



**DAGANG NEXCHANGE BERHAD (10039-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

CONTENTS

Page

I	CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	2
II	CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	4
III	CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS.....	5
IV	CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY	6
V	NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS	7
1	Basis of preparation	7
2	Significant accounting policies	7
3	Audit report in respect of the 2014 financial statements.....	7
4	Seasonal or cyclical factors.....	7
5	Unusual items due to their nature, size or incidence.....	7
6	Material changes in estimates used.....	8
7	Debt and equity securities.....	8
8	Dividend	8
9	Segmental information for the current period.....	8
10	Material events subsequent to the current period	8
11	Changes in the composition of the Group	8
12	Contingent liabilities	9
13	Capital commitments.....	9
14	Income tax	9
15	Status of corporate proposals announced but not completed as at the date of this announcement	9
16	Derivatives	12
17	Classification of financial assets.....	12
18	Material litigation	12
19	Comparison between the current quarter and the immediate preceding quarter	12
20	Detailed analysis of the performance for the current quarter and year-to-date	12
21	Prospects for 2015.....	13
22	Variance for actual and forecast profit.....	13
23	Earnings per share.....	13
24	Breakdown of realised and unrealised profits or losses	13
25	Authorisation for issue.....	14



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Third Quarter Ended 30 September 2015

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 30/9/2015 RM'000	Preceding year corresponding quarter 30/9/2014 RM'000	Nine months to 30/9/2015 RM'000	Nine months to 30/9/2014 RM'000
Revenue	23,031	21,668	67,636	60,856
Cost of sales	(4,742)	(4,601)	(13,786)	(11,718)
Gross profit	18,289	17,067	53,850	49,138
Other income	573	935	2,532	2,821
Expenses	(12,195)	(11,028)	(38,968)	(32,546)
Finance cost	(380)	(614)	(1,173)	(1,919)
Share of results after tax of associate	(171)	-	(214)	-
Profit before income tax	6,116	6,360	16,027	17,494
Income tax (Note 14)	(1,396)	(3,066)	(4,277)	(6,147)
Profit for the period	4,720	3,294	11,750	11,347
Other comprehensive income/(expenses) for the period, net of tax	-	-	-	-
Total comprehensive income for the period	4,720	3,294	11,750	11,347



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Third Quarter Ended 30 September 2015

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/9/2015 RM'000	Preceding year corresponding quarter 30/9/2014 RM'000	Nine months to 30/9/2015 RM'000	Nine months to 30/9/2014 RM'000
Profit attributable to:				
- Owners of the Company	3,055	2,441	7,436	7,949
- Non-controlling Interests	1,665	853	4,314	3,398
Profit for the period	4,720	3,294	11,750	11,347
Total comprehensive income attributable to:				
- Owners of the Company	3,055	2,441	7,436	7,949
- Non-controlling Interests	1,665	853	4,314	3,398
Total comprehensive income for the period	4,720	3,294	11,750	11,347
Earnings per share				
- Basic	0.39 sen	0.31 sen	0.96 sen	1.03 sen
- Diluted	NA	NA	NA	NA

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 30/9/2015 RM'000	Preceding year corresponding quarter 30/9/2014 RM'000	Nine months to 30/9/2015 RM'000	Nine months to 30/9/2014 RM'000
Profit before income tax is arrived at after charging/(crediting):				
Interest income	(352)	(396)	(1,308)	(1,337)
Loss/(Gain) on disposal of plant and equipment	(1)	(377)	2	(529)
Interest expense	380	614	1,173	1,919
Depreciation and amortisation	2,440	1,862	7,692	6,808
Impairment loss of receivables	189	17	378	448
Voluntary separation scheme and other related compensation cost	-	-	5,696	-
Reversal of impairment loss of receivables	(41)	(244)	(41)	(244)
Foreign exchange loss / (gain)	(69)	(5)	(69)	(5)

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 2014.



