



MEXTER

**MEXTER TECHNOLOGY BERHAD**

(Company No: 647673 - A)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT**

**FOR THE PERIOD ENDED**

**30 JUNE 2012**

**MEXTER TECHNOLOGY BERHAD**

(Company No 647673-A)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2012**

The Board of Directors of Mexter Technology Berhad (“Mexter” or “Company”) wishes to announce the following unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of Mexter for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 30 JUNE 2012**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		CURRENT YEAR QUARTER 30/06/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2011 RM'000	CURRENT YEAR TO DATE 30/06/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2011 RM'000
Revenue	A8	8,470	15,774	17,579	30,008
Cost of sales		(6,957)	(12,959)	(14,232)	(24,565)
Gross profit		1,513	2,815	3,347	5,443
Operating expenses		(2,551)	(2,334)	(5,023)	(4,493)
Other operating income		60	120	120	247
(Loss)/ Profit from operations	B5	(978)	601	(1,556)	1,197
Interest income		39	31	64	69
Interest expense		(25)	(27)	(51)	(55)
Share of profit/(loss) of associated company		-	(6)	-	(22)
(Loss)/ Profit before tax		(964)	599	(1,543)	1,189
Taxation	B6	-	2	-	2
<b>(Loss)/ Profit for the period</b>		<b>(964)</b>	<b>601</b>	<b>(1,543)</b>	<b>1,191</b>
<b>Other comprehensive income</b>					
Foreign currency translation		5	-	2	(3)
Total other comprehensive income for the period, net of tax		5	-	2	(3)
<b>Total comprehensive income/ (loss) for the period</b>		<b>(959)</b>	<b>601</b>	<b>(1,541)</b>	<b>1,188</b>
<b>Profit/ (Loss) attributable to:</b>					
Owners of the Company		(927)	447	(1,479)	839
Non-controlling interest		(37)	154	(64)	352
		<b>(964)</b>	<b>601</b>	<b>(1,543)</b>	<b>1,191</b>
<b>Total Comprehensive income attributable to:</b>					
Owners of the Company		(922)	447	(1,477)	836
Non-controlling interest		(37)	154	(64)	352
		<b>(959)</b>	<b>601</b>	<b>(1,541)</b>	<b>1,188</b>
<b>Earnings per share:</b>					
Basic earnings per share (sen)		(1.04)	0.50	(1.65)	0.90
Diluted earnings per share (sen)		(1.04)	0.50	(1.65)	0.90

**MEXTER TECHNOLOGY BERHAD**

(Company No 647673-A)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2012****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2012**

		(UNAUDITED) AS AT 30/06/2012 RM'000	(AUDITED) AS AT 31/12/2011 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		4,500	4,330
Intangible assets		287	287
		<u>4,787</u>	<u>4,617</u>
<b>Current assets</b>			
Other investments		5,614	4,596
Trade and other receivables		4,936	6,525
Inventories		149	120
Tax recoverable		23	24
Cash and bank balances		3,269	4,673
		<u>13,991</u>	<u>15,938</u>
<b>TOTAL ASSETS</b>		<u>18,778</u>	<u>20,555</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		8,945	8,945
Reserves		(2,632)	(1,154)
		6,313	7,791
<b>Non-Controlling interest</b>		1,032	1,196
<b>Total equity</b>		<u>7,345</u>	<u>8,987</u>
<b>Non-current liabilities</b>			
Borrowings	B8	1,986	1,781
Deferred tax liabilities		3	3
		<u>1,989</u>	<u>1,784</u>
<b>Current liabilities</b>			
Trade and other payables		8,932	9,293
Deferred income		345	319
Borrowings	B8	167	172
		<u>9,444</u>	<u>9,784</u>
<b>Total liabilities</b>		<u>11,433</u>	<u>11,568</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>18,778</u>	<u>20,555</u>
Net assets per share attributable to owners of the Company (RM)			
		<u>0.08</u>	<u>0.10</u>

