



**MEXTER**

**MEXTER TECHNOLOGY BERHAD**

(Company No: 647673 - A)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED  
30 SEPTEMBER 2013**

**MEXTER TECHNOLOGY BERHAD**(Company No 647673-A)  
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

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 2012 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		CURRENT YEAR QUARTER 30/09/2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2012 RM'000	CURRENT YEAR TO DATE 30/09/2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2012 RM'000
Revenue	A8	7,198	8,964	26,696	26,542
Cost of sales		(5,939)	(7,481)	(21,530)	(21,712)
Gross profit		1,259	1,483	5,166	4,830
Operating expenses		(2,326)	(2,437)	(8,036)	(7,459)
Other operating income		220	177	877	297
Loss from operations	B5	(847)	(777)	(1,993)	(2,332)
Interest income		11	33	27	96
Interest expense		(26)	(28)	(80)	(80)
Share of profit/(loss) of associated company		-	-	-	-
(Loss)/ Profit before tax		(862)	(772)	(2,046)	(2,316)
Taxation	B6	(1)	-	(1)	-
<b>Loss for the period</b>		<b>(863)</b>	<b>(772)</b>	<b>(2,047)</b>	<b>(2,316)</b>
<b>Other comprehensive income</b>					
Foreign currency translation		(35)	(15)	(34)	(13)
Total other comprehensive income for the period, net of tax		(35)	(15)	(34)	(13)
<b>Total comprehensive income/ (loss) for the period</b>		<b>(898)</b>	<b>(787)</b>	<b>(2,081)</b>	<b>(2,329)</b>
<b>Loss attributable to:</b>					
Owners of the Company		(807)	(715)	(1,892)	(2,195)
Non-controlling interest		(56)	(57)	(155)	(121)
		<b>(863)</b>	<b>(772)</b>	<b>(2,047)</b>	<b>(2,316)</b>
<b>Total Comprehensive income/ (loss) attributable to:</b>					
Owners of the Company		(842)	(730)	(1,926)	(2,208)
Non-controlling interest		(56)	(57)	(155)	(121)
		<b>(898)</b>	<b>(787)</b>	<b>(2,081)</b>	<b>(2,329)</b>
<b>Earnings per share:</b>					
Basic earnings per share (sen)		(0.7)	(0.8)	(1.7)	(2.5)
Diluted earnings per share (sen)		(0.7)	(0.8)	(1.7)	(2.5)

**MEXTER TECHNOLOGY BERHAD**

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**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2013****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2013**

		(UNAUDITED) AS AT 30/09/2013 RM'000	(AUDITED) AS AT 31/12/2012 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		4,008	4,302
Goodwill		824	817
Intangible assets		725	621
		<u>5,557</u>	<u>5,740</u>
<b>Current assets</b>			
Other investments		1,776	2,640
Trade and other receivables		6,473	5,114
Inventories		115	82
Tax recoverable		3	5
Cash and bank balances		11,143	2,897
		<u>19,510</u>	<u>10,738</u>
<b>TOTAL ASSETS</b>		<u>25,067</u>	<u>16,478</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		17,890	8,945
Reserves		(6,745)	(4,163)
		11,145	4,782
<b>Non-Controlling interest</b>		658	813
<b>Total equity</b>		<u>11,803</u>	<u>5,595</u>
<b>Non-current liabilities</b>			
Borrowings	B8	1,794	1,910
Deferred tax liabilities		3	3
		<u>1,797</u>	<u>1,913</u>
<b>Current liabilities</b>			
Trade and other payables		10,965	8,554
Deferred income		347	268
Borrowings	B8	155	148
		<u>11,467</u>	<u>8,970</u>
<b>Total liabilities</b>		<u>13,264</u>	<u>10,883</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>25,067</u>	<u>16,478</u>
<b>Net assets per share attributable to owners of the Company (RM)</b>		<u>0.10</u>	<u>0.06</u>

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**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

