



**DAGANG NEXCHANGE BERHAD (REGISTRATION NO. 197001000738 (10039-P))**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE FOURTH QUARTER ENDED 30 JUNE 2022**

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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 30/6/2022 RM'000	CUMULATIVE QUARTER Twelve months to 30/6/2022 RM'000
<b>Revenue</b>	<b>430,294</b>	<b>1,437,111</b>
Cost of sales	(218,844)	(806,568)
Gross profit	211,450	630,543
Other income	16,080	26,060
Expenses	(73,895)	(257,904)
Finance cost	(12,814)	(50,217)
Effect from business combination (Note 12) (c)	-	264,508
<b>Profit before income tax</b>	<b>140,821</b>	<b>612,990</b>
Income tax credit (Note 15)	122,861	94,922
Zakat	(638)	(638)
Profit for the period/year	263,044	707,274
Gain attributable to non-controlling interest	(102,454)	(157,687)
<b>Profit attributable to owners of the Company</b>	<b>160,590</b>	<b>549,587</b>
<b>Earnings per share</b>		
Basic	5.09 sen	17.68 sen
Diluted	5.08 sen	17.67 sen



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

	INDIVIDUAL QUARTER Current year quarter 30/6/2022 RM'000	CUMULATIVE QUARTER Twelve months to 30/6/2022 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/year	263,044	707,274
Foreign currency translation differences for foreign operations	<u>43,241</u>	<u>63,362</u>
Total comprehensive income	306,285	770,636
Total comprehensive gain attributable to non-controlling interest	<u>(102,454)</u>	<u>(157,687)</u>
<b>Total comprehensive income attributable to owners of the Company</b>	<b><u>203,831</u></b>	<b><u>612,949</u></b>

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



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

	INDIVIDUAL QUARTER Current year quarter 30/6/2022 RM'000	CUMULATIVE QUARTER Twelve months to 30/6/2022 RM'000
<b>Profit before income tax is arrived at after charging/(crediting):</b>		
Interest income	(2,472)	(6,856)
Net impairment (gain)/loss on receivables	(1,797)	9,717
Interest expense	12,814	50,217
Depreciation and amortisation	31,149	120,802
Net realised and unrealised foreign exchange loss	17,930	26,321
Effect from business combination (Note 12) (c)	-	(264,508)

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



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## Quarterly Report On Consolidated Results For The Fourth Quarter Ended 30 June 2022

### II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 30/6/2022 RM'000	Audited As at 30/6/2021 RM'000
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment	1,748,810	655,303
Right-of-use assets	56,467	545
Investment in associates and joint operations	-	96
Intangible assets	1,028,596	978,988
Deferred tax assets	159,020	1,293
Cash and cash equivalents (restricted)	260,672	125,465
	<u>3,253,565</u>	<u>1,761,690</u>
Current assets		
Inventories	147,970	15,370
Contract assets	43,778	40,537
Trade and other receivables	374,977	88,900
Current tax assets	6,304	5,571
Cash and cash equivalents	754,524	267,680
	<u>1,327,553</u>	<u>418,058</u>
<b>Total assets</b>	<b><u>4,581,118</u></b>	<b><u>2,179,748</u></b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to Owners of the Company		
Share capital	1,017,319	785,437
Warrant reserve	-	3,001
Share option reserve	11,439	2,143
Translation reserve	63,055	(311)
Fair value reserve	-	(734)
Retained earnings	763,086	233,400
	<u>1,854,899</u>	<u>1,022,936</u>
Non-controlling Interests	474,119	30,551
<b>Total equity</b>	<b><u>2,329,018</u></b>	<b><u>1,053,487</u></b>
Non-current liabilities		
Trade and other payables	409,712	-
Deferred tax liabilities	638,262	422,900
Loan and borrowings (secured)	235,812	16,007
Long term obligations and provision	7,320	18,115
Lease liabilities	61	174
Provision for decommissioning costs	422,667	438,813
	<u>1,713,834</u>	<u>896,009</u>
Current liabilities		
Contract liabilities	2,754	1,816
Trade and other payables	395,289	128,519
Loan and borrowings (secured)	83,548	70,373
Lease liabilities	692	557
Current tax liabilities	55,983	28,987
	<u>538,266</u>	<u>230,252</u>
Total liabilities	2,252,100	1,126,261
<b>Total equity and liabilities</b>	<b><u>4,581,118</u></b>	<b><u>2,179,748</u></b>
<b>Net assets per share attributable to Owners of the Company (RM)</b>	<b><u>0.59</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 year ended 30 June 2021.