**MEXTER TECHNOLOGY BERHAD**

(Company No 647673-A)

(Incorporated in Malaysia)

---

**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2012**

---

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2012**

< ----- Attributable to owners of the Company ----- >  
< -----Non-distributable----->      Distributable

	Share capital	Share premium	Capital reserve	Translation reserve	Accumulated losses	Total	Non- Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 01/01/2012</b>	8,945	9,382	0	42	(10,578)	7,791	1,196	8,987
Exchange differences on translation of the financial statements of foreign entities	0	0	0	2	0	2	0	2
Total comprehensive income for the period	0	0	0	0	(1,479)	(1,479)	(64)	(1,543)
Dividend paid to a non-controlling interest of a subsidiary company	0	0	0	0	0	0	(100)	(100)
<b>At 30/06/2012</b>	<b>8,945</b>	<b>9,382</b>	<b>0</b>	<b>44</b>	<b>(12,057)</b>	<b>6,314</b>	<b>1,032</b>	<b>7,346</b>
<b>At 1/01/2011:-</b>	8,945	9,382	0	32	(11,216)	7,143	665	7,808
Exchange differences on translation of the financial statements of foreign entities	0	0	0	(3)	0	(3)	0	(3)
Total comprehensive income for the period	0	0	0	0	839	839	352	1,191
Dividend paid to a non-controlling interest of a subsidiary company	0	0	0	0	0	0	(50)	(50)
<b>At 30/06/2011</b>	<b>8,945</b>	<b>9,382</b>	<b>0</b>	<b>29</b>	<b>(10,377)</b>	<b>7,979</b>	<b>967</b>	<b>8,946</b>

**MEXTER TECHNOLOGY BERHAD**

(Company No 647673-A)

(Incorporated in Malaysia)

---

**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2012**

---

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2012**

	<b>AS AT CURRENT FINANCIAL PERIOD ENDED 30/06/2012 RM'000</b>	<b>AS AT PRECEDING FINANCIAL PERIOD ENDED 30/06/2011 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss)/ Profit before tax	(1,543)	1,189
Adjustments for:		
Non-cash items	307	360
Interest income	(64)	(69)
Interest expense	51	55
Operating (Loss)/ Profit Before Working Capital Changes	(1,249)	1,535
Changes In Working Capital:		
Net change in current assets	1,584	1,228
Net change in current liabilities	(334)	1,429
Net Cash Outflow from Operations	1	4,192
Income tax refunded	1	15
Net Operating Cash Flow	2	4,207
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	64	69
(Addition)/ Disposal investment in money market fund	(1,018)	(1,575)
Purchase of intangible assets	-	(68)
Purchase of property, plant and equipment	(504)	(97)
Proceed from disposal of property, plant and equipment	-	3
Net Investing Cash Flow	(1,458)	(1,668)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(51)	(55)
Proceed from borrowings	300	51
Repayment of bank borrowings	(99)	(102)
Dividend paid to a non-controlling interest of a subsidiary	(100)	-
Net Financing Cash Flow	50	(106)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(1,406)	2,433
Effects of foreign exchange rate changes	2	(3)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD</b>	4,673	2,583
<b>CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD</b>	3,269	5,013

## **MEXTER TECHNOLOGY BERHAD**

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

---

### **INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2012**

---

#### **PART A – EXPLANATORY NOTES PURSUANT TO FRS 134: INTERIM FINANCIAL REPORTING AND BURSA LISTING REQUIREMENTS**

##### **A1 – Basis of Preparation**

The interim financial statements are unaudited and have been prepared in compliance with Malaysian Financial Reporting Standard (“MFRS”) No. 134: Interim Financial Reporting and paragraph 9.22 of Bursa Malaysia Berhad’s (Bursa Securities”) ACE Market Listing Requirements (“ACE LR”).

