



MEXTER

MEXTER TECHNOLOGY BERHAD

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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED
30 SEPTEMBER 2018**

MEXTER TECHNOLOGY BERHAD

(Company No 647673-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2018

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 March 2018 and the accompanying explanatory notes attached to the interim financial statements.

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		Current year quarter	Preceding year corresponding quarter	Change %	Current year to date	Preceding year corresponding period	Change %
		30-Sep-18 RM'000	30-Sep-17 RM'000		30-Sep-18 RM'000	30-Sep-17 RM'000	
Revenue	A8	5,662	4,800	18.0%	10,406	9,109	14.2%
Cost of sales		(4,432)	(3,917)	13.1%	(8,295)	(7,429)	11.7%
Gross profit		<u>1,230</u>	<u>883</u>		<u>2,111</u>	<u>1,680</u>	
Operating expenses		(2,798)	(1,696)	65.0%	(5,349)	(3,550)	50.7%
Other operating income		<u>76</u>	<u>3</u>	2433.3%	<u>161</u>	<u>10</u>	1510.0%
Loss from operations	B5	(1,492)	(810)		(3,077)	(1,860)	
Interest income		52	2	2500.0%	75	8	837.5%
Interest expense		(25)	(25)	0.0%	(49)	(50)	-2.0%
Loss before tax		(1,465)	(833)	75.9%	(3,051)	(1,902)	60.4%
Taxation	B6	<u>2</u>	<u>2</u>	0.0%	<u>4</u>	<u>4</u>	0.0%
Loss for the period		<u>(1,463)</u>	<u>(831)</u>	76.1%	<u>(3,047)</u>	<u>(1,898)</u>	60.5%
Other comprehensive income							
Foreign currency translation		<u>95</u>	<u>(1)</u>	-9600.0%	<u>137</u>	<u>11</u>	1145.5%
Total other comprehensive income for the period, net of tax		<u>95</u>	<u>(1)</u>	-9600.0%	<u>137</u>	<u>11</u>	1145.5%
Total comprehensive loss for the period		<u>(1,368)</u>	<u>(832)</u>	64.4%	<u>(2,910)</u>	<u>(1,887)</u>	54.2%
Loss attributable to:							
Owners of the Company		(1,588)	(686)	131.5%	(3,072)	(1,611)	90.7%
Non-controlling interest		<u>125</u>	<u>(145)</u>	-186.2%	<u>25</u>	<u>(287)</u>	-108.7%
		(1,463)	(831)		(3,047)	(1,898)	
Total Comprehensive loss attributable to:							
Owners of the Company		(1,510)	(687)		(2,960)	(1,603)	
Non-controlling interest		<u>142</u>	<u>(145)</u>		<u>50</u>	<u>(284)</u>	
		<u>(1,368)</u>	<u>(832)</u>		<u>(2,910)</u>	<u>(1,887)</u>	
Earnings per share:							
Basic earnings per share (sen)	B11(a)	(0.49)	(0.31)		(1.03)	(0.75)	
Diluted earnings per share (sen)	B11(b)	(0.49)	(0.31)		(1.03)	(0.75)	

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2018**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018**

	Note	(UNAUDITED) AS AT 30-Sep-18 RM'000	(AUDITED) AS AT 31-Mar-18 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		8,219	7,322
Investment Property		4,249	4,304
		<u>12,468</u>	<u>11,626</u>
Current assets			
Other investments		131	304
Inventories		454	437
Trade and other receivables		5,943	5,750
Current tax assets		569	515
Cash and bank balances		18,358	12,581
		<u>25,455</u>	<u>19,587</u>
TOTAL ASSETS		<u>37,923</u>	<u>31,213</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		59,215	46,552
Reserves		(33,296)	(26,328)
		25,919	20,224
Non-Controlling interest		(696)	(746)
Total equity		<u>25,223</u>	<u>19,478</u>
Non-current liabilities			
Borrowings	B8	1,722	1,785
Deferred tax liabilities		325	330
		<u>2,047</u>	<u>2,115</u>
Current liabilities			
Trade and other payables		10,328	9,286
Deferred income		125	128
Current tax liabilities		68	72
Borrowings		132	134
		<u>10,653</u>	<u>9,620</u>
Total liabilities		<u>12,700</u>	<u>11,735</u>
TOTAL EQUITY AND LIABILITIES		<u>37,923</u>	<u>31,213</u>
Net assets per share attributable to owners of the Company (RM)		<u>0.08</u>	<u>0.08</u>

