



REXIT BERHAD (668114-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The Fourth Quarter Ended 30 June 2007

A NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard ("FRS") No. 134: Interim Financial Reporting, and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market ("MMLR").

The Group has adopted all the new and revised Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board effective for the financial period beginning on 1 January 2006.

The accounting policies and methods of computation adopted by Rexit, its subsidiary companies and its associated company ("Rexit Group" or "Group") in the preparation of this interim financial report are consistent with those adopted in the audited financial statements for the financial period ended 30 June 2006 except for the adoption of all the new/revised Financial Reporting Standards ("FRS") effective for financial period beginning on 1 January 2006.

The adoption of new FRSs does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the new/revised FRSs are as follows:-

FRS 3: Business Combination

Under the new standard, any excess of the Group's interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over cost of acquisitions (previously referred to as "negative goodwill"), after reassessment, is now recognised immediately in profit or loss. Prior to 1 January 2006, to the extent that negative goodwill relates to expectation of future losses and expenses that are identifiable in the plan of acquisition and can be measured reliably, but which are not identifiable liabilities at the date of acquisition, that portion of negative goodwill is recognised in the income statement when the future losses and expenses are recognised.

FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. There is disclosure, on the face of the statement of changes of equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

A2 Audit report of preceding annual financial statements

The preceding year's annual audited financial statements were not subject to any qualification.

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A NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)**A3 Seasonal or cyclical factors**

The Group's operations are not materially affected by seasonal or cyclical changes during the current quarter under review.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group.

A5 Material changes in estimates

There were no changes in estimates of amounts reported in prior financial years, which have a material effect in the current quarter under review.

A6 Debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities, share buy backs, share cancellation, shares held as treasury share and resale of treasury shares for the current quarter under review.

A7 Dividend paid

The Board of Directors had declared an interim dividend of 25% per ordinary share of RM0.10 each tax exempt for the financial year ended 30 June 2007, amounting to RM4,733,333 (Ringgit Malaysia: Four Million Seven Hundred Thirty Three Thousand Three Hundred and Thirty Three Only). The dividend was paid on 26 June 2007 to shareholders registered at the close of business on 7 June 2007.

A8 Segmental information

Segmental information is not presented as the Group is primarily engaged in only one business segment which is to provide information technology ("IT") solutions and related services.

The Group's operations are currently conducted predominantly in Malaysia.

A9 Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current quarter under review.



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A NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)

A10 Material events subsequent to the end of the quarter

There have been no material events between the end of the quarter to the date of this announcement save as disclosed below:

On 9 July 2007, Rexit announced that its subsidiary, Rexit International Sdn Bhd ("**RISB**") had received a letter of intent ("**LOI**") from Marubeni Safenet Co., Ltd. (Japan) ("**Marubeni Safenet**") to provide insurance software and services.

An announcement setting out the details of RISB's appointment will be made upon execution of an agreement between RISB and Marubeni Safenet.

On 13 July 2007, Rexit announced that Life Insurance Association of Malaysia ("**LIAM**") has selected Rexit as the vendor to develop and implement an IT system for on-line transactions.

An announcement setting out the details of RISB's appointment will be made upon execution of an agreement between RISB and LIAM.

On 13 July 2007, Rexit announced that it has made an application to seek the approval of Bursa Securities for an extension of time until **1 July 2008**, being one (1) year from 2 July 2007 to meet the public shareholding spread pursuant to Rule 8.15(1) of the MMLR whereby listed companies must ensure that their public shareholding spread complies with the minimum spread requirements of 25% and a minimum of 1,000 public shareholders holding not less than 100 shares each ("**Required Shareholding Spread**"). Based on the Company's Record of Depositors as at 2 July 2007, the Company has 53.85% of its total issued and paid-up share in the hands of 582 public shareholders holding not less than 100 ordinary shares of RM0.10 each in the Company. In this respect, the Company has yet to meet the Required Shareholding Spread.

On 19 July 2007, Rexit announced that the Securities Commission ("**SC**") has vide its letter dated 18 July 2007 approved the extension of time until 30 June 2008 for Rexit to meet the Bumiputera equity condition. Pursuant to the approval by the SC for the listing of Rexit on the MESDAQ Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the SC had imposed a condition that Rexit meets a Bumiputera equity requirement of 30% within one (1) year after Rexit achieving the profit track record requirement for listing on the Second Board of Bursa Securities or five (5) years after being listed on the MESDAQ Market of Bursa Securities, whichever is earlier, in which the shares are to be allocated to Bumiputera investors approved by the Ministry of International Trade and Industry ("**MITI**").

Rexit has achieved the profit track record requirement for listing on the Second Board of Bursa Securities based on the profit track record for the five (5) financial years ended 30 June 2002 to 30 June 2006 with an aggregate consolidated profit after taxation ("**PAT**") of approximately RM14.379 million and a consolidated PAT of approximately RM6.606 million for the latest audited consolidated financial year ended 30 June 2006. As such, Rexit is required to comply with the Bumiputera Equity Condition by 30 June 2007

QUARTERLY REPORT ON CONSOLIDATED RESULTS**For The Fourth Quarter Ended 30 June 2007****A NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)****A11 Changes in the composition of the Group**

There were no material changes in the composition of the Group for the current quarter under review save for the following:-

The shares in Rexit International Sdn Bhd, a joint venture company, are held by Rexit Berhad and Marubeni Corporation of Japan in the proportion of 51% and 49% respectively ("JVC"). Rexit Berhad's 51% shareholding in PT Rexit Indonesia have been transferred to the JVC during the year under review in accordance to the terms and conditions of the joint venture agreement entered into between Rexit Berhad and Marubeni Corporation of Japan.

