



**DAGANG NEXCHANGE BERHAD (10039-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017**

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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 31/12/2017 RM'000	Restated Preceding year corresponding quarter 31/12/2016 RM'000	Twelve months to 31/12/2017 RM'000	Restated Twelve months to 31/12/2016 RM'000
Revenue	61,503	67,306	203,938	178,455
Cost of sales	(33,819)	(45,255)	(96,977)	(96,345)
Gross profit	27,684	22,051	106,961	82,110
Other income	1,796	792	8,369	3,304
Expenses	(20,055)	(19,500)	(70,245)	(67,143)
Finance cost	(253)	(99)	(694)	(890)
Share of result of associate, net of tax	9,186	25,173	22,200	117,385
Profit before income tax	18,358	28,417	66,591	134,766
Zakat	(500)	(450)	(500)	(450)
Income tax (Note 14)	(5,040)	(8,970)	(10,900)	(14,103)
Profit for the period	12,818	18,997	55,191	120,213
Other comprehensive income for the period, net of tax				
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(274)	292	(561)	345
Share of other comprehensive income of associates	(6,381)	11,036	(16,916)	11,036
Other comprehensive income for the period, net of tax	(6,655)	11,328	(17,477)	11,381
Total comprehensive income for the period	6,163	30,325	37,714	131,594



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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 31/12/2017 RM'000	Restated Preceding year corresponding quarter 31/12/2016 RM'000	Twelve months to 31/12/2017 RM'000	Restated Twelve months to 31/12/2016 RM'000
Profit attributable to:				
- Owners of the Company	14,677	18,606	56,599	121,730
- Non-controlling Interests	(1,859)	391	(1,408)	(1,517)
Profit for the period	12,818	18,997	55,191	120,213
Total comprehensive income attributable to:				
- Owners of the Company	8,022	29,934	39,122	133,111
- Non-controlling Interests	(1,859)	391	(1,408)	(1,517)
Total comprehensive income for the period	6,163	30,325	37,714	131,594
Earnings per share				
- Basic	0.84 sen	1.07 sen	3.24 sen	10.45 sen
- Diluted	0.83 sen	1.07 sen	3.21 sen	10.45 sen

Note: NA denotes "Not Applicable"

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2017 RM'000	Preceding year corresponding quarter 31/12/2016 RM'000	Twelve months to 31/12/2017 RM'000	Twelve months to 31/12/2016 RM'000
Profit before income tax is arrived at after charging/(crediting):				
Interest income	(315)	(108)	(1,213)	(233)
(Gain)/Loss on disposal of plant and equipment	(138)	-	(138)	4
Interest expense	253	99	694	890
Depreciation and amortization	3,486	3,932	13,239	9,754
Impairment loss of receivables	214	1,354	415	3,620
Termination benefits	36	-	36	220
Reversal of impairment loss of receivables	(86)	(33)	(86)	(102)
Foreign exchange (gain)/ loss	(52)	(299)	123	(356)

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 2016.



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II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31/12/2017 RM'000	Unaudited Restated As at 31/12/2016 RM'000	Audited As at 1/1/2016 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	64,105	32,255	21,250
Investment in associates	175,660	170,376	-
Other investments	4,233	4,674	4,172
Goodwill	49,740	49,740	1,636
Intangible assets	44,688	49,031	3,553
Trade and other receivables	-	-	985
	<u>338,426</u>	<u>306,076</u>	<u>31,596</u>
Current assets			
Inventories	2,770	649	-
Trade and other receivables	105,923	68,610	93,657
Tax recoverable	2,740	2,216	1,916
Cash and cash equivalents	51,834	72,283	46,120
	<u>163,267</u>	<u>143,758</u>	<u>141,693</u>
Total assets	<u>501,693</u>	<u>449,834</u>	<u>173,289</u>
EQUITY AND LIABILITIES			
Equity attributable to Owners of the Company			
Share capital	353,502	346,578	155,049
Warrant reserve	5,691	5,691	-
Share Option reserve	998	2,415	-
Translation reserve	(6,150)	11,327	(54)
Retained earnings/ (Accumulated losses)	72,864	25,031	(53,995)
	<u>426,905</u>	<u>391,042</u>	<u>101,000</u>
Non-controlling Interests	(2,548)	(1,884)	(747)
Total equity	<u>424,357</u>	<u>389,158</u>	<u>100,253</u>
Non-current liabilities			
Bank borrowing (secured)	17,506	-	1,541
Deferred tax liabilities	9,249	12,056	658
	<u>26,755</u>	<u>12,056</u>	<u>2,199</u>
Current liabilities			
Trade and other payables	44,113	43,196	50,733
Bank borrowing (secured)	1,320	-	18,495
Tax payable	5,148	5,424	1,609
	<u>50,581</u>	<u>48,620</u>	<u>70,837</u>
Total liabilities	<u>77,336</u>	<u>60,676</u>	<u>73,036</u>
Total equity and liabilities	<u>501,693</u>	<u>449,834</u>	<u>173,289</u>
Net assets per share attributable to Owners of the Company (RM)	<u>0.24</u>	<u>0.22</u>	<u>0.13</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.