The accounting policies and methods of computations adopted by the Group in these quarterly financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2011, except for the adoption of MFRSs relevant to the Group as explained below:

##### Adoption of a new MASB accounting framework, the MFRS Framework

The Group has adopted the MFRS framework and MFRS1, First-time adoption of Malaysian Financial Reporting Standards for the first time in these condensed consolidated interim financial statements. The transition to the MFRS framework does not have any material impact on the financial position, financial performance and cash flow of the Group and the Company.

##### **A2 – Auditors’ Report on Preceding Audited Financial Statements**

The auditors’ report on the Group’s financial statements for the financial year ended 31 December 2011 was not qualified.

##### **A3 – Seasonal or Cyclicity of Operations**

In general, apart from the Group’s business in Telecommunication industry, the Group’s other businesses are primarily exposed to business cycles of the Electronic Manufacturing, Semiconductor and Automotive industries.

##### **A4 – Unusual Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review.

##### **A5 – Changes in Estimates**

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

##### **A6 – 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 B8) 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 JUNE 2012**

---

**A7 – Dividends**

No dividend has been declared or paid during the current quarter under review.

**A8 – Segmental Information**

Segmental Information in respect of the Group’s business segment is as follows:-

*a) Period Ended 30 June 2012*

	<b>Mobile Services</b>	<b>Enterprise Services</b>	<b>Computer Electronic Services</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
Revenue	15,138	415	2,026	-	-	17,579
Inter-segment revenue	-	-	-	400	(400)	-
	<u>15,138</u>	<u>415</u>	<u>2,026</u>	<u>400</u>	<u>(400)</u>	<u>17,579</u>
Segment results	209	(117)	(1,440)	(208)	-	(1,556)
Interest Income	62	-	-	2	-	64
Interest Expense	(1)	-	(50)	-	-	(51)
Share of result of an associate	-	-	-	-	-	-
Profit/ (loss) before tax	<u>270</u>	<u>(117)</u>	<u>(1,490)</u>	<u>(206)</u>	<u>-</u>	<u>(1,543)</u>

*b) Period Ended 30 June 2011*

	<b>Mobile Services</b>	<b>Enterprise Services</b>	<b>Computer Electronic Services</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
Revenue	26,755	344	2,909	-	-	30,008
Inter-segment revenue	-	-	-	200	(200)	-
	<u>26,755</u>	<u>344</u>	<u>2,909</u>	<u>200</u>	<u>(200)</u>	<u>30,008</u>
Segment results	2,139	(98)	(530)	(314)	-	1,197
Interest Income	61	-	-	8	-	69
Interest Expense	-	(2)	(53)	-	-	(55)
Share of result of an associate	-	-	-	(22)	-	(22)
Profit/ (loss) before tax	<u>2,200</u>	<u>(100)</u>	<u>(583)</u>	<u>(328)</u>	<u>-</u>	<u>1,189</u>

## MEXTER TECHNOLOGY BERHAD

(Company No 647673-A)

(Incorporated in Malaysia)

---

### INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2012

---

#### 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 2011.

#### A10 – Material Subsequent Events

Save for the disclosure below and in B9, there were no material events subsequent to the end of the current quarter under review.

- (i) The Company's 80%-owned subsidiary, MexComm Sdn Bhd ("MexComm") has on the 31 July 2012 entered into a Sales & Purchase Agreement ("SPA") with E-G6 Solutions (M) Sdn Bhd, Chan Weng Hin, and Lim See Ngai to acquire 21,299 Shares of THB100.00 each, representing 49% equity interest in E-G6 Solution (Thailand) Co. Ltd. for the total consideration of up to RM965,000.00 which is subject to adjustment as detailed in the SPA and is to be paid to the respective vendors upon the terms and conditions as stipulated in the SPA.

#### A11 – Changes in Composition of the Group

Save as that disclosed below, there were no other changes to the composition of the Group during the current quarter under review:-

- (i) MexComm has on 27 June 2012 acquired the entire issued and paid up capital of MexComm Limited ("MCL") of HKD3.00 divided into 3 Ordinary Shares of HKD1.00 each, for a cash consideration of HKD3.00. Consequently, MCL has become a subsidiary of Mexter.

