



**DAGANG NEXCHANGE BERHAD (10039-P)  
QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

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THE FIGURES HAVE NOT BEEN AUDITED

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2019 RM'000	Preceding year corresponding quarter 31/3/2018 RM'000	Three months to 31/3/2019 RM'000	Three months to 31/3/2018 RM'000
<b>Revenue</b>	<b>68,949</b>	<b>71,107</b>	<b>68,949</b>	<b>71,107</b>
Cost of sales	(39,426)	(25,166)	(39,426)	(25,166)
Gross profit	29,523	45,941	29,523	45,941
Other income	3,616	2,549	3,616	2,549
Expenses	(23,860)	(23,355)	(23,860)	(23,355)
Finance cost	(825)	(1,019)	(825)	(1,019)
Share of result of associate, net of tax	7,861	6,059	7,861	6,059
<b>Profit before income tax</b>	<b>16,315</b>	<b>30,175</b>	<b>16,315</b>	<b>30,175</b>
Income tax (Note 14)	(2,385)	(1,488)	(2,385)	(1,488)
Zakat	(1)	-	(1)	-
<b>Profit for the period</b>	<b>13,929</b>	<b>28,687</b>	<b>13,929</b>	<b>28,687</b>
<b>Other comprehensive income for the period, net of tax Items that are or may be reclassified subsequently to profit or loss</b>				
Foreign currency translation differences for foreign operations	(57)	(257)	(57)	(257)
Share of other comprehensive income of associate	(2,791)	(8,699)	(2,791)	(8,699)
Fair value change in other investment	-	(414)	-	(414)
Other comprehensive income for the period, net of tax	(2,848)	(9,370)	(2,848)	(9,370)
<b>Total comprehensive income for the period</b>	<b>11,081</b>	<b>19,317</b>	<b>11,081</b>	<b>19,317</b>



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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2019 RM'000	Preceding year corresponding quarter 31/3/2018 RM'000	Three months to 31/3/2019 RM'000	Three months to 31/3/2018 RM'000
<b>Profit attributable to:</b>				
- Owners of the Company	11,933	16,235	11,933	16,235
- Non-controlling Interests	1,996	12,452	1,996	12,452
<b>Profit for the period</b>	<b>13,929</b>	<b>28,687</b>	<b>13,929</b>	<b>28,687</b>
<b>Total comprehensive income attributable to:</b>				
- Owners of the Company	9,085	6,865	9,085	6,865
- Non-controlling Interests	1,996	12,452	1,996	12,452
<b>Total comprehensive income for the period</b>	<b>11,081</b>	<b>19,317</b>	<b>11,081</b>	<b>19,317</b>
<b>Earnings per share</b>				
- Basic	0.68 sen	0.93 sen	0.68 sen	0.93 sen
- Diluted	0.67 sen	0.92 sen	0.67 sen	0.92 sen

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2019 RM'000	Preceding year corresponding quarter 31/3/2018 RM'000	Three months to 31/3/2019 RM'000	Three months to 31/3/2018 RM'000
<b>Profit before income tax is arrived at after charging/(crediting):</b>				
Interest income	(47)	(215)	(47)	(215)
(Gain)/Loss on disposal of property, plant and equipment	(3)	2	(3)	2
Interest expense	825	1,019	825	1,019
Depreciation and amortization	4,243	4,324	4,243	4,324
Allowance for impairment loss	326	1,207	326	1,207
Foreign exchange (gain)/loss	(135)	26	(135)	26
Reversal of impairment loss of receivables	-	(2)	-	(2)

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2018.



