u>
Total liabilities	<u>2,040,166</u>	<u>1,126,261</u>
Total equity and liabilities	<u>3,870,604</u>	<u>2,179,748</u>
Net assets per share attributable to Owners of the Company (RM)	<u>0.49</u>	<u>0.38</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial period ended 30 June 2021

Quarterly Report On Consolidated Results For The First Quarter Ended 30 September 2021

III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Three months to 30/9/2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts from customers	451,008
Cash payments to suppliers	(150,927)
Cash payments to employees and other expenses	(60,129)
	239,952
Cash generated from operations	239,952
Income tax paid (net)	(3,691)
Zakat	(20)
	236,241
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment and intangible assets	(39,182)
Interest received	1,382
Acquisition of a subsidiary (Note 12) (b)	(77,285)
	(115,085)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from warrant conversion	183,010
Drawdown of bank borrowings (net)	154,214
Payment of finance cost	(5,749)
Payment of lease liabilities	(27)
Increase in pledged deposits and restricted cash	(212,860)
	118,588
Net cash generated from financing activities	
	239,744
Net Change in Cash and Cash Equivalents	
Cash and Cash Equivalents as at beginning of financial period	252,448
	492,192
Cash and Cash Equivalents as at end of financial period (a)	
	492,192

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

	As at 30/9/2021 RM'000
Cash and deposits with licensed banks	
- Unrestricted	495,116
- Restricted and pledged	350,619
	845,735
Less : Cash and cash equivalents pledged as security	(350,619)
Less : Bank overdrafts	(2,924)
	492,192
Cash and Cash Equivalents as at end of financial period	
	492,192

There is no comparative for the quarter ended 30 September 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 30 September 2021, being the first quarter of the financial period ended 30 June 2022 is not comparable with that of the first quarter of the previous financial year ended 30 June 2021.

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial period ended 30 June 2021.



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

Quarterly Report On Consolidated Results For The First Quarter Ended 30 September 2021

IV CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

In RM'000	Note	← Attributable to Owners of the Company →					Retained earnings	Total	Non-controlling interests	Total equity
		Share capital	Warrant reserve	Share option reserve	Translation reserve	Fair value reserve				
Three months to 30 September 2021										
Balance as at 1 July 2021		785,437	3,001	2,143	(311)	(734)	233,400	1,022,936	30,551	1,053,487
Profit for the period		-	-	-	-	-	293,564	293,564	7,922	301,486
Foreign currency translation differences for foreign operations		-	-	-	6,917	-	-	6,917	-	6,917
Total comprehensive income for the period		-	-	-	6,917	-	293,564	300,481	7,922	308,403
Contribution by and distribution to owners of the Company										
- Effect of acquisition of a subsidiary	12	-	-	-	-	-	-	-	285,538	285,538
- Effect on conversion of Warrant		185,938	(2,928)	-	-	-	-	183,010	-	183,010
- Warrant terminated		-	(73)	-	-	-	73	-	-	-
Total transaction with owners of the Company		185,938	(3,001)	-	-	-	73	183,010	285,538	468,548
Balance as at 30 September 2021		971,375	-	2,143	6,606	(734)	527,037	1,506,427	324,011	1,830,438

There is no comparative for the quarter ended 30 September 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 30 September 2021, being the first quarter of the financial period ended 30 June 2022 is not comparable with that of the first quarter of the previous financial year ended 30 June 2021.

The Condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with with the accompanying explanatory notes and the audited financial statements for the financial period ended 30 June 2021.



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

Quarterly Report On Consolidated Results For The First Quarter Ended 30 September 2021

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 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 30 June 2021.

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. Due to the change, the Condensed Consolidated Statement Comprehensive Income, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Statement of Cash Flow for the current quarter ended 30 September 2021, being the first quarter of the current financial year ending 30 June 2022, is not comparable with that of the first quarter of the previous financial period ended 30 June 2021. As such, no comparative figures are presented.

3 Significant accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those adopted for the audited financial statements for the financial period ended 30 June 2021 except as described below:

3.1 Adoption of Amendments to Standards

The Group has applied the following amendments for the first time for the financial year beginning on 1 July 2021:

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

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

The adoption of the above amendments did not have any material impact on the current financial quarter or any prior financial period and is not likely to affect future financial periods.



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

Quarterly Report On Consolidated Results For The First Quarter Ended 30 September 2021

3 Significant accounting policies (continued)

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those adopted for the audited financial statements for the financial period ended 30 June 2021 except as described below: (continued)

3.2 Standards issued but not yet effective

	Effective for financial periods beginning on or after
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Costs of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an investor and its Associate or Joint Venture	Deferred

The group will adopt the above standards and amendments when they become effective in the respective financial periods.

