



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

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THE FIGURES HAVE NOT BEEN AUDITED

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

	INDIVIDUAL QUARTER Current year quarter 31/12/2021 RM'000	CUMULATIVE QUARTER Six months to 31/12/2021 RM'000
Revenue	353,314	624,181
Cost of sales	(196,887)	(381,458)
Gross profit	156,427	242,723
Other income	4,077	6,192
Expenses	(84,201)	(125,817)
Finance cost	(12,939)	(25,299)
Effect from business combination (Note 12) (c)	-	264,508
<b>Profit before income tax</b>	<b>63,364</b>	<b>362,307</b>
Income tax credit (Note 15)	1,541	4,084
Profit for the period	64,905	366,391
Gain attributable to non-controlling interest	(21,071)	(28,993)
<b>Profit attributable to owners of the Company</b>	<b>43,834</b>	<b>337,398</b>
<b>Earnings per share</b>		
Basic	1.40 sen	11.03 sen
Diluted	1.40 sen	11.03 sen



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

	INDIVIDUAL QUARTER Current year quarter 31/12/2021 RM'000	CUMULATIVE QUARTER Six months to 31/12/2021 RM'000
<b>Other comprehensive income for the period, net of tax Items that are or may be reclassified subsequently to profit or loss</b>		
Profit for the period	64,905	366,391
Foreign currency translation differences for foreign operations	<u>5,870</u>	<u>12,787</u>
Total comprehensive income	70,775	379,178
Total comprehensive gain attributable to non-controlling interest	<u>(21,071)</u>	<u>(28,993)</u>
<b>Total comprehensive income attributable to owners of the Company</b>	<b><u>49,704</u></b>	<b><u>350,185</u></b>

There is no comparative for the quarter ended 31 December 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 31 December 2021, being the second quarter of the financial year ending 30 June 2022 is not comparable with that of the second 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.



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

	<b>INDIVIDUAL QUARTER Current year quarter 31/12/2021 RM'000</b>	<b>CUMULATIVE QUARTER Six months to 31/12/2021 RM'000</b>
<b>Profit before income tax is arrived at after charging/(crediting):</b>		
Interest income	(2,041)	(2,917)
Net impairment loss on receivables	12,575	11,446
Interest expense	12,939	25,299
Depreciation and amortisation	43,221	80,029
Foreign exchange loss	6,071	8,376
Effect from business combination (Note 12) (c)	-	(264,508)

There is no comparative for the quarter ended 31 December 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 31 December 2021, being the second quarter of the financial year ending 30 June 2022 is not comparable with that of the second 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.



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**II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited As at 31/12/2021 RM'000</b>	<b>Audited As at 30/6/2021 RM'000</b>
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment	1,637,058	655,303
Right-of-use assets	58,742	545
Investment in associates and joint operations	96	96
Intangible assets	985,961	978,988
Deferred tax assets	782	1,293
Cash and cash equivalents (restricted)	314,627	125,465
	<u>2,997,266</u>	<u>1,761,690</u>
Current assets		
Inventories	135,655	15,370
Contract assets	34,176	40,537
Trade and other receivables	205,183	88,900
Current tax assets	5,577	5,571
Cash and cash equivalents	663,680	267,680
	<u>1,044,271</u>	<u>418,058</u>
<b>Total assets</b>	<b><u>4,041,537</u></b>	<b><u>2,179,748</u></b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to Owners of the Company		
Share capital	1,016,288	785,437
Warrant reserve	-	3,001
Share option reserve	3,277	2,143
Translation reserve	12,476	(311)
Fair value reserve	(734)	(734)
Retained earnings	570,830	233,400
	<u>1,602,137</u>	<u>1,022,936</u>
Non-controlling Interests	345,082	30,551
<b>Total equity</b>	<b><u>1,947,219</u></b>	<b><u>1,053,487</u></b>
Non-current liabilities		
Deferred tax liabilities	591,826	422,900
Loan and borrowings (secured)	286,233	16,007
Long term obligations and provision	18,048	18,115
Lease liabilities	12,771	174
Provision for decommissioning costs	434,134	438,813
	<u>1,343,012</u>	<u>896,009</u>
Current liabilities		
Contract liabilities	2,629	1,816
Trade and other payables	687,922	128,519
Loan and borrowings (secured)	29,722	70,373
Lease liabilities	831	557
Current tax liabilities	30,202	28,987
	<u>751,306</u>	<u>230,252</u>
Total liabilities	<u>2,094,318</u>	<u>1,126,261</u>
<b>Total equity and liabilities</b>	<b><u>4,041,537</u></b>	<b><u>2,179,748</u></b>
<b>Net assets per share attributable to Owners of the Company (RM)</b>	<b><u>0.51</u></b>	<b><u>0.38</u></b>

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.



