



MEXTER

MEXTER TECHNOLOGY BERHAD

(Company No: 647673 - A)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED
30 SEPTEMBER 2007**

MEXTER TECHNOLOGY BERHAD

(Company No 647673-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007

The Board of Directors of Mexter Technology Berhad (“Mexter” or “Company”) wishes to announce the following unaudited condensed consolidated results for the period ended 30 September 2007 which should be read in conjunction with the audited financial statements of Mexter for the financial year ended 31 December 2006.

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		CURRENT YEAR QUARTER 30/9/2007 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2006 RM'000	CURRENT YEAR TO DATE 30/9/2007 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2006 RM'000
Revenue	A8	3,534	5,712	11,121	15,533
Operating expenses		(5,258)	(5,147)	(13,939)	(14,024)
Other operating income		70	107	243	275
(Loss)/Profit from operations		(1,654)	672	(2,575)	1,784
Finance costs		(4)	(1)	(10)	(4)
Exceptional items	A5	(6,697)	-	(6,697)	-
Share of (loss)/profit of associated company		(43)	90	(85)	220
(Loss)/Profit before tax		(8,398)	761	(9,367)	2,000
Income tax expense	B5	25	(54)	25	(107)
(Loss)/Profit for the period		(8,373)	707	(9,342)	1,893
Attributable to:					
Shareholders of the Company		(8,373)	614	(9,342)	1,632
Minority interests		0	93	0	261
(Loss)/Profit for the period		(8,373)	707	(9,342)	1,893
Earnings/(losses) per share:					
Basic earnings/(losses) per share (sen)		(9.4)	0.7	(10.4)	1.8
Diluted earnings per share (sen)		N/A	N/A	N/A	N/A

N/A – Not Applicable

MEXTER TECHNOLOGY BERHAD

(Company No 647673-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 30 SEPTEMBER 2007**

	Note	(UNAUDITED) AS AT 30/9/2007 RM'000	(AUDITED) AS AT 31/12/2006 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		2,420	2,371
Associated company		303	388
Intangible assets		587	3,890
		<u>3,310</u>	<u>6,649</u>
Current assets			
Inventories		895	5,266
Trade and other receivables		3,285	4,953
Tax recoverable		112	163
Cash and cash equivalents		6,049	7,577
		<u>10,341</u>	<u>17,959</u>
TOTAL ASSETS		<u>13,651</u>	<u>24,608</u>
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		8,945	8,945
Reserves		3,196	12,805
		<u>12,141</u>	<u>21,750</u>
Non-current liabilities			
Borrowings	B9	483	206
Deferred tax liabilities		3	3
		<u>486</u>	<u>209</u>
Current liabilities			
Trade and other payables		892	2,562
Borrowings	B9	115	38
Taxation		17	49
		<u>1,024</u>	<u>2,649</u>
Total liabilities		<u>1,510</u>	<u>2,858</u>
TOTAL EQUITY AND LIABILITIES		<u>13,651</u>	<u>24,608</u>
Net assets per share attributable to ordinary shareholders of the Company (RM)		<u>0.14</u>	<u>0.24</u>

MEXTER TECHNOLOGY BERHAD

(Company No 647673-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

	<----- Attributable to shareholders of the Company ----->					Total	Minority Interests	Total Equity
	<-----Non-distributable----->							
	Share capital	Share premium	Capital reserve	Translation reserve	(Accumulated loss) / Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1/1/2006:-								
- as previously reported	8,945	9,382	0	1	2,878	21,206	725	21,931
- prior period adjustment in respect of equity share-based transactions	0	0	149	0	(149)	0	0	0
- as restated, after opening balance adjustment	8,945	9,382	149	1	2,729	21,206	725	21,931
Exchange differences on translation of the financial statements of foreign entities	0	0	0	(3)	0	(3)	0	(3)
Profit for the period	0	0	0	0	1,632	1,632	261	1,893
Equity settled share-based transactions	0	0	(23)	0	0	(23)	0	(23)
At 30/9/2006	8,945	9,382	126	(2)	4,361	22,812	986	23,798
At 1/1/2007	8,945	9,382	126	(17)	3,314	21,750	0	21,750
Exchange differences on translation of the financial statements of foreign entities	0	0	0	1	0	1	0	1
Loss for the period	0	0	0	0	(9,342)	(9,342)	0	(9,342)
Dividend – 2006 final	0	0	0	0	(268)	(268)	0	(268)
At 30/9/2007	8,945	9,382	126	(16)	(6,296)	12,141	0	12,141

