

QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The Quarter And Year-to-date Ended 30 June 2019

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 2018.

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 repurchased a total of 1,176,900 ordinary shares of its issued share capital from the open market at an average cost of RM0.69 per share. The total consideration paid for the shares bought back, including transaction costs during the current quarter amounted to RM776,365.54 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 2019, the total number of treasury shares held was 13,333,700 ordinary shares.

A7 Dividends Paid

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

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 2019	30 Jun 2018
	RM'000	RM'000
Investment in cash funds	26,953	24,227
Cash and bank balances	2,495	6,168
	29,448	30,395

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 Jun 2019, revenue rose 4.49% from RM21.037 million to RM21.982 million due to increase in software sales and services . The profit before tax ("PBT") however only rose 2.39% from RM10.268 million to RM10.513 million, mainly due to higher payroll cost incurred in retaining current expertise especially technical talent . After providing for taxation, the profit after tax ("PAT") increased by 0.25% from RM7.857 million to RM7.877 million, mainly due to lower capital allowance deduction.

B2 Variation of results against immediate preceding quarter

	Current Quarter 30 Jun 2019 RM'000	Immediate Preceding Quarter 31 Mar 2019 RM'000	Changes %
Revenue	5,934	5,644	5%
Direct costs	(1,825)	(1,590)	15%
Gross profit	<u>4,109</u>	<u>4,054</u>	1%
Other income	71	199	-64%
Administrative expenses	<u>(1,203)</u>	<u>(1,722)</u>	-30%
Profit before taxation	<u>2,977</u>	<u>2,531</u>	18%
Taxation	<u>(659)</u>	<u>(496)</u>	33%
Profit for the financial period	<u><u>2,318</u></u>	<u><u>2,035</u></u>	14%

For the current quarter, Rexit recorded a revenue of RM5.934 million, which has improved compared with the previous quarter mainly due to the increase in subscription and transaction fees. PBT and PAT have also increased inline 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.

We expect the outlook for the Company to be challenging.

B4 Variation of actual profit from forecast profit

Not applicable as no profit forecast was published.

REXIT BERHAD (668114-K)

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 2019 RM'000	Year-to-date Ended 30 Jun 2019 RM'000
Interest income	71	740
Depreciation and amortisation	178	774
Gain/(loss) on foreign exchange:		
- Realised	3	(4)
- Unrealised	231	74

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 2019 RM'000	Year-to-date Ended 30 Jun 2019 RM'000
Current tax expense:	659	2,636

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

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.

B10 Earnings per share

	Quarter ended		Year-to-date ended	
	30 Jun 2019	30 Jun 2018	30 Jun 2019	30 Jun 2018
Profit after taxation and non-controlling interests (RM'000)	2,318	2,254	7,877	7,857
Weighted average number of shares in issue ('000)	177,583	178,479	177,583	178,479
Basic earnings per share (sen)	1.31	1.26	4.44	4.40

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.



REXIT BERHAD (668114-K)

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

B11 Status of corporate proposals

There were no corporate proposals announced but not yet completed as at 22 August 2019.

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 28 August 2019.

Rexit Berhad
28 August 2019