**Quarterly Report On Consolidated Results For The Fourth Quarter Ended 30 June 2022**

**III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Unaudited Twelve months to 30/6/2022 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash receipts from customers	1,682,319
Cash payments to suppliers	(768,688)
Cash payments to employees and other expenses	(248,751)
	<hr/>
Cash generated from operations	664,880
Income tax paid (net)	(20,365)
Zakat	(746)
	<hr/>
<b>Net cash generated from operating activities</b>	643,769
	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property, plant and equipment and intangible assets	(290,563)
Proceeds from disposal of plant and equipment	8
Interest received	6,018
Acquisition of a subsidiary (Note 12) (b)	(77,285)
Cash inflow from disposal of a subsidiary	79
	<hr/>
<b>Net cash used in investing activities</b>	(361,743)
	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from warrant conversion	183,010
Proceeds from issuance of shares	44,868
Proceeds from share options exercised	733
Bank borrowings (net)	62,860
Payment of finance cost	(27,785)
Payment of lease liabilities	(99)
Increase in pledged deposits and restricted cash	(174,674)
	<hr/>
<b>Net cash generated from financing activities</b>	88,913
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<b>Net Change in Cash and Cash Equivalents</b>	370,939
Cash and Cash Equivalents as at beginning of financial year	252,448
Effect of exchange rate fluctuations on cash held	74,689
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<b>Cash and Cash Equivalents as at end of financial year (a)</b>	698,076
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**(a) Cash and Cash Equivalents comprise the following Statements of Financial Position amounts:**

	<b>As at 30/6/2022 RM'000</b>
Cash and deposits with licensed banks	
- Unrestricted	702,761
- Restricted and pledged	312,435
	<hr/>
	1,015,196
Less : Cash and cash equivalents pledged as security	(312,435)
Less : Bank overdrafts	(4,685)
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Cash and Cash Equivalents as at end of financial year	698,076
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There is no comparative for the quarter ended 30 June 2022, 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 June 2022, being the fourth quarter of the financial period ended 30 June 2022 is not comparable with that of the fourth 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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## Quarterly Report On Consolidated Results For The Fourth Quarter Ended 30 June 2022

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

In RM'000		Attributable to Owners of the Company						Non-controlling interests	Total equity
		Non-distributable					Total		
Note	Share capital	Warrant reserve	Share option reserve	Translation reserve	Fair value reserve	Retained earnings	Total		
<b>Twelve months to 30 June 2022</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 year	-	-	-	-	-	549,587	549,587	157,687	707,274
Foreign currency translation differences for foreign operations	-	-	-	63,362	-	-	63,362	-	63,362
Total comprehensive income for the year	-	-	-	63,362	-	549,587	612,949	157,687	770,636
Contribution by and distribution to owners of the Company									
- Effect of acquisition of a subsidiary	12	-	-	-	-	-	-	285,538	285,538
- Effect of disposal of a subsidiary		-	-	-	-	95	95	(95)	-
- 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		1,076	-	(342)	-	-	734	-	734
- Warrant terminated		-	(73)	-	-	73	-	-	-
- Dividend to owners of the Company	9	-	-	-	-	(18,934)	(18,934)	-	(18,934)
Changes in a subsidiary's ownership interest that do not results in a loss of control		231,882	(3,001)	(342)	-	(18,766)	209,773	285,443	495,216
Realisation of exchange translation reserve		-	-	-	4	(438)	(438)	438	-
Realisation of fair value reserve		-	-	-	-	734	(734)	-	-
Share options expenses		-	-	9,638	-	41	9,679	-	9,679
Total transaction with owners of the Company		231,882	(3,001)	9,296	4	(19,901)	219,014	285,881	504,895
Balance as at 30 June 2022		1,017,319	-	11,439	63,055	-	763,086	474,119	2,329,018

There is no comparative for the quarter ended 30 June 2022, 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 June 2022, being the fourth quarter of the financial year ended 30 June 2022 is not comparable with that of the fourth 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 the accompanying explanatory notes and the audited financial statements for the financial period ended 30 June 2021.

**Quarterly Report On Consolidated Results For The Fourth Quarter Ended 30 June 2022**

**V NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**1 Basis of preparation**

These condensed consolidated interim financial statements, for the year ended 30 June 2022, 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 June 2022, being the fourth quarter of the current financial year ending 30 June 2022, is not comparable with that of the fourth 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 year 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.



## Quarterly Report On Consolidated Results For The Fourth Quarter Ended 30 June 2022

### 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 year 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 year.

### 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 year.

## Quarterly Report On Consolidated Results For The Fourth Quarter Ended 30 June 2022

### 8 Debt and equity securities

During the current year, 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 year ended 30 June 2022.

