



MEXTER

**MEXTER TECHNOLOGY BERHAD**

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED  
30 JUNE 2014**

**MEXTER TECHNOLOGY BERHAD**

(Company No 647673-A)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2014**

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 2013 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 2014**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		CURRENT YEAR QUARTER 30/06/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2013 RM'000	CURRENT YEAR TO DATE 30/06/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2013 RM'000
Revenue	A8	10,768	10,066	19,444	19,498
Cost of sales		(8,695)	(7,694)	(15,843)	(15,591)
Gross profit		2,073	2,372	3,601	3,907
Operating expenses		(2,644)	(3,238)	(5,199)	(5,711)
Other operating income		165	461	146	657
Loss from operations	B5	(406)	(405)	(1,452)	(1,147)
Interest income		19	10	50	16
Interest expense		(33)	(27)	(62)	(54)
Share of profit/(loss) of associated company		-	-	-	-
Loss before tax		(420)	(422)	(1,464)	(1,185)
Taxation	B6	-	-	-	-
<b>Loss for the period</b>		<b>(420)</b>	<b>(422)</b>	<b>(1,464)</b>	<b>(1,185)</b>
<b>Other comprehensive income</b>					
Foreign currency translation		(13)	1	37	1
Total other comprehensive income for the period, net of tax		(13)	1	37	1
<b>Total comprehensive income/ (loss) for the period</b>		<b>(433)</b>	<b>(421)</b>	<b>(1,427)</b>	<b>(1,184)</b>
<b>Profit/ (Loss) attributable to:</b>					
Owners of the Company		(502)	(370)	(1,534)	(1,086)
Non-controlling interest		82	(52)	70	(99)
		<b>(420)</b>	<b>(422)</b>	<b>(1,464)</b>	<b>(1,185)</b>
<b>Total Comprehensive income attributable to:</b>					
Owners of the Company		(515)	(369)	(1,497)	(1,085)
Non-controlling interest		82	(52)	70	(99)
		<b>(433)</b>	<b>(421)</b>	<b>(1,427)</b>	<b>(1,184)</b>
<b>Earnings per share:</b>					
Basic earnings per share (sen)		(0.28)	(0.41)	(0.86)	(1.21)
Diluted earnings per share (sen)		(0.28)	(0.41)	(0.86)	(1.21)

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(Company No 647673-A)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2014****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2014**

	Note	(UNAUDITED) AS AT 30/06/2014 RM'000	(AUDITED) AS AT 31/12/2013 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		4,785	3,924
Goodwill		824	824
Intangible assets		165	193
		<u>5,774</u>	<u>4,941</u>
<b>Current assets</b>			
Other investments		1,414	4,711
Trade and other receivables		9,487	4,766
Inventories		1,729	629
Tax recoverable		-	-
Cash and bank balances		7,094	6,498
		<u>19,724</u>	<u>16,604</u>
<b>TOTAL ASSETS</b>		<u>25,498</u>	<u>21,545</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		17,890	17,890
Reserves		(9,047)	(7,550)
		<u>8,843</u>	<u>10,340</u>
<b>Non-Controlling interest</b>		<u>658</u>	<u>588</u>
<b>Total equity</b>		<u>9,501</u>	<u>10,928</u>
<b>Non-current liabilities</b>			
Borrowings	B8	2,458	1,753
Deferred tax liabilities		3	3
		<u>2,461</u>	<u>1,756</u>
<b>Current liabilities</b>			
Trade and other payables		12,836	8,329
Deferred income		507	375
Borrowings	B8	193	157
		<u>13,536</u>	<u>8,861</u>
<b>Total liabilities</b>		<u>15,997</u>	<u>10,617</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>25,498</u>	<u>21,545</u>
Net assets per share attributable to owners of the Company (RM)			
		<u>0.05</u>	<u>0.06</u>

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**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2014****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2014**< ----- Attributable to owners of the Company ----- >  
< ----- Non-distributable ----- >      **Distributable**