	<----- Attributable to owners of the Company ----->						Non-Controlling Interest RM'000	Total Equity RM'000
	<-----Non-distributable----->			Distributable				
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Translation reserve RM'000	Accumulated losses RM'000	Total RM'000		
<b>At 01/01/2013</b>	8,945	9,382	-	43	(13,588)	4,782	813	5,595
Exchange differences on translation of the financial statements of foreign entities	-	-	-	(34)	-	(34)	-	(34)
Total comprehensive income for the period	-	-	-	-	(1,892)	(1,892)	(155)	(2,047)
Right Shares Issued	8,945	-	-	-	-	8,945	-	8,945
Share Issue Expenses	-	(656)	-	-	-	(656)	-	(656)
<b>At 30/09/2013</b>	<b>17,890</b>	<b>8,726</b>	<b>-</b>	<b>9</b>	<b>(15,480)</b>	<b>11,145</b>	<b>658</b>	<b>11,803</b>
<b>At 01/01/2012</b>	8,945	9,382	-	42	(10,578)	7,791	1,196	8,987
Exchange differences on translation of the financial statements of foreign entities	-	-	-	(13)	-	(13)	-	(13)
Total comprehensive income for the period	-	-	-	-	(2,195)	(2,195)	(121)	(2,316)
Non-Controlling Interest on acquisition	-	-	-	-	-	-	75	75
Dividend paid to a non-controlling interest of a subsidiary company	-	-	-	-	-	-	(100)	(100)
<b>At 30/09/2012</b>	<b>8,945</b>	<b>9,382</b>	<b>-</b>	<b>29</b>	<b>(12,773)</b>	<b>5,583</b>	<b>1,050</b>	<b>6,633</b>

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**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2013****UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

	AS AT CURRENT FINANCIAL PERIOD ENDED 30/09/2013 RM'000	AS AT PRECEDING FINANCIAL PERIOD ENDED 30/09/2012 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax	(2,046)	(2,316)
Adjustments for:		
Non-cash items	540	441
Interest income	(27)	(96)
Interest expense	80	80
Operating Loss Before Working Capital Changes	(1,453)	(1,891)
Changes In Working Capital:		
Net change in current assets	(1,480)	(310)
Net change in current liabilities	2,488	(220)
Net Cash Outflow from Operations	(445)	(2,421)
Income tax refunded	1	19
Net Operating Cash Flow	(444)	(2,402)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	27	96
Disposal/ (Addition) investment in money market fund	864	1,707
Purchase of intangible assets	(210)	(5)
Purchase of property, plant and equipment	(57)	(529)
Acquisition of subsidiary, net of cash acquired	-	(915)
Net Investing Cash Flow	624	354
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(80)	(80)
Proceed from borrowings	-	300
Repayment of bank borrowings	(109)	(151)
Dividend paid to a non-controlling interest of a subsidiary	-	(100)
Proceeds from issuance Right Share	8,945	-
Share issuance expenses paid	(656)	-
Net Financing Cash Flow	8,100	(31)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	8,280	(2,079)
Effects of foreign exchange rate changes	(34)	(13)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD</b>	2,897	4,673
<b>CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD</b>	11,143	2,581

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**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

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**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 2012, 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 2012 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 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.

**A6 – Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities**

On 18 September 2013, the Company issued 89,452,020 new ordinary shares of RM0.10 each pursuant to the renounceable Rights Issue on the basis of one (1) Rights Share for every one (1) existing Mexter Share held, together with up to 89,452,020 free detachable Warrants in Mexter (“Warrant(s)”) on the basis of one (1) free Warrant for every one (1) Rights Share subscribed for. The said shares were granted listing and quotation on the ACE Market of Bursa Securities on 25 September 2013. The total cash proceeds of RM8, 945,202 raised from the Rights Issue will be utilised mainly for working capital and to defray estimated expenses relating to the rights Issue exercises. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

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**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2013****A6 – Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities  
(continued)**

There were no issuance and repayment of debts (other than the hire purchase and term loan debts disclosed in Note B8) 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.