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III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Six months to 31/12/2021 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash receipts from customers	902,208
Cash payments to suppliers	(306,335)
Cash payments to employees and other expenses	(177,572)
	<hr/>
Cash generated from operations	418,301
Income tax paid (net)	(5,369)
Zakat	(77)
	<hr/>
<b>Net cash generated from operating activities</b>	<b>412,855</b>
	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property, plant and equipment and intangible assets	(70,494)
Interest received	1,689
Acquisition of a subsidiary (Note 12) (b)	(77,285)
	<hr/>
<b>Net cash used in investing activities</b>	<b>(146,090)</b>
	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from warrant conversion	183,010
Proceeds from issuance of shares	44,868
Bank borrowings (net)	101,323
Payment of finance cost	(12,351)
Payment of lease liabilities	(45)
Increase in pledged deposits and restricted cash	(196,078)
	<hr/>
<b>Net cash generated from financing activities</b>	<b>120,727</b>
	<hr/>
<b>Net Change in Cash and Cash Equivalents</b>	<b>387,492</b>
Cash and Cash Equivalents as at beginning of financial period	252,448
Effect of exchange rate fluctuations on cash held	1,861
	<hr/>
<b>Cash and Cash Equivalents as at end of financial period (a)</b>	<b>641,801</b>
	<hr/> <hr/>

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

	As at 31/12/2021 RM'000
Cash and deposits with licensed banks	
- Unrestricted	644,525
- Restricted and pledged	333,782
	<hr/>
	978,307
Less : Cash and cash equivalents pledged as security	(333,782)
Less : Bank overdrafts	(2,724)
	<hr/>
Cash and Cash Equivalents as at end of financial period	641,801
	<hr/> <hr/>

There is no comparative for the quarter ended 31 December 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 December 2021, being the second quarter of the financial period ended 30 June 2022 is not comparable with that of the second 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.



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**IV CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY**

In RM'000	Note	← Attributable to Owners of the Company →						Total	Non-controlling interests	Total equity
		Share capital	Warrant reserve	Share option reserve	Translation reserve	Fair value reserve	Retained earnings			
<b>Six months to 31 December 2021</b>										
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		-	-	-	-	-	337,398	337,398	28,993	366,391
Foreign currency translation differences for foreign operations		-	-	-	12,787	-	-	12,787	-	12,787
Total comprehensive income for the period		-	-	-	12,787	-	337,398	350,185	28,993	379,178
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
- Effect of issuance of Private Placement		44,868	-	-	-	-	-	44,868	-	44,868
- Share options exercised		45	-	(14)	-	-	-	31	-	31
- Warrant terminated		-	(73)	-	-	-	73	-	-	-
		230,851	(3,001)	(14)	-	-	73	227,909	285,538	513,447
Share options expenses		-	-	1,148	-	-	(41)	1,107	-	1,107
Total transaction with owners of the Company		230,851	(3,001)	1,134	-	-	32	229,016	285,538	514,554
Balance as at 31 December 2021		1,016,288	-	3,277	12,476	(734)	570,830	1,602,137	345,082	1,947,219

There is no comparative for the quarter ended 31 December 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 December 2021, being the second quarter of the financial period ended 30 June 2022 is not comparable with that of the second 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.



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## Quarterly Report On Consolidated Results For The Second Quarter Ended 31 December 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 December 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 31 December 2021, being the second quarter of the current financial year ending 30 June 2022, is not comparable with that of the second 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.





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### 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

	<b>Effective for financial periods beginning on or after</b>
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.



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### 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 23<sup>rd</sup> 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 31 December 2021.