4 Audit report in respect of the 2021 financial statements

The audit report on the Group's financial statements for the financial year ended 30 June 2021 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.

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.



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

Quarterly Report On Consolidated Results For The First Quarter Ended 30 September 2021

8 Debt and equity securities

During the current period, Group has mandated Pareto Securities as Sole Manager to arrange a series of fixed income investor calls commencing on 23rd June 2021. A senior secured bond issue of up to USD 50 million with a 3-year may follow, subject to, inter-alia, market conditions. Net proceeds from the bond issue will be used to finance project expenditures related to the Group's core Anasuria Cluster assets and for general corporate purposes.

Save as disclosed above, there were no 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 30 September 2021.

9 Dividend

The Directors do not recommend the payment of any dividend for the period ended 30 September 2021 (2020: Nil).

10 Segmental information for the current period

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

Business segment	Information Technology	Energy	Technology	Corporate	Eliminations	Consolidated
2021/2022	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	44,082	78,011	148,774	-	-	270,867
Inter-segment revenue	7,299	-	-	-	(7,299)	-
Total revenue	51,381	78,011	148,774	-	(7,299)	270,867
Segment result						
Profit/(Loss) from operations	3,307	44,708	38,127	(4,544)	-	81,598
Depreciation and amortisation	(2,410)	(17,967)	(16,410)	(21)	-	(36,808)
Reversal of impairment loss on receivables	1,000	128	1	-	-	1,129
Effect on business combination (Note 12)	-	-	264,508	-	-	264,508
Finance costs	(528)	(11,030)	(527)	(275)	-	(12,360)
Finance income	70	8	-	798	-	876
Profit/(Loss) before tax	1,439	15,847	285,699	(4,042)	-	298,943
Tax credit						2,543
Net income after tax						301,486
Net gain attributable to non-controlling interest						(7,922)
Net profit attributable to owners of the Company						293,564
Segment assets	523,903	2,360,190	1,657,612	822,370	(1,493,471)	3,870,604
Segment liabilities	560,780	1,455,190	922,599	26,451	(924,854)	2,040,166



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

Quarterly Report On Consolidated Results For The First Quarter Ended 30 September 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 30 September 2021 to the date of this announcement which would substantially affect the financial results of the Group for the period ended 30 September 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, other than disclosed below:

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 SiITerra Malaysia Sdn Bhd (“SiITerra”) by Khazanah, subject to the signing of a definitive agreement.

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 SiITerra as at the completion date of the SSPA, representing the entire equity interest in SiITerra for a purchase consideration of RM273,000,000 to be satisfied entirely via cash (“Purchase Consideration”).

On 26 July 2021, the Company announced that all conditions precedent pursuant to the SSPA have been fulfilled, and that the payment for the Purchase Consideration have been effected and settled in full. Pursuant thereto, the Proposed Acquisition is deemed completed.

The fair value of the net identifiable assets and negative goodwill as disclosed below are based on provisional figures which will be finalised within twelve months after the acquisition date.

Effects of the above transaction are as below:

(a) Identified assets acquired and liabilities assumed

	RM'000
Non-current assets	998,669
Inventories	121,890
Trade and other receivables	78,981
Cash and cash equivalents	70,135
Non-current liabilities	(145,346)
Lease liabilities	(592)
Trade and other payables	(228,672)
Deferred tax liabilities	(181,219)
Net identifiable assets	<u>713,846</u>

(b) Net cash outflow arising from acquisition of SiITerra

	RM'000
Purchase consideration	163,800
Less: Deposit paid in 2020/2021	(16,380)
Less: Cash and cash equivalent acquired	(70,135)
	<u>77,285</u>



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

Quarterly Report On Consolidated Results For The First Quarter Ended 30 September 2021

12 Changes in the composition of the Group (continued)

(c) Bargain purchase from business combination

	RM'000
Fair value of consideration transferred	163,800
Fair value of identifiable net assets acquired	(713,846)
Non-controlling interests, based on their proportionate interests	<u>285,538</u>
Effect from business combination	<u>(264,508)</u>

13 Contingent liabilities

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

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 RM7.04 million as of 30 September 2021.

15 Income tax

	INDIVIDUAL QUARTER Current year quarter 30/9/2021 RM'000	CUMULATIVE QUARTER Three months to 30/9/2021 RM'000
Malaysian and foreign income tax:		
Current taxation	(2,307)	(2,307)
Current deferred tax expenses	4,850	4,850
	<u>2,543</u>	<u>2,543</u>

The effective tax rate of the Group for current period taxation was higher than the statutory tax rate. The provision for tax payable was made by profitable subsidiary companies, certain expenses of the Group were disallowed for tax purpose and unrecognised tax losses.