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	< ----- Attributable to owners of the Company ----- >								
	<-----Non-distributable-----					Distributable			
	Share capital	Share premium	Warrants reserve	Assets Revaluation 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	RM'000
At 01/04/2018	46,552	-	4,109	1,445	199	(32,081)	20,224	(746)	19,478
Foreign currency translation differences for foreign operations	-	-	-	-	112	-	112	25	137
Total comprehensive loss for the period	-	-	-	-	-	(3,072)	(3,072)	25	(3,047)
Transaction with owners:									
Issuance of ordinary share:									
- Exercise of warrants 2013/2018	12,663	-	(4,008)	-	-	-	8,655	-	8,655
- Issuance of private placement shares	-	-	-	-	-	-	-	-	-
Warrant lapsed	-	-	(101)	-	-	101	-	-	-
At 30/09/2018	59,215	-	-	1,445	311	(35,052)	25,919	(696)	25,223
At 01/04/2017	29,322	-	5,149	1,270	360	(26,901)	9,200	(432)	8,768
Foreign currency translation differences for foreign operations	-	-	-	-	(161)	-	(161)	(23)	(184)
Total comprehensive loss for the period	-	-	-	-	-	(5,180)	(5,180)	(290)	(5,470)
Surplus on revaluation of property, plant and equipment	-	-	-	175	-	-	175	-	175
Transaction with owners:									
Issuance of ordinary share:									
- Exercise of warrants 2013/2018	13,945	-	-	-	-	-	13,945	-	13,945
Transfer to share premium for warrants exercised	2,245	-	-	-	-	-	2,245	-	2,245
Effect from adoption of Companies Act 2016	1,040	-	(1,040)	-	-	-	-	-	-
Dissolution of subsidiary	-	-	-	-	-	-	-	(1)	(1)
At 31/03/2018	46,552	-	4,109	1,445	199	(32,081)	20,224	(746)	19,478

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2018**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2018**

	AS AT CURRENT FINANCIAL PERIOD ENDED 30-Sep-18 RM'000	(AUDITED) AS AT 31-Mar-18 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(3,051)	(5,406)
Adjustments for:		
Non-cash items	371	1,590
Interest income	(75)	(16)
Interest expense	49	100
Operating loss Before Working Capital Changes	(2,706)	(3,732)
Changes In Working Capital:		
Net change in current assets	(199)	3,500
Net change in current liabilities	1,029	(2,024)
Net Cash Outflow from Operations	(1,876)	(2,256)
Income tax paid	(59)	(149)
Net Operating Cash Flows	(1,935)	(2,405)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	75	16
Proceed from disposal of other investment	172	443
Purchase of intangible assets	-	-
Purchase of property, plant and equipment	(1,214)	(6,554)
Net Investing Cash Flows	(967)	(6,095)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(49)	(100)
Repayment of bank borrowings	(64)	(127)
Proceed from the exercise warrants 2013/2018	8,655	2,245
Proceed from issuance of private placement shares	-	13,945
Net Financing Cash Flows	8,542	15,963
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,640	7,463
Effects of foreign exchange rate changes	137	(184)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD	12,581	5,302
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	18,358	12,581

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2018 (CONTINUED)**

	AS AT CURRENT FINANCIAL PERIOD ENDED 30-Sep-18 RM'000	(AUDITED) AS AT 31-Mar-18 RM'000
CASH AND BANK BALANCES		
Cash on hand and at banks	15,751	8,025
Deposits with licensed banks	<u>2,607</u>	<u>4,556</u>
Cash and bank balances	<u>18,358</u>	<u>12,581</u>

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2018

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

A1 – Accounting Policies and 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 March 2018.

