



REXIT BERHAD (668114-K)

## QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The Quarter And Year-to-date Ended 30 Jun 2017

### A EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134 INTERIM FINANCIAL REPORTING

#### A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134 Interim Financial Reporting and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market ("Listing Requirements"). These financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 30 June 2016.

A2 The preceding year's annual audited financial statements were not subject to any qualification.

#### A3 Seasonal or cyclical factors

The Group's operations are not materially affected by 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 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 Twelfth AGM held on 25 November 2016. During the quarter under review, Rexit repurchased a total of 19,900 ordinary shares of its issued share capital from the open market at an average cost of RM0.87 per share. The total consideration paid for the shares bought back, including transaction costs during the current quarter amounted to RM17,446.62 and was financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 127 of the Companies Act, 2016. None of the treasury shares held were resold or cancelled during the current financial quarter. As at 30 June 2017, the total number of treasury shares held was 10,668,400 ordinary shares.

#### A7 Dividends

No Dividend has been declared or paid in the current quarter under review.

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**A EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134 INTERIM FINANCIAL REPORTING (Cont'd)**

**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 in East Asia region.

**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.

**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.

**A15 Cash and cash equivalents**

	Quarter Ended	
	30 Jun 2017	30 Jun 2016
	RM'000	RM'000
Investment in cash funds	23,724	19,817
Cash and bank balances	4,246	6,221
	27,970	26,038

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET**

**B1 Review of performance**

For the financial year to-date ended 30 June 2017, revenue rose from RM18,844 million to RM20,576 million. The increase is due mainly from software sales and services, including subscription and transaction fees. For the financial year to-date, the profit before tax ("PBT") rose 11.29% from RM8,839 million in the previous financial year to RM9,837 million. After providing for taxation, the profit after tax ("PAT") improved by 10.11% from RM6,857 million to RM7,550 million.

**B2 Variation of results against immediate preceding quarter**

	<b>Current Quarter</b>	<b>Immediate Preceding Quarter</b>	
	<b>30 Jun 2017</b>	<b>31 Mar 2017</b>	<b>Changes</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	5,677	5,143	10%
Direct costs	(1,480)	(1,469)	1%
Gross profit	<u>4,197</u>	<u>3,674</u>	14%
Other income	136	136	0%
Administrative expenses	(1,526)	(1,499)	2%
<b>Profit before taxation</b>	<u>2,807</u>	<u>2,311</u>	21%
Taxation	(581)	(500)	16%
<b>Profit for the financial period</b>	<u><u>2,226</u></u>	<u><u>1,811</u></u>	23%

For the current quarter, Rexit recorded a revenue of RM5,677 million, which has improved compared with the previous quarter mainly due to the increase in subscription, transaction fees, and software sales and services. PBT and PAT have also increased in line with the increase in revenue.

**B3 Prospects**

Rexit will focus on growing and enhancing its core business offerings in key markets namely Malaysia, Singapore and Hong Kong. Our business model leveraging on our core competencies and strength will ensure a continuous stream of recurring revenue.

Rexit is confident that it is in a position to deliver positive results for the next financial year.

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

Not applicable as no profit forecast was published.

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET (Cont'd)**

**B5 Profit before taxation**

	Quarter Ended 30 Jun 2017 RM'000	Year-to-date Ended 30 Jun 2017 RM'000
Interest income	199	771
Depreciation and amortisation	167	845
Gain/(loss) on foreign exchange:		
- Realised	(11)	3
- Unrealised	(23)	60

The other items as required under Appendix 9B, Part A(16) of the Listing Requirements are not applicable to the Group.

**B6 Taxation**

	Quarter Ended 30 Jun 2017 RM'000	Year-to-date Ended 30 Jun 2017 RM'000
Current tax expense:	581	2,287

**B7 Group's borrowings and debt securities**

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

**B8 Disclosure of Realised and Unrealised Profits / (Losses)**

The following analysis of realised and unrealised retained profits is prepared in accordance with Guidance on Special matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

	As at 30 Jun 2017 RM'000	As at 31 Mar 2017 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised gains	20,387	18,177
- Unrealised gains	60	83
	<u>20,447</u>	<u>18,260</u>
Add: Consolidation adjustments	(587)	(626)
Total Group retained profits as per consolidated accounts	<u>19,860</u>	<u>17,634</u>

**B9 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 does 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.

**B10 Dividends**

No dividend has been declared in the current quarter under review. The total dividend of the current financial year is 3 sen per ordinary share.

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET (Cont'd)**

**B11 Earnings per share**

	Quarter ended		Year-to-date ended	
	30 Jun 2017	30 Jun 2016	30 Jun 2017	30 Jun 2016
Profit after taxation and non-controlling interests (RM'000)	2,226	1,778	7,550	6,857
Weighted average number of shares in issue ('000)	178,876	179,247	178,876	179,601
Basic earnings per share (sen)	1.24	0.99	4.22	3.82

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.

**B12 Status of corporate proposals**

There were no corporate proposals announced but not yet completed as at 19 August 2017.

**B13 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 25 August 2017.

Rexit Berhad  
25 August 2017