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) 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.



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

Quarterly Report On Consolidated Results For The First Quarter Ended 30 September 2021

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

Details of utilisation	Proposed Utilisation RM '000	Actual Utilisation RM '000	Balanced Unutilised RM '000	Intended Timeframe For Utilisation From The Receipt Of Placement Funds
Future viable investment	93,637	93,637	-	Within 24 months
Partial repayment of bank borrowings	20,000	20,000	-	Within 6 months
Working capital	49,868	5,000	44,868	Within 12 months
Estimated expenses	100	100	-	Upon completion
	<u>163,605</u>	<u>118,737</u>	<u>44,868</u>	

18 Derivatives

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

19 Classification of financial assets

For period ended 30 September 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.

20 Material litigation

The Company and its subsidiaries have no material litigation as at the date of this announcement other than disclosed below:

- a) Nuraslina binti Zainal Abidin vs Dagang Net Technologies Sdn. Bhd. ("Dagang Net"), Dagang NeXchange Berhad ("The Company") and Genaxis Group Sdn. Bhd. (Genaxis).

The Company had on 11 October 2021 announced that the Company and its wholly-owned subsidiary Dagang Net were informed by their solicitors, Messrs Azmi & Associates, that the solicitors had received a sealed copy of the Originating Summons dated 6 October 2021 ("Legal Suit") from Messrs. Bahari & Bahari, the solicitors who act on behalf of Puan Nuraslina binti Zainal Abidin ("Plaintiff") and an affidavit in support of the Plaintiff dated 27 September 2021.

In the Legal Suit, the Plaintiff is seeking amongst others, the following reliefs:

1. A declaration that Dagang Net and DNeX have conducted the affairs of Genaxis in a manner oppressive, prejudicial and in complete disregard to the interest of the Plaintiff as member of Genaxis;
2. A declaration that the Plaintiff is relieved of and is not liable to any profit guarantee given by the Plaintiff in the Shareholders Agreement in Genaxis;
3. An Order that Dagang Net purchase all the Plaintiff's shares in Genaxis at a fair value to be determined by the Court or an independent valuer appointed by the Court.

DNeX denies the allegations made by the Plaintiff and will be vigorously defending the claim.

In that regard, DNeX has submitted its affidavit in reply to the High Court on 5 November 2021 and the Case Management of the Legal Suit had been scheduled on 19 November 2021. The Plaintiff has requested to reply to DNeX's affidavit by 29 November 2021. During the Case Management of the Legal Suit on 19 November 2021, the Court had set the matter down for further case management on 1 December 2021 pending the filing of the Plaintiff's Affidavit in Reply.



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

Quarterly Report On Consolidated Results For The First Quarter Ended 30 September 2021

21 Comparison between the current quarter and the immediate preceding quarter

	Current quarter 30/9/2021 RM'000	Immediate preceding quarter 30/6/2021 RM'000	Variance %
Revenue	270,867	45,899	>100.0
- Information Technology ("IT")	44,082	30,137	46.3
- Energy	78,011	15,762	>100.0
- Technology	148,774	-	N/A
Profit/(Loss) before tax	298,943	81,352	>100.0
- IT	1,439	(82,867)	>100.0
- Energy	15,847	173,562	-90.9
- Technology	285,699	-	N/A
- Corporate	(4,042)	(9,343)	56.7

Revenue

The Group revenue increased by RM224.97 million in current quarter as compared to immediate preceding quarter impact from consolidation of Ping and SilTerra which contributed RM67.27 million (24%) and RM148.77 million (54%) respectively to the Group's revenue.

Information Technology Segment

The System Integration & Consultancy business reported marginal increase in revenue by RM14.86 million in (Q1, 2022: RM20.67 million; Q6, 2021: RM5.81 million) in current quarter.

The Group's Trade Facilitation & eServices business remain stable with slight reduction in revenue of RM0.92 million (3.8%). Revenue stood at RM23.41 million in current quarter as compared to RM24.33 million in immediate preceding quarter.

Energy Segment

Revenue in Group Energy increased by RM62.25 million as compared to immediate preceding quarter (Q1, 2022: RM78.01 million; Q6, 2021: RM15.76 million) due to consolidation of Ping results (RM67.27 million) in current quarter as well as impact from recent improved in oil price.

Technology Segment

Technology business segment contributed RM148.77 million of revenue from sale of semiconductor wafers.