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Third Quarter Ended 30 September 2015

II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 30/9/2015 RM'000	Audited As at 31/12/2014 RM'000
ASSETS		
Non-current assets		
Plant and equipment	23,031	14,143
Investment in associates	531	-
Goodwill	1,636	-
Intangible assets	3,513	2,948
Trade and other receivables	9,381	24,577
	<hr/>	<hr/>
	38,092	41,668
Current assets		
Trade and other receivables	79,033	57,838
Tax recoverable	1,916	1,985
Cash and cash equivalents	45,450	70,828
	<hr/>	<hr/>
	126,399	130,651
	<hr/>	<hr/>
Total assets	164,491	172,319
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	155,049	155,049
Reserves	(61,423)	(68,859)
	<hr/>	<hr/>
	93,626	86,190
Non-controlling Interests	26,193	21,996
	<hr/>	<hr/>
Total equity	119,819	108,186
Non-current liabilities		
Deferred tax liabilities	1,350	2,796
Borrowing- long term portion	6,165	20,036
Deferred Income	1,014	4,056
	<hr/>	<hr/>
	8,529	26,888
Current liabilities		
Borrowing – short term portion	18,494	18,494
Trade and other payables	17,304	17,312
Tax payable	345	1,439
	<hr/>	<hr/>
	36,143	37,245
	<hr/>	<hr/>
Total liabilities	44,672	64,133
	<hr/>	<hr/>
Total equity and liabilities	164,491	172,319
Net assets per share attributable to Owners of the Company (RM)		
	<hr/>	<hr/>
	0.12	0.11

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Third Quarter Ended 30 September 2015

III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Nine months to 30/9/2015 RM'000	Unaudited Nine months to 30/9/2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	78,620	71,288
Cash payments to suppliers	(15,661)	(9,614)
Cash payments to employees and other expenses	(41,881)	(31,915)
	21,078	29,759
Cash generated from operations	21,078	29,759
Income tax paid (net)	(5,948)	(5,226)
Zakat	49	48
	15,179	24,581
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment and intangible assets	(18,135)	(2,133)
Proceeds from disposal of plant and equipment	6	157
Interest received	1,308	1,337
Acquisition of investment	(1,377)	-
Deposits for acquisition of investment	(7,310)	(10,000)
	(25,508)	(10,639)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank borrowing	(13,871)	(13,870)
Interest paid	(1,178)	(1,960)
Decrease/ (increase) in pledged deposits and restricted cash	1,741	(1,010)
Dividend paid by a subsidiary to non-controlling interests	-	(1,553)
Proceeds from issue of share capital of a subsidiary company	-	200
	(13,308)	(18,193)
Net cash used in financing activities		
	(23,637)	(4,251)
Net Change in Cash and Cash Equivalents		
Cash and Cash Equivalents as at beginning of financial period	63,610	62,733
	(a) 39,973	58,482
Cash and Cash Equivalents as at end of financial period	39,973	58,482

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

	As at 30/9/2015 RM'000	As at 30/9/2014 RM'000
Cash and deposits with licensed banks		
- Unrestricted	39,973	58,482
- Restricted	5,477	2,678
	45,450	61,160
Less: Cash and cash equivalents pledged as security	(5,477)	(2,678)
	39,973	58,482
Cash and Cash Equivalents as at end of financial period	39,973	58,482

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Third Quarter Ended 30 September 2015

IV CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

In RM'000	← Attributable to Owners of the Company →			Non-controlling Interests	Total
	Share Capital	Non-distributable Accumulated Losses	Total		
Nine months to 30 September 2015					
Balance as at 1 January 2015	155,049	(68,859)	86,190	21,996	108,186
Total comprehensive income for the period	-	7,436	7,436	4,314	11,750
Effect of acquisition of subsidiary	-	-	-	(117)	(117)
Balance as at 30 September 2015	155,049	(61,423)	93,626	26,193	119,819
Nine months to 30 September 2014					
Balance as at 1 January 2014	155,049	(81,074)	73,975	17,795	91,770
Total comprehensive income for the period	-	7,949	7,949	3,398	11,347
Dividend paid by a subsidiary to non-controlling interest	-	-	-	(1,553)	(1,553)
Issue of share capital of a subsidiary Company to non-controlling interest	-	-	-	200	200
Balance as at 30 September 2014	155,049	(73,125)	81,924	19,840	101,764

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 2014.



