

REXIT BERHAD 200401029606 (668114-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Quarter And Year-to-date Ended 31 December 2023

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 2023.

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 2023, except for the adoption of the following amendments to MFRS :

- Amendments to MFRS 3, 'Business Combination' – Reference to the Conceptual Framework
- Amendment to MFRS 16, 'Leases' - COVID-19-Related Rent Concessions beyond 30 June 2021
- 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
- Annual Improvements to MFRS Standards 2018 – 2020:
 - Amendments to MFRS 1, 'First-time Adoption of Malaysian Financial Reporting Standards' – Subsidiary as a First-Time Adopter
 - Amendments to MFRS 9, 'Financial Instruments' – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities
 - Amendments to MFRS 141, 'Agriculture' – Taxation in Fair Value Measurements

The following are MFRS and amendments to MFRS 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 immediately on 23 May 2023

- Amendments to MFRS 112, 'Income Taxes' – International Tax Reform – Pillar Two Model Rules (Paragraphs 4A and 88A)

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

- MFRS 17, 'Insurance Contracts' and Amendments to MFRS 17, 'Insurance Contracts'
- Amendment to MFRS 17, 'Insurance Contracts' – Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- 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
- Amendments to MFRS 112, 'Income Taxes' – International Tax Reform – Pillar Two Model Rules (Paragraphs 88B, 88C and 88D)

(iii) Effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, 'Leases' – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, 'Presentation of Financial Statements' – Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101, 'Presentation of Financial Statements' – Non-current Liabilities with Covenants

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

Basis of preparation (Cont'd)

- Amendments to MFRS 107, 'Statement of Cash Flows' and MFRS 7, 'Financial Instruments: Disclosures' - Supplier Finance Arrangements'

(iv) 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

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

The initial application of above MFRS and amendments to MFRS 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 Nineteenth AGM held on 28 November 2023. During the quarter under review, Rexit did not repurchase any shares. As at 31 December 2023, 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 5 sen per ordinary share during the preceding quarter for the financial year ending 30 June 2024 amounting to RM8,660,791.65 (Ringgit Malaysia Eight Million Six Hundred Sixty Thousand Seven Hundred Ninety One and cents Sixty Five only). The dividend were paid on 27 December 2023 to shareholders who were registered at the close of business on 13 December 2023.

In the preceding year corresponding quarter, a single tier interim dividend of 4 sen per ordinary share for the financial year ended 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) were paid on 23 December 2022 to shareholders who were registered at the close of business on 7 December 2022.

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	
	31 Dec 2023	31 Dec 2022
	RM'000	RM'000
Fixed deposits with licensed banks	7,000	-
Investment in money market fund	13,106	14,819
Cash and bank balances	7,063	7,017
	<u>27,169</u>	<u>21,836</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 2023, revenue rose 21.89% from RM13.379 million to RM16.307 million due to increase in hardware, systems software sales and software sales and services. The profit before tax ("PBT") rose 28.63% from RM7.059 million to RM9.080 million. After providing for taxation, the profit after tax ("PAT") increased by 32.59% from RM5.152 million to RM6.831 million.

B2 Variation of results against immediate preceding quarter

	Current Quarter 31 Dec 2023 RM'000	Immediate Preceding Quarter 30 Sep 2023 RM'000	Changes %
Revenue	9,340	6,967	34%
Direct costs	(3,265)	(1,987)	64%
Gross profit	6,075	4,980	22%
Other income	652	157	315%
Administrative expenses	(1,440)	(1,344)	7%
Profit before taxation	5,287	3,793	39%
Taxation	(1,273)	(976)	30%
Profit for the financial period	4,014	2,817	42%

For the current quarter, Rexit recorded a revenue of RM9.340 million, which has improved compared with the previous quarter mainly due to the increase in hardware, systems software sales and software sales and services. Other income increased mainly due to distribution income from long term investment in quoted funds. PBT and PAT have also increased inline with the increase in revenue.

B3 Prospects

We expect the outlook of the Company to remain cautious.

B4 Variation of actual profit from forecast profit

Not applicable as no profit forecast was published.

B5 Profit before taxation

	Quarter Ended 31 Dec 2023 RM'000	Year-to-date Ended 31 Dec 2023 RM'000
Interest income	110	217
Distribution income from investment in money market fund	72	122
Distribution income from Investment on quoted funds	351	351
Depreciation and amortisation	251	511
Gain/(loss) on foreign exchange:		
- Realised	10	24
- Unrealised	(102)	(103)

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 2023 RM'000	Year-to-date Ended 31 Dec 2023 RM'000
Current tax expense:	1,273	2,249

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 5 sen per ordinary share.

B10 Earnings per share

	Quarter ended		Year-to-date ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Profit after taxation and non-controlling interests (RM'000)	4,014	2,723	6,831	5,152
Weighted average number of shares in issue ('000)	173,216	174,124	173,216	174,124
Basic earnings per share (sen)	2.32	1.56	3.94	2.96

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 15 February 2024.

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 22 February 2024.

Rexit Berhad
22 February 2024