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II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31/3/2019 RM'000	Audited As at 31/12/2018 RM'000
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment	68,106	68,190
Investment in associates	206,061	200,907
Other investments	4,584	4,633
Goodwill	60,220	60,220
Intangible assets	40,707	41,933
Deferred tax assets	226	226
	<hr/>	<hr/>
	379,904	376,109
Current assets		
Inventories	1,863	3,021
Contract assets	86,408	76,935
Trade and other receivables	132,699	129,475
Current tax assets	3,416	3,530
Cash and cash equivalents	34,749	38,998
	<hr/>	<hr/>
	259,135	251,959
<b>Total assets</b>	<hr/> <b>639,039</b>	<hr/> <b>628,068</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to Owners of the Company		
Share capital	354,322	354,322
Warrant reserve	5,691	5,691
Share Option reserve	831	831
Translation reserve	(5,112)	(2,264)
Fair value reserve	(734)	(734)
Retained earnings	108,683	96,750
	<hr/>	<hr/>
	463,681	454,596
Non-controlling Interests	(11,090)	(13,086)
<b>Total equity</b>	<hr/> <b>452,591</b>	<hr/> <b>441,510</b>
Non-current liabilities		
Loan and borrowings (secured)	17,295	17,964
Deferred tax liabilities	7,041	7,524
	<hr/>	<hr/>
	24,336	25,488
Current liabilities		
Trade and other payables	115,368	125,028
Loan and borrowings (secured)	39,763	29,611
Current tax liabilities	6,981	6,431
	<hr/>	<hr/>
	162,112	161,070
Total liabilities	<hr/> 186,448	<hr/> 186,558
<b>Total equity and liabilities</b>	<hr/> <b>639,039</b>	<hr/> <b>628,068</b>
<b>Net assets per share attributable to Owners of the Company (RM)</b>	<hr/> <b>0.26</b>	<hr/> <b>0.25</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2018.



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**III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Unaudited Three months to 31/3/2019 RM'000</b>	<b>Unaudited Three months to 31/3/2018 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	64,099	47,934
Cash payments to suppliers	(41,458)	(23,070)
Cash payments to employees and other expenses	(31,386)	(16,693)
	<hr/>	<hr/>
Cash (used in)/generated from operations	(8,745)	8,171
Income tax paid (net)	(2,315)	(5,406)
Zakat	91	170
	<hr/>	<hr/>
<b>Net cash (used in )/generated from operating activities</b>	<b>(10,969)</b>	<b>2,935</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets	(1,875)	(7,885)
Proceeds from disposal of property, plant and equipment	50	-
Interest received	42	215
Acquisition of investments	(83)	-
Acquisition of subsidiaries	-	(2,179)
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(1,866)</b>	<b>(9,849)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share options exercised	-	482
Drawdown of bank borrowings (net)	486	2,152
Payment of finance cost	(902)	(1,322)
Decrease in pledged deposits and restricted cash	268	965
	<hr/>	<hr/>
<b>Net cash (used in)/generated from financing activities</b>	<b>(148)</b>	<b>2,277</b>
	<hr/>	<hr/>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(12,983)</b>	<b>(4,637)</b>
Cash and Cash Equivalents as at beginning of financial period	19,670	44,693
	<hr/>	<hr/>
<b>Cash and Cash Equivalents as at end of financial period</b>	<b>(a) 6,687</b>	<b>40,056</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>As at 31/3/2019 RM'000</b>	<b>As at 31/3/2018 RM'000</b>
Cash and deposits with licensed banks		
- Unrestricted	22,727	40,056
- Restricted and pledged	12,022	6,176
	<hr/>	<hr/>
	34,749	46,232
Less : Cash and cash equivalents pledged as security	(12,022)	(6,176)
Less : Bank overdrafts	(16,040)	-
	<hr/>	<hr/>
Cash and Cash Equivalents as at end of financial period	6,687	40,056
	<hr/> <hr/>	<hr/> <hr/>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2018.

**Quarterly Report On Consolidated Results For The First Quarter Ended 31 March 2019**

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

In RM'000	← Attributable to Owners of the Company →						Total	Non-controlling interests	Total equity
	Share capital	Warrant reserve	Non-distributable			Retained earnings			
			Share Option reserve	Translation reserve	Fair value reserve				
<b>Three months to 31 March 2019</b>									
Balance as at 1 January 2019	354,322	5,691	831	(2,264)	(734)	96,750	454,596	(13,086)	441,510
Profit for the period	-	-	-	-	-	11,933	11,933	1,996	13,929
Foreign currency translation differences for foreign operations	-	-	-	(57)	-	-	(57)	-	(57)
Share of other comprehensive income of associates	-	-	-	(2,791)	-	-	(2,791)	-	(2,791)
Total comprehensive income for the period	-	-	-	(2,848)	-	11,933	9,085	1,996	11,081
Balance as at 31 March 2019	354,322	5,691	831	(5,112)	(734)	108,683	463,681	(11,090)	452,591
<b>Three months to 31 March 2018</b>									
Balance as at 1 January 2018	353,502	5,691	998	(6,150)	-	72,864	426,905	(2,548)	424,357
Adjustment on initial application of MFRS 9, net of tax	-	-	-	-	(27)	66	39	-	39
At 1 January 2018, restated	353,502	5,691	998	(6,150)	(27)	72,930	426,944	(2,548)	424,396
Profit for the period	-	-	-	-	-	16,235	16,235	12,452	28,687
Foreign currency translation differences for foreign Operations	-	-	-	(257)	-	-	(257)	-	(257)
Share of other comprehensive income of associates	-	-	-	(8,699)	-	-	(8,699)	-	(8,699)
Fair value change in other investment	-	-	-	-	(414)	-	(414)	-	(414)
Total comprehensive income for the period	-	-	-	(8,956)	(414)	16,235	6,865	12,452	19,317
Contribution by and distribution to owners of the Company									
- Effect of acquisition of subsidiary	-	-	-	-	-	-	-	(24,168)	(24,168)
- Share options exercised	606	-	(124)	-	-	-	482	-	482
Total transaction with owners of the Company	606	-	(124)	-	-	-	482	(24,168)	(23,686)
Balance as at 31 March 2018	354,108	5,691	874	(15,106)	(441)	89,165	434,291	(14,264)	420,027

The Condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2018.



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

#### 1 Basis of preparation

These condensed consolidated interim financial statements, for the period ended 31 March 2019, have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). These condensed consolidated interim financial statements also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. These quarterly financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2018.

#### 2 Significant accounting policies

The Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any) of the MFRS framework that have been issued by the Malaysian Accounting Standards Board ("MASB") with for the financial period on or after from 1 January 2019:-

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

MFRS 16 Leases

IC Interpretation 23 Uncertainty Over Income Tax Treatments

Amendments to MFRS 9: Prepayment Features with Negative Compensation Classification

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

Annual Improvements to MFRS Standards 2015 – 2017 Cycles

The adoption of the above accounting standards and interpretations (including the consequential amendments) is expected to have no material impact on the Group's financial statements.

#### 3 Audit report in respect of the 2018 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2018 was not qualified.

#### 4 Seasonal or cyclical factors

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

#### 5 Unusual items due to their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size or incidence in the current period.

#### 6 Material changes in estimates used

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current period.



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### 7 Debt and equity securities

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period ended 31 March 2019.

### 8 Dividend

The Directors do not recommend the payment of any dividend for the period ended 31 March 2019 (2018: Nil).

### 9 Segmental information for the current period

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

Business segment	Information Technology RM'000	Energy RM'000	Corporate RM'000	Eliminations RM'000	Consolidated RM'000
<b>2019</b>					
<b>Business segments</b>					
Revenue from external Customers	57,324	11,625	-	-	68,949
Inter-segment revenue	1,690	-	-	(1,690)	-
<b>Total revenue</b>	<b>59,014</b>	<b>11,625</b>	<b>-</b>	<b>(1,690)</b>	<b>68,949</b>
<b>Segment result</b>					
Profit/(Loss) from operations	10,993	(632)	(1,129)	-	9,232
Finance costs	(505)	(8)	(312)	-	(825)
Finance income	47	-	-	-	47
Share of results in associates, net of tax	-	7,861	-	-	7,861
Profit before tax	10,535	7,221	(1,441)	-	16,315
Tax expense					(2,385)
Zakat					(1)
Net profit after tax					13,929
Attributable to:					
Owners of the Company					11,933
Non-controlling interests					1,996
<b>Profit for the period</b>					<b>13,929</b>
<b>Segment assets</b>	<b>403,313</b>	<b>391,425</b>	<b>358,873</b>	<b>(514,572)</b>	<b>639,039</b>
<b>Segment liabilities</b>	<b>285,333</b>	<b>68,614</b>	<b>37,085</b>	<b>(204,584)</b>	<b>186,448</b>



**Quarterly Report On Consolidated Results For The First Quarter Ended 31 March 2019**

**10 Material events subsequent to the current period**

In the opinion of the Directors, there are no items, transactions or events of material and unusual nature which have arisen since 31 March 2019 to the date of this announcement which would substantially affect the financial results of the Group for the period ended 31 March 2019.

**11 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.

**12 Contingent liabilities**

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

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

The oral representations were heard before a panel appointed by MyCC on 16 January 2019 and 25 April 2019, and was then adjourned to 29 July 2019 and 30 July 2019 for continuation.

**13 Capital commitments**

There are no material capital commitments as at the date of this announcement.