A12 Contingent liabilities

The Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at 17 August 2007 (the latest practicable date which is not earlier than 7 days from the date of issue of this financial results).

A13 Capital commitments

As at 30 June 2007, the Group has no material capital commitments in respect of property, plant and equipment.

A14 Significant related party transactions

During the current quarter, the Directors are of the opinion that the Group has no related party transactions which would have a significant impact on the financial position and business of the Group save as disclosed below:-

RM'000

Provision of hardware, software and system maintenance to its associated company,
Reward-Link.com Sdn Bhd

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The directors are of the opinion that the above transactions have been entered into in the ordinary course of business based on terms and conditions that are not more favourable from those generally available in transactions with unrelated parties.

At the Company's Second Annual General Meeting ("AGM") held on 21 November 2006, the Company had obtained Shareholders' Mandate for the Group to enter into the recurrent related party transaction in the ordinary course of its business.



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A NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)

A15 Cash and cash equivalents

	Current Year Quarter 30 June 2007 RM'000	Preceding Year Corresponding Quarter 30 June 2006 RM'000
Fixed deposits with licensed banks	18,872	14,577
Deposits with other corporations	6,149	2,500
Cash and bank balances	2,787	2,598
	<hr/> <hr/> 27,808	<hr/> <hr/> 19,675

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1 Review of performance

For the current quarter ended 30 June 2007, Rexit Group achieved a profit before tax of RM3.113 million and a profit after tax and minority interests of RM3.379 million on the back of RM6.140 million in revenue. This had contributed to a profit before tax of RM9.189 million and a profit after tax and minority interests of RM9.223 million on the back of RM20.952 million in revenue for the financial year ended 30 June 2007. The growth in earnings and revenue are mainly due to the increase in proprietary software sales and higher contributions from subscription and transactions fees from the growing number of users and transactions.

B2 Variation of results against preceding quarter

	Current Quarter 30 June 2007 RM'000	Preceding Quarter 31-Mar-07 RM'000
Revenue	6,140	5,027
Profit before tax	3,113	2,366

Rexit Group's recorded about 32% improvement in profit before tax of RM3.113 million as compared to RM2.366 million in the preceding quarter which is mainly attributable to the increase in proprietary software sales and higher contributions from the growing number of users and transactions.

B3 Prospects

Barring any unforeseen circumstances, the Directors believe that the Group's prospects for the financial year ending 30 June 2008 will remain favourable.

B4 Variation of actual profit from forecast profit

Not applicable as no profit forecast was published.

B5 Taxation

	Current Quarter 30 June 2007 RM'000	Current Year To date 30 June 2007 RM'000
Current tax expense	(98)	113

The effective tax rate of the Group remained low due to the 100% tax exemption granted to a subsidiary company of Rexit, Rexit Software Sdn Bhd, due to its pioneer status for a period of 5 years by virtue of it being a company with Multimedia Super Corridor (MSC) status.



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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (Cont'd)

B6 Unquoted investments and properties

There were no changes in the unquoted investments and properties of the Group during the current quarter under review and for the financial year ended 30 June 2007.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities during the current quarter under review and for the financial year ended 30 June 2007.

B8 Group's borrowings and debt securities

The Group has no borrowings or debts securities as at 30 June 2007.

The Group does not have any foreign currency borrowings.

B9 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at the date of this announcement applicable to the Group.

B10 Material litigation

Neither the Company nor its subsidiary companies is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary companies and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary companies.

B11 Dividends

The Board of Directors had declared an interim dividend of 25% per ordinary share of RM0.10 each tax exempt for the financial year ending 30 June 2007, amounting to RM4,733,333 (Ringgit Malaysia: Four Million Seven Hundred Thirty Three Thousand Three Hundred and Thirty Three only). The dividend was paid on 26 June 2007 to shareholders who were registered at the close of business on 7 June 2007.



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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (Cont'd)

B12 Earnings per share	Preceding Year		Preceding Year	
	Current Year Quarter 30 June 2007	Corresponding Quarter 30 June 2006	Current Year To date 30 June 2007	Corresponding Period 30 June 2006
Profit after taxation and minority interests (RM'000)	3,379	1,800	9,223	6,606
Weighted average number of shares in issue ('000)	189,333	189,333	189,333	189,333
Basic earnings per share (sen)	1.78	0.95 *	4.87	3.49 *

Diluted earnings per share is not disclosed herein as the options under the ESOS have not been granted as at the date of this announcement.

* The calculation of the basic earnings per share for the preceding year corresponding quarter and period have been adjusted after accounting for the bonus issue which was completed during the current financial year.

B13 Status of corporate proposals

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

B14 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 21 August 2007.

Rexit Berhad

21 Aug 2007