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Third Quarter Ended 30 September 2015

V NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 Basis of preparation

These condensed consolidated interim financial statements, for the period ended 30 September 2015, 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 2014.

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 2015:

- Amendments to MFRS 1 : First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvement 2011-2013 Cycle)
- Amendments to MFRS 3 : Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
- Amendments to MFRS 8 : Operating Segments (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 13 : Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
- Amendments to MFRS 116 : Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 119 : Employee Benefits – Defined Benefit Plans: Employee Contributions
- Amendments to MFRS 124 : Related Party Disclosures (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 138 : Intangible Assets (Annual Improvements 2010-2012 Cycle)

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

3 Audit report in respect of the 2014 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2014 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.



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Third Quarter Ended 30 September 2015

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.

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 period ended 30 September 2015, other than those disclosed in Note 15.

8 Dividend

The Directors do not recommend the payment of any dividend for the current period ended 30 September 2015 (2014: Nil).

9 Segmental information for the current period

The Group's current activity is mainly from the Information Communications & Technologies' industry.

The Group is diversifying into the energy business through strategic acquisitions and/or long-term partnerships. The relevant businesses in the energy business, which the Group will venture into are Oil and Gas ("O&G") product and services, Upstream E&P and Power Industry.

The Group's Energy unit through its 80% owned subsidiary involving in O&G product and services, DNeX Oilfield Services Sdn. Bhd. has entered into an equipment rental agreement for the leasing of directional drilling equipment for O&G activities to Baker Hughes (Malaysia) Sdn. Bhd. ("Baker Hughes") starting 1 April 2015. The agreement with Baker Hughes is for a period of four (4) years with an option to extend for two (2) years on a year to year renewal.

Business Segment	Financial Period Ended 30 September 2015		
	Revenue RM'000	Profit/(Loss) Before Tax RM'000	Profit Attributable to Owners of the Company RM'000
Information Communications & Technologies	65,580	19,327	10,421
Energy	2,056	(3,300)	(2,985)
Consolidated Total	67,636	16,027	7,436

10 Material events subsequent to the current period

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 30 September 2015 to the date of this announcement which would substantially affect the financial results of the Group for the current period ended 30 September 2015.

11 Changes in the composition of the Group

There were 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 on 31 July 2015, a subsidiary of the Company has changed its name from DNeX Hallmark e-Commerce Sdn. Bhd. to DNeXPORT Sdn. Bhd.



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Third Quarter Ended 30 September 2015

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 other than those disclosed in Note 15 on the corporate proposals announced but not completed as at the date of this announcement.

14 Income tax

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/9/2015 RM'000	Preceding year corresponding quarter 30/9/2014 RM'000	Nine months to 30/9/2015 RM'000	Nine months to 30/9/2014 RM'000
Malaysian income tax				
- Current taxation	(1,663)	(556)	(5,075)	(4,186)
- Under provision in prior year	(513)	(2,510)	(648)	(2,510)
Total current tax expense	(2,176)	(3,066)	(5,723)	(6,696)
Deferred tax expenses				
- Current period	780	-	1,446	549
Total deferred tax expenses	780	-	1,446	549
	(1,396)	(3,066)	(4,277)	(6,147)

The effective tax rate of the Group for accumulative quarter was more than the statutory tax rate. Certain expenses of the Group were disallowed for tax purposes and the provision for the tax payable has been made by the profitable subsidiary company.

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

Save as disclosed below, there were no other corporate proposals announced but not completed as at the date of this report.

