



REXIT BERHAD (668114-K)

**CONDENSED CONSOLIDATED INCOME STATEMENT**

**For The Second Quarter Ended 31 December 2009**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter (Unaudited) 31 Dec 2009 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31 Dec 2008 RM'000	Current Year To date (Unaudited) 31 Dec 2009 RM'000	Preceding Year Corresponding Period (Unaudited) 31 Dec 2008 RM'000
Revenue		4,210	5,712	8,029	10,045
Direct costs		(1,741)	(2,432)	(3,194)	(4,338)
Gross profit		2,469	3,280	4,835	5,707
Other income		467	251	667	439
Administrative expenses		(1,434)	(1,495)	(2,798)	(2,589)
<b>Profit from operations</b>		<b>1,502</b>	<b>2,036</b>	<b>2,704</b>	<b>3,557</b>
Share of profit in associated company		(6)	30	(11)	90
<b>Profit before taxation</b>		<b>1,496</b>	<b>2,066</b>	<b>2,693</b>	<b>3,647</b>
Taxation	B5	(7)	(5)	(11)	(9)
<b>Profit for the financial period</b>		<b>1,489</b>	<b>2,061</b>	<b>2,682</b>	<b>3,638</b>
<b>Profit attributable to :</b>					
Equity holders of the Company		1,768	1,516	3,258	3,242
Minority Interests		(279)	545	(576)	396
<b>Profit for the financial period</b>		<b>1,489</b>	<b>2,061</b>	<b>2,682</b>	<b>3,638</b>
<b>Basic earnings per share (sen)</b>	B12	<b>0.94</b>	<b>0.80</b>	<b>1.74</b>	<b>1.71</b>

**Note:**

This is prepared based on the consolidated results of the Group for the financial period ended 31 December 2009 and is to be read in conjunction with the audited financial statements for the financial year ended 30 June 2009.

The accompanying notes are an integral part of this statement.



REXIT BERHAD (668114-K)

**CONDENSED CONSOLIDATED BALANCE SHEET**

As at 31 December 2009

(The figures have not been audited)

	Current Year Quarter 31 Dec 2009 RM'000 (Unaudited)	Preceding Financial Year Ended 30 Jun 2009 RM'000 (Audited)
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	6,034	6,493
Development costs	1,803	1,783
Investment in associated company	1,993	2,004
Other investment	4,045	4,045
Deferred tax assets	15	15
	<u>13,890</u>	<u>14,340</u>
<b>CURRENT ASSETS</b>		
Trade receivables	7,329	1,060
Other receivables, deposits & prepayments	1,689	942
Tax recoverable	361	374
Cash and cash equivalents	20,440	25,651
	<u>29,819</u>	<u>28,027</u>
<b>TOTAL ASSETS</b>	<u>43,709</u>	<u>42,367</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	18,933	18,933
Treasury Shares	(1,008)	-
Exchange fluctuation reserve	(260)	(154)
Retained profits	17,417	14,159
Shareholders' funds	<u>35,082</u>	<u>32,938</u>
Minority interests	1,686	5,149
<b>Total Equity</b>	<u>36,768</u>	<u>38,087</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	<u>333</u>	<u>333</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	35	221
Other payables and accruals	419	185
Deferred income	6,154	3,541
Provision for taxation	-	-
	<u>6,608</u>	<u>3,947</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>43,709</u>	<u>42,367</u>
<b>Net Assets per share (RM)</b>	<u>0.19</u>	<u>0.17</u>

**Note:**

This is prepared based on the consolidated results of the Group for the financial period ended 31 December 2009 and is to be read in conjunction with the audited financial statements for the financial year ended 30 June 2009.

Net Assets per share for the current quarter is arrived at based on the Group's Net Assets of RM35,082,000 over the number of ordinary shares of 189,333,333 shares of RM0.10 each.