Apart from the above, there were further changes to the composition of the Group after the current quarter:-

- (1) MexComm has on the 31 July 2012 entered into a SPA with E-G6 Solutions (M) Sdn Bhd, Chan Weng Hin, and Lim See Ngai to acquire 21,299 Shares of THB100.00 each, representing 49% equity interest in E-G6 Solution (Thailand) Co. Ltd. for the total consideration of up to RM965,000.00 which is subject to adjustment as detailed in the SPA and is to be paid to the respective vendors upon the terms and conditions as stipulated in the SPA.
- (2) MexComm has incorporated an 80%-owned subsidiary namely, MexComm (Media) Limited on 13 August 2012 in Hong Kong.

#### A12 –Contingent Liabilities or Contingent Assets

	<b>Cumulative period ended 30 June 2012 RM'000</b>	<b>Preceding year corresponding period ended 30 June 2011 RM'000</b>
Corporate guarantee	<u>51</u>	<u>51</u>



## MEXTER TECHNOLOGY BERHAD

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

---

### INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2012

---

#### A12 –Contingent Liabilities or Contingent Assets (continued)

The corporate guarantee is executed by the Company for hire purchase facility granted to subsidiary. Out of the total hire purchase facility secured by corporate guarantee, a total of RM14, 004 was outstanding at the period end.

Save for the above and any potential damages or cost to be awarded pursuant to the on-going civil suits as disclosed in Note B9 herein, the Directors of the Company are not aware of any other material contingent liabilities or contingent assets that may impact the financial performance of the Group.

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

##### B1 – Review of Performance

	<b>Cumulative period ended 30 June 2012 RM'000</b>	<b>Preceding year corresponding period ended 30 June 2011 RM'000</b>
Revenue	<u>17,579</u>	<u>30,008</u>
Profit/ (loss) before tax	<u>(1,543)</u>	<u>1,189</u>

For the financial period ended 30 June 2012, the Group recorded revenue of approximately RM17.58 million which represents a decrease of approximately 41% as compared to the preceding year corresponding period's revenue. The decrease in the Group's revenue was mainly attributable to the lower sales contribution from Mobile Services division which posted 43% year-on-year drop in revenue to RM 15.14 million after tightening of regulation and restriction of a few short message service (SMS) keywords by regulators.

With the lower revenue reported, the Group registered loss before tax of approximately RM 1.54 million for the period under review as compared to profit before tax of RM1.19 million reported in the preceding year corresponding period.

##### B2 – Comparison with Preceding Quarter's Results

	<b>Current quarter ended 30 June 2012 RM'000</b>	<b>Previous quarter ended 31 Mar 2012 RM'000</b>
Revenue	<u>8,470</u>	<u>9,108</u>
Loss before tax	<u>(964)</u>	<u>(579)</u>

The Group's revenue for the current quarter of approximately RM8.47 million which represents a decrease of approximately RM0.64 million or 7% as compared to the revenue of approximately RM9.11 million in the preceding quarter. This was mainly attributed by declining revenue of Mobile Services division after tightening of regulation and restriction of a few short message service (SMS) keywords by regulators.

## MEXTER TECHNOLOGY BERHAD

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

---

### INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2012

---

#### B2 – Comparison with Preceding Quarter’s Results (continued)

In this respect, the Group registered loss before tax of approximately RM0.96 million for the quarter under review as compared to the Group’s loss before tax of approximately RM0.58 million reported in the preceding quarter.

#### B3 – Current Year Prospects

While the Malaysian’s gross domestic product (GDP) grew by 5.1% in 2011, the country economy is likely to see a moderate growth of 3.7%-4% in 2012 amid uncertainty global economy outlook and much depending on the domestic demand which is likely strong due to supportive government policy measures especially on the public infrastructure projects of the Economic Transformation Programme (ETP). The implementation of structural reforms, as envisioned in the government’s New Economic Model, will be vital for boosting competitiveness and sustaining growth in 2012.