The Group has adopted the following amendments/improvements to MFRSs that are mandatory for the current financial period:

New MFRSs

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers

Amendments/Improvements to MFRSs

MFRS 1	First-time adoption of MFRSs
MFRS 2	Share-based payment
MFRS 140	Investment Property

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group, and did not result in significant changes to the Group’s existing accounting policies.

A2 – Declaration on Audit Qualification

The auditors’ report on the Group’s financial statements for the financial year ended 31 March 2018 was not qualified.

A3 – Seasonal or Cyclicity of Operations

In general, apart from the Group’s business in Telecommunication industry and Healthcare services, 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.

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A5 – Changes in Estimates

There were no materials changes in estimates of amounts reported in the prior financial year 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 and equity securities during the current quarter under review save for the following:

- (i) Allotment of 66,574,500 units ordinary shares pursuant to the exercise of warrant 2013/2018 in current quarter.

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:-

Segments	Products and services
Mobile Services Division	- Provision of mobile messaging gateway solutions and services.
Healthcare Division	- Provide mother and childcare related services such as postnatal and postpartum care, post-delivery confinement care, and aesthetics.
Computing and Electronic Services	- Performing research and development and the provision of e-manufacturing solutions and IT outsourcing service, dealers of computers and its related products.
Others	- Provision of design, development, consulting, marketing supply, installation, testing and commissioning services for environmental friendly renewable energy products, trading of electronic and security products and building materials and investment holding, and the provision of related engineering services.

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2018**A8 – Segmental Information (Continued)***a) Period Ended 30 September 2018*

	Mobile Services	Healthcare Services	Computer Electronic Services	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	7,080	326	2,990	10	-	10,406
Inter-segment revenue	-	-	-	-	-	-
	7,080	326	2,990	10	-	10,406
Segment results	58	(2,723)	370	(782)	-	(3,077)
Interest Income	1	73	-	1	-	75
Interest Expense	-	-	(49)	-	-	(49)
Loss before tax	59	(2,650)	321	(781)	-	(3,051)

b) Period Ended 30 September 2017

	Mobile Services	Computer Electronic Services	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	5,627	3,067	415	-	9,109
Inter-segment revenue	-	-	-	-	-
	5,627	3,067	415	-	9,109
Segment results	(932)	(152)	(776)	-	(1,860)
Interest Income	7	-	1	-	8
Interest Expense	-	(50)	-	-	(50)
Loss before tax	(925)	(202)	(775)	-	(1,902)

A9 – Valuation of Property, Plant and Equipment brought forward without amendment from the previous financial statements

There were no amendments to the valuation on any property, plant and equipment brought forward.

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A10 – Changes in Composition of the Group

There was no other change to the composition of the Group during the current quarter under review save for the followings:

(i) LYC Senior Living Sdn. Bhd. (“LYCSL”)

On 5 June 2018, the Company has incorporated a 100% owned subsidiary known as LYC Senior Living Sdn. Bhd. (“LYCSL”). The share capital of LYCSL was RM1,000 comprising 1,000 ordinary shares. The intended principal activities of LYCSL are to carry on the business as provision of senior nursing home care and related services.

On 26 October 2018, the Company entered into a Shareholder Agreement with Asiavest Investments Pte. Ltd (“Asiavest”) to formalize and set out the basic terms of their relationship with each other and via their respective investment and participation in the business of LYCSL. Mexter procured 70% shareholding interest through ownership of 70,000 ordinary shares of LYCSL for a cash consideration of RM70,000 via the issuance of 69,000 ordinary shares while Asiavest owning the remaining balance of 30% or 30,000 ordinary shares.

(ii) LYC Living Sdn. Bhd. (“LYCL”)

On 19 October 2018, the Company has incorporated a 70% owned subsidiary. The remaining 30% shareholding is held by Mr Soh Hoo Hong (“Mr Soh”). The share capital of LYCL was RM1,000 comprising of 1,000 ordinary shares. The intended principal activities of LYCL are to provide all services related to lifestyle, wellness, health, healthcare and medicine in particular but not limited to the provision of consultancy, advice, sales and marketing, intellectual property, management, training, recruitment, care, hospital/ medical centre/ senior living home designs, setting up and operations or any other form of related service.