### 9 Dividend

The Company paid an interim dividend of 0.6 sen net per ordinary share amounting to RM18.934 million in respect of the financial year ended 30 June 2022 on 20 April 2022.

The Board of Directors does not recommend the payment of any dividend for the current quarter ended 30 June 2022.

### 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	199,832	379,611	857,668	-	-	1,437,111
Inter-segment revenue	28,046	-	-	19,050	(47,096)	-
<b>Total revenue</b>	<b>227,878</b>	<b>379,611</b>	<b>857,668</b>	<b>19,050</b>	<b>(47,096)</b>	<b>1,437,111</b>
<b>Segment result</b>						
Profit/(Loss) from operations	58,673	207,390	276,225	(876)	(19,050)	522,362
Depreciation and amortisation	(9,573)	(60,311)	(50,823)	(95)	-	(120,802)
Net impairment (loss)/reversal on receivables	(13,347)	2,372	1,071	187	-	(9,717)
Effect on business combination (Note 12)	-	-	264,508	-	-	264,508
Finance costs	(2,294)	(43,821)	(3,006)	(1,096)	-	(50,217)
Finance income	343	491	2,883	3,139	-	6,856
Profit/(Loss) before tax	33,802	106,121	490,858	1,259	(19,050)	612,990
Income tax credit						94,922
Zakat						(638)
Net income after tax						707,274
Net gain attributable to non-controlling interest						(157,687)
Net profit attributable to owners of the Company						549,587
<b>Segment assets</b>	<b>1,191,951</b>	<b>2,572,251</b>	<b>1,426,375</b>	<b>868,037</b>	<b>(1,477,496)</b>	<b>4,581,118</b>
<b>Segment liabilities</b>	<b>509,736</b>	<b>1,759,056</b>	<b>863,293</b>	<b>29,834</b>	<b>(909,818)</b>	<b>2,252,100</b>

## Quarterly Report On Consolidated Results For The Fourth Quarter Ended 30 June 2022

### 11 Material events subsequent to the current year

In the opinion of the Directors, there are no items, transactions or events of material and unusual nature which have arisen since 30 June 2022 to the date of this announcement which would substantially affect the financial results of the Group for the year ended 30 June 2022.

### 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 SilTerra Malaysia Sdn Bhd ("SilTerra") 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 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").

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>713,846</b>

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

	<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>77,285</b>

**Quarterly Report On Consolidated Results For The Fourth Quarter Ended 30 June 2022**

**12 Changes in the composition of the Group (continued)**

(c) Bargain purchase from business combination

	<b>RM'000</b>
Fair value of consideration transferred	163,800
Fair value of identifiable net assets acquired	(713,846)
Non-controlling interests, based on their proportionate interests	285,538
<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 RM11.29 million as at 30 June 2022.

**15 Income tax**

	<b>INDIVIDUAL QUARTER</b>	<b>CUMULATIVE QUARTER</b>
	<b>Current year quarter 30/6/2022 RM'000</b>	<b>Twelve months to 30/6/2022 RM'000</b>
Malaysian and foreign income tax:		
Current taxation	(12,022)	(45,381)
Under provision in prior year	-	(1,657)
Deferred tax	134,883	141,960
	<u>122,861</u>	<u>(94,922)</u>

The Group's effective tax rates are reflective of the various tax legislations within which the Group operates. In the current period/year, the group has recognised deferred tax arising from temporary differences between the tax base and the carrying amount of assets and liabilities.

**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.

On 26 April 2022, the Company announced that the timeframe to implement the Proposed Private Placement has lapsed. The Company did not intend to seek for any further extension of time for the implementation of the Proposed Private Placement.

**Quarterly Report On Consolidated Results For The Fourth Quarter Ended 30 June 2022**

**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 year ended 30 June 2022, 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") (Dagang Net, the Company and Genaxis shall collectively be referred to as "Defendants")

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 has been vigorously defending the claim.

During the case management on 24 March 2022 the Learned Judicial Commissioner recused from hearing this matter. In light of the recusal, the hearing of scheduled on 28 March 2022 before the Learned Judicial Commissioner was therefore vacated. On 13 April 2022, the Plaintiff has filed its affidavit. In that regard, DNeX have replied and filed the affidavit in respect on 27 April 2022.

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### 20 Material litigation (continued)

During the Case Management on 28 April 2022, the Court had given the following direction:

- (a) Parties are to file further submissions on or before 20 May 2022; and
- (b) Hearing of the originating summons and the Plaintiff's application for cross examination of DNeX deponents had been scheduled on 15 June 2022.

