

**REXIT BERHAD 200401029606 (668114-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**For The Quarter And Year-to-date Ended 31 December 2022**

**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 2022.

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 2022, 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)

**(ii) Effective for annual periods beginning on or after 1 April 2021**

- Amendment to MFRS 16, 'Leases' - Covid-19-Related Rent Concessions beyond 30 June 2021

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 MFRSs, 'Annual Improvements to MFRSs 2018' - 2020 Cycle
- Amendments to MFRS 3, 'Business Combinations' - Reference to the Conceptual Framework
- Amendments to MFRS 9, 'Financial Instruments' - Fees in the '10 percent' Test for Derecognition of Financial Liabilities
- MFRS 17, 'Insurance Contracts' and Amendments to MFRS 17, 'Insurance Contracts
- 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
- Annual improvements to MFRSs standards 2018-2020

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

- 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 Eighteenth AGM held on 21 November 2022. During the quarter under review, Rexit did not repurchase any shares. As at 31 December 2022, the total number of treasury shares held was 16,117,500 ordinary shares.

**A7 Dividends Paid**

The Board of Directors had declared a single tier interim dividend of 4 sen per ordinary share during the preceding quarter for the financial year ending 30 June 2023 amounting to RM6,928,633.32 (Ringgit Malaysia Six Million Nine Hundred Twenty Eight Thousand Six Hundred Thirty Three and cents Thirty Two only). The dividend were paid on 23 December 2022 to shareholders who were registered at the close of business on 7 December 2022.

In the preceding year corresponding quarter, a single tier interim dividend of 4 sen per ordinary share for the financial year ended 30 June 2022 amounting to RM6,970,473.32 (Ringgit Malaysia Six Million Nine Hundred Seventy Thousand Four Hundred Seventy Three and cents Thirty Two only) were paid on 28 December 2021 to shareholders who were registered at the close of business on 13 December 2021.

**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.

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

**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	
	31 Dec 2022	31 Dec 2021
	RM'000	RM'000
Investment in money market fund	14,819	19,914
Cash and bank balances	7,017	2,988
	<u>21,836</u>	<u>22,902</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 31 December 2022, revenue rose 11.21% from RM12.030 million to RM13.379 million due to increase in software customisation services. The profit before tax ("PBT") rose 2.30% from RM6.900 million to RM7.059 million. After providing for taxation, the profit after tax ("PAT") increased by 0.25% from RM5.139 million to RM5.152 million.

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

	Current Quarter 31 Dec 2022 RM'000	Immediate Preceding Quarter 30 Sep 2022 RM'000	Changes %
Revenue	6,844	6,535	5%
Direct costs	(1,831)	(1,809)	1%
Gross profit	5,013	4,726	6%
Other income	292	67	336%
Administrative expenses	(1,591)	(1,448)	10%
<b>Profit before taxation</b>	3,714	3,345	11%
Taxation	(991)	(916)	8%
<b>Profit for the financial period</b>	2,723	2,429	12%

For the current quarter, Rexit recorded a revenue of RM6.844 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 challenging due to the uncertainty over global growth.

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

Not applicable as no profit forecast was published.

**B5 Profit before taxation**

	Quarter Ended 31 Dec 2022 RM'000	Year-to-date Ended 31 Dec 2022 RM'000
Interest income	26	29
Distribution income from investment in money market fund	49	113
Distribution income from Investment on quoted funds	217	217
Depreciation and amortisation	279	562
Gain/(loss) on foreign exchange:		
- Realised	(21)	(14)
- Unrealised	(154)	(72)

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 31 Dec 2022 RM'000	Year-to-date Ended 31 Dec 2022 RM'000
Current tax expense:	991	1,907

**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	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Profit after taxation and non-controlling interests (RM'000)	2,723	2,512	5,152	5,139
Weighted average number of shares in issue ('000)	174,124	174,262	174,124	174,262
Basic earnings per share (sen)	1.56	1.44	2.96	2.95

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 11 February 2023.

**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 17 February 2023.

Rexit Berhad  
17 February 2023