I. Dagang NeXchange Berhad ("DNeX") ("the Company") had on 21 October 2015, announced that, the Securities Commission Malaysia ("Securities Commission") had via its letter dated 20 October 2015, approved DNeX's Revised Proposals application in relation to acquisitions resulting in a significant change in business direction or policy of DNeX ("Proposed Scheme"), under subsection 214(1) of the Capital Markets and Services Act 2007 ("CMSA"), subject to the following terms and conditions:-

Terms

- Renounceable rights issue of 465,146,809 new ordinary shares of RM0.20 each in DNeX ("DNeX Shares") ("Rights Shares") together with 465,146,809 free detachable warrants ("Warrants"), at an issue price of RM0.21 per Rights Share, on the basis of three (3) Rights Shares together with three (3) Warrants for every five (5) DNeX Shares held as at an entitlement date to be determined ("Rights Issue").
- Special issue of 130,000,000 new DNeX Shares ("Special Issue Shares") together with 65,000,000 Warrants, at an issue price of RM0.22 per Special Issue Share, on the basis of one (1) Warrant for every two (2) Special Issue Shares subscribed ("Special Issue").
- Acquisition by DNeX of the following companies from the vendors (namely Azman bin Karim, Abdul Manaf bin Shariff, and Khoo Kok Seng) for a total purchase consideration of RM170,000,000:-



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Third Quarter Ended 30 September 2015

- (i) 100% of the issued and paid-up share capital of OGPC Sdn Bhd ("**OGPC**") involving the acquisition of 500,000 ordinary shares of RM1.00 each in OGPC for a purchase consideration of RM164,636,700, to be satisfied via the following:
 - (I) Cash consideration of RM80,381,448; and
 - (II) Issuance of 351,063,550 new DNeX Shares with 175,531,775 Warrants, at an issue price of RM0.24 per DNeX Share ("**Consideration Shares**"), on the basis of one (1) Warrant for every two (2) Consideration Shares.
- (ii) 52.0% of the issued and paid-up share capital of OGPC O&G Sdn Bhd ("**OGPCOG**") involving the acquisition of 520,000 ordinary shares of RM1.00 each in OGPCOG for a purchase consideration of RM5,363,300, to be satisfied via the following:
 - (I) Cash consideration of RM2,618,552; and
 - (II) Issuance of 11,436,450 Consideration Shares with 5,718,225 Warrants, at an issue price of RM0.24 per Consideration Share, on the basis of one (1) Warrant for every two (2) Consideration Shares.

(The above are collectively referred to as "**Acquisitions**")

- (d) Establishment of an Employee's Share Option Scheme ("**ESOS**") of up to five percent (5%) of the issued and paid-up share capital of DNeX (excluding treasury shares) which will be in force for a duration of five (5) years commencing from the effective date, being the date of full compliance with all the relevant requirements under the by-laws governing the ESOS and the Main Market Listing Requirements of Bursa Securities; and
- (e) listing of and quotation for new DNeX Shares and new Warrants pursuant to the Proposed Scheme on the Main Market of Bursa Securities, as follows:-
 - (i) 711,396,809 of new Warrants to be issued pursuant to the Rights Issue, Special Issue and Acquisitions;
 - (ii) up to 1,669,043,618 of new DNeX Shares to be issued pursuant to the Rights Issue, Special Issue, Acquisitions and exercise of the Warrants; and
 - (iii) such number of additional new DNeX Shares to be issued pursuant to the exercise of ESOS options under the ESOS.

Conditions

DNeX to fully comply with the requirements of the Securities Commission's Equity Guidelines and Bursa Securities' Main Market Listing Requirements pertaining to the implementation of the Proposed Scheme.

The Proposed Scheme is subject to the following outstanding approvals being obtained:-

- (i) Bursa Securities pursuant to the Main Market Listing Requirements;
- (ii) The Company's shareholders for the Proposed Scheme at the forthcoming Extraordinary General Meeting ("**EGM**");
- (iii) Securities Commission for the registration of Abridged Prospectus ("**AP**");
- (iv) Companies Commission of Malaysia for the lodgement of AP; and
- (v) such other waivers, consents or approvals as may be required from any relevant authorities and/or third parties including Khazanah Nasional Berhad, if required.