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III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Twelve months to 31/12/2017 RM'000	Audited Twelve months to 31/12/2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	191,188	195,399
Cash payments to suppliers	(91,794)	(76,176)
Cash payments to employees and other expenses	(81,566)	(51,750)
	<hr/>	<hr/>
Cash generated from operations	17,828	67,473
Income tax paid (net)	(14,506)	(12,638)
Zakat paid	(521)	(432)
	<hr/>	<hr/>
Net cash generated from operating activities	2,801	54,403
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(28,633)	(5,927)
Proceeds from disposal of property, plant and equipment	140	7
Interest received	1,213	233
Acquisition of subsidiaries	-	(57,411)
Acquisition of investment	-	(37,965)
Deposits for acquisition of investments	(1,000)	(1,246)
Capital repayment by a subsidiary to non-controlling interest	-	(23,287)
	<hr/>	<hr/>
Net cash used in investing activities	(28,280)	(125,596)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share based payment	5,507	-
Drawdown of bank borrowings	19,122	26,330
Proceeds from issuance of ordinary shares	-	126,281
Repayment of bank borrowing	(1,619)	(46,367)
Interest paid	(540)	(835)
(Increase)/ Decrease in pledged deposits and restricted cash	(1,487)	3,565
Dividend paid to owners of the Company	(17,440)	(7,753)
Dividend paid by a subsidiary to non-controlling interests	-	(300)
	<hr/>	<hr/>
Net cash generated from financing activities	3,543	100,921
Net Change in Cash and Cash Equivalents	(21,936)	29,728
Cash and Cash Equivalents as at beginning of financial period	66,629	36,901
	<hr/>	<hr/>
Cash and Cash Equivalents as at end of financial period (a)	44,693	66,629
	<hr/> <hr/>	<hr/> <hr/>

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

	As at 31/12/2017 RM'000	As at 31/12/2016 RM'000
Cash and deposits with licensed banks		
- Unrestricted	44,693	66,629
- Restricted and pledged	7,141	5,654
	<hr/>	<hr/>
	51,834	72,283
Less: Cash and cash equivalents pledged as security	(7,141)	(5,654)
	<hr/>	<hr/>
Cash and Cash Equivalents as at end of financial period	44,693	66,629
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The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.

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IV CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

In RM'000	← Attributable to Owners of the Company →					Retained earnings	Total	Non-controlling interests	Total equity
	Share capital	Share premium	Warrant reserve	Share Option reserve	Translation reserve				
Twelve months to 31 December 2017									
Balance as at 1 January 2017	346,578	-	5,691	2,415	11,327	25,031	391,042	(1,884)	389,158
Profit for the period	-	-	-	-	-	56,599	56,599	(1,408)	55,191
Foreign currency translation differences for foreign operations	-	-	-	-	(561)	-	(561)	-	(561)
Share of other comprehensive income of associates	-	-	-	-	(16,916)	-	(16,916)	-	(16,916)
Total comprehensive income for the period	-	-	-	-	(17,477)	56,599	39,122	(1,408)	37,714
Effect of acquisition of subsidiary	-	-	-	-	-	-	-	744	744
Contribution by and distribution to owners of the Company									
- Share options exercised	6,924	-	-	(1,417)	-	-	5,507	-	5,507
- Dividend to Owners of the Company	-	-	-	-	-	(8,766)	(8,766)	-	(8,766)
Balance as at 31 December 2017	353,502	-	5,691	998	(6,150)	72,864	426,905	(2,548)	424,357

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IV CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY (continued)