Profit/(Loss) Before Tax

	Current quarter 30/9/2021 Operating Profit/(Loss) RM'000	Net Reversal of Impairment Loss RM'000	Effect from business combination RM'000	Current quarter 30/9/2021 Profit/(Loss) Before Tax RM'000
Profit/(Loss) before tax	33,306	1,129	264,508	298,943
- IT	439	1,000	-	1,439
- Energy	15,719	128	-	15,847
- Technology	21,190	1	264,508	285,699
- Corporate	(4,042)	-	-	(4,042)



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

Quarterly Report On Consolidated Results For The First Quarter Ended 30 September 2021

22 Comparison between the current quarter and the immediate preceding quarter (continued)

	Immediate preceding quarter 30/6/2021 Operating Profit/(Loss) RM'000	Net One-off Impairment Loss RM'000	Effect from business combination RM'000	Immediate preceding quarter 30/6/2021 Profit/(Loss) Before Tax RM'000
Profit/(Loss) before tax	(56,664)	(135,730)	273,746	81,352
- IT	(18,675)	(64,192)	-	(82,867)
- Energy	(32,775)	(67,409)	273,746	173,562
- Corporate	(5,214)	(4,129)	-	(9,343)

The Group reported an operating profit of RM33.31 million in current quarter (Q6, 2021: operating loss of RM56.67 million), mainly due to consolidation of Ping's and SilTerra which contributed RM13.73 million and RM21.28 million respectively to the Group.

23 Prospects for 2021/2022

DNeX has completed its strategic investments in SilTerra Malaysia Sdn Bhd ("SilTerra") and Ping Petroleum Limited ("Ping") and the Group expects both companies to have a positive impact to the Group's performance in the current financial year ending 30 June 2022.

The Group is optimistic that SilTerra will continue to benefit from the increase in global demand for semiconductor chips due to rising adoption of technologies in Industry 4.0, artificial intelligence and internet of things. Injection of new funds for capital expenditure and recent process improvements at SilTerra's manufacturing plant have led to an increase in production capacity and higher operating efficiency resulting in better cycle time, tool uptime gain and scrap reduction. To strengthen SilTerra's business sustainability, the Group is optimising capacity mix by streamlining and focusing on strategic customers. SilTerra is also working towards securing more long-term agreements with the right customers in each market segment with the proper pricing strategy in the current tight market situation.

The strong rise in Brent crude oil prices which are now trading at levels above USD80 per barrel will benefit Ping which is involved in upstream oil and gas production. In line with improved oil prices, Ping is now exploring opportunities to monetise economically attractive reserves in the Anasuria Cluster which has estimated proved and probable reserves of about 26.6 million barrels of oil equivalent. Ping has also acquired the remaining 50% stake in green field asset, Avalon Oil Development to further expand its portfolio of upstream assets in the North Sea, UK.

The re-opening of the economy and rapid pace of digitalisation in both the private and public sectors are expected to augur well for the Group's existing business in Trade Facilitation as well as Technology Consulting and System Integration. As the Group aims to strengthen its position as the preferred technology partner for all sectors, the Group is enhancing its Trade Facilitation related e-Services and introducing new digital solutions in the Business-to-Government and Business-to-Business segments.

With the economic recovery underway and barring any unforeseen circumstances, the Group is confident that the strategies implemented to grow and strengthen its core businesses will lead to a better performance in the financial year ending 30 June 2022.



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

Quarterly Report On Consolidated Results For The First Quarter Ended 30 September 2021

24 Variance for actual and forecast profit

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

25 Earnings per share

Basic earnings per share	INDIVIDUAL QUARTER	CUMULATIVE QUARTER
	Current year quarter 30/9/2021 '000	Three months to 30/9/2021 '000
Profit attributable to the Owners of the Company (RM)	293,564	293,564
Number of ordinary shares at beginning of the period	2,724,686	2,724,686
- Weighted average number of ordinary shares	267,106	267,106
Weighted average number of ordinary shares	2,991,792	2,991,792
Basic earnings per share (sen)	9.81	9.81
Diluted earnings per share	INDIVIDUAL QUARTER	CUMULATIVE QUARTER
	Current year quarter 30/9/2021 '000	Three months to 30/9/2021 '000
Profit attributable to the Owners of the Company (RM)	293,564	293,564
Weighted average number of ordinary shares as per basic earnings per share	2,991,792	2,991,792
Effect of potential exercise of ESOS	257	257
Weighted average number of ordinary shares	2,992,049	2,992,049
Diluted earnings per share (sen)	9.81	9.81

26 Authorisation for issue

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

Kuala Lumpur
26 November 2021

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