**14 Income tax**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current year quarter 31/3/2019 RM'000</b>	<b>Preceding year corresponding quarter 31/3/2018 RM'000</b>	<b>Three months to 31/3/2019 RM'000</b>	<b>Three months to 31/3/2018 RM'000</b>
Malaysian income tax				
- Current taxation	(2,868)	(2,257)	(2,868)	(2,257)
Total current tax expense	<u>(2,868)</u>	<u>(2,257)</u>	<u>(2,868)</u>	<u>(2,257)</u>
Deferred tax expenses				
- Current period	483	769	483	769
Total deferred tax expenses	483	769	483	769
	<u>(2,385)</u>	<u>(1,488)</u>	<u>(2,385)</u>	<u>(1,488)</u>

The effective tax rate of the Group for current period taxation (exclude the share of result of associate) was higher than the statutory tax rate (24%). The provision for tax payable was made by profitable subsidiary companies and certain expenses of the Group were disallowed for tax purpose.



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### 15 Status of corporate proposals announced but not completed as at the date of this announcement

There are no announced corporate proposals that are not completed as at the date of this report.

### 16 Derivatives

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

### 17 Classification of financial assets

For period ended 31 March 2019, there was no change in the classification of financial assets as a result of a change in the purpose or use of those assets.

### 18 Material litigation

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

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

	<b>Current year quarter 31/3/2019 RM'000</b>	<b>Immediate preceding quarter 31/12/2018 RM'000</b>	<b>Variance %</b>
Revenue	68,949	107,850	-36.1
- Information Technology ("IT")	57,324	90,848	-36.9
- Energy	11,625	17,002	-31.6
Profit before tax ("PBT")	16,315	12,122	+34.6
Information Technology ("IT")	10,535	13,512	-22.0
Energy	7,221	(103)	>+100
Corporate, net of elimination	(1,441)	(1,287)	-12.0

#### Revenue

The Group's trade facilitation and e-Commerce shown a 13% down in its revenue in current year quarter (RM20.1 million vs RM23.0 million in 2018), lower quarter-to-quarter trade traffic volume of 6.9% was recorded in current year quarter, the performance in current year quarter was affected by economic slowdown, in line with global trends, the regional economy is likely to see slower growth in 2019.

System Integration & Consultancy business reported lower revenue in current year quarter (RM37.2 million vs. RM67.8 million in 2018). The higher revenue in immediate preceding quarter was mainly due to:

- Recognition of recurring income from the maintenance contract for iGFMS of RM13.6 million (RM22.4 million in 2018)
- progress billings for the work done on submarine cable installation and repair project in Indonesia of RM7.7 million (RM16.2 million in 2018); and
- Revenue recognition from the Group's Systems Integrator unit RM0.9 million (RM12.4 million in 2018).

The Energy division continues to experience significant competitive pressure in an environment of declining oil & gas activities. The Group's Energy division shown a 31.6% down in its revenue in current year quarter (RM11.6 million vs RM17.0 million in 2018) was mainly contributed by:

- Trading & Services of RM10.8 million (RM14.8 million in 2018); and
- Drilling & Oilfield service of RM0.8 million (RM2.2 million in 2018).



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The Group's trade facilitation and e-Commerce recorded higher PBT of 14% in current year quarter (RM7.4 million vs RM6.5 million in 2018), mainly due to the Group's operational cost optimization program.

Our System Integration & Consultancy business remain profitable, it reported a PBT of RM3.1 million and RM7.0 million in current year quarter and immediate preceding quarter respectively. Lower PBT was in line with lower revenue recorded in current year quarter.

The Group's Energy segment recorded an improvement of RM7.3 million in PBT for the current year quarter as compared to immediate preceding quarter. The Group share in results in an associate company was affected by the drastic dropped of crude oil price in immediate preceding quarter.

### 20 Detailed analysis of the performance for the current quarter

#### Quarter ended 31 March 2019 compared with quarter ended 31 March 2018

	Current year quarter 31/3/2019 RM'000	Preceding year corresponding quarter 31/3/2018 RM'000	Variance %
Revenue	68,949	71,107	-3.0
- Information Technology ("IT")	57,324	59,308	-3.3
- Energy	11,625	11,799	-1.5

Lower revenue of 3.0% was reported in current year quarter, the Group overall performance in current year quarter was affected by economic slowdown, in line with global trends, the regional economy is likely to see slower growth in 2019.