	Share capital	Share premium	Warrants 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 01/01/2014</b>	17,890	8,726	5,385	47	(21,708)	10,340	588	10,928
Exchange differences on translation of the financial statements of foreign entities	-	-	-	37	-	37	-	37
Total comprehensive income for the period	-	-	-	-	(1,534)	(1,534)	70	(1,464)
Dividend paid to a non-controlling interest of a subsidiary company	-	-	-	-	-	-	-	-
<b>At 30/06/2014</b>	<b>17,890</b>	<b>8,726</b>	<b>5,385</b>	<b>84</b>	<b>(23,242)</b>	<b>8,843</b>	<b>658</b>	<b>9,501</b>
<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	-	-	-	1	-	1	-	1
Total comprehensive income for the period	-	-	-	-	(1,086)	(1,086)	(99)	(1,185)
Dividend paid to a non-controlling interest of a subsidiary company	-	-	-	-	-	-	-	-
<b>At 30/06/2013</b>	<b>8,945</b>	<b>9,382</b>	<b>-</b>	<b>44</b>	<b>(14,674)</b>	<b>3,697</b>	<b>714</b>	<b>4,411</b>

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**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2014**

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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2014**

	<b>AS AT CURRENT FINANCIAL PERIOD ENDED 30/06/2014 RM'000</b>	<b>AS AT PRECEDING FINANCIAL PERIOD ENDED 30/06/2013 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax	(1,464)	(1,185)
Adjustments for:		
Non-cash items	261	396
Interest income	(50)	(16)
Interest expense	62	54
Operating loss Before Working Capital Changes	(1,191)	(751)
Changes In Working Capital:		
Net change in current assets	(5,821)	(2,316)
Net change in current liabilities	4,639	2,848
Net Cash (Outflow)/ Inflow from Operations	(2,373)	219
Income tax refunded	-	2
Net Operating Cash Flow	(2,373)	(217)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	50	16
Disposal/ (Addition) investment in money market fund	3,297	877
Purchase of intangible assets	(4)	(202)
Purchase of property, plant and equipment	(1,090)	(51)
Net Investing Cash Flow	2,253	640
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(62)	(54)
Proceed from borrowings	821	-
Repayment of bank borrowings	(80)	(73)
Net Financing Cash Flow	679	(127)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	559	296
Effects of foreign exchange rate changes	37	1
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD</b>	6,498	2,897
<b>CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD</b>	7,094	3,194

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### **INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2014**

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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 2013, 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 2013 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.

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**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2014****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 2014**

	<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	15,104	730	2,382	1,228	-	19,444
Inter-segment revenue	-	-	-	-	-	-
	<u>15,104</u>	<u>730</u>	<u>2,382</u>	<u>1,228</u>	<u>-</u>	<u>19,444</u>
Segment results	701	(180)	(1,131)	(842)	-	(1,452)
Interest Income	35	-	-	15	-	50
Interest Expense	-	-	(62)	-	-	(62)
Share of result of an associate	-	-	-	-	-	-
Profit/ (loss) before tax	<u>736</u>	<u>(180)</u>	<u>(1,193)</u>	<u>(827)</u>	<u>-</u>	<u>(1,464)</u>

**b) Period Ended 30 June 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	16,025	565	2,908	-	-	19,498
Inter-segment revenue	-	-	-	-	-	-
	<u>16,025</u>	<u>565</u>	<u>2,908</u>	<u>-</u>	<u>-</u>	<u>19,498</u>
Segment results	137	(123)	(606)	(555)	-	(1,147)
Interest Income	15	-	-	1	-	16
Interest Expense	-	-	(54)	-	-	(54)
Share of result of an associate	-	-	-	-	-	-
Profit/ (loss) before tax	<u>152</u>	<u>(123)</u>	<u>(660)</u>	<u>(554)</u>	<u>-</u>	<u>(1,185)</u>

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### INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2014

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#### 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 2013.

#### A10 – Material Subsequent Events

Save for the disclosure in B7 and B9, there were no material events subsequent to the end of the current quarter under review.

#### 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 2 April 2014 acquired the remaining 49 Ordinary Shares of RM1.00 each (representing 49% equity interest) in the paid up capital of the Elixir Integrated Systems Sdn Bhd. (Elixir) from Binary Digital System Sdn. Bhd. (Company No. 807847-T) at a total cash consideration of Ringgit Malaysia Forty Nine (RM49.00) only. Consequently, Elixir has become a wholly-owned subsidiary of MEXTER.

#### A12 –Contingent Liabilities or Contingent Assets

Save for 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 2014 RM'000</b>	<b>Preceding year corresponding period ended 30 June 2013 RM'000</b>
Revenue	<u>19,444</u>	<u>19,498</u>
Loss before tax	<u>(1,464)</u>	<u>(1,185)</u>

For the financial period ended 30 June 2014, the Group recorded revenue of approximately RM19.44 million which represents a marginal decrease of approximately 0.3% as compared to the preceding year corresponding period's revenue. The decrease was primarily due to lower sales from Mobile Services and Computer Electronic Services divisions following the weaker market demand during the year.