On 26 October 2018, the Company increased its equity interest in LYCL from RM700 to RM70,000 via the issuance of 69,300 ordinary shares. Post the share issuance, Mexter owns 70% of ordinary shares while Mr. Soh owns the remaining 30%.

(iii) Mexcomm Sdn Bhd (“MXSB”)

The Company had on 7 September 2018 entered into a sale and purchase of shares agreement (“SPA”) with Chan Wai Fong to dispose its entire 80,000 ordinary shares in Mexcomm, representing 80% equity interest in Mexcomm for a cash consideration of RM187,727.20 (“Proposed Disposal”). The completion of the proposed disposal is upon the completion of all requisite security documents in accordance to the terms of the SPA.

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A11 – Material Subsequent Events

There was no material event subsequent to the end of the current quarter under review save for the followings:

- (i) On 1 October 2018, A Service and Collaboration Agreement dated 1 October 2018 between LYC Medicare Sdn Bhd (“LYCM”) (a wholly owned subsidiary of the Company) and Universiti Malaya (“UM”) for the purpose of forming the LYC Fertility Centre in collaboration with UM where LYCM will act as a service provider of value added non clinical functions.
- (ii) On 30 October 2018, the Proposed Disposal has been completed upon the completion of all requisite security documents in accordance to the terms of the SPA. Following the disposal, the following companies have ceased to be subsidiaries of Mexter:-
 - (a) Mexcomm Sdn Bhd
 - (b) Ezymobile International Sdn Bhd
 - (c) Mobile Holding Ltd.
 - (d) Ezy M Holding Ltd.
 - (e) E-G6 Solution (Thailand) Co. Ltd.
 - (f) PT Mexcomm
- (iii) The Company had on 30 October 2018 announced the followings:
 - (a) proposed diversification of the business of Mexter and its subsidiaries (“Group”) to include the following:
 - provision of consultancy and project management services for the development, construction and sale of integrated healthcare and wellness development, including but not limited to age proof living, medical tourism hotel and residence, medical and dental centre, physiotherapy and chiropractor, childcare and nursery, and wellness facilities (“Wellness Related Hub”);
 - healthcare service provider, including but not limited to managing and operating the Wellness Related Hub; and
 - provision of retirement home and aged care facilities and services,(collectively referred as “Proposed Diversification”).
 - (b) LYC Living Sdn Bhd, a 70% owned subsidiary of Mexter (“LYC Living”) had on 30 October 2018 entered into a conditional consultancy and project management agreement with LYC Venture Sdn Bhd (“LYC Venture”) (“Consultancy and PM Agreement”) for the provision of general consultancy, advise and project management to facilitate the construction, sale and development of a piece of ten (10) acres 99 year leasehold land held under and known as H.S.(D) 16194, No. PT 20362, Mukim Bentong, Daerah Bentong, Negeri Pahang (“Land”) into a medical, healthcare related and wellness community provisionally known as LYC Wellness Valley (“LYC Wellness Valley”) (“Project Services”) (“Proposed Consultancy and PM Agreement”);

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A11 – Material Subsequent Events (Continued)

(iii) The Company had on 30 October 2018 announced the followings: (Continued)

- (c) Mexter had on 30 October 2018 entered into a shareholders agreement (“Shareholders Agreement”) with Mr. Soh Hoo Hong (“Mr. Soh”), an existing shareholder of LYC Living, to facilitate the provision of the Project Services as well as to govern the relationship between Mexter and Mr. Soh as the shareholders of LYC Living (“Proposed Shareholders Agreement”);
- (d) proposed amendment to the constitution of Mexter (“Constitution”) to facilitate the Proposed Diversification (“Proposed Amendment to the Constitution”); and
- (e) proposed change of name from Mexter Technology Berhad to LYC Healthcare Berhad (“Proposed Change of Company Name”),

(collectively referred as “Proposals”)

A12 –Contingent Liabilities or Contingent Assets

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.