**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 September 2013**

	<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	22,207	980	3,509	-	-	26,696
Inter-segment revenue	-	-	-	-	-	-
	<b>22,207</b>	<b>980</b>	<b>3,509</b>	<b>-</b>	<b>-</b>	<b>26,696</b>
Segment results	(3)	(154)	(1,388)	(448)	-	(1,993)
Interest Income	25	-	-	2	-	27
Interest Expense	-	-	(80)	-	-	(80)
Profit/ (loss) before tax	<b>22</b>	<b>(154)</b>	<b>(1,468)</b>	<b>(446)</b>	<b>-</b>	<b>(2,046)</b>

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**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2013****A8 – Segmental Information (continued)****b) Period Ended 30 September 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	22,460	627	3,455	-	-	26,542
Inter-segment revenue	-	-	-	400	(400)	-
	<u>22,460</u>	<u>627</u>	<u>3,455</u>	<u>400</u>	<u>(400)</u>	<u>26,542</u>
Segment results	190	(259)	(1,856)	(407)	-	(2,332)
Interest Income	94	-	-	2	-	96
Interest Expense	(1)	-	(79)	-	-	(80)
Profit/ (loss) before tax	<u>283</u>	<u>(259)</u>	<u>(1,935)</u>	<u>(405)</u>	<u>-</u>	<u>(2,316)</u>

**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 2012.

**A10 – Material Subsequent Events**

Save for disclosed below and the disclosures in B7 and B9, there were no material events subsequent to the end of the current quarter under review:-

Mexter (M) Sdn. Bhd. a wholly-owned subsidiary of MEXTER, has on October 4, 2013 entered into a Sale and Purchase Agreement with Saw Poh Leng for the acquisition of an Office Parcel known as Parcel No. L-05-02, within Storey No.: 05, of Block No. L with Accessory Parcel no. AAC-L-05-02-1, forming part of the commercial development known as SOLARIS MONT' KIARA, erected on part of that piece of land held under Strata Title No. Geran 67522/M1-C/6/325, Lot No. 63323, (formerly held under Master Title Geran 43723, Lot 55355), Parcel No. 325 within Storey No. 6 of Building No. M1-C with Accessory Parcel No. A367, measuring approximately 117 square metres in area Lot 63323, Mukim of Batu, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur bearing postal address of L-5-2, No. 2, Jalan Solaris, Solaris Mont' Kiara, 50480 Kuala Lumpur, at a total consideration of Ringgit Malaysia Nine Hundred Thousand (RM900,000.00) only.



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### INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2013

#### 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:-

The Company has on 15 August 2013 acquired the entire issued and paid up capital of Mexter SunOasis Sdn. Bhd. (“MSSB”) of RM2.00 divided into 2 Ordinary Shares of RM1.00 each, for a cash consideration of RM2.00 (“Investment”) from Ms. Toy (Tay) Wee Lee and Ms. Tan Moy Year. Consequently, MSSB has become a wholly-owned subsidiary of MEXTER.

#### A12 –Contingent Liabilities or Contingent Assets

	Cumulative period ended 30 September 2013 RM'000	Preceding year corresponding period ended 30 September 2012 RM'000
Corporate guarantee	-	51

The corporate guarantee is executed by the Company for hire purchase facility granted to subsidiary. The hire purchase was fully settled and there are no 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

	Cumulative period ended 30 September 2013 RM'000	Preceding year corresponding period ended 30 September 2012 RM'000
Revenue	26,696	26,542
Loss before tax	(2,046)	(2,316)

For the financial period ended 30 September 2013, the Group recorded revenue of approximately RM26.70 million which represents an increase of approximately 0.6% as compared to the preceding year corresponding period's revenue. The marginal increase in the Group's revenue was mainly attributable to the additional sales contribution from Enterprise Services division which posted 56.3% higher to RM RM0.98 million. Besides, Computer Electronic Services division has also recorded 1.6% year-on-year rise in revenue to RM 3.51 million.

With the higher revenue reported, the Group has registered lower loss before tax of RM2.05 million as compared to loss before tax of RM2.32 million reported in the preceding year corresponding period.