MEXTER TECHNOLOGY BERHAD

(Company No 647673-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

	AS AT CURRENT FINANCIAL PERIOD ENDED 30/9/2007 RM'000	AS AT PRECEDING FINANCIAL PERIOD ENDED 30/9/2006 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(9,367)	2,000
Adjustments for non-cash flows:		
Non-cash items	4,242	377
Interest income	(118)	(150)
Interest expense	10	4
Operating (Loss)/Profit Before Working Capital Changes	(5,233)	2,231
Changes In Working Capital:		
Net change in current assets	6,039	(3,886)
Net change in current liabilities	(1,670)	1,865
Net Cash (Outflow)/Inflow from Operations	(864)	210
Income tax refunded/(paid)	44	(15)
Software development cost paid	0	(324)
Net Cash Outflow from Operating Activities	(820)	(129)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	118	150
Investment in an associate	0	(490)
Dividend received	0	258
Purchase of property, plant and equipment	(885)	(1,409)
Purchase of shortcodes	(19)	0
Proceed from disposal of property, plant and equipment	1	0
Net Cash Outflow from Investing Activities	(785)	(1,491)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(268)	0
Interest paid	(10)	(4)
Proceed from bank borrowings	384	0
Repayment of bank borrowings	(30)	(346)
Net Cash Inflow/(Outflow) from Financing Activities	76	(350)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,529)	(1,970)
Effects of foreign exchange rate changes	1	(3)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD	7,577	10,883
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	6,049	8,910

MEXTER TECHNOLOGY BERHAD

(Company No 647673-A)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134: INTERIM FINANCIAL REPORTING

A1 – Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with the requirements of FRS 134: Interim Financial Reporting and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”) for the MESDAQ Market.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Company, its subsidiary companies and associated company (the “Group”) since the financial year ended 31 December 2006.

A2 – Changes in Accounting Policies

The significant accounting policies adopted during the current quarter under review are consistent with those of the audited financial statements for the financial year ended 31 December 2006 except for the adoption of the following new/revised Financial Reporting Standards (“FRSs”) which are effective and applicable for the financial period beginning 1 January 2007:-

FRS 117	Leases
FRS 124	Related Party Disclosures
Amendments to FRS 119 ₂₀₀₄	Employee Benefits : Actuarial Gain and Losses, Group plans and Disclosure

The adoption of all the above mentioned FRSs did not have any significant financial impact on the Group.

A3 – Auditors’ Report on Preceding Audited Financial Statements

The auditors’ report on the Group’s financial statements for the financial year ended 31 December 2006 was not qualified.

A4 – Seasonal or Cyclicity of Operations

In general, the Group’s business is exposed to business cycles of the electronic, semiconductor and automotive industries which continues to remain soft during the current quarter under review.

MEXTER TECHNOLOGY BERHAD

(Company No 647673-A)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007

A5 – Unusual Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

Save as that disclosed below, there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review:-

- (i) As of to-date, the missing testers/components have yet to be recovered/returned to the Group notwithstanding the various efforts taken by the Management of Mexter. As a result and until such time when the testers are recovered/returned, the Management has decided out of prudence, to fully provide for the carrying value to the three (3) testers belonging to two (2) subsidiaries as follows:-

Companies	Unit of testers	Carrying value* RM'000
(a) Mexter (M) Sdn Bhd (“MMSB”) (wholly- owned subsidiary of Mexter)	2	2,544
(b) Tonerex MSC Sdn Bhd (“TMSC”) (wholly-owned subsidiary of Tonerex Technologies Sdn Bhd (“TTSB”) which in turn is wholly-owned by Mexter)	1	1,240
		3,784

* As of 30 September 2007.

- (ii) Upon performing an impairment assessment on the goodwill on consolidation arising from the acquisition of the TTSB, the Group had recognised an impairment loss on the goodwill of RM2.91 million.

The Board of Directors of the Company intend to claim amongst others, the above amounts from the Defendants (as defined in Note B11) pursuant to the civil suit instigated. However, there is no guarantee that the Company will succeed in obtaining such damages.

A6 – Changes in Estimates

There were no material changes in estimates of amounts reported in the prior financial period which may have had a material effect on the current quarter under review.

A7 – Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuance and repayment of debts (other than the hire purchase and term loan debts disclosed in Note B9) and equity securities during the current quarter under review and the Company had not engaged in any share buyback scheme or implemented any share cancellations. The Company does not have any shares held as treasury shares.