In RM'000	← Attributable to Owners of the Company →					Retained earnings/ (Accumulated losses)	Total	Non-controlling interests	Total equity
	Share capital	Share premium	Warrant reserve	Share Option reserve	Translation reserve				
Twelve months to 31 December 2016									
Balance as at 1 January 2016	155,049	-	-	-	(54)	(53,995)	101,000	(747)	100,253
Profit for the year									
- As previously reported	-	-	-	-	-	133,743	133,743	(1,517)	132,226
- Prior year adjustments	-	-	-	-	-	(12,013)	(12,013)	-	(12,013)
- As restated	-	-	-	-	-	121,730	121,730	(1,517)	120,213
Foreign currency translation differences for foreign Operations	-	-	-	-	345	-	345	-	345
Share of other comprehensive income of associates									
- As previously reported	-	-	-	-	11,520	-	11,520	-	11,520
- Prior year adjustments	-	-	-	-	(484)	-	(484)	-	(484)
- As restated	-	-	-	-	11,036	-	11,036	-	11,036
Total comprehensive income for the year	-	-	-	-	11,381	121,730	133,111	(1,517)	131,594
Issuance of shares									
- Effect of acquisition of subsidiary	72,500	-	1,450	-	-	(26,277)	47,673	-	47,673
- Effect of issuance of Right Issue	93,029	930	3,721	-	-	-	97,680	-	97,680
- Effect of issuance of Special Issue	26,000	2,080	520	-	-	-	28,600	-	28,600
- Share issue expenses	-	(3,010)	-	-	-	-	(3,010)	-	(3,010)
- Issue of share of a subsidiary to non-controlling interests	-	-	-	-	-	-	-	380	380
Share options expenses	-	-	-	2,415	-	-	2,415	-	2,415
Dividend to Owners of the Company	-	-	-	-	-	(16,427)	(16,427)	-	(16,427)
Balance as at 31 December 2016	346,578	-	5,691	2,415	11,327	25,031	391,042	(1,884)	389,158

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 2016.

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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 December 2017, 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 2016.

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 effect from 1 January 2017:-

• Amendments to MFRS 12	: Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014 – 2016 Cycle)
• Amendments to MFRS 107	: Statements of Cash Flows – Disclosure Initiative
• Amendments to MFRS 112	: Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of the above accounting standards and interpretations (including the consequential amendments) do not have any material impact on the Group's financial statements.

3 Audit report in respect of the 2016 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2016 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 year.

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 year.

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 current year ended 31 December 2017.



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8 Dividend

An interim dividend of 0.5 sen net of ordinary share amounting to RM8,765,699 in respect of the financial year ended 31 December 2017 was paid on 2 October 2017.

The Directors do not recommend the payment of any final dividend for the current year ended 31 December 2017 (2016: 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
2017					
Business segments					
Revenue from external Customers	140,193	63,745	-	-	203,938
Inter-segment revenue	2,107	-	39,238	(41,345)	-
Total revenue	142,300	63,745	39,238	(41,345)	203,938
Segment result					
Profit/(Loss) from operations	43,831	303	38,976	(39,238)	43,872
Finance costs	(527)	(2,816)	(253)	2,902	(694)
Finance income	462	597	2,891	(2,737)	1,213
Share of results in associates, net of tax	-	22,200	-	-	22,200
Profit before tax	43,766	20,284	41,614	(39,073)	66,591
Zakat					(500)
Tax expense					(10,900)
Net profit after tax					55,191
Attributable to:					
Owners of the Company					56,599
Non-controlling interests					(1,408)
Profit for the year					55,191
Segment assets	180,613	368,588	311,628	(359,136)	501,693
Segment liabilities	102,475	83,484	7,715	(116,338)	77,336

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 December 2017 to the date of this announcement which would substantially affect the financial results of the Group for the current year ended 31 December 2017.

11 Changes in the composition of the Group

There are no significant changes in the composition of the Group for the current year including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations.



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12 Contingent liabilities

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

13 Capital commitments

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

14 Income tax

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2017 RM'000	Restated Preceding year corresponding quarter 31/12/2016 RM'000	Twelve months to 31/12/2017 RM'000	Restated Twelve months to 31/12/2016 RM'000
Malaysian income tax				
- Current taxation	(5,307)	(9,471)	(13,402)	(14,470)
- Under/(Over) provision in prior year	(212)	1	(305)	(291)
Total current tax expense	(5,519)	(9,470)	(13,707)	(14,761)
Deferred tax expenses				
- Current period	479	-	2,807	-
- Over provision in prior year	-	500	-	658
Total deferred tax expenses	479	500	2,807	658
	(5,040)	(8,970)	(10,900)	(14,103)

The effective tax rate of the Group for accumulative quarter taxation (exclude the share of result of associate) of 25% 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 purposes.