However, the Group has widened the loss before tax to approximately RM1.46 million for the year under review as compared to the Group's loss before tax of approximately RM1.19 million reported in the preceding year. The higher loss was mainly due to additional operational and start-up costs for the new businesses.



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

	<b>Current quarter ended 30 June 2014 RM'000</b>	<b>Preceding quarter ended 31 March 2014 RM'000</b>
Revenue	<u>10,768</u>	<u>8,676</u>
Loss before tax	<u>(420)</u>	<u>(1,044)</u>

The Group's revenue for the current quarter of approximately RM10.77 million which represents an increase of approximately RM2.09 million or 24.1% as compared to the revenue of approximately RM8.68 million in the preceding quarter. The increase in the Group's revenue was mainly attributable to the higher sales contribution from Mobile Services division which posted 36.0% quarter-on-quarter rise in revenue to RM 8.70 million after expanding to overseas market.

With the higher revenue reported, the Group has registered lower loss before tax of RM0.42 million as compared to loss before tax of RM1.04 million reported in the preceding quarter.

#### B3 – Current Year Prospects

The Malaysian's economy growth for 2014 will be stronger to between 5.5% and 6.0% after expanding by 4.7% in 2013. The global economy is expected to be on a path of moderate recovery. The sustained improvements in the advanced economies will be a positive impulse for international trade. Besides, 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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Loss from operations has been arrived at after crediting/ (charging):-

	Current Quarter 3 months ended		Cumulative Quarters 6 months ended	
	30-Jun-14 RM'000	30-Jun-13 RM'000	30-Jun-14 RM'000	30-Jun-13 RM'000
Depreciation	(113)	(117)	(225)	(235)
Amortisation of Intangible Assets	(16)	(35)	(32)	(70)
Interest income	19	10	50	16
Interest expenses	(33)	(27)	(62)	(54)
Allowance for impairment loss on doubtful debt	-	(1)	(25)	(74)
Net reversal/ (allowance) for slow moving inventories	10	(11)	11	(11)
Net foreign exchange gain/ (loss)	12	49	(47)	66
Fair value gain/ (loss) on other investments	-	3	3	6

**B6 – Taxation**

	30 June 2014	
	Current Quarter RM'000	Cumulative Quarters RM'000
Malaysian income tax:-		
- Current year	-	-
-Over provision in prior year	-	-
	<hr/>	<hr/>
Deferred taxation:		
- Original and reversal of temporary differences	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>

There was no tax expense for the quarter ended 30 June 2014 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 was also granted an extension of Multimedia Super Corridor (“MSC”) status which exempts their income from taxation for a period of five (5) years commencing from August 2013.

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#### B7 – Corporate Proposals

Save for the following, there was no corporate proposal announced but not completed as at the date of this report:-

- a) 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	8,263	32	Within 3 years
ii. Share issue expenses	650	656	(6)	Upon completion
Total	8,945	8,919	26	

- b) On 17 March 2014, RHB Investment Bank Berhad (RHBIB) had, on behalf of the Company announced that it proposed to undertake a Private Placement of new Ordinary Shares of RM0.10 each in Mexter, of up to ten percent (10%) of the issued and paid-up share capital of Mexter ("Proposed Private Placement").

The listing application in relation to the Proposed Private Placement had been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") on 25 March 2014.

Bursa Securities had vide its letter dated 28 March 2014, resolved to approve the listing and quotation for up to 26,835,606 new ordinary shares of RM0.10 each in Mexter ("Placement Share(s)"), representing approximately up to 10% of the enlarged issued and paid-up share capital of the Company, to be issued pursuant to the Private Placement on the ACE Market of Bursa Securities.

The approval by Bursa Securities for the Private Placement is subject to the following conditions:-

- 1) Mexter and RHBIB must fully comply with the relevant provisions under the ACE Market Listing Requirements of Bursa Securities pertaining to the implementation of the Private Placement;
- 2) Mexter and RHBIB to inform Bursa Securities upon completion of the Private Placement; and
- 3) Mexter and RHBIB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Private Placement is completed.