A13 –Capital Commitment

	30-Sep-18	31-Mar-18
	RM’000	RM’000
Capital expenditure in respect of purchase of property, plant and equipment		
- Contracted but not provided for	-	565
- Authorised but not contracted for	3,500	-
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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2018**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS****B1 – Financial Review for Current Quarter Compared with Preceding Year Corresponding Quarter**

	Individual period		Changes %
	Current quarter ended 30-Sep-18 RM'000	Preceding year corresponding quarter ended 30-Sep-17 RM'000	
Revenue	5,662	4,800	18.0%
Loss before tax	(1,465)	(833)	75.9%

For the financial period ended 30 September 2018, the Group recorded revenue of RM5.66 million which represents an increase of 18.0% as compared to preceding year corresponding quarter's revenue. The increase was primarily due to higher sales registered from the Mobile Services division and additional revenue stream derived from Healthcare division of RM0.29 million.

Despite the higher revenue reported, the Group registered a higher loss before tax of RM1.46 million as compared to a loss before tax of RM0.83 million reported in preceding year corresponding quarter. This was mainly due to the start-up operation and marketing costs incurred to ramp up the sales and to increase the brand awareness of our postpartum care centre and newly set up senior living home.

B2 – Comparison with Preceding Quarter's Results

	Current quarter ended 30-Sep-18 RM'000	Preceding quarter ended 30-Jun-18 RM'000	Changes %
Revenue	5,662	4,744	19.4%
Gross profit	1,230	881	39.6%
Loss before tax	(1,465)	(1,586)	-7.6%
Loss after tax	(1,463)	(1,584)	-7.6%
Loss attributable to Owners of the Company	(1,588)	(1,484)	7.0%

The Group's revenue for the current quarter under review of RM5.66 million recorded an increase of RM0.92 million or 19.4% as compared to the revenue of RM4.74 million in the preceding quarter. The increase in the Group's revenue was mainly attributable to stronger sales contribution Mobile Services, Computer Electronic Services divisions and Healthcare division.

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

B2 – Comparison with Preceding Quarter’s Results (Continued)

With the higher revenue reported, the Group posted lower losses after tax of RM1.46 million as compared to preceding quarter of RM1.58 million.

B3 – Current Year Prospects

The Malaysian economy will remain resilient in 2018, with real gross domestic product (“GDP”) expanding between 5% and 5.5%, led by domestic demand. Private sector expenditure continues to be the primary driver of growth with private investment and consumption growing 8.9% and 6.8%, respectively. Meanwhile, public sector expenditure is forecast to decline, in line with lower capital outlays by public corporations. On the supply side, growth is expected to be broad based, with all sectors registering positive growth. Malaysia's external position is forecast to remain favourable supported by global growth and trade. Against this backdrop, the nominal gross national income (“GNI”) per capita is expected to increase 5.1% from RM40,713 in 2017 to RM42,777 in 2018. With investment growing at a faster pace, the savings-investment gap will narrow to 2.3% of GNI. *(Source: 2018 Economic Report, Ministry of Finance, Malaysia)*

Moving forward, the Group has diversified its business activities into healthcare services to enhance its prospects. By embarking initially into the mother and child and senior living related healthcare services, the Board is of the view that this would provide a platform for the Group to spearhead into other areas of the healthcare sector.

The Group is in the midst of exploring various new healthcare related projects which are currently at various stages of business viability assessments. Notwithstanding, the Group strongly believe that the healthcare segment is an attractive business proposition and offers good growth opportunities for the Group in the long term.

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 2018**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS (CONTINUED)****B5 – Loss from operations**

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

	Current Quarter		Cumulative Quarters	
	30-Sep-18 RM'000	30-Sep-17 RM'000	30-Sep-18 RM'000	30-Sep-17 RM'000
Depreciation	(198)	(61)	(317)	(61)
Amortisation of Intangible Assets	-	(6)	-	(6)
Interest income	53	2	75	2
Interest expenses	(25)	(25)	(49)	(25)
Net reversal/ (allowance) for slow moving inventories	-	11	(11)	11
Net unrealised foreign exchange gain/(loss)	(36)	5	(59)	5

B6 – Taxation

	30-Sep-18 Current Quarter RM'000	30-Sep-18 Cumulative Quarters RM'000
Income tax:-		
- Current year		
-Under provision in prior year	-	-
	-	-
Deferred taxation:		
- Reversal of temporary differences	(2)	(4)
	(2)	(4)

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B7 – Corporate Proposals

Save as disclosed below, there was no other corporate proposal announced or outstanding as at the date of this report.