The Group's trade facilitation and e-Commerce shown a 15% down in its revenue in current year quarter (RM20.1 million vs RM23.9 million in 2018), lower quarter-to-quarter trade traffic volume of 6.3% was recorded in current year quarter;

System Integration & Consultancy business recorded higher revenue of 5% in current year quarter (RM37.2 million vs. RM35.4 million), mainly contributed by progress billings for the work done on submarine cable installation and repair project in Indonesia of RM7.7 million. Lesser revenue was recognized from Genaxis Group (RM24 million vs. RM28.6 million) as the development of the Integrated Government Financial & Management System ("iGFMAS") is at the final stage. Include in Genaxis Group's revenue was the recurring income from the maintenance contract for iGFMAS.

The Energy division continues to experience significant competitive pressure in an environment of declining oil & gas activities.

	Current year quarter 31/3/2019 RM'000	Preceding year corresponding quarter 31/3/2018 RM'000	Variance %
Profit before tax ("PBT")	16,315	30,175	-45.9
- Information Technology ("IT")	10,535	25,347	-58.4
- Energy	7,221	4,297	+68.0
- Corporate, net of elimination	(1,441)	531	>-100



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## Quarterly Report On Consolidated Results For The First Quarter Ended 31 March 2019

The performance of the Group's information Technology segment was affected by the one-off adjustment made for Genaxis Group in preceding year corresponding quarter.

The Group's trade facilitation and e-Commerce recoded lower PBT of 7.5% in current year quarter (RM7.4 million vs RM8.0 million in 2018), mainly due to lower revenue in current year quarter.

Our System Integration & Consultancy business remain profitable with reported PBT of RM3.1 million (RM17.3 million in 2018). Lower PBT was recorded from Genaxis Group (RM3.1 million in 2019 vs. RM19.2 million in 2018) mainly due to one-off accounting adjustments for the project cost over provided in prior years.

The Group's Energy segment recorded an improvement of 68% in PBT for the current year quarter as compared to preceding year corresponding quarter. The breakdown by business segment is detailed as follows:

	Current year quarter 31/3/2019 RM'mil	Preceding year corresponding quarter 31/3/2018 RM'mil
Trading & Services	1.5	1.0
Drilling & Oilfield Services	0.1	(0.6)
Upstream Exploration & Production	7.8	6.1
Sub Total	9.4	6.5
Amortisation of Intangible assets arising from consolidation	(2.2)	(2.2)
Profit before tax ("PBT")	7.2	4.3

### 21 Prospects for 2019

The regional economy is likely to see slower growth in 2019, as China, the region's largest economy faces internal and external challenges, including trade tensions with the U.S. The China's slowdown is expected to affect economies across Asia.

The Group continues to aggressively pursue its Group-wide operational cost optimization programme driving towards achieving improvements in operational efficiency and business profitability based on a sustainable cost structure. At the same time, the Group is focusing on the implementation of planned new initiatives targeted to develop sustainable revenue lines.

Barring any unforeseen circumstances, the Group expects to deliver positive results for the year 2019.

### 22 Variance for actual and forecast profit

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



DAGANG NEXCHANGE BERHAD (10039-P)  
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The First Quarter Ended 31 March 2019

23 Earnings per share

Basic earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2019 '000	Preceding year corresponding quarter 31/3/2018 '000	Three months to 31/3/2019 '000	Three months to 31/3/2018 '000
Profit attributable to the Owners of the Company (RM)	11,933	16,235	11,933	16,235
Number of ordinary shares at beginning of the period	1,758,036	1,747,269	1,758,036	1,747,269
- Effect of shares issue pursuant to exercise of ESOS	-	628	-	628
Weighted average number of ordinary shares	1,758,036	1,747,897	1,758,036	1,747,897
Basic earnings per share (sen)	0.68	0.93	0.68	0.93

Diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2019 '000	Preceding year corresponding quarter 31/3/2018 '000	Three months to 31/3/2019 '000	Three months to 31/3/2018 '000
Profit attributable to the Owners of the Company (RM)	11,933	16,235	11,933	16,235
Weighted average number of ordinary shares as per basic earnings per share	1,758,036	1,747,897	1,758,036	1,747,897
Effect of potential exercise of ESOS	11,483	15,843	11,483	15,843
Weighted average number of ordinary shares	1,769,519	1,763,740	1,769,519	1,763,740
Diluted earnings per share (sen)	0.67	0.92	0.67	0.92

The exercise of Warrants has been ignored in the calculation of dilutive earnings per ordinary share, as the exercise price is higher than the average market price of the Company's ordinary shares during the current financial period.

24 Authorisation for issue

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

Kuala Lumpur  
21 May 2019

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