At the hearing on 15 June 2022, the Judicial Commissioner dismissed the Plaintiff's application to cross examine the deponents of the Defendants' affidavits with cost of RM5,000. At the same hearing, the Plaintiff's solicitors informed the Court that the Plaintiff wished to file a further affidavit in view of new matters which had transpired in respect of Genaxis. The learned Judicial Commissioner directed as follows:

- (a) The Plaintiff is to file its further affidavit by 22 June 2022;
- (b) The Defendants' affidavit in reply is to be filed by 27 June 2022;
- (c) Parties may file supplementary written submissions by 15 August 2022; and
- (d) The Legal Suit will be called up for hearing on 22 August 2022.

The parties had exchanged various affidavits in accordance with the directions given by the Court.

In addition, the Defendants had also decided to change their solicitors and engaged Messrs Chooi & Company and Cheang & Ariff to replace Messrs. Azmi & Associates. The notice of change of solicitors was filed with the High Court on 12 July 2022 and written submission was made on 15 August 2022.

At the hearing on 22 August 2022, the Judicial Commissioner has dismissed the Plaintiff's Legal Suit with no order as to cost.

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

	Current quarter 30/6/2022 RM'000	Immediate preceding quarter 31/3/2022 RM'000	Variance %
Revenue	430,294	382,636	12.5
- Information Technology ("IT")	60,752	47,691	27.4
- Energy	115,448	102,870	12.2
- Technology	254,094	232,075	9.5
Profit/(Loss) before tax	140,821	109,862	28.2
- IT	28,260	9,770	>100.0
- Energy	31,965	45,539	-29.8
- Technology	85,661	62,909	36.2
- Corporate	(5,065)	(8,356)	39.4

#### **Revenue**

The Group revenue increased by RM47.66 million in current quarter as compared to immediate preceding quarter which collectively contributed by each segments in the Group.

#### **Information Technology Segment**

Group Information Technology segment reported an increase in revenue by RM13.06 million in (Q4, 2022: RM60.75 million; Q3, 2022: RM47.69 million) in current quarter mainly due to progress milestone revenue in the current quarter.

The Group's Trade Facilitation & eServices business revenue improved by RM0.46 million (2.0%) mainly due to progress milestone revenue in the current quarter. The contribution supported by trade traffic volume recorded. Current quarter revenue stood at RM23.59 million while RM23.13 million in immediate preceding quarter.

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

**Energy Segment**

Revenue in Group Energy increased by RM12.58 million as compared to immediate preceding quarter (Q4, 2022: RM115.45 million; Q3, 2022: RM102.87 million), mainly due to higher average selling prices due to significant rise in Brent crude oil prices (Q4, 2022: USD115.01/bbls; Q3, 2022: USD101.75/bbls).

**Technology Segment**

Technology business segment contributed a significantly higher revenue of RM22.02 million (Q4, 2022: RM254.09 million; Q3, 2022: RM232.07 million) due to better product mix and higher average selling price achieved.

**Profit/(Loss) Before Tax**

	<b>Current quarter 30/6/2022 Operating Profit RM'000</b>	<b>Net Impairment (Loss)/ Reversal RM'000</b>	<b>Current quarter 30/6/2022 Profit/(Loss) Before Tax RM'000</b>
Profit/(Loss) before tax	139,024	1,797	140,821
- IT	28,853	(593)	28,260
- Energy	29,700	2,265	31,965
- Technology	85,536	125	85,661
- Corporate	(5,065)	-	(5,065)

	<b>Immediate preceding quarter 30/3/2022 Operating Profit/(Loss) RM'000</b>	<b>Net One-off Impairment Loss RM'000</b>	<b>Immediate preceding quarter 30/3/2022 Profit/(Loss) Before Tax RM'000</b>
Profit/(Loss) before tax	109,930	(68)	109,862
- IT	9,671	99	9,770
- Energy	45,509	30	45,539
- Technology	63,106	(197)	62,909
- Corporate	(8,356)	-	(8,356)

Group reported an operating profit of RM139.02 million with an increase of RM29.09 million as compared to the immediate preceding quarter of RM109.93 million. The Technology segment remains a major contributor to the Group's operating profit in line with its higher revenue for the current quarter. The IT segments contribute operating profits in line with the revenue. Meanwhile, the contribution from the Energy segment in current quarter is slightly lower due to lower production and was affected by foreign exchange losses for assets denominated in Pound Sterling, however the impact is mitigated by higher crude oil prices.



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### 22 Prospects for 2022/2023

#### **Technology**

Transformation efforts at SilTerra Malaysia Sdn Bhd ("SilTerra") have led to a strong turnaround in the Group's financial performance. This is due to higher average selling prices ("ASP") achieved and operational improvements recorded in terms of production output, quality control and manufacturing efficiency.