### 9 Dividend

An interim single-tier dividend of 0.6 sen per share has been declared by the Company for the current quarter:-

- (i) Amount per share : 0.6 sen per share
- (ii) Previous corresponding period : Nil
- (iii) Entitlement date : To be announced later
- (iv) Payment date : To be announced later

### 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	91,388	161,294	371,499	-	-	624,181
Inter-segment revenue	14,129	-	-	-	(14,129)	-
<b>Total revenue</b>	<b>105,517</b>	<b>161,294</b>	<b>371,499</b>	<b>-</b>	<b>(14,129)</b>	<b>624,181</b>
<b>Segment result</b>						
Profit/(Loss) from operations	14,661	83,025	120,014	(6,044)	-	211,656
Depreciation and amortisation	(4,831)	(32,558)	(42,593)	(47)	-	(80,029)
Net impairment (loss)/reversal on receivables	(12,854)	78	1,143	187	-	(11,446)
Effect on business combination (Note 12)	-	-	264,508	-	-	264,508
Finance costs	(2,501)	(22,587)	(4,546)	(551)	4,886	(25,299)
Finance income	107	180	887	6,629	(4,886)	2,917
Profit/(Loss) before tax	(5,418)	28,138	339,413	174	-	362,307
Tax credit						4,084
Net income after tax						366,391
Net gain attributable to non-controlling interest						(28,993)
Net profit attributable to owners of the Company						337,398
<b>Segment assets</b>	<b>450,808</b>	<b>2,378,611</b>	<b>1,770,025</b>	<b>866,479</b>	<b>(1,424,386)</b>	<b>4,041,537</b>
<b>Segment liabilities</b>	<b>495,690</b>	<b>1,642,497</b>	<b>786,235</b>	<b>25,665</b>	<b>(855,769)</b>	<b>2,094,318</b>



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### 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 December 2021 to the date of this announcement which would substantially affect the financial results of the Group for the period ended 31 December 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 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

	<b>RM'000</b>
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)
<b>Net identifiable assets</b>	<b><u>713,846</u></b>

#### (b) Net cash outflow arising from acquisition of SiITerra

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



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### 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>
<b>Effect from business combination</b>	<b><u>(264,508)</u></b>

### 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 RM17.12 million as at 31 December 2021.

### 15 Income tax

	INDIVIDUAL QUARTER Current year quarter 31/12/2021 RM'000	CUMULATIVE QUARTER Six months to 31/12/2021 RM'000
Malaysian and foreign income tax:		
Current taxation	(4,232)	(6,539)
Current deferred tax assets	5,773	10,623
	<u>1,541</u>	<u>4,084</u>

The effective tax rate of the Group for current period was lower than the statutory tax rate mainly due to utilisation of tax losses and allowances for the profitable subsidiary companies.

### 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.



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

<b>Details of utilisation</b>	<b>Proposed Utilisation RM '000</b>	<b>Actual Utilisation RM '000</b>	<b>Balanced Unutilised RM '000</b>	<b>Intended Timeframe For Utilisation From The Receipt Of Placement Funds</b>
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 31 December 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 next Case Management of the Legal Suit had been scheduled on 3 March 2022. The Plaintiff has requested to reply to DNeX's affidavit by 1 March 2022. During the Case Management of the Legal Suit on 8 February 2022, the Court had set the matter down for further case management on 3 March 2022 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 Second Quarter Ended 31 December 2021**

**21 Comparison between the current quarter and the immediate preceding quarter**

	<b>Current quarter 31/12/2021 RM'000</b>	<b>Immediate preceding quarter 30/9/2021 RM'000</b>	<b>Variance %</b>
Revenue	353,314	270,867	30.4
- Information Technology ("IT")	47,306	44,082	7.3
- Energy	83,283	78,011	6.8
- Technology	222,725	148,774	49.7
Profit/(Loss) before tax	63,364	298,943	-78.8
- IT	(6,857)	1,439	>-100.0
- Energy	12,291	15,847	-22.4
- Technology	53,714	285,699	-81.2
- Corporate	4,216	(4,042)	>100.0

**Revenue**

The Group revenue increased by RM82.45 million in current quarter as compared to immediate preceding quarter which collectively contributed by each segments in the Group.

**Information Technology Segment**

The System Integration & Consultancy business reported an increase in revenue by RM3.22 million in (Q2, 2022: RM47.31 million; Q1, 2022: RM44.08 million) in current quarter.

The Group's Trade Facilitation & eServices business remain stable with increase in revenue by RM3.01 million (12.8%). Current quarter revenue stood at RM26.42 million while RM23.41 million in immediate preceding quarter.

**Energy Segment**

Revenue in Group Energy increased by RM5.27 million as compared to immediate preceding quarter (Q2, 2022: RM83.28 million; Q1, 2022: RM78.01 million) due to sustainable level of oil price and higher demand for gas during the winter season.

**Technology Segment**

Technology business segment contributed a significantly higher revenue of RM73.95 million (Q2, 2022: RM222.72 million; Q1, 2022: RM148.77 million) from sale of semiconductor wafers.