The Board and management will continue to implement business rationalisation strategies, by focusing on innovative marketing activities, investing in R&D, streamlining its operations, and implementing cost control measures. Whilst the results of some of these initiatives have borne fruit, most elements of these strategies are ongoing exercises.

#### B4 – Profit Forecast

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

#### B5 – (Loss)/ Profit from operations

(Loss)/ Profit from operations has been arrived at after crediting/( charging):-

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30-June-12 RM'000	30-June-11 RM'000	30-June-12 RM'000	30-June-11 RM'000
Depreciation	(128)	(126)	(255)	(252)
Interest income	39	31	64	69
Interest expenses	(25)	(27)	(51)	(55)
Allowance for impairment loss on doubtful debt	-	(65)	-	(65)
Net reversal/ (allowance) for slow moving inventories	-	(16)	5	(7)
Net foreign exchange gain/ (loss)	52	-	22	(31)
Fair value gain/ (loss) on other investments	(1)	9	5	23

## MEXTER TECHNOLOGY BERHAD

(Company No 647673-A)

(Incorporated in Malaysia)

---

### INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2012

---

#### B6 – Taxation

	30 June 2012	
	Current Quarter RM'000	Cumulative Quarters RM'000
Malaysian income tax:-		
- Current year	0	0
-Over provision in prior year	0	0
	<hr/>	<hr/>
	0	0
Deferred taxation:		
- Original and reversal of temporary differences	0	0
	<hr/>	<hr/>
	0	0
	<hr/>	<hr/>

There was no tax expense for the quarter ended 30 June 2012 due to the utilisation of unabsorbed tax losses and capital allowances brought forward. This is, however, subject to confirmation by the Inland Revenue Board. Besides, Mexter MSC Sdn. Bhd. (“MMSC”), MexComm and Ezymobile International Sdn Bhd (“EISB”) were granted Multimedia Super Corridor (“MSC”) status which exempts their income from taxation for a period of five (5) years commencing from November 2007, August 2008 and May 2009 respectively.

#### B7 – Corporate Proposals Announced But Not Completed

There was no corporate proposal announced but not completed as at the date of this report.

#### B8 – Borrowings

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

	Current RM'000
Hire purchase liabilities (Unsecured)	77
Term loan (Secured)	90
	<hr/>
	167
	<hr/>
	Non-current RM'000
Hire purchase liabilities (Unsecured)	246
Term loan (Secured)	1,740
	<hr/>
	1,986
	<hr/>

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

## MEXTER TECHNOLOGY BERHAD

(Company No 647673-A)

(Incorporated in Malaysia)

---

### INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2012

---

#### **B9 – Material Litigations**

Save for the following, there have not been any changes in material litigation since the update on date of the last annual Statement of Financial Position up to the date of this announcement:-

(i) **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, Ottus Sdn. Bhd. and Oung Lay Choon**

During the 1st day of trial on 9 February 2012, at the request of the Defendants' solicitors and with the objection of the Plaintiffs' solicitors, the trial date of 9-10 February 2012 have been vacated and the trial will proceed as scheduled on 27-29 February 2012. Besides, the 1st and 2nd Defendants have withdrawn the counterclaim and it was confirmed by the Judge on 9 February 2012 that the withdrawal of the counterclaim was granted without any order providing the 1st and 2nd Defendants liberty to file afresh, and for costs to be taxed.

The case came up for trial on 27 February 2012 at the Penang High Court. The trial dates scheduled for 28 and 29 February 2012 were vacated by the Judge who set the case down for case management on 28 February 2012 to fix a new set of trial dates.