On 23 March 2017, the Group announced the proposals to undertake the following:

- (i) Proposed diversification of the business of the Group into healthcare services (**“Proposed Diversification”**)
- (ii) Proposed private placement of up to 20% of the share capital of the Company to fund its expansion into this new business offering in conjunction with the Proposed Diversification. (**“Proposed Private Placement”**)

Following Bursa Malaysia’s approval, the shareholders of Mexter Technology Berhad has also approved the Proposed Diversification and Proposed Private Placement respectively at the Extraordinary General Meeting convened on 24 May 2017.

On 13 July 2017, the Group announced that the issue price for the First Tranche of Placement Shares is fixed at RM0.24 per Placement Share pursuant to the Private Placement. The First Tranche of 22,000,000 units of Placement Shares were subsequently issued on 26 July 2017, and total cash proceeds of RM5.28 million were raised. The remaining block of 18,142,800 shares have yet to be taken up.

On 9 October 2017, the Group announced that Bursa Securities had approved the application for an extension of time of 6 months up to 19 April 2018 to complete the Private Placement.

On 4 December 2017, the Group completed its second tranche of the Private Placement, issuing 3,400,000 units of Placement Shares at an issue price of RM0.445 per share, raising RM1.513 million.

On 20 December 2017, the Company completed its final tranche of the Private Placement, issuing 14,900,000 units of Placement Shares at an issue price of RM0.48 per share, raising RM7.15 million.

A total of 40,300,000 Placement Shares were issued, raising a total of RM13.945 million.

MEXTER TECHNOLOGY BERHAD

(Company No 647673-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2018**B7 – Corporate Proposals (Continued)**

Below is the table for the status of utilisation of proceeds raised from the Private Placement as at date of this announcement:

Purpose	Revised Proposed Utilisation ⁽¹⁾ RM'000	Actual Utilisation RM'000	Reallocation ⁽²⁾ RM'000	Remaining Balance RM'000	Intended Timeframe for utilisation
Renovation cost	6,000	6,600	600	-	Completed
Working capital:					
- Salaries	2,200	2,200	-	-	Within 18 months
- Rental #	1,000	1,000	-	-	Within 18 months
- Operating cost	1,287	1,287	-	-	Completed
Contingencies for future projects/ expansion in healthcare services	2,919	1,345	(600)	974	Within 24 month
Estimated expenses for the proposals	539	539	-	-	Completed
Total	13,945	12,971	-	974	

Notes:

(1) The revised proposed utilisation is based on announcement made on 24 August 2017 and 26 December 2017.

(2) The reallocation of RM0.60 million from the reduction of contingencies for future projects / expansion in healthcare services is to be utilised for renovation cost due to variation orders.

B8 – Borrowings

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

	Current RM'000	Non-current RM'000
Hire purchase liabilities (Unsecured)	6	-
Term loan (Secured)	126	1,722
	132	1,722

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

B9 – Material Litigations

As at the date of this report, the Group is not engaged in any material litigation. The Directors of the Company are not aware of any proceedings pending or threatened against the Group.

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2018**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 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		Cumulative quarters ended	
		30-Sep	30-Sep	30-Sep	30-Sep
		2018	2017	2018	2017
Loss for the period attributable to owners of Mexter	(RM'000)	(1,588)	(686)	(3,072)	(1,611)
Weighted average number of ordinary shares in issue	('000)	324,864	223,414	298,390	216,047
Basic EPS	(sen)	(0.49)	(0.31)	(1.03)	(0.75)

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

The diluted earnings per share of the Company is the same as the basic earnings per ordinary share of the Company

Dated: 19 November 2018