



REXIT BERHAD (668114-K)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Fourth Quarter Ended 30 June 2006**

A NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial statements are prepared in accordance with Financial Reporting Standard ("FRS") No. 134: Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the MESDAQ Market.

The interim financial statements are prepared based on the historical cost convention and in compliance with the applicable Approved Accounting Standards in Malaysia.

The accounting policies and methods of computation adopted by Rexit, its subsidiary companies and its associated company ("Rexit Group" or "Group") in the preparation of this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2005.

The consolidated financial statements have been prepared based on the Rexit Group structure that has been in existence since 30 August 2005 and are to be read in conjunction with Rexit's Prospectus dated 20 October 2005.

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 changes 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 during the current quarter under review.

A5 Material changes in estimates

There were no changes in estimates of amounts reported in prior financial years, which have a material effect in the current quarter under review.

A6 Debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities, share buy backs, share cancellation, shares held as treasury share and resale of treasury shares during the current quarter under review.

A7 Dividend paid

The Board of Directors had declared an interim dividend of 10% per ordinary share of RM0.10 each tax exempt in respect of the financial year ended 30 June 2006, amounting to RM1,420,000.00 (Ringgit Malaysia One Million Four Hundred and Twenty Thousand only). The dividend was paid on 16 March 2006 to shareholders registered at the close of business on 28 February 2006.

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.

For the quarter under review, the Group's operations are conducted predominantly in Malaysia.



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A NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)

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

Save as disclosed below, there have been no material events between the end of the quarter to the date of this announcement.

On 11 July 2006, a bonus issue of 47,333,333 new Rexit shares was allotted to shareholders as fully paid-up on the basis of one (1) new Rexit share for every three (3) existing Rexit shares.

On 14 July 2006, Rexit announced that Rexit's additional 47,333,333 new ordinary shares of RM0.10 each issued pursuant to the Bonus Issue carried out by the Company will be granted listing and quotation with effect from 9.00 am, Tuesday, 18 July 2006. Accordingly, the Bonus Issue was completed on the said date.

A11 Changes in the composition of the Group

On 15 May 2006, Rexit announced the incorporation of a new subsidiary, PT Rexit Indonesia on 11 May 2006 in which Rexit holds 51% of the total equity.

There were no other changes in the composition of the Group, including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations for the current financial year to date.

A12 Contingent liabilities

The Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at the latest practicable date which is not earlier than 7 days from the date of issue of this financial results.

A13 Capital commitments

As at 30 June 2006, the Group has no material capital commitments in respect of property, plant and equipment.

A14 Significant related party transactions

The Group received Bursa Securities's approval dated 10 November 2005 for obtaining shareholders' ratification for recurrent related party transactions entered into by the Group from the date of listing, 16 November 2005 until the first annual general meeting or extraordinary meeting, whichever is earlier. On 15 June 2006, the shareholders of the Company approved the mandate at the Extraordinary General Meeting ("EGM") for the Group to enter into recurrent related parties transactions.

During the period, there have been no other related party transactions which would have a significant impact on the financial position and business of the Group.

A15 Cash and cash equivalents

	As at 30 June 2006 RM'000
Cash and bank balances	2,598
Deposits with other corporation	2,500
Fixed deposits with licensed banks	14,577
	<hr/>
	19,675



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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1 Review of performance

For the current quarter ended 30 June 2006, Rexit Group recorded a revenue of RM4.794 million mainly attributable to sale of proprietary software, subscription and transaction fees from the increasing number of users for the e-Cover portal and value-added system sales. In line with the revenue recorded and 100% tax exemption granted to Rexit Software Sdn Bhd due to its pioneer status, Rexit Group recorded a profit before tax for the quarter ended 30 June 2006 of RM1.616 million and a profit after tax of RM1.800 million. For the financial year ended 30 June 2006, Rexit Group recorded a profit before tax of RM6.599 million and a profit after tax of RM6.606 million.

B2 Variation of results against preceding quarter

	Current Quarter 30 June 2006 RM'000	Preceding Quarter 31 Mar 2006 RM'000
Revenue	4,838	4,657
Profit after tax	1,800	1,633

There were no significant variation of results between the current and preceding quarters.

B3 Prospects

During the quarter under review, the Group has tapped into the overseas market by setting up a joint venture company, PT Rexit Indonesia. Rexit has also entered into a Memorandum of Understanding ("MOU") with Marubeni Corporation of Japan for the proposed formation of a joint venture to market and promote Rexit's products and services outside of Malaysia. Both parties are currently in negotiations on the contractual terms for the joint venture agreement. Rexit expects that upon successful signing of the joint venture agreement, the Group will be able to leverage on Marubeni Corporation's established global networks and accelerate its international sales growth. This is expected to provide the Group with a strong platform to penetrate global markets and is expected to contribute positively to the future earnings of the Group.

