

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

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 2021, except for the adoption of the following MFRS, amendments to MFRS and IC interpretations:

(i) Effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, 'Financial Instruments', MFRS 139 'Financial Instruments: Recognition and Measurement', MFRS 7, 'Financial Instruments', MFRS 4, 'Insurance Contracts' and MFRS 16, 'Leases' - Interest Rate Benchmark Reform (Phase 2)

The following are MFRS, amendments to MFRS and IC Interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group:

(i) Effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, 'First-time Adoption of Malaysian Financial Reporting Standards' - Subsidiary as a First-time Adopter
- Amendments to MFRS 3, 'Business Combinations' - Reference to the Conceptual Framework
- Amendments to MFRS 9, 'Financial Instruments' - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities
- Amendments to MFRS 116, 'Property, Plant and Equipment' - Proceeds before Intended Use
- Amendments to MFRS 137, 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of Fulfilling a Contract
- Amendments to MFRS 141, 'Agriculture' - Taxation in Fair Value Measurements

(ii) Effective for annual periods beginning on or after 1 January 2023

- MFRS 17, 'Insurance Contracts' and Amendments to MFRS 17, 'Insurance Contracts'
- Amendments to MFRS 101, 'Presentation of Financial Statements' - Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101, 'Presentation of Financial Statements' - Disclosure of Accounting Policies
- Amendments to MFRS 108, 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates
- Amendments to MFRS 112, 'Income Taxes' - Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

(iii) Deferred to a date to be determined by the MASB

- Amendments to MFRS 10, 'Consolidated Financial Statements' and MFRS 128, 'Investments in Associates and Joint Ventures' - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

Basis of preparation (Cont'd)

The Group plans to apply the above MFRS, amendments to MFRS and IC Interpretations in the respective financial years when the above MFRS, amendments to MFRS and IC Interpretations become effective where applicable.

The initial application of above MFRS, amendments to MFRS and IC Interpretations are not expected to have any material financial impacts to the current and prior period financial statements of the Group.

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 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 Seventeenth AGM held on 26 November 2021. During the quarter under review, Rexit did not repurchase any shares. As at 30 September 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.

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.

A EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134 INTERIM FINANCIAL REPORTING (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.

A15 Cash and cash equivalents

	Quarter Ended	
	30 Sep 2021 RM'000	30 Sep 2020 RM'000
Fixed deposits with licensed banks	-	-
Investment in cash funds	19,124	16,065
Cash and bank balances	8,876	3,103
	<u>28,000</u>	<u>19,168</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 September 2021, revenue dropped 1.63% from RM6.211 million to RM6.110 million. The decrease is mainly due to lower software sales and services. The profit before tax ("PBT") rose 2.77% from RM3.360 million to RM3.453 million mainly due to distribution income from investments in quoted funds. After providing for taxation, the profit after tax ("PAT") increased by 5.04% from RM2.627 million to RM2.501 million.

B2 Variation of results against immediate preceding quarter

	Current Quarter 30 Sep 2021 RM'000	Immediate Preceding Quarter 30 Jun 2021 RM'000	Changes %
Revenue	6,110	6,061	1%
Direct costs	(1,809)	(1,953)	-7%
Gross profit	4,301	4,108	5%
Other income	520	157	231%
Administrative expenses	(1,368)	(1,555)	-12%
Profit before taxation	3,453	2,710	27%
Taxation	(826)	(88)	839%
Profit for the financial period	2,627	2,622	0%

For the current quarter, Rexit recorded a revenue of RM6.110 million, which has improved compared with the previous quarter mainly due to the increase in software customisation services. PBT and PAT have also increased inline with the increase in revenue.

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 Sep 2021 RM'000	Year-to-date Ended 30 Sep 2021 RM'000
Interest income	-	-
Distribution income from investment in cash fund	76	76
Distribution income from Investment on quoted funds	444	444
Depreciation and amortisation	269	269
Gain/(loss) on foreign exchange:		
- Realised	7	7
- Unrealised	2	2

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 Sep 2021 RM'000	Year-to-date Ended 30 Sep 2021 RM'000
Current tax expense:	826	826

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 4 sen per ordinary share for the financial year ending 30 June 2022. The proposed dividend will be paid on 28 December 2021 to shareholders who are registered at the close of business on 13 December 2021.

In the preceding year corresponding quarter, the Board of Directors declared a single tier interim dividend of 4 sen per ordinary share for the financial year ended 30 June 2021 amounting to RM6,970,473.32 (Ringgit Malaysia Six Million Nine Hundred Seventy Thousand Four Hundred Seventy Three and cents Thirty Two only).

B10 Earnings per share

	Quarter ended		Year-to-date ended	
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
Profit after taxation and non-controlling interests (RM'000)	2,627	2,501	2,627	2,501
Weighted average number of shares in issue ('000)	174,262	175,422	174,262	175,422
Basic earnings per share (sen)	1.51	1.43	1.51	1.43

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 21 November 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 26 November 2021.