MEXTER TECHNOLOGY BERHAD

(Company No 647673-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**A8 – Segmental Information**

The Group operates predominantly in the Information and Communications Technology sector and accordingly, only the geographical segmental information is presented.

*(a) Current quarter***Current quarter ended 30 September 2007**

Analysis by geographical location	Revenue from external customers by location of customers		Inter-segment revenue		Total revenue	
	RM'000	%	RM'000	%	RM'000	%
	Malaysia	3,252	92.0	-	-	3,252
China	237	6.7	-	-	237	6.7
India	-	-	-	-	-	-
Indonesia	14	0.4	-	-	14	0.4
Singapore	25	0.7	-	-	25	0.7
Thailand	6	0.2	-	-	6	0.2
United State of America	-	-	-	-	-	-
	3,534	100.0	-	-	3,534	100.0
Eliminations	-	-	-	-	-	-
Consolidated	3,534	100.0	-	-	3,534	100.0

*(b) Cumulative quarters***Cumulative quarters ended 30 September 2007**

Analysis by geographical location	Revenue from external customers by location of customers		Inter-segment revenue		Total revenue	
	RM'000	%	RM'000	%	RM'000	%
	Malaysia	9,978	89.7	-	-	9,978
China	664	6.0	-	-	664	6.0
India	1	0.1	-	-	1	0.1
Indonesia	41	0.4	-	-	41	0.4
Singapore	195	1.7	-	-	195	1.7
Thailand	39	0.3	-	-	39	0.3
United State of America	203	1.8	-	-	203	1.8
	11,121	100.0	-	-	11,121	100.0
Eliminations	-	-	-	-	-	-
Consolidated	11,121	100.0	-	-	11,121	100.0

MEXTER TECHNOLOGY BERHAD

(Company No 647673-A)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007

A9 – Valuation of Property, Plant and Equipment

There has been no valuation on any property, plant and equipment of the Group during the current quarter under review. Hence, the valuation of property, plant and equipment has been brought forward without amendment from the audited financial statements of the Group for the financial year ended 31 December 2006.

A10 – Acquisition/Disposal of Property, Plant and Equipment

There were no material acquisitions or disposals of property, plant and equipment during the current quarter under review.

A11 – Material Subsequent Events

There were no material events subsequent to the end of the current quarter under review.

A12 – Changes in Composition of the Group

There were no changes to the composition of the Group during the current quarter under review.

A13 – Changes in Contingent Liabilities or Contingent Assets

As at the date of this announcement, save for any potential damages to be awarded pursuant to the civil suit [Penang High Court (Civil Suit No. MT1-22-527-2007)] (please refer to Note B11 for further information), the Directors of the Company are not aware of any material contingent liabilities or contingent assets of the Group.

MEXTER TECHNOLOGY BERHAD

(Company No 647673-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE MESDAQ MARKET

B1 – Review of Performance

	Cumulative period ended 30 September 2007 RM'000	Preceding year corresponding period ended 30 September 2006 RM'000
Revenue	<u>11,121</u>	<u>15,533</u>
(Loss)/Profit before tax	<u>(9,367)</u>	<u>2,000</u>

For the financial period ended 30 September 2007, the Group recorded revenue of approximately RM11.12 million which represents a 28% reduction in sales when compared to the recorded revenue of approximately RM15.53 million for the preceding year's corresponding period. This was mainly attributed to the fall in sales contribution from the Tonerex group of companies. Further, the overall challenging business environment had hampered efforts by the E-manufacturing Division to secure significant new projects.

For the same financial period, the Group recorded a loss before tax of approximately RM9.37 million compared with the preceding year corresponding period's profit before tax of approximately RM2.00 million. This was mainly attributed to the following:-

- (a) The one off exceptional items i.e. the recognition of impairment loss on Mexter Group's goodwill on consolidation of RM2.91 million and the full provision of the carrying value of the testers amounting to RM3.78 million as explained in Note A5 above;
- (b) The lower GP margins which were not sufficient to cover overheads; and
- (c) The losses posted by MexComm Sdn Bhd which is still going through its gestation period.

B2 – Comparison with Preceding Quarter's Results

	Current quarter ended 30 September 2007 RM'000	Previous quarter ended 30 June 2007 RM'000
Revenue	<u>3,534</u>	<u>4,158</u>
Loss before tax	<u>(8,398)</u>	<u>(754)</u>

MEXTER TECHNOLOGY BERHAD

(Company No 647673-A)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007

The Group's revenue for the current quarter of approximately RM3.53 million represents a decrease of approximately RM0.63 million or 15% as compared to the revenue of approximately RM4.16 million for the preceding quarter. This is mainly due to decrease sales contribution from the Tonerex group of companies.