On an application by the Plaintiffs, the Senior Assistant Registrar has on 17 April 2012 given the order in chambers that the suit against the 6th Defendant, Oung Lay Choon, be withdrawn. Subsequent thereto, the Judge in open Court has at the trial date on 25 May 2012 fixed the case down for continued trial on:-

- a) 7 June 2012, 8 June 2012;
- b) 13 August 2012, 14 August 2012, 15 August 2012, 16 August 2012;
- c) 6 September 2012, 7 September 2012, 10 September 2012, 11 September 2012, 12 September 2012
- d) 22 October 2012, 23 October 2012, 24 October 2012.

During the hearing conducted 23 July 2012 (fixed after the trial conducted on 7 & 8 June 2012) with regards to the 1st and 2nd Defendant's Application to amend their defence, the Judge has dismissed their defence with cost of RM2,000.00.

(ii) **Kuala Lumpur High Court (Appeal No. R3-12B-212-2011) against Mobile Bluezone Sdn Bhd**

During the hearing conducted on 15 March 2012, the Kuala Lumpur High Court has granted order in terms of MexComm's Petition to wind-up the Respondent.

Meanwhile, the Defendant had filed an appeal to the Court of Appeal against the decision of the Kuala Lumpur High Court on 2 June 2011 which reversed the findings of the Sessions Court on 7 February 2011. The hearing of Mobile Bluezone's appeal against the decision of the High Court Judge which was fixed on 5 July 2012 has been adjourned to 30 August 2012 for hearing.

On the other hand, the Official Receiver has by their letter dated 18 April 2012 sanctioned Messrs. Christie Soosay Nathan & Associates to act for Mobile Bluezone to pursue the appeal on the condition that the Official Receiver and Liquidator shall not be held liable for any loss or cost, including legal costs associated with the said appeal.

## MEXTER TECHNOLOGY BERHAD

(Company No 647673-A)

(Incorporated in Malaysia)

---

### INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2012

---

#### B9 – Material Litigations (continued)

(ii) **Kuala Lumpur High Court (Appeal No. R3-12B-212-2011) against Mobile Bluezone Sdn Bhd**

In this respect, the Court of Appeal has on 7 May 2012 fixed Mobile Bluezone's appeal down for hearing on 5 July 2012. Consequent thereto, MexComm has on 29 May 2012 filed an application to the Court of Appeal for security for costs against Mobile Bluezone of which, the Court of Appeal has fixed the application for hearing on 26 June 2012.

During the hearing conducted on 26 June 2012, the Court of Appeal has dismissed with cost of RM2,000.00 for MexComm's application seeking security for costs against the Appellant.

#### B10 – Dividends

No dividend has been declared or paid during the current quarter under review.

#### B11 –Earnings per Share

(a) *Basic earnings per share ("EPS")*

Basic EPS of the Group is calculated by dividing the profit/ (loss) for the period attributable to ordinary equity holders of Mexter by the weighted average number of ordinary shares in issue during the financial period.

		Current quarter ended 30 June		Cumulative quarters ended 30 June	
		2012	2011	2012	2011
Profit/ (loss) for the period attributable to owners of Mexter	(RM'000)	(927)	447	(1,479)	839
Weighted average number of ordinary shares in issue	('000)	89,452	89,452	89,452	89,452
Basic EPS	(sen)	(1.04)	0.50	(1.65)	0.90

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 EPS*

There is no dilution of share capital for the Group.

**MEXTER TECHNOLOGY BERHAD**

(Company No 647673-A)

(Incorporated in Malaysia)

---

**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2012**

---

**B12- Realised and Unrealised Retained Profits**

	<b>As at 30 June 2012 RM'000</b>	<b>As at 31 December 2011 RM'000</b>
Total accumulated losses of the Company and Subsidiaries:		
-Realised	(8,490)	(6,847)
-Unrealised	24	16
Total share of retained profits from an associated company:		
-Realised	-	-
-Unrealised	-	-
	<hr/>	<hr/>
	(8,466)	(6,831)
Less: Consolidation adjustments	(3,591)	(3,747)
Total accumulated losses	<hr/>	<hr/>
	(12,057)	(10,578)

Dated: 27 August 2012