The accompanying notes are an integral part of this statement.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For The Second Quarter Ended 31 December 2009  
(The figures have not been audited)

	Non-distributable				Distributable			Minority Interest RM'000	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Reserve on Consolidation RM'000	Foreign Exchange Reserve RM'000	Retained profits RM'000	Treasury Shares RM'000	Shareholders' Fund RM'000		
At 1 July 2008 (Audited)	18,933	-	-	(125)	13,607	-	32,415	5,256	37,671
Net profit for the financial period	-	-	-	-	7,179	-	7,179	(87)	7,092
Foreign exchange differences, representing net loss not recognised in income statement	-	-	-	(29)	-	-	(29)	(20)	(49)
Dividends paid	-	-	-	-	(6,627)	-	(6,627)	-	(6,627)
At 30 June 2009	18,933	-	-	(154)	14,159	-	32,938	5,149	38,087
At 1 July 2009 (Audited)	18,933	-	-	(154)	14,159	-	32,938	5,149	38,087
Net profit for the financial period	-	-	-	-	3,258	-	3,258	(576)	2,682
Acquisition of additional shares in subsidiary company from the minority shareholders	-	-	-	-	-	-	-	(3,013)	(3,013)
Foreign exchange differences, representing net loss not recognised in income statement	-	-	-	(106)	-	-	(106)	126	20
Treasury Shares	-	-	-	-	-	(1,008)	(1,008)	-	(1,008)
At 31 December 2009	18,933	-	-	(260)	17,417	(1,008)	35,082	1,686	36,768

**Note:**

This is prepared based on the consolidated results of the Group for the financial period ended 31 December 2009 and is to be read in conjunction with the audited financial statements for the financial year ended 30 June 2009.

The accompanying notes are an integral part of this statement.



REXIT BERHAD (668114-K)

**CONDENSED CONSOLIDATED CASHFLOW STATEMENT**  
**For The Second Quarter Ended 31 December 2009**  
(The figures have not been audited)

	Current Year Quarter 31 Dec 2009 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31 Dec 2008 RM'000 (Audited)
	Note	
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,496	2,066
Adjustments for:		
Amortisation of development costs	102	78
Excess of group's interest in the fair value of the acquiree's net assets	(340)	-
Depreciation	230	199
Interest income	(327)	(251)
Share of profit in associated company	6	(30)
Operating profit before working capital changes	1,167	2,062
(Increase) in trade and other receivables	(5,217)	(4,953)
Decrease in trade and other payables	(914)	1,501
Increase in deferred income	3,675	2,317
Cash generated from operations	(1,289)	927
Tax paid	(4)	(62)
Tax refunded	7	595
Net cash generated from operating activities	(1,286)	1,460
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>		
Development costs	(60)	(232)
Acquisition of additional shares in subsidiary company from the minority shareholders	(2,673)	-
Interest received	327	251
Purchase of property, plant and equipment	-	(74)
Net cash used in investing activities	(2,406)	(55)
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>		
Treasury Shares	(779)	-
Net cash used in financing activities	(779)	-
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(4,471)	1,405
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER</b>	24,940	24,624
Effects of exchange rate changes	(29)	(104)
<b>CASH AND CASH EQUIVALENTS AT END OF THE QUARTER</b>	20,440	25,925
	A15	

**Note:**

This is prepared based on the consolidated results of the Group for the financial period ended 31 December 2009 and is to be read in conjunction with the audited financial statements for the financial year ended 30 June 2009.

The accompanying notes are an integral part of this statement.



REXIT BERHAD (668114-K)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
For The Second Quarter Ended 31 December 2009

**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 ACE Market.

The accounting policies and methods of computation adopted by Rexit Berhad ("Rexit" or "the Company") and its subsidiaries ("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 year ended 30 June 2009.

**A2 Audit report of preceding annual financial statements**

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

**A3 Seasonal or cyclical factors**

The Group's operations were not materially affected by any seasonal or cyclical factors 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 material changes in estimates of amounts reported in prior financial years, which may have a material effect in the current quarter results.

**A6 Debt and equity securities**

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter under review save for the following:

The shareholders of Rexit had given their approval for Rexit to buy back its own shares at the Annual General Meeting ("AGM") held on 30 October 2008. The Company had obtained its renewal of authority to buy back its own shares at the Fifth AGM held on 24 November 2009. During the quarter under review, Rexit repurchased a total of 1,249,200 ordinary shares of its issued share capital from the open market at an average cost of RM0.62 per share. The total consideration paid for the shares bought back, including transaction costs during the current quarter amounted to RM779,168.68 and was financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965. None of the treasury shares held were resold or cancelled during the current financial quarter. As at 31 December 2009, the total number of treasury shares held was 1,610,200 ordinary shares.