The Group recorded a loss before tax of approximately RM8.40 million for the current quarter which represents an increase of losses of approximately RM7.65 million or more than 100% when compared to the Group's loss before tax of approximately RM0.75 million reported in the previous preceding quarter. The increase in losses during the current quarter was mainly attributed to the one off exceptional items i.e. recognition of impairment loss on Mexter Group's goodwill on consolidation of RM2.91 million and the full provision of the carrying value of the testers amounting to RM3.78 million as explained in Note A5 above.

B3 – Current Year Prospects

Given the various circumstances affecting the Group, the prospects for the remaining period of the financial year ending 31 December 2007 is not favourable. It is expected that the Group will post losses for the full financial year ending 31 December 2007. Notwithstanding this, the Board and Management of Mexter will continue to take remedial steps to tackle the internal and external factors affecting the Group and where possible expedite those strategies and initiatives identified.

B4 – Profit Forecast

The Group did not publish any profit forecast in its Prospectus or in any public documents.

B5 – Income Tax Expense

	30 September 2007	
	Current Quarter RM'000	Cumulative Quarters RM'000
Malaysian income tax:-		
Current tax:		
- Current year	-	-
- Overprovision in prior years	25	25
	<hr/>	<hr/>
	-	-
Deferred taxation:		
- Original and reversal of temporary differences	-	-
	<hr/>	<hr/>
	25	25

There is no tax charge for the current period as the Company and most of the subsidiaries suffered losses. The subsidiary which reported profit had sufficient tax losses to off set profit made. Mexter MSC Sdn Bhd ("MMSC") and TMSC were granted Multimedia Super Corridor ("MSC") status which exempts their income from taxation for a period of five (5) years commencing from November 2002 and July 2005 respectively. The Company is in the process of applying for an extension of the MSC status of MMSC for a further period of five (5) years from the expiry date in December 2007.

B6 – Profit/(Loss) on Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investments and/or properties during the current quarter under review.

MEXTER TECHNOLOGY BERHAD

(Company No 647673-A)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007

B7 – Purchase or Disposal of Quoted Securities

There was no purchase or disposal of quoted securities during the current quarter under review.

B8 – Status of Corporate Proposals Announced But Not Completed

There were no corporate proposals announced but not completed as of the date of this announcement.

B9 – Group Borrowings and Debt Securities

Group borrowings as the end of the reporting quarter were as follows:-

	Current RM'000
Hire purchase liabilities (Unsecured)	99
Term loan (Secured)	16
	<hr/> 115 <hr/>
	Non-current RM'000
Hire purchase liabilities (Unsecured)	314
Term loan (Secured)	169
	<hr/> 483 <hr/>

The Group does not have any foreign borrowings as at the date of this announcement.

B10 – Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this announcement.

B11 – Material Litigations

Save as that disclosed below, there have not been any changes in material litigation since 31 December 2006, being the last balance sheet date up to the date of this announcement.

(i) Penang High Court (Civil Suit No. MT1-22-527-2007)

The Company and its wholly owned subsidiaries, TTSB, TMSC and MMSB (hereinafter referred to as the “Plaintiffs”) had on 28 August 2007 via its solicitors Messrs. Skrine filed a civil suit in the Penang High Court (Civil Suit No. MT1-22-527-2007) against Tan Kim Boon, Tan Kim Kheng, Lo Mooi Lee, Ang Chai Khee and Ottus Sdn Bhd (hereinafter referred to as the “Defendants”) to, inter alia restrain the Defendants from further unlawfully interfering with or conspiring to injure the business of TTSB and TMSC, and for:-

- (i) account of profits received;
- (ii) delivery up and disgorgement of the profits received;
- (iii) delivery up of assets and documents of TTSB, TMSC and MMSB;
- (iv) damages, including exemplary damages;
- (v) interest; and
- (vi) costs.

MEXTER TECHNOLOGY BERHAD

(Company No 647673-A)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007

In addition, TTSB, TMSC and MMSB have, also on 28 August 2007 filed an ex parte application for interim orders for, inter alia, the following: -

- (a) restraining the Defendants from further unlawfully interfering with or conspiring to injure the business of TTSB and TMSC;
- (b) an Anton Piller Order to enter the Defendants' residence and premises to inspect, photograph, search, make copies and/or remove to the Plaintiff's solicitors custody, evidence pertaining to the case to be preserved pending the trial; and
- (c) a Mareva Injunction Order to freeze the accounts and assets of the Defendants pending the trial.