In addition, future growth prospects for the general insurance industry are expected to remain strong in 2006 with the positive outlook for the domestic economy, as well as anticipated increase in premium rates anticipated for certain commercial lines of business arising from the follow-through effects of the 2005 hurricane losses in the United States.

Barring any unforeseen circumstances, the Directors believe that the Group's prospects for the financial year ending 30 June 2007 will remain favourable.

B4 Variation of actual profit from forecast profit

Not applicable as no profit forecast was published.

B5 Taxation

	Current Quarter 30 June 2006 RM'000	Cumulative quarter to 30 June 2006 RM'000
Current tax expense	17	194
Deferred taxation	(201)	(201)
	<u>(184)</u>	<u>(7)</u>

The effective tax rate of the Group remained low due to the 100% tax exemption granted to a subsidiary company of Rexit, Rexit Software Sdn Bhd, due to its pioneer status for a period of 5 years by virtue of it being a company with Multimedia Super Corridor (MSC) status and transfer from deferred taxation due to movement of fixed assets between related corporations in the fourth quarter.



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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (Cont'd)

B6 Unquoted investments and properties

There were no changes in the unquoted investments and properties of the Group during the current quarter under review.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities during the current quarter under review.

B8 Group's borrowings and debt securities

The Group has no borrowings or debt securities as at 30 June 2006.

The Group does not have any foreign currency borrowings.

B9 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at the date of this announcement applicable to the Group.

B10 Material litigation

Neither the Company nor its subsidiary companies 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 subsidiary companies and the Board does not know 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 subsidiary companies.

B11 Dividends

No final dividend has been declared for the financial year ended 30 June 2006.

B12 Earnings per share

	Current Year Quarter 30 June 2006	Current Year To date 30 June 2006
Profit after taxation (RM'000)	1,800	6,606
Weighted average number of shares in issue ('000)	142,000	113,603
Basic earnings per share (sen)	1.27	5.81

Diluted earnings per share is not disclosed herein as the options under the ESOS have not been granted as at the date of this announcement.



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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (Cont'd)

B13 Status of corporate proposals

Save as disclosed below, there were no corporate proposals announced but not yet completed as at the date of this announcement.

On 24 April 2006, the Company announced that the investment outlay in PT Rexit will be USD510,000 representing 51% of the eventual issued and paid-up capital of PT Rexit. The eventual paid-up capital of PT Rexit will be USD1,000,000 comprising 1,000,000 ordinary shares of USD1.00 each.

On 11 May 2006, PT Rexit Indonesia was incorporated to undertake the services of financial and insurance related information technology services in the Republic of Indonesia. PT Rexit Indonesia has commenced its operation in August 2006.

On 18 May 2006, the Company announced that the Company had obtained approval from Bank Negara Malaysia on the Joint Venture with Swadayanusa Kencana Raharja via PT Rexit Indonesia.

On 25 May 2006, the Company entered into a MOU with Marubeni Corporation of Japan for the proposed formation of a joint venture to market and promote Rexit's products and services outside of Malaysia. Both parties are currently in negotiations on the contractual terms for the joint venture agreement. Further details will be announced in due course.

On 15 June 2006, the shareholders of the Company unanimously approved the Proposed Bonus Issue and the Proposed Shareholders' Ratification and Mandate at the Extraordinary General Meeting of the Company. The Proposed Bonus Issue was completed and the additional 47,333,333 Bonus Shares were granted listing and quotation on 18 July 2006.

B14 Utilisation of IPO proceeds

The status of utilisation of the proceeds raised from the public issue pursuant to the listing of the Company on MESDAQ Market of Bursa Securities amounting to RM6.054 million is as follows:

	Proposed Utilisation ⁽¹⁾ RM'000	Utilised as at 30 June 2006 RM'000	Balance RM'000
Research and development expenses	2,000	1,351	649
Working capital	2,454	556	1,898
Estimated listing expenses	1,600 *	1,488	112
	<u>6,054</u>	<u>3,395</u>	<u>2,659</u>

Note: -

(1) extracted from Rexit's Prospectus dated 20 October 2005

* the Company had only utilised RM1,488,206 of its estimated listing expenses. As such, the additional balance of RM111,794 will be transferred for the Company's working capital requirements.

B15 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 15 August 2006.

**Rexit Berhad
15 August 2006**