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 year ended 31 December 2017, 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.



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19 Comparison between the current quarter and the immediate preceding quarter

	Current year quarter 31/12/2017 RM'000	Immediate preceding quarter 30/9/2017 RM'000	Variance %
Revenue	61,503	49,502	+24.2
- Information Technology ("IT")	41,594	37,320	+11.5
- Energy	19,909	12,182	+63.4
Profit before tax ("PBT")	18,358	18,782	-2.3

The core revenue drivers of the Group are:

- i) trade facilitation & B2B business;
- ii) OGPC's energy equipment & maintenance; and
- iii) Vehicle Entry Permit and Road Charge ("VEP & RC") operations & maintenance services.

The revenue increased in current quarter was also attributable to:

- i) The recognition of RM8.5 million, being the final billing for the implementation of the VEP & RC system;
- ii) The progress billing on implementation of portable container system ("PCS") at selected fisherman ports; and
- iii) Work done on an integrated ICT solution and maintenance contract from Majlis Agama Islam Selangor ("MAIS").

The Group's profitability remains attractive with a quarterly PBT of RM18.4 million. The Group income performance for the current quarter also improved in tandem with the improving crude oil price in the second half of 2017.



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20 Detailed analysis of the performance for the current quarter and year-to-date

(a) Quarter ended 31 December 2017 compared with quarter ended 31 December 2016

	Current year quarter 31/12/2017 RM'000	Preceding year corresponding quarter 31/12/2016 RM'000	Variance %
Revenue	61,503	67,306	-8.6
- Information Technology ("IT")	41,594	50,557	-17.7
- Energy	19,909	16,749	+18.9

Overall, the Group recorded lower revenue in current year quarter by 8.6% as compared to preceding year corresponding quarter. Included in the preceding year corresponding quarter was an one-off system integrated project of RM7.0 million for the Jabatan Kerja Raya Malaysia ("JKR") and the progress billing of RM17.0 million for the implementation of VEP & RC system at Johor and Singapore boarder. The Group's IT segment continued to benefit from the growth in trade facilitation and B2B business, the new recurring income from the VEP & RC operations and maintenance services and e-Work permit have further enhanced the Group's profitability.

	Current year quarter 31/12/2017 RM'000	Restated Preceding year corresponding quarter 31/12/2016 RM'000	Variance %
Profit before tax ("PBT")	18,358	28,417	-35.4
- Information Technology ("IT")	8,793	9,403	-6.5
- Energy	8,993	20,060	-55.2
- Corporate, net of elimination	572	(1,046)	>+100.0

The Group recorded a PBT of RM18.3 million in current quarter as compared to the preceding year corresponding quarter of RM28.4 million. The main contribution to the hike in preceding year corresponding quarter was attributable to share of result of associate company, Ping Petroleum Limited ("Ping") of RM25.2 million, of which RM23.5 million was resulted from the downward revision of the rate of the Supplementary Charge pursuant to the United Kingdom's Financing Bill 2016 effective from 15 September 2016.

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(b) Year-to-date ended 31 December 2017 compared with year-to-date ended 31 December 2016

	Twelve months to 31/12/2017		Twelve months to 31/12/2016		Variance %
	RM'000		RM'000		
Revenue	203,938	%	178,455	%	+14.3
- Information Technology ("IT")	140,193	69	149,548	84	-6.3
- Energy	63,745	31	28,907	16	+>100

The Group recorded RM203.9 million in revenue for the current year-to-date as compared to the preceding year of RM178.5 million. The overall 14% higher revenue in the current year-to-date was mainly contributed by Energy segment, namely full consolidation of OGPC's result (included the partial recognition of revenue from PCS contract) and progressive billing of oilfield drilling services under the umbrella contract to PETRONAS Carigali Sdn Bhd.

The IT segment recorded revenue of RM140.2 million was mainly attributable to the recurring income from the VEP & RC operations & maintenance services, trade facilitation and B2B business, includes with the revenue from e-Work permit. Included in the previous year revenue was an one off system integration project of RM17.8 million for JKR.