The application for the above ex parte interim orders were heard and granted before the learned Judge in the Penang High Court on 3 September 2007.

The hearing of the inter parte application on 20 September 2007 was adjourned to 29 November 2007 pending the exchange of affidavits. An ad interim injunction was granted by the learned Judge until the next hearing. The Mareva Injunction Order against the Defendants was varied to provide for the Defendants' monthly expenses and legal fees.

In addition, the Defendants have filed into the Court applications seeking orders to set aside the ex parte interim orders of 3 September 2007 and to claim for damages. The Defendants' applications were also fixed for hearing on 29 November 2007.

Furthermore, Ottus Sdn Bhd ("5th Defendant") has filed an application seeking an order to vary the interim ad injunction order dated 20 September 2007 by increasing the amount that it is allowed to spend for its monthly business expenses from RM47,367.15 to RM129,620.23 from October 2007 onwards.

The Plaintiffs are opposing the 5th Defendant's said application, which is fixed for hearing on 29 November 2007.

The Board of Directors of Mexter and the Company's solicitors are of the view that based on the numerous evidence available so far, there is a good case against the Defendants.

B12 – Dividends

The shareholders of the Company had at its Annual General Meeting held on 19 June 2007 approved the payment of a first and final tax exempt dividend of 3% per share amounting to RM268,356 as recommended by the Directors in respect of financial year ended 31 December 2006. The said dividends were paid on 5 July 2007 to entitled shareholders whose names appeared in the record of depositors as at 26 June 2007.

MEXTER TECHNOLOGY BERHAD

(Company No 647673-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**B13 – Status of Utilisation of Proceeds**

The proceeds arising from the Company's initial public offering amounted to RM13.937 million and as at 30 September 2007, the details of the utilisation of proceeds are as follows:-

Purpose	Original proposed utilisation RM'000	Revised proposed utilisation RM'000	Actual utilisation RM'000	Revised Timeframe For Utilisation	Balance unutilised RM'000	%	Explanations
Business expansion	1,000	3,100 #	3,100	31 December 2007	-	-	Note 1
Purchase of a corporate headquarters-cum-warehouse	2,500	400 #	400	31 July 2007	-	-	Note 2
R&D expenses	5,000	5,000	3,347	11 April 2009	1,653	33	Note 3
Working capital	3,637	4,367 *	4,367	31 December 2007	-	-	Note 4
Estimated listing expenses	1,800	1,070 *	1,070	11 April 2005	-	-	
Total	13,937	13,937	12,284		1,653	12	

Revision as approved by the Securities Commission vide its letter dated 17 October 2005.

* The excess of RM0.73 million from the estimated listing expenses which has not been utilised has been reallocated to working capital.

Explanations:**Note 1:-**

The remaining balance of the proceeds as of 30 June 2007 has been fully utilised for investment in MexComm Sdn Bhd.

Note 2:-

As of 30 September 2007, the Company has fully utilised the balance of the proceeds.

Note 3:-

As of 30 September 2007, the Group has achieved satisfactory progress in its R&D for product line extension and considers the time frame of four (4) years from the Company's listing date of 12 April 2005 to be sufficient for the Group to fully utilise the proceeds for its intended purposes.

MEXTER TECHNOLOGY BERHAD

(Company No 647673-A)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007

Note 4:-

As of 30 September 2007, the Company has fully utilised all of the proceeds earmarked for working capital.

B14 – Earnings/(Losses) per Share

(a) *Basic earnings/(losses) per share (“E/(L)PS”)*

Basic E/(L)PS of the Group are calculated by dividing the profit/(loss) for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

		Current quarter ended 30 September		Cumulative quarters ended 30 September	
		2007	2006	2007	2006
Profit/(Loss) for the period attributable to ordinary shareholders of the Company	(RM'000)	(8,373)	614	(9,342)	1,632
Weighted average number of ordinary shares in issue	('000)	89,452	89,452	89,452	89,452
Basic E/(L)PS	(sen)	(9.4)	0.7	(10.4)	1.8

The weighted average number of ordinary shares in issue is determined using the number of days that the specific shares are outstanding in proportion to the total number of days in the corresponding period.

(b) *Diluted E/(L)PS*

There is no dilution of share capital for the Group.

BY ORDER OF THE BOARD

Ooi Ean Hoon (MAICSA 7057078)
Angelina Cheah Gaik Suan (MAICSA 7035272)
Tee Choon Wee (MIA 27070)
Company Secretaries
Kuala Lumpur
Dated: 27 November 2007