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### INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2013

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

	<b>Current quarter ended 30 September 2013 RM'000</b>	<b>Previous quarter ended 30 June 2013 RM'000</b>
Revenue	<u>7,198</u>	<u>10,066</u>
Loss before tax	<u>(862)</u>	<u>(422)</u>

The Group's revenue for the current quarter of approximately RM7.20 million which represents an decrease of approximately RM2.87 million or 28.5% as compared to the revenue of approximately RM10.07 million in the preceding quarter. The decrease was primarily from Mobile Services division following lesser advertisement and promotion activities launched during the quarter.

In this respect, the Group has widened the loss before tax to approximately RM0.86 million for the quarter under review as compared to the Group's loss before tax of approximately RM0.42 million reported in the preceding quarter.

#### B3 – Current Year Prospects

The Malaysian's economy growth for 2013 will be moderate to between 4.5% and 5% after expanding by 5.6% in 2012. The global environment remains challenging with the on-going European debt crisis and the slowdown of China's economy growth. However, our domestic demand will continue supporting the country's growth factoring in resilient private sector spending and accelerations in public sector spending in line with the implementation of the country's Economic Transformation Programme (ETP).

The Board and management will continue to implement business rationalisation strategies, by focusing on effective marketing activities, penetrating new unsaturated overseas markets, developing new solutions and services, streamlining operations, maintaining prudence in expenditures to ultimately put products and services at a competitive price to the market, while maintaining the level of services that the market and our clients expect. 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.

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**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2013****B5 – Loss from operations**

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

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30-Sep-13 RM'000	30-Sep-12 RM'000	30-Sep-13 RM'000	30-Sep-12 RM'000
Depreciation	(115)	(127)	(349)	(382)
Amortisation of Intangible assets	(37)	-	(106)	-
Interest income	11	33	27	96
Interest expenses	(26)	(28)	(80)	(80)
Allowance for impairment loss on doubtful debt	(1)	-	(75)	-
Net reversal/ (allowance) for slow moving inventories	3	9	(8)	14
Net foreign exchange gain/ (loss)	45	(48)	111	(26)
Fair value gain/ (loss) on other investments	3	4	9	8

**B6 – Taxation**

	30 September 2013	
	Current Quarter RM'000	Cumulative Quarters RM'000
Malaysian income tax:-		
- Current year	-	-
-Over provision in prior year	-	-
Deferred taxation:		
- Original and reversal of temporary differences	-	-
	-	-

There was no tax expense for the quarter ended 30 September 2013 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, MexComm Sdn Bhd and Ezymobile International Sdn Bhd were granted Multimedia Super Corridor (“MSC”) status which exempts their income from taxation for a period of five (5) years commencing from August 2013 and May 2009 respectively.

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**B7 – Corporate Proposal**

Save for the following, there was no other corporate proposal announced as at the date of this announcement:-

On 18 September 2013, RHB Investment Bank Berhad (“RHBIB”) had, on behalf of the Company announced that as at the close of acceptance and payment for the Rights Issue with Warrants at 5.00 p.m. on 10 September 2013, the total acceptances and excess applications for the Rights Issue with Warrants were 133,114,247 Rights Shares, which represents an over-subscription of 48.81% over the total number of 89,452,020 Rights Shares available for subscription under the Rights Issue with Warrants.

The details of the acceptances and excess applications received as at the close of acceptance and payment for the Rights Issue with Warrants as at 5.00 p.m. on 10 September 2013 are set out below:-

	No. of Rights Shares	%
Acceptances	69,313,547	77.49
Excess applications	63,800,700	71.32
Total acceptances and excess applications	133,114,247	148.81
Total Rights Shares available for subscription	89,452,020	100.00
Over-subscription	43,662,227	48.81

The Board has applied the following basis in allocating the excess Rights Shares with Warrants, in accordance with the Abridged Prospectus dated 26 August 2013:-

- i. Firstly, to minimise the incidence of odd lots;
- ii. Secondly, for allocation to Entitled Shareholders who have applied for the excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in the Company as at the Entitlement Date;
- iii. Thirdly, for allocation to Entitled Shareholders who have applied for the excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of excess Rights Shares with Warrants applied for; and
- iv. Finally, for allocation to renounees who have applied for the excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of excess Rights Shares with Warrants applied for.