As we enter the new financial year, SilTerra will continue to pursue manufacturing excellence and superior technology innovation. The three long term agreements secured with major clients will fulfill capacity utilisation to more than 70%. Meanwhile, expansion efforts to increase SilTerra's annual production capacity by 10% is progressing well and is expected to be completed by first half of 2023. As a result, more capacity will be allocated to new emerging technologies such as microelectromechanical systems ("MEMS") and Silicon Photonics devices which command higher ASP. In addition, manufacturing costs are expected to reduce in line with economies of scale.

In conjunction with the MOU signed with Hon Hai Precision Industry Co., Ltd, ("Foxconn"), on-going discussions are being held with the relevant stakeholders including the Government of Malaysia to build a brand new 12-inch wafer fabrication facility in Malaysia. The 12-inch wafer fab will be the first of its kind in Malaysia, and second in South East Asia after Singapore. The fab's 28nm node is a long life Tier 1 Technology node with the most advanced technology under the planar transistor technology that will have the widest range of applications. Any material updates arising from this development will be announced accordingly.

#### **Energy**

Brent crude oil prices are expected to remain elevated on the back of tight supply outlook due to bans by the European Union on Russian oil exports. This will benefit Ping Petroleum Limited ("Ping"), a low cost upstream producer which has an average cost of production of below USD30 per barrel.

Ping has received a letter of "no objection" from the North Sea Transition Authority ("NSTA") in relation to the proposed development concept for the second oilfield asset, Avalon Oil Development in the Central North Sea, UK. We have also taken delivery of the Sevan Hummingbird Vessel Floating, Production, Storage and Offloading ("FPSO") vessel, which has been renamed to Excalibur – a 60 metre-diameter facility that has a storage capacity of 270,000 barrels of oil and is capable of producing up to 30,000 barrels of oil per day.

Ping aims to connect the FPSO to a dedicated floating offshore wind turbine to power the facility thus minimising diesel and fuel gas usage as well as associated Greenhouse Gas emissions in the UK waters. The innovative and pioneering project is set to be one of the first oil and gas production facilities to meet the UK Government's emissions reduction targets. With a total estimated recovery of 24 million barrels of oil, production from the Avalon field is expected to begin in mid-2025.

#### **Information Technology**

Growth of the Malaysian economy has accelerated on the back of stronger domestic demand, normalising economic activities and reopened international borders. This augurs well for the Group's businesses in Trade Facilitation as well as Technology Consulting and Systems Integration.

Having secured the contract extension, the Group will continue to operate the National Single Window ("NSW") for Trade Facilitation until 31 August 2024. Our new Trade Facilitation related service offerings especially in the Business-to-Business ("B2B") segment locally and in international markets are gaining traction and currently in pilot implementation phase.

Within our Technology Consulting and Systems Integration division, we are focused on digital transformational services for public and private sector clients such as development of cloud-based Enterprise Resource Planning ("ERP") applications as well as new applications in Analytics, Big Data, Artificial Intelligence and Robotics Process Automation. Strategic partnerships with leading global players (e.g. Accenture Solutions Sdn Bhd) will strengthen our value proposition further.

The on-going contract worth RM88 million from the Ministry of Finance Malaysia to provide services for Integrated Government Financial and Management Systems ("iGFMAS") demonstrates our ability to deliver effective digital solutions to the public sector.





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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 year reported.

### 24 Earnings per share

Basic earnings per share	INDIVIDUAL QUARTER Current year quarter 30/6/2022 '000	CUMULATIVE QUARTER Twelve months to 30/6/2022 '000
Profit attributable to the Owners of the Company (RM)	160,590	549,587
Number of ordinary shares at beginning of the period	3,155,734	2,724,686
Effect of new ordinary shares issued	329	382,185
Weighted average number of ordinary shares	3,156,063	3,106,871
	=====	=====
Basic earnings per share (sen)	5.09	17.68
 Diluted earnings per share	 INDIVIDUAL QUARTER Current year quarter 30/6/2022 '000	 CUMULATIVE QUARTER Twelve months to 30/6/2022 '000
Profit attributable to the Owners of the Company (RM)	160,590	549,587
Weighted average number of ordinary shares as per basic earnings per share	3,156,063	3,106,871
Effect of potential exercise of ESOS	3,754	3,119
Weighted average number of ordinary shares	3,159,817	3,109,990
	=====	=====
Diluted earnings per share (sen)	5.08	17.67

### 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  
29 August 2022

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