



REXIT BERHAD (668114-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Quarter And Year-to-date Ended 30 September 2018

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 2018.

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2018.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the Group's accounting period beginning 1 July 2017

The adoption and application of the amendments to MFRSs and IC Interpretations are not expected to have any significant financial impact to the financial statements of the Group.

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 Fourteenth AGM held on 26 November 2018. During the quarter under review, Rexit did not repurchase any shares. As at 30 September 2018, the total number of treasury shares held was 11,232,600 ordinary shares.

A7 Dividends Paid

No dividend has been 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 in East Asia region.

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

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 Sep 2018	30 Sep 2017
	RM'000	RM'000
Investment in cash funds	25,156	25,241
Cash and bank balances	6,948	4,751
	32,104	29,992
	32,104	29,992

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 September 2018, revenue rose from RM5.234 million to RM5.245 million. The increase is mainly due from software sales and services, including subscription and transaction fees. For the financial year to-date, the profit before tax ("PBT") rose 0.48% from RM2.475 million in the previous financial year to RM2.487 million. After providing for taxation, the profit after tax ("PAT") decreased by 4.32% from RM1.875 million to RM1.794 million.

B2 Variation of results against immediate preceding quarter

	Current Quarter 30 Sep 2018 RM'000	Immediate Preceding Quarter 30 Jun 2018 RM'000	Changes %
Revenue	5,245	5,362	-2%
Direct costs	(1,580)	(1,487)	6%
Gross profit	<u>3,665</u>	<u>3,875</u>	-5%
Other income	225	377	NA
Administrative expenses	<u>(1,403)</u>	<u>(1,465)</u>	-4%
Profit before taxation	<u>2,487</u>	<u>2,787</u>	-11%
Taxation	<u>(693)</u>	<u>(533)</u>	30%
Profit for the financial period	<u><u>1,794</u></u>	<u><u>2,254</u></u>	-20%

For the current quarter, Rexit recorded a revenue of RM5.245 million, which has declined compared with the previous quarter mainly due to the lower software sales and services. PBT and PAT have also decreased in line with the decrease 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.

We expect the outlook for the next financial year to be challenging given the current economic environment.

B4 Variation of actual profit from forecast profit

Not applicable as no profit forecast was published.

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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	Year-to-date
	30 Sep 2018	Ended
	RM'000	30 Sep 2018
		RM'000
Interest income	234	234
Depreciation and amortisation	192	192
Gain/(loss) on foreign exchange:		
- Realised	12	12
- Unrealised	(22)	(22)

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	Year-to-date
	30 Sep 2018	Ended
	RM'000	30 Sep 2018
		RM'000
Current tax expense:	693	693

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 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.

B9 Dividends

The Board of Directors is declaring a single tier interim dividend of 3 sen per ordinary share for the financial year ending 30 June 2019. The proposed dividend will be paid on 27 December 2018 to shareholders who are registered at the close of business on 12 December 2018.

In the preceding year corresponding quarter, the Board of Directors declared a single tier interim dividend of 3 sen per ordinary share for the financial year ended 30 June 2018 amounting to RM5,356,647.99 (Ringgit Malaysia Five Million Three Hundred Fifty Six Thousand Six Hundred Forty Seven and Cents Ninety Nine Only).

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

B10 Earnings per share

	Quarter ended		Year-to-date ended	
	30 Sep 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017
Profit after taxation and non-controlling interests (RM'000)	1,794	1,875	1,794	1,875
Weighted average number of shares in issue ('000)	178,479	178,665	178,479	178,665
Basic earnings per share (sen)	1.01	1.05	1.01	1.05

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.

B11 Status of corporate proposals

There were no corporate proposals announced but not yet completed as at 20 November 2018.

B12 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 26 November 2018.

Rexit Berhad
26 November 2018