

REXIT BERHAD 200401029606 (668114-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Quarter And Year-to-date Ended 30 June 2021

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 2020.

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 2020.

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 2020.

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 Sixteenth AGM held on 29 December 2020. During the quarter under review, Rexit did not repurchase any shares. As at 30 June 2021, the total number of treasury shares held was 15,071,500 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 2021 RM'000	30 Jun 2020 RM'000
Fixed deposits with licensed banks	-	6,822
Investment in cash funds	12,626	2,301
Cash and bank balances	8,067	5,166
	<u>20,693</u>	<u>14,289</u>

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 2021, revenue dropped 1.64% from RM25.059 million to RM24.647 million. The decrease is mainly due to lower software customisation services. For the financial year to-date, the profit before tax ("PBT") drop by 0.51% from RM12.852 million to RM12.786 million. After providing for taxation, the profit after tax ("PAT") increased by 3.97% from RM9.516 million to RM9.894 million.

B2 Variation of results against immediate preceding quarter

	Current Quarter 30 Jun 2021 RM'000	Immediate Preceding Quarter 31 Mar 2021 RM'000	Changes %
Revenue	6,061	5,837	4%
Direct costs	<u>(1,953)</u>	<u>(1,487)</u>	31%
Gross profit	4,108	4,350	-6%
Other income	157	35	349%
Administrative expenses	<u>(1,555)</u>	<u>(1,463)</u>	6%
Profit before taxation	<u>2,710</u>	<u>2,922</u>	-7%
Taxation	<u>(88)</u>	<u>(802)</u>	-89%
Profit for the financial period	<u><u>2,622</u></u>	<u><u>2,120</u></u>	24%

For the current quarter, Rexit recorded a revenue of RM6.061 million, which has improved compared with the previous quarter mainly due to the increase in software sales and services. PBT declined due to higher direct costs and depreciation of newly acquired assets resulting from the relocation and upgrading of data centre. However PAT improved due to lower tax payable as a result of capital allowances claimed on acquisition of data centre assets.

B3 Prospects

We expect the outlook of the Company to remain uncertain as a result of the COVID-19 pandemic.

B4 Variation of actual profit from forecast profit

Not applicable as no profit forecast was published.

B5 Profit before taxation

	Quarter Ended 30 Jun 2021 RM'000	Year-to-date Ended 30 Jun 2021 RM'000
Interest income	1	1
Distribution income from investment in cash fund	49	200
Distribution income from Investment on quoted funds	108	602
Depreciation and amortisation	224	925
Gain/(loss) on foreign exchange:		
- Realised	2	(23)
- Unrealised	3	(115)

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

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

B6 Taxation

	Quarter Ended 30 Jun 2021 RM'000	Year-to-date Ended 30 Jun 2021 RM'000
Current tax expense:	88	2,892

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 4 sen per ordinary share.

B10 Earnings per share

	Quarter ended		Year-to-date ended	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
Profit after taxation and non-controlling interests (RM'000)	2,622	3,092	9,894	9,516
Weighted average number of shares in issue ('000)	174,262	175,422	174,262	175,422
Basic earnings per share (sen)	1.50	1.76	5.68	5.42

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 17 August 2021.

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 23 August 2021.

Rexit Berhad
23 August 2021