On 23 September 2013, the Company had announced that:-

- i. Mexter's additional 89,452,020 Rights Shares issued pursuant to the Rights Issue with Warrants will be granted listing and quotation with effect from 9.00 a.m., Wednesday, 25 September 2013; and
- ii. Mexter's 89,452,020 Warrants issued pursuant to the Rights Issue with Warrants will be admitted to the Official List of Bursa Securities and the listing and quotation of these Warrants on the ACE Market, will be granted with effect from 9.00 a.m., Wednesday, 25 September 2013.

The Stock Short Name, ISIN Code and Stock Number of the Warrants are "MEXTER-WA", "MYQ0075WAS93" and "0075WA" respectively.

On 25 September 2013, 89,452,020 Rights Shares and 89,452,020 Warrants issued pursuant to the Rights Issue with Warrants were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad with effect from 9.00 a.m. on Wednesday, 25 September 2013, marking the completion of the Rights Issue with Warrants.

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**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2013****B7 – Corporate Proposal (continued)**

Gross proceeds of approximately RM8, 945,202 were raised from the rights issue exercise. The proceeds are used by the Group in the following manner:

<b>Purpose</b>	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Balance RM'000</b>	<b>Time frame for use</b>
i. Working capital	8,295	2,667	5,628	Within 3 years
ii. Share issue expenses	650	656	(6)	Upon completion
Total	<u>8,945</u>	<u>3,323</u>	<u>5,622</u>	

**B8 – Borrowings**

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

	<b>Current RM'000</b>
Hire purchase liabilities (Unsecured)	58
Term loan (Secured)	97
	<u>155</u>
	<b>Non-current RM'000</b>
Hire purchase liabilities (Unsecured)	174
Term loan (Secured)	1,620
	<u>1,794</u>

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

**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**

The 18-22 February 2013 trial dates had been vacated. Subsequently, during the trial conducted on 21 March 2013, 25 April 2013, 28 June 2013, 4 September 2013 and 3 October 2013 respectively, the Judge in Open Court has further fixed the case for next/continued trial on:-

**MEXTER TECHNOLOGY BERHAD**

(Company No 647673-A)  
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**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2013****B9 – Material Litigations (continued)**

- (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 (continued)**

- i) 20 to 21 March 2013;  
 ii) 22 to 25 April 2013;  
 iii) 5 to 7 June and 24, 25, 27, 28 June 2013;  
 iv) 22 to 23 August 2013;  
 v) 2 to 4 September 2013;  
 vi) 1 to 3 October 2013 and  
 vii) 23-25 October 2013.

The trial proceeded for 2 days on 23 and 24 October 2013. The trial on 25 October 2013 was vacated. The next trial date is fixed on 11 November 2013.

During the trial on 11 November 2013, the Defence has closed their case. Hearing is now fixed on 7 January 2014.

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

During the hearing conducted on 11 January 2013, the Court of Appeal has unanimously dismissed Mobile Bluezone's appeal with cost of RM5000 to be paid to Mexcomm.

**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 September		Cumulative quarters ended 30 September	
		2013	2012	2013	2012
Loss for the period attributable to owners of Mexter	(RM'000)	(807)	(715)	(1,892)	(2,195)
Weighted average number of ordinary shares in issue	('000)	113,224	89,452	113,224	89,452
Basic EPS	(sen)	(0.7)	(0.8)	(1.7)	(2.5)

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**B11 –Earnings Per Share (continued)**

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.

**B12- Realised and Unrealised Retained Profits**

	As at 30 September 2013 RM'000	As at 31 December 2012 RM'000
Total accumulated losses of the Company and Subsidiaries:		
-Realised	(14,299)	(11,752)
-Unrealised	119	(34)
Total share of retained profits from an associated company:		
-Realised	-	-
-Unrealised	-	-
	<hr/>	<hr/>
	(14,180)	(11,786)
Less: Consolidation adjustments	(1,300)	(1,802)
Total accumulated losses	<hr/>	<hr/>
	(15,480)	(13,588)

Dated: 28 November 2013