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Third Quarter Ended 30 September 2015

II. As announced to Bursa Securities on 7 September 2015, DNeX Petroleum Sdn Bhd ("**DNeX Petroleum**") had entered into a share subscription agreement in relation to Ping Petroleum Limited ("**Ping**") with Ping to subscribe for new ordinary shares of USD0.001 each in Ping, which represent 30% of the enlarged issued share capital of Ping, for a total consideration of USD10.0 million. Through the share subscription agreement, DNeX Petroleum is tapping into the reserves and resources of Ping's recent agreement for the acquisition of the Anasuria Cluster (as defined herein) which comprises a geographically focused package of operated producing fields and associated infrastructure of the following:

- (i) 100% interest in the Guillemot A field and the related field facilities ("**Guillemot A Field**");
- (ii) 100% interest in the Teal field and the related field facilities ("**Teal Field**");
- (iii) 100% interest in the Teal South field and the related field facilities ("**Teal South Field**");
- (iv) 38.65% interest in the Cook field and the related field facilities ("**Cook Field**"); and
- (v) 100% ownership in the common infrastructure known as the Anasuria Floating Production Storage and Offloading unit and the related equipment ("**Anasuria FPSO**").

The Guillemot A Field, Teal Field, Teal South Field, Cook Field and Anasuria FPSO are collectively referred to as the "**Anasuria Cluster**".

The Anasuria Cluster is located about 175km east of Aberdeen in the UK Central North Sea, and the equal joint acquisition between Ping and Hibiscus Petroleum Berhad to acquire 50% each of the entire interest in the Anasuria Cluster from Shell U.K. Limited, Shell EP Offshore Ventures Limited and Esso Exploration and Production UK Limited serves as DNeX entry into Upstream E&P.

(The above are collectively referred to as "**Proposed Ping Subscription**")

The Proposed Ping Subscription is subject to the following approvals being obtained:-

- (i) the Company shareholders for the Proposed Ping Subscription at the forthcoming EGM;
- (ii) such other waivers, consents or approvals as may be required from any relevant authorities and/or third parties, if required.

III. On 9 April 2015, the Company announced its 71.25% subsidiary, Dagang Net Technologies Sdn. Bhd. ("**Dagang Net**") is undertaking a selective capital reduction and repayment exercise pursuant to Section 64 of the Companies Act, 1965 ("**Proposed SCR**") by the reduction of the outstanding ordinary shares of RM0.50 each in Dagang Net ("**Dagang Net Shares**") held by the shareholders of Dagang Net (other than the Company), such shareholders being Lembaga Tabung Haji ("**Tabung Haji**"), Bank Islam Malaysia Berhad ("**BIMB**"), Juasa Holdings Sdn. Bhd. ("**Juasa Holdings**") and Dato' Sri Syed Hussien bin Abd Kadir (trustee for National Chamber of Commerce and Industry of Malaysia) ("**Dato' Sri Syed Hussien**") (Tabung Haji, BIMB, Juasa Holdings and Dato' Sri Syed Hussien are collectively referred to as Minority Shareholders ("**Minority Shareholders**")), who agree or have agreed to accept the Proposed SCR.

The said reduction shall be effected by way of cancellation of such Dagang Net Shares held by the Minority Shareholders who accept or who agree to accept the Proposed SCR in consideration of a capital repayment by Dagang Net of RM1.50 in cash for each existing Dagang Net Share held by the Minority Shareholders who accept or agree to accept the Proposed SCR.

The Proposed SCR is subject to and conditional upon the following being obtained:

- (a) approval of the shareholders of Dagang Net by way of a special resolution. The Proposed SCR must be approved by a majority of not less than three-fourths of such members as being entitled to vote in person or, where proxies are allowed, by proxy, at a general meeting. (Current status : Dagang Net had obtained the necessary approval from Dagang Net's shareholders during Dagang Net's EGM which was held on 8 April 2015 in relation to the Proposed SCR.)
- (b) the grant of an order from the High Court of Malaya ("**High Court**") confirming the Proposed SCR;



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Third Quarter Ended 30 September 2015

- (c) approval of the shareholders of DNEX at an EGM to be convened. (Current status : DNEX had obtained the necessary approval from the shareholders during its EGM which was held on 6 August 2015 in relation to the Proposed SCR); and
- (d) approvals/consents of any other relevant governmental or regulatory authorities, if required.