**A7 No dividend has been declared or paid in the current quarter under review.**

**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.

**A10 Material events subsequent to the end of the quarter**

There were no material events subsequent to the end of the quarter under review.

**A11 Changes in the composition of the Group**

There were no changes in the composition of the Group for the current quarter under review other than the acquisition of 3,920,000 ordinary shares of RM1.00 each in Rexit International Sdn Bhd ("RISB") representing 49% of the issued and paid-up share capital of RISB for a total cash consideration of RM2,673,000 which was completed on 3 December 2009. As a result of the acquisition, RISB becomes a wholly-owned subsidiary of Rexit.

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

### A12 Contingent liabilities

The Directors are of the opinion that during the current quarter under review, the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group.

### A13 Capital commitments

The Group has no material capital commitments in respect of property, plant and equipment in the current quarter under review.

### A14 Significant related party transactions

During the current quarter under review, 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:

Transacting Companies	: Rexit Software (Guangzhou) Co. Ltd and RISB
Nature of transaction	: Provision of research and development services to RISB
Value based on 30 November 2009	: RM 171,000
Relationship of Related Party	: RISB is a company in which Marubeni Corporation ("Marubeni"), a major shareholder of Rexit has 49% interest in.

On 3 December 2009, Rexit has completed the purchase of the remaining 49% shares in RISB from Marubeni, hence became a wholly-owned subsidiary of Rexit. Therefore, the aforesaid transaction shall no longer be considered as related party transaction thereafter.

### A15 Cash and cash equivalents

	Current Year Quarter 31-Dec-09 RM'000	Preceding Year Corresponding Quarter 31-Dec-08 RM'000
Fixed deposits with licensed banks	6,658	5,652
Deposits with other corporations	12,115	18,707
Cash and bank balances	1,667	1,566
	<u>20,440</u>	<u>25,925</u>

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS****B1 Review of performance**

For the current quarter ended 31 December 2009, Rexit Group recorded a revenue of RM4.210 million mainly attributed to software sales including subscription and transaction fees, value-added hardware and system software sales. For the financial year-to-date, the Group recorded a profit before tax ("PBT") and profit after tax and minority interests of RM1.496 million and RM1.768 million respectively.

**B2 Variation of results against preceding quarter**

	<b>Current Quarter 31-Dec-09 RM'000</b>	<b>Preceding Quarter 30-Sep-09 RM'000</b>
Revenue	4,210	3,819
Profit before tax	1,496	1,197

The increase in software sales resulted in a higher PBT of RM1.496 million.

**B3 Prospects**

Barring any unforeseen circumstances, the Directors of Rexit believe that the Group's prospects for the financial year ending 30 June 2010 remains favourable.

**B4 Variation of actual profit from forecast profit**

Not applicable as no profit forecast was published.

**B5 Taxation**

	<b>Current Quarter 31-Dec-09 RM'000</b>	<b>Cumulative Quarter 31-Dec-09 RM'000</b>
Current tax expense	7	11

The effective tax rate of the Group remained low due to the 100% tax exemption granted to 2 subsidiaries of Rexit i.e. Rexit Software Sdn Bhd and RISB based on the Pioneer Status incentive awarded to the said subsidiaries as a Multimedia Super Corridor Status companies under Section 4A of the Promotion of Investment Act, 1986.

**B6 Unquoted investments and properties**

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

**B7 Quoted securities**

There were no acquisitions or disposals of quoted securities for the current quarter and financial year under review.

**B8 Group's borrowings and debt securities**

The Group has no borrowings or debts securities for the current quarter and financial year under review.

The Group does not have any foreign currency borrowings.

**B9 Off balance sheet financial instruments**

The Group does not have any off balance sheet financial instruments.

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

**B10 Material litigation**

Neither the Company nor its subsidiaries 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 subsidiaries and the Board is not aware 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 subsidiaries.

**B11 Dividends**

The Board of Directors is declaring a tax exempt interim dividend of 20% per ordinary share of RM0.10 for the financial year ending 30 June 2010. The proposed dividend will be paid on 12 February 2010 to shareholders who are registered at the close of business on 8 February 2010.