**Profit/(Loss) Before Tax**

	<b>Current quarter 31/12/2021 Operating Profit RM'000</b>	<b>Net Impairment (Loss)/ Reversal RM'000</b>	<b>Current quarter 31/12/2021 Profit/(Loss) Before Tax RM'000</b>
Profit/(Loss) before tax	75,939	(12,575)	63,364
- IT	6,997	(13,854)	(6,857)
- Energy	12,341	(50)	12,291
- Technology	52,572	1,142	53,714
- Corporate	4,029	187	4,216



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### 21 Comparison between the current quarter and the immediate preceding quarter (continued)

	Immediate preceding quarter 30/9/2021 Operating Profit/(Loss) RM'000	Net One-off Impairment Loss RM'000	Effect from business combination RM'000	Immediate preceding 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)

Group reported an operating profit of RM75.94 million with an increase of RM42.63 million as compared to the immediate preceding quarter of RM33.31 million. The contribution mainly derived from the Technology segment mainly due to higher wafer shipments and OPEX optimisation resulted in higher profit in the current quarter. The IT segments contribute operating profits in line with revenue for the current quarter while the energy segments provide slightly lower operating profits mainly due to lower uplifting in the current quarter.

### 22 Prospects for 2021/2022

The Group is optimistic that semiconductor wafer foundry, SilTerra Malaysia Sdn Bhd ("SilTerra") will deliver continuous growth as further investments are made to improve production capacity and efficiency yields. Capex investment totaling RM645 million has been earmarked to increase the annual production capacity of SilTerra by 20% to 10 million mask layers annually, which will be ready by early 2023.

The expansion in production capacity will translate to better economy of scale, with further improvement in manufacturing cost. Furthermore, SilTerra will have available capacity to expand its technical offerings in new emerging technologies such as microelectromechanical systems ("MEMS") and Silicon Photonics devices which have much higher average selling prices.

This will allow SilTerra additional capacity on additional business opportunities arising from the robust demand for semiconductor chips due to rising technologies in Industry 4.0, artificial intelligence and Internet of Things.

On the back of the significant rise in Brent crude oil prices which has surpassed USD100 per barrel, a level unseen since 2014, oil and gas ("O&G") upstream producer Ping Petroleum Limited ("Ping") will directly benefit due to higher average selling prices, resulting in an increase in profitability. It is an opportune time for Ping to monetise the attractive reserves in the Anasuria Cluster and execute the development of our greenfield asset, such as Avalon Oil Development.

In addition, higher oil prices will spur activities across the O&G upstream and downstream sector. This augurs well for OGPC Group which is a service provider and distributor of technical products and equipment for the O&G sector.

The COVID-19 pandemic has accelerated the pace of digitalisation in both the private and public sectors which bodes well for the Group's existing business in Trade Facilitation as well as Technology Consulting and System Integration. With the aim to enhance the Group's position as the preferred and trusted technology partner, DNeX will continue broadening its e-Services offerings in both Business-to-Government and Business-to-Business segments to fulfil the growing needs for digitalisation solutions which also include expanding beyond Malaysian shores.

The global economic recovery is well underway as countries gradually progress into endemic phase following the mass vaccination rollout in many parts of the world.

The industry outlook for the Group's core businesses, especially in semiconductor and O&G, are expected to remain favourable in the near term. Coupled with the Group's efforts to strengthen its business fundamentals, the Group is optimistic to deliver a favourable financial performance in the financial year ending 30 June 2022.



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### 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 31/12/2021 '000	Six months to 31/12/2021 '000
Profit attributable to the Owners of the Company (RM)	43,834	337,398
Number of ordinary shares at beginning of the period	3,090,706	2,724,686
Effect of new ordinary shares issued	35,105	334,116
Weighted average number of ordinary shares	3,125,811	3,058,802
Basic earnings per share (sen)	1.40	11.03
Diluted earnings per share	INDIVIDUAL QUARTER	CUMULATIVE QUARTER
	Current year quarter 31/12/2021 '000	Six months to 31/12/2021 '000
Profit attributable to the Owners of the Company (RM)	43,834	337,398
Weighted average number of ordinary shares as per basic earnings per share	3,125,811	3,058,802
Effect of potential exercise of ESOS	981	849
Weighted average number of ordinary shares	3,126,792	3,059,651
Diluted earnings per share (sen)	1.40	11.03

### 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  
24 February 2022

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