16 Derivatives

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

17 Classification of financial assets

For period ended 30 September 2015, 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 outstanding material litigation as at the date of this announcement.

19 Comparison between the current quarter and the immediate preceding quarter

The Group recorded total revenue of RM23.0 million in current quarter as compared to the immediate preceding quarter of RM22.6 million. The revenue was mainly derived from its trade facilitation business and the leasing of directional drilling equipments for Oil and Gas activities.

The Group recorded Earnings before Interest, Tax, Depreciation and Amortization (“**EBITDA**”) of RM8.9 million in current quarter as compared to the immediate preceding quarter of RM11.0 million. The reduction in EBITDA in current quarter is mainly attributable to expenses incurred for the business development initiatives amounting to RM1.3 million for the Group’s Energy and ICT businesses.

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

Quarter ended 30 September 2015 compared with quarter ended 30 September 2014

The Group recorded revenue of RM23.0 million in the current quarter and RM21.7 million in the preceding year corresponding quarter. The increase in revenue was mainly contributed by 3% growth in the Group’s B2G business, and recurring revenue from leasing of directional drilling equipment for O&G activities.

The Group recorded EBITDA of RM8.9 million in current quarter as compared to the preceding year corresponding quarter of RM8.8 million. The current quarter EBITDA is affected by the business development cost incurred for the Group’s new start-up business initiatives for in both Energy and ICT divisions.

Year-to-date ended 30 September 2015 compared with year-to-date ended 30 September 2014

The Group recorded RM67.6 million in revenue for the current year-to-date as compared to the preceding year of RM60.9 million. The higher revenue in the current year-to-date was mainly due to the growth in the Group’s B2G in trade facilitation business and contribution from Energy Division.

The Group recorded an EBITDA of RM24.9 million in current year-to-date compared to RM26.2 million in the preceding year. Included in the current year’s EBITDA was one-off payment of voluntary separation scheme and other compensation cost (“**VSS payment**”) of RM5.70 million.

The favourable EBITDA before the VSS payment was attributable to revenue growth in B2G in trade facilitation business and prudent cost management.



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Third Quarter Ended 30 September 2015

21 Prospects for 2015

The completion of the Acquisitions of OGPC Group and Proposed Ping Subscription are expected in first quarter 2016, and are projected to contribute positively to the future earnings of the Company and to enhance DNeX's shareholders' value in the medium to long term.

The Group will continue to leverage on its existing client-base and established presence in the trade facilitation (B2G) business. At the same time, the Group is also firming up its services and broadening its product range in B2B segment of its e-commerce services both domestically and regionally to complement the Group's position in delivering B2G services.

Barring any unforeseen circumstances, the Group expects to deliver positive results for the year 2015.

22 Variance for actual and forecast profit

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

23 Earnings per share

	Current year quarter 30/9/2015	Preceding year corresponding quarter 30/9/2014	Nine months to 30/9/2015	Nine months to 30/9/2014
Profit attributable to the Owners of the Company (RM'000)	3,055	2,441	7,436	7,949
Weighted average number of shares ('000)	775,245	775,245	775,245	775,245
Basic earnings per share (sen)	0.39	0.31	0.96	1.03

24 Breakdown of realised and unrealised profits or losses

The breakdown of the accumulated losses of the Group as at 30 September 2015, into realized and unrealized losses, pursuant to the directive, is as follows:

	As at end of current financial year end 30/9/2015 RM'000	As at preceding financial year end 31/12/2014 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(27,921)	(32,778)
- Unrealised	(1,350)	(2,790)
	<u>(29,271)</u>	<u>(35,568)</u>
Less: Consolidation adjustments	<u>(32,152)</u>	<u>(33,291)</u>
Total accumulated losses	<u><u>(61,423)</u></u>	<u><u>(68,859)</u></u>

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.



DAGANG NEXCHANGE BERHAD (10039-P)
Incorporated in Malaysia

Quarterly Report On Consolidated Results For The Third Quarter Ended 30 September 2015

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
23 November 2015

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