On 13 August 2014, the Company fixed the issue price for the Private Placement, comprising 17,890,400 Placement Shares at RM0.1116 per Placement Share. The issue price of RM0.1116 per Placement Share represents a discount of 10% to the five (5)-day weighted average market price of Mexter Shares up to and including 12 August 2014 of RM0.1240 per Mexter Share.

The 17,890,400 Placement shares were granted listing and quotation on the ACE Market of Bursa Malaysia Securities Berhad on Friday, 22 August 2014, marking the completion of the Private Placement.

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**B8 – Borrowings**

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

	<b>Current RM'000</b>
Hire purchase liabilities (Unsecured)	75
Term loan (Secured)	118
	<hr/> 193 <hr/>
	<b>Non-current RM'000</b>
Hire purchase liabilities (Unsecured)	172
Term loan (Secured)	2,286
	<hr/> 2,458 <hr/>

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**

At the decision conducted on 10 March 2014, the Judge after considering all the evidence and submissions by both parties held:-

- 1) That the Plaintiffs have succeeded in proving their case against the Defendants and granted the Plaintiffs the following reliefs against the Defendants:-
  - a. An injunction restraining the 1st to 5th Defendants or any of them from unlawfully interfering with the business of the 1st and 2nd Plaintiffs and/or conspiring to injure the business of the 1st and 2nd Plaintiffs by:-
    - i. Contacting, interfering with, soliciting or any way dealing with the 1st and 2nd Plaintiff's Customers as set out in Schedule 1 and 2 [as per the 2nd Share Sale Agreement] for a period of 3 years from the date of this Order;
    - ii. Inducing or attempting to induce breaches of contract between the 1st and 2nd Plaintiffs and their Customers and/or diverting the business of the 1st and 2nd Plaintiffs to themselves for a period of 3 years from the date of this Order;
    - iii. Selling, removing or howsoever dealing with the testers, including all electrical and functional components of the testers owned or rented by the 2nd and/or 4th Plaintiffs as the case may be; and
    - iv. Holding themselves out as the rightful owner of the testers and tester components belonging or rented by the 2nd and 4th Plaintiffs as the case may be, and continuing to use, enjoy and profit from the rental of the testers.
  - b. An order that the 1st to 5th Defendants deliver up or cause to be delivered up of all assets and properties including but not limited to the company records and documents of the 1st and 2nd Plaintiffs and testers and tester components of the 2nd and 4th Plaintiffs;

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**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)**

- c. General damages of RM 4,935,892.57 against the 1st to 5th Defendants jointly and severally;
- d. Exemplary damages of RM 300,000.00 against the 1st to 5th Defendants jointly and severally;
- e. Interest on the sum awarded at the rate of 5% per annum from the date of the Court Order to the date of realisation;
- f. An order that Messrs. Skrine be allowed to pay to the 2nd Plaintiff the RM72,000.00 stakeholder funds given to it by Plexus Manufacturing Sdn Bhd being the outstanding rent arising from the rental of Tester bearing serial number US34240326; and
- g. Cost of RM 350,000.00.

The Company has been advised by its solicitors that the Defendants have filed a notice of appeal dated 2 April 2014 which was received on 8 April 2014 in the Court of Appeal against the decision of the High Court Judge dated 10 March 2014.

The Court of Appeal has fixed 27 August 2014 for the hearing of:-

- 1) The Company's Notice of Motion to strike out the Appellants' appeal; and
- 2) The Appellants Notice of Motion for an extension of time to file Part C of their Record of Appeal.

**(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.

**MEXTER TECHNOLOGY BERHAD**

(Company No 647673-A)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2014****B11 –Earnings per Share***(a) Basic earnings per share (“EPS”)*

Basic EPS of the Group is calculated by dividing the 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	
		2014	2013	2014	2013
Loss for the period attributable to owners of Mexter	(RM'000)	(502)	(370)	(1,534)	(1,086)
Weighted average number of ordinary shares in issue	('000)	178,904	89,452	178,904	89,452
Basic EPS	(sen)	(0.28)	(0.41)	(0.86)	(1.21)

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 June 2014 RM'000	As at 31 December 2013 RM'000
Total accumulated losses of the Company and Subsidiaries:		
-Realised	(22,074)	(20,652)
-Unrealised	(34)	25
Total share of retained profits from an associated company:		
-Realised	-	-
-Unrealised	-	-
	(22,108)	(20,627)
Less: Consolidation adjustments	(1,134)	(1,081)
Total accumulated losses	(23,242)	(21,708)

Dated: 27 August 2014