In the preceding year corresponding quarter, the Board of Directors declared an interim dividend of 20% per ordinary share of RM0.10 tax exempt for the financial year ended 30 June 2009.

**B12 Earnings per share**

	Preceding Year		Preceding Year	
	Current Year Quarter 31-Dec-09	Corresponding Quarter 31-Dec-08	Current Year To date 31-Dec-09	Corresponding Period 31-Dec-08
Profit after taxation and minority interests (RM'000)	1,768	1,516	3,258	3,242
Weighted average number of shares in issue ('000)				
Issued at the beginning of the year	189,333	189,333	189,333	189,333
Treasury Shares	(1,249)	-	(1,610)	-
	<u>188,084</u>	<u>189,333</u>	<u>187,723</u>	<u>189,333</u>
Basic earnings per share (sen)	<u>0.94</u>	<u>0.80</u>	<u>1.74</u>	<u>1.71</u>

Diluted earnings per share is not disclosed herein as the options under the Employees' Share Option Scheme have not been granted as at the date of this announcement.

**B13 Status of corporate proposals**

There were no corporate proposals announced but not yet completed as at 18 January 2010 (the latest practicable date which is not earlier than 7 days from the date of issue of this financial results) save as disclosed below:-

**(1) Bumiputera Equity Condition**

Pursuant to the approval of Rexit's listing on the MESDAQ Market (now known as ACE Market), the Securities Commission ("SC") had imposed a condition which requires Rexit to meet a Bumiputera equity requirement of 30% within one (1) year after Rexit achieves a profit track record requirement for listing on the Second Board or five (5) years after being listed on the MESDAQ market, whichever is earlier ("Bumiputera Equity Condition").

Rexit has achieved the profit track record requirement for listing on the Second Board based on the profit track record for the five (5) years ended 30 June 2002 to 30 June 2006 with an aggregate Profit After Tax ("PAT") of RM14.38 million and a consolidated PAT of RM6.61 million for the financial year ended 30 June 2006. As such Rexit was required to comply with the Bumiputera Equity Condition by 30 June 2007.

On 2 April 2008, Rexit had submitted an application to the SC to seek for an extension of time to meet the Bumiputera Equity Condition. Subsequent thereto, on 25 April 2008, Rexit announced that the SC has vide its letter dated 23 April 2008 approved the extension of time until 30 June 2009 for Rexit to meet the Bumiputera Equity Condition.

In line with the new Listing Requirements which came into effect on 3 August 2009, Rexit has achieved the profit track record requirement for listing on the Main Market. In addition, arising from the measures announced by the Prime Minister of Malaysia on 30 June 2009 wherein the Government of Malaysia had revised the Bumiputera Equity Condition from 30% to 12.5%, Rexit is now required to meet the revised equity requirement of 12.5% instead of the earlier 30% condition imposed.

On 8 September 2009, Rexit announced that SC has vide its letter dated 7 September 2009 approved the extension of time for eighteen (18) months from the date of the letter to meet the 12.5% Bumiputera equity condition.



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

- (2) Proposed acquisition of 3,920,000 ordinary shares of RM1.00 each in RISB representing 49% of the issued and paid-up share capital of RISB for a total cash consideration of approximately RM2.673 million

On 9 October 2009, the Company announced that it had on 9 October 2009 accepted a Letter of Offer dated 18 September 2009 issued by Marubeni for the proposed acquisition by Rexit of 49% of the equity interest in RISB from Marubeni comprising 3,920,000 ordinary shares of RM1.00 each for a total cash consideration of approximately RM2.673 million ("Proposed Acquisition").

The Proposed Acquisition is subject to and conditional upon approvals being obtained from non-interested shareholders of Rexit at the forthcoming Extraordinary General Meeting ("EGM") and any other relevant authorities/parties, if required.

The Company had on 2 November 2009 issued a Circular to its shareholders to seek for its approval for the Proposed Acquisition. The EGM of the Company was held on 24 November 2009 and the shareholders have accordingly approved the Proposed Acquisition.

The acquisition was completed on 3 December 2009.

**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 January 2010.

Rexit Berhad  
21 January 2010