	Twelve months to 31/12/2017		Restated Twelve months to 31/12/2016		Variance %
	RM'000		RM'000		
Profit before tax ("PBT")	66,591		134,766		-50.6
- Information Technology ("IT")	43,766		31,423		+39.3
- Energy	20,284		104,798		-80.6
- Corporate, net of elimination	2,541		(1,455)		>+100.0

The Group's PBT increased to RM66.6 million in current year-to-date as compared to RM45.9 million, excluding the one-off share of pre-acquisition gain of excess fair value of RM88.9 million resulted from the completion of acquisition in PING Petroleum Limited in the preceding year. The Group's recurring revenue stream from Information Technology segment and share in operational net profit from an associate company have continued to contribute to the Group's profitability.

21 Prospects for 2018

The Group's knowledge, expertise and operational know how in IT and eServices, and Energy industry have given a strong footing for the Group to broaden its services and product range beyond its current market and geographical segment.

The Group will continue to build on its business sustainability by exploring opportunities that leverage on its existing business building blocks while focusing on the implementation of planned initiatives.

Barring any unforeseen circumstances, the Group expects to deliver positive results for the year 2018.



Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2017

22 Variance for actual and forecast profit

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

23 Earnings per share

Basic earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2017 '000	Restated Preceding year corresponding quarter 31/12/2016 '000	Twelve months to 31/12/2017 '000	Restated Twelve months to 31/12/2016 '000
Profit attributable to the Owners of the Company (RM)	14,677	18,606	56,599	121,730
Number of ordinary shares at beginning of the period	1,754,027	1,732,891	1,732,892	775,245
- Effect of shares issued under Rights Issue	-	-	-	189,882
- Effect of shares issued under Special Issue	-	-	-	51,140
- Effect of shares issued under through business combinations	-	-	-	147,979
- Effect of shares issue pursuant to exercise of ESOS	331	-	14,377	-
Weighted average number of ordinary shares	1,754,358	1,732,891	1,747,269	1,164,246
Basic earnings per share (sen)	0.84	1.07	3.24	10.45

Diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2017 '000	Restated Preceding year corresponding quarter 31/12/2016 '000	Twelve months to 31/12/2017 '000	Restated Twelve months to 31/12/2016 '000
Profit attributable to the Owners of the Company (RM)	14,677	18,606	56,599	121,730
Weighted average number of ordinary shares as per basic earnings per share	1,754,358	1,732,891	1,747,269	1,164,246
Effect of potential exercise of ESOS	16,241	-	16,241	-
Weighted average number of ordinary shares	1,770,599	1,732,891	1,763,510	1,164,246
Diluted earnings per share (sen)	0.83	1.07	3.21	10.45

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.



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

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24 Comparative figure

Prior year adjustment

	As previously reported RM'000	Effects of prior year adjustment 1 RM'000	Effects of prior year adjustment 2 RM'000	As restated RM'000
At 31 December 2016				
Statements of Financial Position				
Investment in associates	177,010	(6,634)	-	170,376
Tax recoverable	3,216	-	(1,000)	2,216
Translation reserve	11,811	(484)	-	11,327
Retained earnings	37,044	(6,150)	(5,863)	25,031
Trade and other payable	(42,059)	-	(1,137)	(43,196)
Tax payable	(1,698)	-	(3,726)	(5,424)
Statements of Profit or loss and Other Comprehensive Income				
Expenses	(66,006)	-	(1,137)	(67,143)
Share of result of associate, net of tax	123,535	(6,150)	-	117,385
Income tax	(9,377)	-	(4,726)	(14,103)
Share of other comprehensive income of associate	11,520	(484)	-	11,036

Prior year adjustment 1 – Restatement of share of results in associate

The prior year adjustment relates to the incorrect discount rate of 10% based on weighted average cost of capital (“WACC”) used in determining the net present value of the associate’s assets retirement obligations (“ARO”). The use of this incorrect rate was considered to be an accounting error. Therefore, a revised discount rate of 4.3% based upon a risk-free approach was adopted to reflect the retrospective restatement.

Prior year adjustment 2 – Restatement of tax expense

The prior year adjustment relates to incorrect unutilized tax losses recorded in the previous financial year of approximately RM4.7 million. This amount has been adjusted and represents a correction in the financial statements for the year ended 31 December 2016.

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
27 February 2018

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